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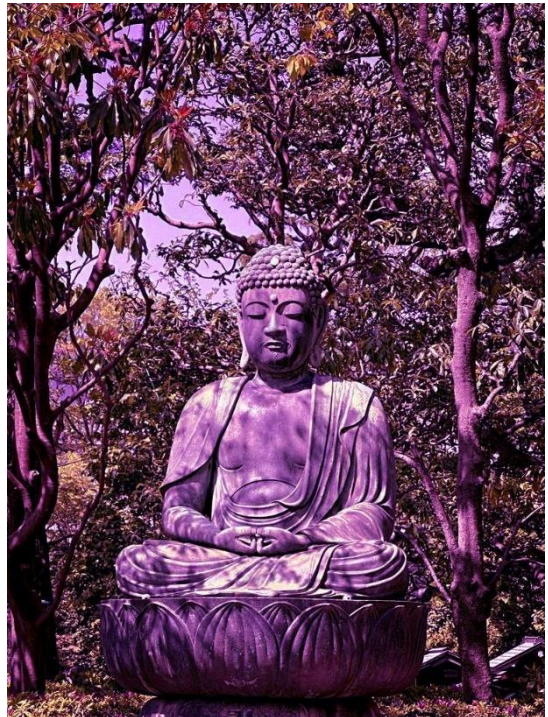
### **Regulating crypto: The EU Parliament gives green light to the crypto asset regulation**

Earlier last week the European Parliament gave a resounding "yes" to the proposal of the Regulation of the European Parliament and of the Council on Markets in Crypto-assets ("MiCA"), advancing the EU digital finance agenda, marking a huge step towards harmonizing the crypto asset regulation across the EU and more importantly, bringing some much-needed consumer protection to the world of crypto-assets.

It is recalled that MiCA is rather broad in scope and covers any digital representation of a value or right that can be transferred and stored electronically, using distributed ledger technology or similar tech, meaning that anything that is not currently regulated by sectorial financial services legislation is now on the regulatory chopping block. The crypto-assets themselves are divided into three distinct categories: asset-referenced tokens (ARTs), e-money tokens (EMTs), and "other crypto-assets" and fall under three different regulatory regimes.

MiCA further imposes disclosure and transparency requirements on issuers of crypto-assets and crypto-asset service providers. The former are obliged to publish a white paper containing, among others, information about the issuer, the characteristics of the crypto-assets, the project timelines and the risks. The latter (being providers of investment advice, portfolio management, brokerage services or trading platform operation services), similarly to financial market operators governed by the MiFID II regime, are required to be established in the EU and to obtain a respective authorization of the competent national authorities.

The last step before the adoption of MiCA is a formal vote of the EU Council and a subsequent publication of the act in the EU Official Journal. Once adopted, MiCA will gradually enter into force in the course of 2024 and along the way the supervisory authorities will issue technical standards and guidelines to supplement MiCA. We will continue to monitor the MiCA approval process and MiCA's impact on the EU crypto-assets market.



Please visit our website and social media accounts for further information on the scope of services offered by our asset management practice or reach out to our team members directly to discuss your potential crypto projects.

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