BAV WEALTH CARE

MiCA: EU Crypto Regulation

Markets in Crypto-Assets: The First Comprehensive Rulebook for Digital Assets

Harmonizing the Single Market

MiCA replaces fragmented national laws with a unified framework across all 27 EU Member States.

THE THREE TOKEN CATEGORIES

ART

Asset-Referenced Tokens pegged to commodities, baskets of assets, or multiple currencies.

EMT

E-Money Tokens pegged to a single fiat currency (e.g., Euro or Dollar stablecoins).

Other Assets

A catch-all for assets like utility tokens that provide access to specific digital services.

ASSET-REFERENCED TOKENS (ART)

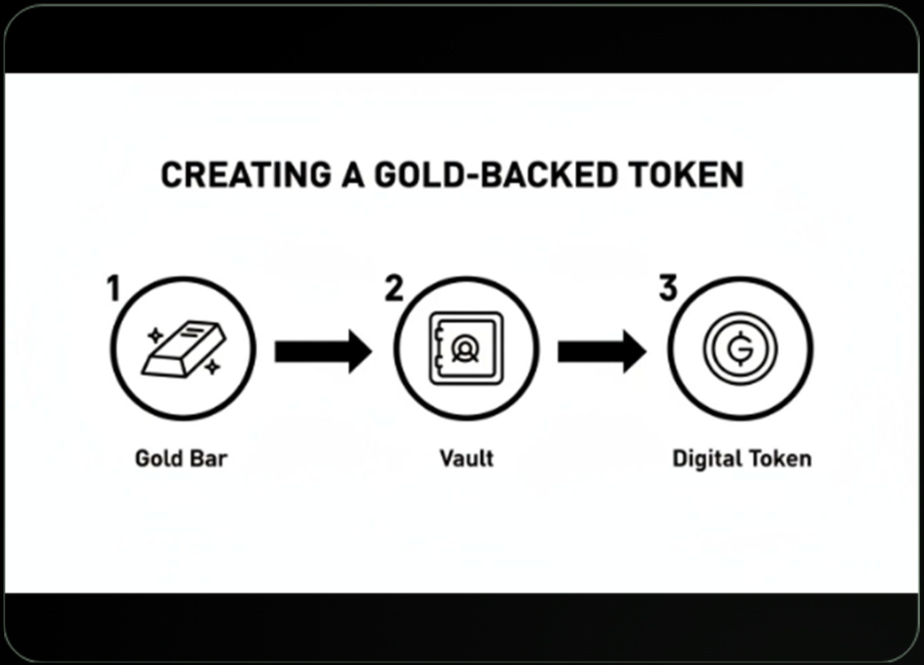
Reserve Requirements

Issuers must maintain a 1:1 reserve of assets to ensure holder redemption rights at any time.

Reserve assets must be legally segregated and insulated from the issuer's insolvency.

Strict Authorization

Only credit institutions or specifically authorized legal entities in the EU can issue ARTs to the public.



E-MONEY TOKENS (EMT)

Issuer Standards

Treated as electronic money under EU law. Restricted to **Credit Institutions** or **Electronic Money Institutions** (EMIs).

Redemption Rights

Holders have a permanent right to redeem at par value. Direct remuneration (interest) to holders is strictly prohibited.

THE CASP REGIME

Unlocking Europe

Crypto-Asset Service Providers (CASPs) must obtain authorization from a national regulator to operate.

A single license allows for **Passporting**, enabling the firm to offer services across the entire European Economic Area legally.

FINANCIAL SAFEGUARDS

€150k

Base Capital Tier

Prudential Requirements

Minimum capital depends on the risk profile of the service provided:

- €50,000: Advisory & Portfolio Management
- €125,000: Trading Platform Operation
- €150,000: Custody & Exchange Services

Firms must also hold funds equal to 1/4 of fixed overheads.

INVESTOR PROTECTIONS

- **Mandatory White Papers:** All issuers must publish detailed, transparent disclosures before offering tokens.
- **Market Abuse Rules:** Prohibits insider dealing and market manipulation, aligning crypto with traditional finance.
- **Liability Standards:** Issuers are legally liable for misleading information in their crypto-asset white papers.
- **Complaint Handling:** CASPs must establish formal procedures for resolving user grievances promptly and fairly.

IMPLEMENTATION TIMELINE

June 2023

MiCA officially entered into force across the EU.

June 2024

Stablecoin rules (ART/EMT) became applicable.

Dec 2024

Main CASP regime and Conduct rules took effect.

July 2026

Transitional grandfathering periods officially expire.

GREEN CRYPTO MANDATE

Environmental Disclosures

MiCA requires issuers and service providers to disclose information regarding the environmental and climate-related impact of the crypto-assets they handle.

This specifically targets the **energy consumption** and carbon footprint of consensus mechanisms like Proof of Work.

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