On scope regarding decentralized use cases

Amendment 1	
Text proposed by the Commission[1]	**Amendment**
	Recital X (new) ***This Regulation applies to natural and legal persons and the activities and services performed and provided by them. This Regulation covers the rights and obligations applicable to issuers of crypto-assets and to crypto-asset service providers. Where crypto-assets have no issuer, for example because they are created as the result of mining, staking, or the application of a computer protocol not under the control of an identifiable legal or natural person, the provisions of Titles II, III or IV do not apply. Crypto-asset services provided for such crypto-assets by service providers covered by Title V should however be subject to this Regulation, taking into account the specific characteristics of those assets. Decentralised exchanges and other intermediation services related to crypto-asset that are not provided and controlled by an identifiable service provider do not constitute crypto-asset services covered by this Regulation.*** ***If any, risks borne by the services and assets that are not covered by this regulation should be appropriately appraised and***

[1] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

	mitigated by another legislative proposal that would create rules adapted to those business models and modes of operations.

Justification

Due to the diverse nature of crypto-assets and services provided on crypto-assets, in particular the emergence of decentralized use cases, it is appropriate to specify that only established crypto-assets activities and assets, that are effectively issued, provided and controlled by an identifiable legal or natural person shall be subject to the MiCA rules.

Amendment 2

Text proposed by the Commission[2]	Amendment
Article 122 [...] The report shall contain the following: [...] (o) an appraisal of whether any changes are needed to the measures set out in this Regulation to ensure consumer protection, market integrity and financial stability;	Article 122 [...] The report shall contain the following: [...] (o) an appraisal of whether any changes are needed to the measures set out in this Regulation to ensure consumer protection, market integrity and financial stability; ***(o bis) an appraisal of whether another legislative act is needed to regulate new developments in business models and technologies in the crypto-asset market, notably so-called decentralized assets and products, and, if applicable, principles that should govern the regulation of those new developments and a draft legislative proposal.***
Justification *The report to the European Parliament and the Council on the application of this Regulation should include an assessment of the development of the so-called "decentralized" assets and products, the risks associated with such developments and the requirement, if any,*	

[2] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

for a new regulation mitigating those risks.

Amendment 3	
Text proposed by the Commission[3]	**Amendment**

[3] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

Article 2	Article 2
[...]	[...]
3.This Regulation does not apply to the following entities and persons:	3.This Regulation does not apply to the following entities and persons:
(a)the European Central Bank, national central banks of the Member States when acting in their capacity as monetary authority or other public authorities;	(a) the European Central Bank, national central banks of the Member States when acting in their capacity as monetary authority or other public authorities;
(b)insurance undertakings or undertakings carrying out the reinsurance and retrocession activities as defined in Directive 2009/138/EC of the European Parliament and of the Council 51 when carrying out the activities referred to in that Directive;	(b) insurance undertakings or undertakings carrying out the reinsurance and retrocession activities as defined in Directive 2009/138/EC of the European Parliament and of the Council 51 when carrying out the activities referred to in that Directive;
(c)a liquidator or an administrator acting in the course of an insolvency procedure, except for the purpose of Article 42;	(c) a liquidator or an administrator acting in the course of an insolvency procedure, except for the purpose of Article 42;
(d)persons who provide crypto-asset services exclusively for their parent companies, for their subsidiaries or for other subsidiaries of their parent companies;	(d) persons who provide crypto-asset services exclusively for their parent companies, for their subsidiaries or for other subsidiaries of their parent companies;
(e)the European investment bank;	(e) the European investment bank;
(f)the European Financial Stability Facility and the European Stability Mechanism;	(f) the European Financial Stability Facility and the European Stability Mechanism;
(g)public international organisations.	(g) public international organisations.

[…]	***(h) Decentralised exchanges and other crypto-asset trading or custody activities that are not provided and controlled by a service provider.*** […]

Justification *Due to the diverse nature of crypto-assets, in particular the emergence of decentralized use cases, it is appropriate to specify that only established crypto-assets activities effectively provided and controlled by a service provider shall be subject to the MiCA rules.*

Amendment 4	
Text proposed by the Commission[4]	**Amendment**
	Article 3 bis ***Provisions of Titles II, III and IV do not apply to crypto-assets that have no issuer, notably as they emerge on the market exclusively as the result of mining, staking or similar validation mechanism, or the application of a computer protocol not under the control of an identifiable legal or natural person.***
Justification *Due to the specific nature of crypto-assets and the existence of decentralized crypto-assets, it is appropriate to specify that only crypto-assets that have an identifiable issuer are covered by the MiCA regulation. (as above*	

On e-money tokens

Amendment 5

[4] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

Text proposed by the Commission[5]	Amendment
Recital 10	**Recital 10**
(10) Despite their similarities, electronic money and crypto-assets referencing a single fiat currency differ in some important aspects. Holders of electronic money as defined in Article 2, point 2, of Directive 2009/110/EC are always provided with a claim on the electronic money institution and have a contractual right to redeem their electronic money at any moment against fiat currency that is legal tender at par value with that currency. By contrast, some of the crypto-assets referencing one fiat currency which is legal tender do not provide their holders with such a claim on the issuers of such assets and could fall outside the scope of Directive 2009/110/EC. Other crypto-asset referencing one fiat currency do not provide a claim at par with the currency they are referencing or limit the redemption period. The fact that holders of such crypto-assets do not have a claim on the issuers of such assets, or that such claim is not at par with the currency those crypto-assets are referencing, could undermine the confidence of users of those crypto-assets. To avoid circumvention of the rules laid down in Directive 2009/110/EC, any definition of 'e-money tokens' should be as wide as possible to capture all the types of crypto-assets referencing one single fiat currency that is legal tender. To avoid regulatory arbitrage, strict conditions on the issuance of e-money tokens should be laid down, including the obligation for such e-money tokens to be issued either by a credit institution as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council 36 , or by an electronic money institution authorised under	(10) Despite their similarities, electronic money and crypto-assets referencing a single fiat currency differ in some important aspects. Holders of electronic money as defined in Article 2, point 2, of Directive 2009/110/EC are always provided with a claim on the electronic money institution and have a contractual right to redeem their electronic money at any moment against fiat currency that is legal tender at par value with that currency. By contrast, some of the crypto-assets referencing one fiat currency which is legal tender do not provide their holders with such a claim on the issuers of such assets and could fall outside the scope of Directive 2009/110/EC. Other crypto-asset referencing one fiat currency do not provide a claim at par with the currency they are referencing or limit the redemption period. The fact that holders of such crypto-assets do not have a claim on the issuers of such assets, or that such claim is not at par with the currency those crypto-assets are referencing, could undermine the confidence of users of those crypto-assets. To avoid circumvention of the rules laid down in Directive 2009/110/EC, any definition of 'e-money tokens' should be as wide as possible to capture all the types of crypto-assets referencing one single fiat currency that is legal tender. To avoid regulatory arbitrage, strict conditions on the issuance of e-money tokens should be laid down, including the obligation for such e-money tokens to be issued either by a credit institution as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council 36 , or by an electronic money institution authorised under

[5] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

Directive 2009/110/EC. For the same reason, issuers of such e-money tokens should also grant the users of such tokens with a claim to redeem their tokens at any moment and at par value against the currency referencing those tokens. Because e-money tokens are also crypto-assets and can also raise new challenges in terms of consumer protection and market integrity specific to crypto-assets, they should also be subject to rules laid down in this Regulation to address these challenges to consumer protection and market integrity.	Directive 2009/110/EC. For the same reason, issuers of such e-money tokens should also grant the users of such tokens with a claim to redeem their tokens at any moment and at par value against the currency referencing those tokens. Because e-money tokens are also crypto-assets and can also raise new challenges in terms of consumer protection and market integrity specific to crypto-assets, they should also be subject to rules laid down in this Regulation to address these challenges to consumer protection and market integrity. ***Such necessary restrictions should not hinder the innovation potential of e-money tokens and the competitiveness of such funds representation on open DLTs compared to similar products issued under other jurisdictions. The e-money tokens can be designed as a bearer asset on public DLT networks and be apprehended and used as seen fit by their holders, without additional requirements, under limitations pertaining to AMLD dispositions. For custody purposes, the e-money tokens shall be treated as a crypto-asset, and custodians are crypto-assets service providers, that are not required to be a credit institution as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council 36 , or by an electronic money institution authorised under Directive 2009/110/EC.***
Justification *It is important to ensure a level playing field in the different ways in which e-money tokens can be used, by clarifying that they can be used on public blockchain networks and custodied by crypto-assets service providers, without requirement of obtaining an additional license as a credit institution or an electronic money institution.* *This clarification will also ensure that e-money tokens can effectively compete with similar funds representation existing on public blockchains today.*	

Amendment 6	
Text proposed by the Commission[6]	**Amendment**
Article 39 Classification of asset-referenced tokens as significant asset-referenced tokens	Article 39 Classification of asset-referenced tokens as significant asset-referenced tokens
1. The EBA shall classify asset-referenced tokens as significant asset-referenced tokens on the basis of the following criteria, as specified in accordance with paragraph 6 and where at least three of the following criteria are met:	1. The EBA shall classify asset-referenced tokens as significant asset-referenced tokens on the basis of the following criteria, as specified in accordance with paragraph 6 and where at least three of the following criteria are met:
(a) the size of the customer base of the promoters of the asset-referenced tokens, the shareholders of the issuer of asset-referenced tokens or of any of the third-party entities referred to in Article 30(5), point (h);	(a) the size of the customer base of the promoters of the asset-referenced tokens, the shareholders of the issuer of asset-referenced tokens or of any of the third-party entities referred to in Article 30(5), point (h);
(b) the value of the asset-referenced tokens issued or, where applicable, their market capitalisation;	(b) the value of the asset-referenced tokens issued or, where applicable, their market capitalisation;
(c) the number and value of transactions in those asset-referenced tokens;	(c) the number and value of transactions in those asset-referenced tokens, ***not including those which occur outside of trading platforms as well as those which are related to use for deposits, regardless of whether those uses occur on centralized or decentralized platforms;***
(d) the size of the reserve of assets of the issuer of the	~~***(d) the size of the reserve of assets of the issuer of the***~~

[6] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

asset-referenced tokens;	***~~asset-referenced tokens;~~***
(e) the significance of the cross-border activities of the issuer of the asset-referenced tokens, including the number of Member States where the asset-referenced tokens are used, the use of the asset-referenced tokens for cross-border payments and remittances and the number of Member States where the third-party entities referred to in Article 30(5), point (h), are established;	***~~(e) the significance of the cross-border activities of the issuer of the asset-referenced tokens, including the number of Member States where the asset-referenced tokens are used, the use of the asset-referenced tokens for cross-border payments and remittances and the number of Member States where the third-party entities referred to in Article 30(5), point (h), are established;~~***
(f) the interconnectedness with the financial system.	(f) the interconnectedness with the financial system.
2. Competent authorities that authorised an issuer of asset-referenced tokens in accordance with Article 19 shall provide the EBA with information on the criteria referred to in paragraph 1 and specified in accordance with paragraph 6 on at least a yearly basis.	2. Competent authorities that authorised an issuer of asset-referenced tokens in accordance with Article 19 shall provide the EBA with information on the criteria referred to in paragraph 1 and specified in accordance with paragraph 6 on at least a yearly basis.
3. Where the EBA is of the opinion that asset-referenced tokens meet the criteria referred to in paragraph 1, as specified in accordance with paragraph 6, the EBA shall prepare a draft decision to that effect and notify that draft decision to the issuers of those asset-referenced tokens and the competent authority of the issuer's home Member State. The EBA shall give issuers of such asset-referenced tokens and their competent authorities the opportunity to provide observations and comments in writing prior to the adoption of its final decision. The EBA shall duly consider those observations and comments.	3. Where the EBA is of the opinion that asset-referenced tokens meet the criteria referred to in paragraph 1, as specified in accordance with paragraph 6, the EBA shall prepare a draft decision to that effect and notify that draft decision to the issuers of those asset-referenced tokens and the competent authority of the issuer's home Member State. The EBA shall give issuers of such asset-referenced tokens and their competent authorities the opportunity to provide observations and comments in writing prior to the adoption of its final decision. The EBA shall duly consider those observations and comments.
4. The EBA shall take its final decision on whether an asset-referenced token is a significant asset-referenced token within	4. The EBA shall take its final decision on whether an asset-referenced token is a significant asset-referenced token within three months after the notification referred to in paragraph 3

three months after the notification referred to in paragraph 3 and immediately notify the issuers of such asset-referenced tokens and their competent authorities thereof.	and immediately notify the issuers of such asset-referenced tokens and their competent authorities thereof.
5. The supervisory responsibilities on issuers of significant asset-referenced tokens shall be transferred to the EBA one month after the notification of the decision referred to in paragraph 4.	5. The supervisory responsibilities on issuers of significant asset-referenced tokens shall be transferred to the EBA one month after the notification of the decision referred to in paragraph 4.
The EBA and the competent authority concerned shall cooperate in order to ensure the smooth transition of supervisory competences.	The EBA and the competent authority concerned shall cooperate in order to ensure the smooth transition of supervisory competences.
6. The Commission shall be empowered to adopt delegated acts in accordance with Article 121 to further specify the criteria set out in paragraph 1 for an asset-referenced token to be deemed significant and determine:	6. The Commission shall be empowered to adopt delegated acts in accordance with Article 121 to further specify the criteria set out in paragraph 1 for an asset-referenced token to be deemed significant and determine:
(a) the thresholds for the criteria referred to in points (a) to (e) of paragraph 1, subject to the following:	(a) the thresholds for the criteria referred to in points (a) to (e) of paragraph 1, subject to the following:
i) the threshold for the customer base shall not be lower than ***two*** million of natural or legal persons;	i) the threshold for the customer base shall not be lower than ***ten*** million of natural or legal persons;
ii) the threshold for the value of the asset-referenced token issued or, where applicable, the market capitalisation of such an asset-referenced token shall not be lower than ***EUR 1 billion;***	ii) the threshold for the value of the asset-referenced token issued or, where applicable, the market capitalisation of such an asset-referenced token shall not be lower than ***EUR 20 billion***;
iii) the threshold for the number and value of transactions in those asset-referenced tokens shall not be lower than 500 000 transactions per day or EUR 100 million per day respectively;	iii) the threshold for the number and value of transactions in those asset-referenced tokens shall not be lower than 500 000 transactions per day or EUR 100 million per day respectively;
iv) the threshold for the size of the reserve assets as referred to in point (d) shall not be lower than EUR 1 billion;	~~***iv) the threshold for the size of the reserve assets as referred to in point (d) shall not be lower than EUR 1 billion;***~~
	~~***v) the threshold for the number of Member States where***~~

v) the threshold for the number of Member States where the asset-referenced tokens are used, including for cross-border payments and remittances, or where the third parties as referred to in Article 30(5), point (h), are established shall not be lower than seven;	***~~the asset-referenced tokens are used, including for cross-border payments and remittances, or where the third parties as referred to in Article 30(5), point (h), are established shall not be lower than seven;~~***
(b) the circumstances under which asset-referenced tokens and their issuers shall be considered as interconnected with the financial system;	(b) the circumstances under which asset-referenced tokens and their issuers shall be considered as interconnected with the financial system;
(c) the content and format of information provided by competent authorities to EBA under paragraph 2.	(c) the content and format of information provided by competent authorities to EBA under paragraph 2.
(d) the procedure and timeframe for the decisions taken by the EBA under paragraphs 3 to 5.	(d) the procedure and timeframe for the decisions taken by the EBA under paragraphs 3 to 5.

Justification

It is important to align the "significance" criteria with the objective of these additional rules, which is to address legitimate concerns that large global stablecoin initiatives such as LIBRA/DIEM or other BigTech initiatives may raise regarding "financial stability, monetary policy transmission or monetary sovereignty" (recital 4).
The removal of some criterias is proposed, namely:

- *The "size of the reserve assets" (art. 39.1.d) which is redundant with criteria b (as the reserve should be equivalent to the amount issued).*
- *The "significance of the cross-border activities of the issuer" (art. 39.1.e) is not relevant as crypto-markets are by essence global and such a provision would substantially limit the development of EU markets.*

Criteria such as "customer base", "number of transactions" and "value of transactions" are further defined. The thresholds are targeting flows that give rise to significant risks with regards to "financial stability, monetary policy transmission or monetary sovereignty" (recital 4). The transactions that occur on trading platforms or for use as deposits (whether those uses occur on centralized or decentralized platforms) should therefore not count into threshold calculations as they do not create such risks.

Finally, the minimal thresholds are too low as all the main existing stablecoins could immediately qualify as "significant", despite a very low risk profile with regards to their actual use (no systemic risk). Therefore, minimum thresholds were raised.

On equivalences

Amendment 7	
Text proposed by the Commission[7]	**Amendment**
Article 2	Article 2
[...]	[...]
4.Where issuing asset-referenced tokens, including significant asset-referenced tokens, credit institutions authorised under Directive 2013/36/EU shall not be subject to:	~~4.Where issuing asset-referenced tokens, including significant asset-referenced tokens, credit institutions authorised under Directive 2013/36/EU shall not be subject to:~~
(a)the provisions of chapter I of Title III, except Articles 21 and 22;	~~(a)the provisions of chapter I of Title III, except Articles 21 and 22;~~
(b)Article 31.	~~(b)Article 31.~~
5.Where providing one or more crypto-asset services, credit institutions authorised under Directive 2013/36/EU shall not be subject to the provisions of chapter I of Title V, except Articles 57 and 58.	~~5.Where providing one or more crypto-asset services, credit institutions authorised under Directive 2013/36/EU shall not be subject to the provisions of chapter I of Title V, except Articles 57 and 58.~~

[7] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

6.Investment firms authorised under Directive 2014/65/EU shall not be subject to the provisions of chapter I of Title V, except Articles 57, 58, 60 and 61, where they only provide one or several crypto-asset services equivalent to the investment services and activities for which they are authorised under Directive 2014/65/EU. For that purpose:	~~6.Investment firms authorised under Directive 2014/65/EU shall not be subject to the provisions of chapter I of Title V, except Articles 57, 58, 60 and 61, where they only provide one or several crypto-asset services equivalent to the investment services and activities for which they are authorised under Directive 2014/65/EU. For that purpose:~~
(a)the crypto-asset services defined in Article 3(1), point (11), of this Regulation are deemed to be equivalent to the investment activities referred to in points (8) and (9) of Section A of Annex I to Directive 2014/65/EU;	~~(a)the crypto-asset services defined in Article 3(1), point (11), of this Regulation are deemed to be equivalent to the investment activities referred to in points (8) and (9) of Section A of Annex I to Directive 2014/65/EU;~~
(b)the crypto-asset services defined in Article 3(1), points (12) and (13), of this Regulation are deemed to be equivalent to the investment services referred to in point (3) of Section A of Annex I to Directive 2014/65/EU;	~~(b)the crypto-asset services defined in Article 3(1), points (12) and (13), of this Regulation are deemed to be equivalent to the investment services referred to in point (3) of Section A of Annex I to Directive 2014/65/EU;~~
(c)the crypto-asset services defined in Article 3(1), point (14), of this Regulation are deemed to be equivalent to the investment services referred to in point (2) of Section A of Annex I to Directive 2014/65/EU;	~~(c)the crypto-asset services defined in Article 3(1), point (14), of this Regulation are deemed to be equivalent to the investment services referred to in point (2) of Section A of Annex I to Directive 2014/65/EU;~~
(d)the crypto-asset services defined in Article 3(1), point (15), of this Regulation are deemed to be equivalent to the investment services referred to in points (6) and (7) of Section A of Annex I to Directive 2014/65/EU;	~~(d)the crypto-asset services defined in Article 3(1), point (15), of this Regulation are deemed to be equivalent to the investment services referred to in points (6) and (7) of Section A of Annex I to Directive 2014/65/EU;~~
(e)the crypto-asset services defined in Article 3(1), point (16), of this Regulation are deemed to be equivalent to	~~(e)the crypto-asset services defined in Article 3(1), point (16), of this Regulation are deemed to be equivalent to~~

the investment services referred to in point (1) of Section A of Annex I to Directive 2014/65/EU. (f)the crypto-asset services defined in Article 3(1), point (17), of this Regulation are deemed to be equivalent to the investment services referred to in points (5) of Section A of Annex I to Directive 2014/65/EU. [...]	~~the investment services referred to in point (1) of Section A of Annex I to Directive 2014/65/EU.~~ ~~(f)the crypto-asset services defined in Article 3(1), point (17), of this Regulation are deemed to be equivalent to the investment services referred to in points (5) of Section A of Annex I to Directive 2014/65/EU.~~ [...]
Justification *The equivalences provided in this article are not consistent with the obligations that the Regulation set forth for crypto-assets service providers. Handling, securing crypto-assets and operating a market in crypto-assets bears very different risk profiles compared to financial assets. We recommend that those risks are properly addressed by subjecting financial institutions to all the rules set forth in this Regulation, without limitation.*	

On listing and settlement obligations

Amendment 8	
Text proposed by the Commission[8]	**Amendment**
Article 68	*Article 68*

[8] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

Operation of a trading platform for crypto-assets 1.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall lay down operating rules for the trading platform. These operating rules shall at least: (a)set the requirements, due diligence and approval processes that are applied before admitting crypto-assets to the trading platform; (b)define exclusion categories, if any, which are the types of crypto-assets that will not be admitted to trading on the trading platform, if any. (c)set out the policies, procedures and the level of fees, if any, for the admission of trading of crypto-assets to the trading platform; (d)set objective and proportionate criteria for participation in the trading activities, which promote fair and open access to the trading platform for clients willing to trade; (e)set requirements to ensure fair and orderly trading; (f)set conditions for crypto-assets to remain accessible for trading, including liquidity thresholds and periodic disclosure requirements; (g)set conditions under which trading of crypto-assets	*Operation of a trading platform for crypto-assets* 1.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall lay down operating rules for the trading platform. These operating rules shall at least: (a)set the requirements, due diligence and approval processes that are applied before admitting crypto-assets to the trading platform; (b)define exclusion categories, if any, which are the types of crypto-assets that will not be admitted to trading on the trading platform, if any. (c)set out the policies, procedures and the level of fees, if any, for the admission of trading of crypto-assets to the trading platform; (d)set objective and proportionate criteria for participation in the trading activities, which promote fair and open access to the trading platform for clients willing to trade; (e)set requirements to ensure fair and orderly trading; (f)set conditions for crypto-assets to remain accessible for trading, including liquidity thresholds and periodic disclosure requirements; (g)set conditions under which trading of crypto-assets

can be suspended; (h)set procedures to ensure efficient settlement of both crypto-asset transactions and fiat currency transactions. ***For the purposes of point (a), the operating rules shall clearly state that a crypto-asset shall not be admitted to trading on the trading platform, where a crypto-asset white paper has been published, unless such a crypto-asset benefits from the exemption set out in Articles 4(2).*** Before admitting a crypto-asset to trading, crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall ensure that the crypto-asset complies the operating rules of the trading platform and assess the quality of the crypto-asset concerned. When assessing the quality of a crypto-asset, the trading platform shall take into account the experience, track record and reputation of the issuer and its development team. The trading platform shall also assess the quality of the crypto-assets benefiting from the exemption set out in Articles 4(2). ***The operating rules of the trading platform for crypto-assets shall prevent the admission to trading of crypto-assets which have inbuilt anonymisation function unless the holders of the crypto-assets and their transaction history can be identified by the crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets or by competent***	can be suspended; (h)set procedures to ensure efficient settlement of both crypto-asset transactions and fiat currency transactions. ***~~For the purposes of point (a), the operating rules shall clearly state that a crypto-asset shall not be admitted to trading on the trading platform, where a crypto-asset white paper has been published, unless such a crypto-asset benefits from the exemption set out in Articles 4(2).~~*** Before admitting a crypto-asset to trading, crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall ensure that the crypto-asset complies the operating rules of the trading platform and assess the quality of the crypto-asset concerned. When assessing the quality of a crypto-asset, the trading platform shall take into account the experience, track record and reputation of the issuer and its development team. The trading platform shall also assess the quality of the crypto-assets benefiting from the exemption set out in Articles 4(2). ***~~The operating rules of the trading platform for crypto-assets shall prevent the admission to trading of crypto-assets which have inbuilt anonymisation function unless the holders of the crypto-assets and their transaction history can be identified by the crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets or by competent authorities.~~***

authorities. 2.These operating rules referred to in paragraph 1 shall be drafted in one of the official languages of the home Member States or in another language that is customary in the sphere of finance. Those operating rules shall be made public on the website of the crypto-asset service provider concerned. 3.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall not deal on own account on the trading platform for crypto-assets they operate, even when they are authorised for the exchange of crypto-assets for fiat currency or for the exchange of crypto-assets for other crypto-assets. 4.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall have in place effective systems, procedures and arrangements to ensure that their trading systems: (a)are resilient; (b)have sufficient capacity to ensure orderly trading under conditions of severe market stress; (c)are able to reject orders that exceed pre-determined volume and price thresholds or are clearly erroneous; (d)are fully tested to ensure that conditions under points (a), (b) and (c) are met; (e)are subject to effective business continuity	2.These operating rules referred to in paragraph 1 shall be drafted in one of the official languages of the home Member States or in another language that is customary in the sphere of finance. Those operating rules shall be made public on the website of the crypto-asset service provider concerned. 3.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall not deal on own account on the trading platform for crypto-assets they operate, even when they are authorised for the exchange of crypto-assets for fiat currency or for the exchange of crypto-assets for other crypto-assets. 4.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall have in place effective systems, procedures and arrangements to ensure that their trading systems: (a)are resilient; (b)have sufficient capacity to ensure orderly trading under conditions of severe market stress; (c)are able to reject orders that exceed pre-determined volume and price thresholds or are clearly erroneous; (d)are fully tested to ensure that conditions under points (a), (b) and (c) are met; (e)are subject to effective business continuity arrangements to ensure continuity of their services if

arrangements to ensure continuity of their services if there is any failure of the trading system.	there is any failure of the trading system.
5.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make public any bid and ask prices and the depth of trading interests at those prices which are advertised for crypto-assets through the systems of the trading platform for crypto-assets. The crypto-asset service providers concerns shall make that information available to the public during the trading hours on a continuous basis.	5.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make public any bid and ask prices and the depth of trading interests at those prices which are advertised for crypto-assets through the systems of the trading platform for crypto-assets. The crypto-asset service providers concerns shall make that information available to the public during the trading hours on a continuous basis.
6.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make public the price, volume and time of the transactions executed in respect of crypto-assets traded on their trading platforms. They shall make details of all such transactions public as close to real-time as is technically possible.	6.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make public the price, volume and time of the transactions executed in respect of crypto-assets traded on their trading platforms. They shall make details of all such transactions public as close to real-time as is technically possible.
7.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make the information published in accordance with paragraphs 5 and 6 available to the public on a reasonable commercial basis and ensure non-discriminatory access to that information. That information shall be made available free of charge 15 minutes after publication in a machine readable format and remain published for at least 2 years.	7.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall make the information published in accordance with paragraphs 5 and 6 available to the public on a reasonable commercial basis and ensure non-discriminatory access to that information. That information shall be made available free of charge 15 minutes after publication in a machine readable format and remain published for at least 2 years.
8.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall complete the final settlement of a crypto-asset	***~~8.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall complete the final settlement of a crypto-asset transaction on the DLT on the same date as the~~***

transaction on the DLT on the same date as the transactions has been executed on the trading platform. 9.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall ensure that their fee structures are transparent, fair and non-discriminatory and that they do not create incentives to place, modify or cancel orders or to execute transactions in a way that contributes to disorderly trading conditions or market abuse as referred to in Title VI. 10.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall maintain resources and have back-up facilities in place to be capable of reporting to their competent authority at all times.	~~***transactions has been executed on the trading platform.***~~ 9.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall ensure that their fee structures are transparent, fair and non-discriminatory and that they do not create incentives to place, modify or cancel orders or to execute transactions in a way that contributes to disorderly trading conditions or market abuse as referred to in Title VI. 10.Crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall maintain resources and have back-up facilities in place to be capable of reporting to their competent authority at all times.

Justification

Trading platforms should be allowed to list all tokens including crypto assets, including fully decentralized and privacy-preserving assets. Special provisions regarding privacy coins will be incorporated in the coming EU AML-CFT framework.

Subparagraph 1 is removed, as requirements set from points a to c are sufficient to ensure that trading platforms will list crypto-assets with the suitable caution and responsibility. Any other limitations appear unnecessary.

Daily on-chain settlement requirements for centralized exchanges represent a disproportionate burden. No centralized trading platform settles trades on the blockchain. The blockchain is only used for deposits or withdrawals. Registering all the transactions on the blockchain would make it impossible for trading platforms to operate in Europe because of the cost (transaction fees) and complexity associated with such settlement.

On non-fungible assets

Amendment 9	
Text proposed by the Commission[9]	**Amendment**
	Recital (8a) ***This legislation does not apply to crypto-assets that are unique and not fungible with other crypto-assets and whose value is attributable to each crypto-asset's unique characteristics and/or the utility it gives to the token holder. It does not apply to crypto-assets representing services or physical assets that are unique and not fungible. Those crypto-assets are not readily interchangeable and the relative value of one crypto-asset in relation to another, each being unique, cannot be ascertained by means of comparison to an existing market or equivalent asset. Such features limit the extent to which these crypto-assets can have a financial use, thus limiting risks to users and the system and justifies the exemption.***
Justification *Exclusion of non-fungible crypto-assets (so-called "NFTs") from the scope of the Regulation, as those assets have very different characteristics and uses than fungible crypto-assets.*	

[9] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN

Amendment 10	
Text proposed by the Commission[10]	**Amendment**
Article 3 *Definitions* [...] 'crypto-asset' means a digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology;	***Article 3*** *Definitions* [...] 'crypto-asset' means a ***fungible and not unique*** digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology;
Justification *Exclusion of non-fungible crypto-assets (so-called "NFTs") from the scope of the Regulation, as those assets have very different characteristics and uses than fungible crypto-assets.*	

[10] Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN