AMENDMENTS
15 - 148

Draft report
Stefan Berger
(PE663.215v01-00)


Proposal for a regulation
(COM(2020)0593 – C9-0306/2020 – 2020/0265(COD))
Amendment 15
Stasys Jakeliūnas

Proposal for a regulation

Proposal for rejection


Justification

Based on empirical evidence, many crypto-assets, including bitcoin, are used for illicit activities, exhibit features of financial bubbles and cause considerable environmental damage due to extensive use of energy resources. The regulation however does not seem to address in a comprehensive way these and other core problems, including market manipulation and consumer abuse. The proposed regulation is also not technologically neutral (it is DLT biased) and the presented taxonomy may contribute to regulatory arbitrage and market fragmentation. A more systemic and efficient way to manage crypto-assets related risks is to harmonize definition of financial instruments across the EU and to adjust, based on functionality and core features of instruments, existing regulations on payments, investments and other financial services. As a viable alternative, a project of digital euro by the ECB should be encouraged and supported, as it could provide a safe and publicly based payment instrument, complementing use of cash and privately created money.

Amendment 16
Eero Heinäluoma, Victor Negrescu, Paul Tang, Joachim Schuster, Pedro Marques

Proposal for a regulation
Recital 1

Text proposed by the Commission
(1) The Commission’s communication on a Digital Finance Strategy32 aims to ensure that the Union’s financial services legislation is fit for the digital age, and contributes to a future-ready economy that works for the people, including by enabling the use of innovative technologies. The Union has a stated and confirmed policy

Amendment
(1) The Commission’s communication on a Digital Finance Strategy32 aims to ensure that the Union’s financial services legislation is fit for the digital age, and contributes to a future-ready economy that works for the people, including by enabling the use of innovative technologies. The Union has a stated and confirmed policy
interest in developing and promoting the uptake of transformative technologies in the financial sector, including blockchain and distributed ledger technology (DLT).

provided this transformation is fully in line with the objectives of the EU green deal and based on climate friendly technologies.

32 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on a Digital Finance Strategy for EU COM(2020)591.

Amendment 17
Ondřej Kovařík, Billy Kelleher, Ivars Ijabs, Martin Hlaváček, Gilles Boyer, Stéphanie Yon-Courtin

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

(1a) In practice, DLT refers to the protocols and supporting infrastructure that enable nodes in a network to propose, validate, and record state changes or updates consistently across the network’s nodes – without the need to rely on a central trusted party to obtain reliable data. DLT is built upon public-key cryptography, a cryptographic system that uses pairs of keys: public keys, which are publicly known and essential for identification, and private keys, which are kept secret and are used for authentication and encryption.

Amendment
Amendment 18
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

(1a) The Union is committed to setting an example of an assertive and positive attitude as a leader of regulatory progress in the crypto-assets field. Welcoming global players into a safe and intelligently regulated environment, with the simultaneous creation of the foundations for openness and flexibility to transformation and innovation, would enhance the Union’s role as a leader in this new technological era.

Amendment

Or. pl

Amendment 19
France Jamet

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) In finance, crypto-assets are one of the major DLT applications. Crypto-assets are digital representations of value or rights that have the potential to bring significant benefits to both market participants and consumers. By streamlining capital-raising processes and enhancing competition, issuances of crypto-assets can allow for a cheaper, less burdensome and more inclusive way of financing small and medium-sized enterprises (SMEs). When used as a means of payment, payment tokens can present opportunities in terms of cheaper, faster and more efficient payments, in particular on a cross-border basis, by limiting the number of

Amendment

(2) In finance, crypto-assets are one of the major DLT applications. Crypto-assets are digital representations of value or rights that have the potential to bring significant benefits to both market participants and consumers. By streamlining capital-raising processes and enhancing competition, issuances of crypto-assets can allow for a cheaper, less burdensome and more inclusive way of financing small and medium-sized enterprises (SMEs). When used as a means of payment, payment tokens are meant to present opportunities in terms of cheaper, faster and more efficient payments, in particular on a cross-border basis, by limiting the number of
intermediaries. **However, crypto-assets as a means of payment give rise to legal and economic uncertainty in view of their considerable volatility and the possibility for firms to stop accepting them without notice.**

**Amendment 20**
**Victor Negrescu**

**Proposal for a regulation**

**Recital 2**

*Text proposed by the Commission*

(2) In finance, crypto-assets are one of the major DLT applications. Crypto-assets are digital representations of value or rights that have the potential to bring significant benefits to both market participants and consumers. By streamlining capital-raising processes and enhancing competition, issuances of crypto-assets can allow for a cheaper, less burdensome and more inclusive way of financing small and medium-sized enterprises (SMEs). When used as a means of payment, payment tokens can present opportunities in terms of cheaper, faster and more efficient payments, in particular on a cross-border basis, by limiting the number of intermediaries.

*Amendment*

(2) In finance, crypto-assets are one of the major DLT applications. Crypto-assets are digital representations of value or rights that have the potential to bring significant benefits to both market participants and consumers. By streamlining capital-raising processes and enhancing competition, issuances of crypto-assets can allow for a cheaper, less burdensome and more inclusive way of financing small and medium-sized enterprises (SMEs). **Blockchain is also a ground-breaking technology that will open a wide range of options for start-ups and SMEs and that can also improve the public sector services for the citizens.** When used as a means of payment, payment tokens can present opportunities in terms of cheaper, faster and more efficient payments, in particular on a cross-border basis, by limiting the number of intermediaries.

**Amendment 21**
**Patryk Jaki**
on behalf of the ECR Group
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) In finance, crypto-assets are one of the major DLT applications. Crypto-assets are digital representations of value or rights that have the potential to bring significant benefits to both market participants and consumers. By streamlining capital-raising processes and enhancing competition, issuances of crypto-assets can allow for a cheaper, less burdensome and more inclusive way of financing small and medium-sized enterprises (SMEs). When used as a means of payment, payment tokens can present opportunities in terms of cheaper, faster and more efficient payments, in particular on a cross-border basis, by limiting the number of intermediaries.

Amendment

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Or. pl

Amendment 22
Ondřej Kovařík, Billy Kelleher, Ivars Ijabs, Martin Hlaváček, Engin Eroglu, Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

(2a) A crypto-asset can be seen as an asset that depends primarily on cryptography and DLT or similar technology as part of its perceived or inherent value, that is neither issued nor guaranteed by a central bank or public
authority, and that can be used as a means of exchange and/or for investment purposes.

Or. en

Amendment 23
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, Marco Zanni, France Jamet

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council\textsuperscript{33}. The majority of crypto-assets, however, fall outside of the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-assets, the service of exchanging crypto-assets against fiat currency or other crypto-assets, or the custody of crypto-assets. The lack of such rules leaves holders of crypto-assets exposed to risks, in particular in areas not covered by consumer protection rules. The lack of such rules can also lead to substantial risks to market integrity in the secondary market of crypto-assets, including market manipulation. To address those risks, some Member States have put in place specific rules for all – or a subset of – crypto-assets that fall outside Union legislation on financial services. Other Member States are considering to legislate in this area.

Amendment

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council\textsuperscript{33}. Because of the specific features linked to their innovative and technological aspects, however, it is necessary to clearly identify the requirements for classifying a crypto-asset as a financial instrument. For this purpose, the European Securities and Markets Authority (ESMA) should be tasked by the European Commission with publishing guidelines in order to reduce legal uncertainty and guarantee a level playing field for market operators. The majority of crypto-assets, however, fall outside the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-assets, the service of exchanging crypto-assets against fiat currency or other crypto-assets, or the custody of crypto-assets. The lack of such rules leaves holders of crypto-assets exposed to risks, in particular in areas not covered by consumer protection rules. The lack of such rules can also lead to substantial risks to market integrity in the secondary market of crypto-assets, including market manipulation. To address those risks, some
Member States have put in place specific rules for all – or a subset of – crypto-assets that fall outside Union legislation on financial services. Other Member States are considering to legislate in this area.


Amendment 24
Stefan Berger

Proposal for a regulation
Recital 3

**Text proposed by the Commission**

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council. The majority of crypto-assets, however, fall outside of the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-assets, the service of exchanging crypto-assets against fiat currency or other crypto-assets, or the custody of crypto-assets. The lack of such rules leaves holders of crypto-assets exposed to risks, in particular in areas not covered by consumer protection rules. The lack of such rules can also lead to substantial risks to market integrity in the secondary market of crypto-assets, including market manipulation. To address those risks, some Member States have put in place specific rules for all – or a subset of – crypto-assets that fall outside Union

**Amendment**

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council. Other crypto-assets may qualify as "deposits" as defined in Article 2 (1), point (3) of Directive 2014/49/EU of the European Parliament and the Council. The majority of crypto-assets, however, fall outside of the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-assets, the service of exchanging crypto-assets against fiat currency or other crypto-assets, or the custody of crypto-assets. The lack of such rules leaves holders of crypto-assets exposed to risks, in particular in areas not covered by consumer protection rules. The lack of such rules can also lead to substantial risks to market integrity in the secondary market of crypto-assets,
legislation on financial services. Other Member States are considering to legislate in this area.


With the introduction of the regulatory framework for crypto-assets the legal foundation is provided to establish regulated use cases for crypto-assets which will support the progress of the digital agenda of the EU economy. Financial stability and market integrity are key for the competitiveness and autonomy of the EU ecosystem. Crypto-assets in form of deposits based on DLT represent commercial bank money which is the key element of the two-tiered monetary systems of the EU economy next to cash. Deposits based on DLT represent a highly regulated alternative to global stablecoins.

Amendment 25
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council33. The majority of crypto-assets, however, fall outside of the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-assets, the

Amendment

(3) Some crypto-assets qualify as financial instruments as defined in Article 4(1), point (15), of Directive 2014/65/EU of the European Parliament and of the Council33. The majority of crypto-assets, however, fall currently outside of the scope of Union legislation on financial services. There are no rules for services related to crypto-assets, including for the operation of trading platforms for crypto-
service of exchanging crypto-assets against fiat currency or other crypto-assets, or the custody of crypto-assets. The lack of such rules leaves holders of crypto-assets exposed to risks, in particular in areas not covered by consumer protection rules. The lack of such rules can also lead to substantial risks to market integrity in the secondary market of crypto-assets, including market manipulation and financial crime. To address those risks, some Member States have put in place specific rules for all – or a subset of – crypto-assets that fall outside Union legislation on financial services. Other Member States are considering to legislate in this area.


Amendment 26
France Jamet
Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The lack of an overall Union framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for Union companies. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different areas.

Amendment

(4) The lack of a framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for companies. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different areas.
treated in the different Member States, which will undermine their efforts to use crypto-assets for digital innovation. The lack of an overall Union framework on crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it more difficult for crypto-asset service providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

As the crypto-asset market is increasingly accessible to individual investors, the issue of its impact on financial stability in the future must be addressed. It is possible that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

Amendment 27
Gunnar Beck

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The lack of an overall Union framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for Union companies. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different Member States, which will undermine their efforts to use crypto-assets for digital innovation. The lack of an overall Union framework on

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crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it more difficult for crypto-asset service providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

Amendment 28
Victor Negrescu

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The lack of an overall Union framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for Union companies. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different Member States, which will undermine their efforts to use crypto-assets for digital innovation. The lack of an overall Union framework on crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it more difficult for crypto-asset service providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability.

Amendment

(4) The lack of an overall Union framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for Union companies. The EU should be a global leader on this matter and should provide adequate funding for this technology while being prudent with the risks associated with this technology. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different Member States, which will undermine their efforts to use crypto-assets for digital innovation. The lack of an overall Union framework on crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it more difficult for crypto-asset service
providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

framework on crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it more difficult for crypto-asset service providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

Amendment 29
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The lack of an overall Union framework for crypto-assets can lead to a lack of users’ confidence in those assets, which will hinder the development of a market in those assets and can lead to missed opportunities in terms of innovative digital services, alternative payment instruments or new funding sources for Union companies. In addition, companies using crypto-assets will have no legal certainty on how their crypto-assets will be treated in the different Member States, which will undermine their efforts to use crypto-assets for digital innovation. The lack of an overall Union framework on crypto-assets could also lead to regulatory fragmentation, which will distort competition in the Single Market, make it
more difficult for crypto-asset service providers to scale up their activities on a cross-border basis and will give rise to regulatory arbitrage. The crypto-asset market is still modest in size and does not yet pose a threat to financial stability. It is, however, likely that a subset of crypto-assets which aim to stabilise their price by linking their value to a specific asset or a basket of assets could be widely adopted by consumers. Such a development could raise additional challenges to financial stability, monetary policy transmission or monetary sovereignty.

Regulation should be seen as a way of protecting consumers but also as a way of facilitating, rather than hindering, innovation and economic initiative. Failure to provide appropriate Union regulation of crypto currencies would threaten the competitiveness of the Union and its Member States at a global level and would jeopardise the Union’s ambitions of becoming a leader in the field of sustainable development, technology and digitisation.

Amendment 30
Patryk Jaki on behalf of the ECR Group
Proposal for a regulation
Recital 4 a (new)

(4a) The European Union seeks to fulfil a leading role on the world stage in the field of innovation and long-term economic growth. Cryptographic assets are rarely and inconsistently regulated in individual countries, which reduces the confidence of a number of companies and consumers in this area. Thanks to the creation of harmonised and predictable legal frameworks in all 27 Member States,
the European Union will be able to attract a significant amount of investment and increase its competitiveness and leading position in the field of technology and innovation. By recognising and accepting the value of blockchain technology, the Union would set itself apart and put itself in a favourable position compared with world economies that are still reluctant or openly hostile towards crypto-assets.

Amendment 31
Michiel Hoogeveen
Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to

Amendment

(5) A dedicated framework is therefore necessary to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such dedicated harmonised framework should cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should ensure proportionate treatment of crypto-asset issuers and service providers, allowing equal opportunities for new market entry and development in the Member States. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a
the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers. At the same time, it shall be recognised that some tokens do not represent payment means or investment assets and as such, shall be allowed to be issued and offered freely in the Union in so far as they are not offered as an investment or payment. Union legislation shall not set unnecessary and disproportionate regulatory burden on all use cases of the technology, if the Union and the Member States aim to remain competitive in a market which is naturally global. Sound regulation would preserve Member States’ competitiveness in the global financial and technology markets, and provide considerable benefits to their customers accessing cheaper, faster, and safer financial and asset-management services.

Amendment 32
France Jamet

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to

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crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets and respecting the sovereignty of the States. A clear framework should enable crypto-asset service providers to scale up their business and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such.

While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

Or. fr

Amendment 33
Gunnar Beck

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework
should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

Amendment 34

At the same time it shall be recognised that some tokens do not represent payment means or investment assets and as such, shall be allowed to be issued and offered freely in the Union in so far as they are not offered as an investment or payment. The issuers and offerors of such tokens are in all case required to comply with general consumer protection rules applicable in the Union and shall not represent a threat to consumer protection. Union legislation shall not set unnecessary and unproportionate regulatory burden on all use cases of the technology, if the Union and the Member States aim to remain attractive to participants and consumers.

Or. en
Eero Heinäluoma, Victor Negrescu, Paul Tang, Joachim Schuster, Pedro Marques

Proposal for a regulation
Recital 5

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

Or. en

Amendment 35
Patryk Jaki
on behalf of the ECR Group

The text proposes the following amendment:

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should ensure that the underlying technology are climate friendly and in line with the EU green deal objectives.
Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers.

Amendment

(5) A dedicated and harmonised framework is therefore necessary at Union level to provide specific rules for crypto-assets and related activities and services and to clarify the applicable legal framework. Such harmonised framework should also cover services related to crypto-assets where these services are not yet covered by Union legislation on financial services. Such a framework should support innovation and fair competition, while ensuring a high level of consumer protection and market integrity in crypto-asset markets. A clear framework should enable crypto-asset service providers to scale up their business on a cross-border basis and should facilitate their access to banking services to run their activities smoothly. We should ensure the proportionate treatment of issuers of crypto-assets and service providers, guaranteeing an equal chance of market access and development in the Member States. It should also ensure financial stability and address monetary policy risks that could arise from crypto-assets that aim at stabilising their price by referencing a currency, an asset or a basket of such. While increasing consumer protection, market integrity and financial stability through the regulation of offers to the public of crypto-assets or services related to such crypto-assets, a Union framework on markets in crypto-assets should not regulate the underlying technology and should allow for the use of both permissionless and permission-based distributed ledgers. Union legislation does not impose unnecessary and disproportionate regulatory burdens in all cases of the use of technology since the Union and the Member States seek to maintain competitiveness on a global market. Correct regulation maintains the
Amendment 36
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 5 a (new)

Text proposed by the Commission

Amendment (5a) The consensus mechanisms used for the validation of transactions can have a substantial environmental impact. This is particularly the case for the consensus mechanism known as proof-of-work, which requires participating miners to solve computational puzzles and compensates them proportional to their computational effort. Rising prices of the associated crypto-asset create incentives for increases in computational power as well as the frequent replacement of mining hardware. As a result, proof-of-work is often associated with high energy consumption, a material carbon footprint and significant generation of electronic waste. These characteristics could undermine European and global efforts to achieve the climate and sustainability goals. The best-known application of the proof-of-work consensus mechanism is Bitcoin. According to most estimates, the energy consumption of the Bitcoin network equals that of entire countries. Moreover, between the period of 1 January 2016 and 30 June 2018, the Bitcoin network was responsible for up to 13 million metric tons of CO₂ emissions. The increasing energy consumption was
accompanied by a growth in mining equipment and a generation of significant of electronic waste. It is therefore urgent to introduce environmental sustainability criteria for crypto-assets. The Commission should identify those consensus mechanisms that could pose a threat to the environment having regard to energy consumption, carbon emissions, depletion of real resources, electronic waste and the specific incentive structures. These unsustainable consensus mechanisms should only be applied at small scale.

Amendment 37
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, Marco Zanni

Proposal for a regulation
Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) When thinking about its harmonised framework, the Union should also consider the need for a global conference on the regulation of crypto-assets in order to find jointly agreed solutions and avoid legislative ‘dumping’ that would jeopardise the financial and banking stability of Member States, and to prevent the creation of legislative discrepancies that are detrimental to consumer protection.

Amendment 38
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 5 b (new)
In line with the objectives of the Sustainable Finance Agenda, sustainability disclosures requirements as defined in Regulation (EU) 2019/2088 and the EU Taxonomy for sustainable activities should also apply to crypto assets as well as crypto-asset service provider and issuers.

Or. en

Amendment 39
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 6

Union legislation on financial services should not favour one particular technology. Crypto-assets that qualify as ‘financial instruments’ as defined in Article 4(1), point (15), of Directive 2014/65/EU should therefore remain regulated under the general existing Union legislation, including Directive 2014/65/EU, regardless of the technology used for their issuance or their transfer.

Moreover, crypto-assets that have the same or highly similar features to financial instruments should be treated as equivalent to financial instruments, insofar they provide profit or governance rights or a claim on a future cash flow, and should therefore be subject to the Union financial sector legislation and not to this Regulation. In order to achieve legal clarity with regard to which crypto-assets fall under the scope of this Regulation and which crypto-assets are excluded, the ESMA should specify the
conditions under which a crypto-asset should be treated as a financial instrument because of its substance and regardless of its form.

Amendment 40
Stefan Berger

Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) Union legislation on financial services should not favour one particular technology. Crypto-assets that qualify as ‘financial instruments’ as defined in Article 4(1), point (15), of Directive 2014/65/EU should therefore remain regulated under the general existing Union legislation, including Directive 2014/65/EU, regardless of the technology used for their issuance or their transfer.

Amendment

(6) Union legislation on financial services should not favour one particular technology. Crypto-assets that qualify as ‘financial instruments’ as defined in Article 4(1), point (15), of Directive 2014/65/EU or as ‘deposits’ as defined in Article 2 (1), point (3) of Directive 2014/49/EU of the European Parliament and the Council should therefore remain regulated under the general existing Union legislation, including Directive 2014/65/EU and Directive 2014/49/EU respectively, regardless of the technology used for their issuance or their transfer.

Justification

With the introduction of the regulatory framework for crypto-assets the legal foundation is provided to establish regulated use cases for crypto-assets which will support the progress of the digital agenda of the EU economy. Financial stability and market integrity are key for the competitiveness and autonomy of the EU ecosystem. Crypto-assets in form of deposits based on DLT represent commercial bank money which is the key element of the two-tiered monetary systems of the EU economy next to cash. Deposits based on DLT represent a highly regulated alternative to global stablecoins.

Amendment 41
Patryk Jaki
on behalf of the ECR Group
(6) Union legislation on financial services should not favour one particular technology. Crypto-assets that qualify as ‘financial instruments’ as defined in Article 4(1), point (15), of Directive 2014/65/EU should therefore remain regulated under the general existing Union legislation, including Directive 2014/65/EU, regardless of the technology used for their issuance or their transfer. EU consumers will certainly still use blockchain technology and services provided via crypto-assets. The use of DLT is not compulsory since the technology is still being developed but crypto-asset service providers should have the option to use off-chain business models when this is appropriate and safe.

Or. pl

Amendment 42
France Jamet

(7) Crypto-assets issued by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets that are provided by such central banks or other public authorities.

(7) Considers it necessary to carry out evaluations to determine whether virtual currency issues by the ECB or by other public authorities should be subject to the Union framework covering crypto-assets.

Or. fr
Amendment 43  
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation  
Recital 7

*Text proposed by the Commission*

(7) Crypto-assets issued by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets that are provided by such central banks or other public authorities.

*Amendment*

(7) Crypto-assets and central bank money issued based on DLT or in digital form by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets and central bank money issued based on DLT or in digital form that are provided by such central banks or other public authorities.’

Or. en

Amendment 44  
Markus Ferber

Proposal for a regulation  
Recital 7

*Text proposed by the Commission*

(7) Crypto-assets issued by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets that are provided by such central banks or other public authorities.

*Amendment*

(7) Crypto-assets and central bank money based on DLT or in a digital form issued by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets and central bank money based on DLT or in a digital form that are provided by such central banks or other public authorities.

Or. en

*Justification*

Establishes clarity in relation to CBDCs as suggested in ECB Opinion on a proposal for a
Amendment 45
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

(7a) Pursuant to the fourth indent of art 127(2), of the Treaty on the Functioning of the European Union (TFEU), one of the basic tasks to be carried out through the European System of Central Banks (ESCB) is to promote the smooth operation of payment systems. The ECB may, pursuant to Article 22 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the ‘Statute of the ESCB’), make regulations to ensure efficient and sound clearing and payment systems within the Union and with other countries. In this respect, the European Central Bank (ECB) has adopted regulations on requirements for systemically important payment systems. This Regulation is without prejudice to the responsibilities of the ECB and the national central banks (NCBs) in the ESCB to ensure efficient and sound clearing and payment systems within the Union and with other countries.

Or. en

Amendment 46
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, France Jamet

Proposal for a regulation
Recital 8
(8) Any legislation adopted in the field of crypto-assets should be specific, future-proof and be able to keep pace with innovation and technological developments. ‘Crypto-assets’ and ‘distributed ledger technology’ should therefore be defined as widely as possible to capture all types of crypto-assets which currently fall outside the scope of Union legislation on financial services. Such legislation should also contribute to the objective of combating money laundering and the financing of terrorism. Any definition of ‘crypto-assets’ should therefore correspond to the definition of ‘virtual assets’ set out in the recommendations of the Financial Action Task Force (FATF)\(^{34}\). For the same reason, any list of crypto-asset services should also encompass virtual asset services that are likely to raise money-laundering concerns and that are identified as such by the FATF.

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(8) Any legislation adopted in the field of crypto-assets should be specific, future-proof and be able to keep pace with innovation and technological developments. ‘Crypto-assets’ and ‘distributed ledger technology’ should therefore be defined as widely as possible to capture all types of crypto-assets which currently fall outside the scope of Union legislation on financial services. Such legislation should also contribute to the objective of combating money laundering and the financing of terrorism. Any definition of ‘crypto-assets’ should therefore correspond to the definition of ‘virtual assets’ set out in the recommendations of the Financial Action Task Force (FATF)\(^\text{34}\). For the same reason, any list of crypto-asset services should also encompass virtual asset services that are likely to raise money-laundering concerns and that are identified as such by the FATF.

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Amendment 48
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 8
(8) Any legislation adopted in the field of crypto-assets should be specific, future-proof and be able to keep pace with innovation and technological developments. ‘Crypto-assets’ and ‘distributed ledger technology’ should therefore be defined as widely as possible to capture all types of crypto-assets which currently fall outside the scope of Union legislation on financial services. Such legislation should also contribute to the objective of combating money laundering and the financing of terrorism. Any definition of ‘crypto-assets’ should therefore correspond to the definition of ‘virtual assets’ set out in the recommendations of the Financial Action Task Force (FATF)\(^{34}\). For the same reason, any list of crypto-asset services should also encompass virtual asset services that are likely to raise money-laundering concerns and that are identified as such by the FATF.

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Amendment 50
Eva Kaili

Proposal for a regulation
Recital 8 a (new)

\textit{Text proposed by the Commission}

\textbf{Amendment}

(8a) \textit{This regulation should only apply to crypto-assets that may be transferred among holders without the issuers permission. Crypto-assets that are unique}
and not fungible with other crypto-assets, which are not fractionable and are accepted only by the issuer, including merchant’s loyalty schemes, represent IP rights, guarantees, certificate authenticity of a unique physical asset, or any other right not linked to the ones that financial instruments bear, and are not accepted to trading at a crypto-asset exchange, should be excluded from the scope of this Regulation. However, this Regulation should explicitly apply if the non-fungible token grants to the holder or its issuer specific rights linked to those of financial instruments, such as profit rights or other entitlements. In these cases, the tokens may then be assessed and treated as “security tokens”, and be subject, as well as the issuer, to various requirements under relevant financial market regulations, such as Directive (EU) 2015/849 (the AMLD), Directive 2014/65/EU (the MiFID II), Regulation (EU) 2017/1129 (the Prospectus Regulation), Regulation (EU) No 596/2014 (the MAR) and the Directive 2014/57/EU (the MAD).

Justification

The purpose and use of the token and not the technology deployed should be the criterion of bringing a crypto-asset in scope of this Regulation. Furthermore, it must be explicit that NFTs representing IP rights, certificate of authenticity, guarantees or any right not linked to financial instruments’ ones, should be out of scope of this Regulation.

Amendment 51
Aurore Lalucq

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) This legislation should not apply to crypto-assets that are unique and not
fungible with other crypto-assets, such as digital art and collectibles, whose value is inherent in the crypto-asset’s unique characteristics and the utility it gives to the token holder. The fractional parts of a unique and non-fungible crypto-asset should not be considered unique and not fungible. The sole attribution of a unique identifier to a crypto-asset is not sufficient to classify it as unique or not fungible. Similarly, it also does not apply to crypto-assets representing services, digital or physical assets that are unique, indivisible and not fungible, such as product guarantees, personalised products or services, or real estate.

Amendment 52
Eva Kaili

Proposal for a regulation
Recital 8 b (new)

Text proposed by the Commission

(8b) For the crypto-assets that are unique and not fungible with other crypto-assets, which are not fractionable and are accepted only by the issuer, represent IP rights, guarantees, certificate authenticity of a unique physical asset such as a piece of art, or any other right not linked to the ones that financial instruments bear, and are not accepted to trading at a crypto-asset exchange, it is proposed to consider whether an EU-wide bespoke regime should be proposed by the European Commission.

Justification

Creative industries and any sector that may deploy the use of DLT to issue NFTs representing IP rights, copyrights, certificates of authenticity, or any right not linked to financial
instruments’ ones, it is proposed to consider a bespoke regime, based to the framework applicable to creative industries, property rights, etc.

Amendment 53
Eero Heinälouma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) A distinction should be made between three sub-categories of crypto-assets, which should be subject to more specific requirements. The first sub-category consists of a type of crypto-asset which is intended to provide digital access to a good or service, available on DLT, and that is only accepted by the issuer of that token (‘utility tokens’). Such ‘utility tokens’ have non-financial purposes related to the operation of a digital platform and digital services and should be considered as a specific type of crypto-assets. A second sub-category of crypto-assets are ‘asset-referenced tokens’. Such asset-referenced tokens aim at maintaining a stable value by referencing several currencies that are legal tender, one or several commodities, or a basket of such assets. By stabilising their value, those asset-referenced tokens often aim at being used by their holders as a means of payment to buy goods and services and as a store of value. A third sub-category of crypto-assets are crypto-assets that are intended primarily as a means of payment aim at stabilising their value by referencing only one fiat currency. The function of such crypto-assets is very similar to the function of electronic money, as defined in in Article 2, point 2, of Directive 2009/110/EC of the European Parliament and of the Council. Like electronic money, such crypto-assets are electronic surrogates for coins and banknotes and are used for making payments. These crypto-
used for making payments. These crypto-assets are defined as ‘electronic money tokens’ or ‘e-money tokens’.


Amendment 54
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, Marco Zanni

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) A distinction should be made between three sub-categories of crypto-assets, which should be subject to more specific requirements. The first sub-category consists of a type of crypto-asset which is intended to provide digital access to a good or service, available on DLT, and that is only accepted by the issuer of that token (‘utility tokens’). Such ‘utility tokens’ have non-financial purposes related to the operation of a digital platform and digital services and should be considered as a specific type of crypto-assets. A second sub-category of crypto-assets are ‘asset-referenced tokens’. Such asset-referenced tokens aim at maintaining a stable value by referencing several currencies that are legal tender, one or several commodities, one or several crypto-assets, or a basket of such assets. By stabilising their value, these asset-referenced tokens often aim at being used by their holders as a means of payment to

Amendment

(9) A distinction should be made between three sub-categories of crypto-assets, which should be subject to more specific requirements. The first sub-category consists of a type of crypto-asset which is intended to provide digital access to a good or service, available on DLT, and that is only accepted by the issuer of that token (‘utility tokens’). Such ‘utility tokens’ have non-financial purposes related to the operation of a digital platform and digital services and should be considered as a specific type of crypto-assets. A second sub-category of crypto-assets are ‘asset-referenced tokens’. Such asset-referenced tokens aim at maintaining a stable value by referencing several currencies that are legal tender, one or several commodities, one or several crypto-assets, or a basket of such assets. By stabilising their value, these asset-referenced tokens often aim at being used by their holders as a means of exchange to
A distinction should be made between three sub-categories of crypto-assets, which should be subject to more specific requirements. The first sub-category consists of a type of crypto-asset which is intended to provide digital access to a good or service, available on DLT, and that is only accepted by the issuer of that token (‘utility tokens’). Such ‘utility tokens’ have non-financial purposes related to buy goods and services and as a store of value. A third sub-category of crypto-assets are crypto-assets that are intended primarily as a means of exchange aim at stabilising their value by referencing only one fiat currency. The function of such crypto-assets is very similar to the function of electronic money, as defined in Article 2, point 2, of Directive 2009/110/EC of the European Parliament and of the Council\textsuperscript{35}. Like electronic money, such crypto-assets are electronic surrogates for coins and banknotes and are used for making payments. These crypto-assets are defined as ‘electronic money tokens’ or ‘e-money tokens’.

to the operation of a digital platform and digital services and should be considered as a specific type of crypto-assets. A second sub-category of crypto-assets are ‘asset-referenced tokens’. Such asset-referenced tokens aim at maintaining a stable value by referencing several currencies that are legal tender, one or several commodities, one or several crypto-assets, or a basket of such assets. By stabilising their value, those asset-referenced tokens often aim at being used by their holders as a means of payment to buy goods and services and as a store of value. A third sub-category of crypto-assets are crypto-assets that are intended primarily as a means of payment aim at stabilising their value by referencing only one fiat currency. The function of such crypto-assets is very similar to the function of electronic money, as defined in in Article 2, point 2, of Directive 2009/110/EC of the European Parliament and of the Council. Like electronic money, such crypto-assets are electronic surrogates for coins and banknotes and are used for making payments. These crypto-assets are defined as ‘electronic money tokens’ or ‘e-money tokens’.

The definition of the different crypto-assets regulated by this Regulation shall not allow for arbitrary decision as to the type of such crypto-assets. The crypto-assets that are the subject of this regulation shall be defined, first, based on objective technical criteria and second, on their intended use directly linked to such technical design and criteria. The in-practice use of the various concepts of crypto-assets would in most cases be
difficult to predict in the emerging and rapidly innovating market. Furthermore, an objective approach shall be adopted when defining whether a token is a non-financial instrument and subject to this Regulation or a financial instrument, and therefore subject to other applicable Union legislation on the markets and financial instruments. Such legal certainty is crucial to attract investments and procure fast development while preserving consumer and investors’ protection.


Utility tokens can be used for a variety of non-payment or non-investment purposes, such as serving as a movie ticket or as tool to cast votes in a company’s annual general meeting. Utility tokens that are created for such purposes only hold value within the specific circumstances they are used for. The issuers of utility tokens should be exempt from the requirements set out in the MiCA Regulation.

Amendment 56
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 10

Text proposed by the Commission

(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,

Amendment

(10) 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
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 Council36, or by an electronic money institution authorised under Directive 2009/110/EC. 

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. 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.
to consumer protection and market integrity.


Amendment 57
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 10

Text proposed by the Commission

(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

Amendment

(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, or by an electronic money institution authorised under 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. E-money tokens may be linked to any global fiduciary currency classed as legal tender. 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.


Amendment 58
France Jamet

Proposal for a regulation
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, or by an electronic money institution authorised under 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.

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 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.

E-money tokens should reference any global currency that is legal tender. 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. However, since the various crypto-assets pose different risks and challenges for national economies, partly because of unknown factors in determining their value, stabilising crypto-assets to a single legal currency provides more secure uses for consumers and investors.

\(^{36}\) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms
Amendment 60
Michiel Hoogeveen

Proposal for a regulation
Recital 10

Text proposed by the Commission

(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-

Amendment

(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\textsuperscript{36}, or by an electronic money institution authorised under 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.


E-money tokens can be referenced to any global fiat currency that is a legal tender. 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. \textit{However, as different crypto-assets raise different risks and challenges, stabilising crypto-assets to a fiat currency allows for safer uses for both consumers and investors.}

Or. en

\textbf{Amendment 61}

\textbf{Eva Kaili}

\textbf{Proposal for a regulation}

\textbf{Recital 10 a (new)}

\textit{Text proposed by the Commission}

\textit{Amendment}

\textit{(10a) With the aim to establish a future-}
proof regulation and in order to avoid circumvention, the definition of asset-referenced token (ART) should include reference to any other value or right.

Or. en

Amendment 62
Eva Kaili

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given the different risks and opportunities raised by crypto-assets, it is necessary to lay down rules for issuers of crypto-assets that should be any legal person who offers to the public any type of crypto-assets or seeks the admission of such crypto-assets to a trading platform for crypto-assets.

Amendment

(11) Given the different risks and opportunities raised by crypto-assets, it is necessary to lay down rules for issuers and offerors of crypto-assets.

Or. en

Amendment 63
Gunnar Beck

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given the different risks and opportunities raised by crypto-assets, it is necessary to lay down rules for issuers of crypto-assets that should be any legal person who offers to the public any type of crypto-assets or seeks the admission of such crypto-assets to a trading platform for crypto-assets.

Amendment

(11) Given the different risks and opportunities raised by crypto-assets, it is necessary to lay down rules for issuers of crypto-assets that should be any legal person who offers to the public any type of crypto-assets or seeks the admission of such crypto-assets to a trading platform for crypto-assets. Issuer of crypto-assets may be a legal or natural person who issues any type of crypto-assets. Offeror of crypto-assets shall be a legal entity who
offers to the public any type of crypto-assets or asks for admission to trading of such crypto-assets on a trading platform for crypto-assets. Sometimes the issuance and exchange of crypto-assets may be decentralized, and this shall be reflected and considered by the regulations. Such decentralized issuers shall not be required to organise in a single legal entity and shall not be subject to regulation until the offering of the crypto-assets to the public is centralized.

Amendment 64
France Jamet

Proposal for a regulation
Recital 11 a (new)

_text proposed by the Commission_

(11a) Notes that regulations confined to crypto-asset issuers alone do not resolve all the problems. Rules for holders of crypto-assets are vital, particularly in order to prevent market manipulation.

Amendment 65
Eero Heinälouma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 12

_text proposed by the Commission_

(12) It is necessary to lay down specific rules for entities that provide services related to crypto-assets. A first category of such services consist of ensuring the operation of a trading platform for crypto-assets, exchanging crypto-assets against
fiat currencies that are legal tender or other crypto-assets by dealing on own account, and the service, on behalf of third parties, of ensuring the custody and administration of crypto-assets or ensuring the control of means to access such crypto-assets. A second category of such services are the placing of crypto-assets, the reception or transmission of orders for crypto-assets, the execution of orders for crypto-assets on behalf of third parties and the provision of advice on crypto-assets. Any person that provides such crypto-asset services on a professional basis should be considered as a ‘crypto-asset service provider’.

**Amendment 66**
Eero Heinäluoma, Victor Negrescu, Paul Tang, Jonás Fernández, Pedro Marques

**Proposal for a regulation**

**Recital 13**

*Text proposed by the Commission*

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities.

*Amendment*

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities whose corporate structure should not incorporate entities established in either non-cooperative jurisdictions for tax purposes or high risk third countries.
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities.

Amendment

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities. The European Commission needs to address crypto-currency mining and should monitor crypto-currency mining activities in the EU while initiating information campaigns for citizens with regard to miners that use computer resources of users without their consent.

Or. en

Amendment 68
Gunna Beck

Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities.

Amendment

(13) To ensure that all offers to the public of crypto-assets, other than asset-referenced tokens or e-money tokens, in the Union, or all the admissions of such crypto-assets to trading on a trading platform for crypto-assets are properly monitored and supervised by competent authorities, all issuers of crypto-assets should be legal entities. To promote and not hinder decentralised issuance of crypto-assets, this requirement may not and shall not apply to decentralised issuers of crypto-assets until and unless the issuance of such crypto-assets is
(13a) The European Union and member states should invest more in providing fiscal education and information to EU citizens about crypto-assets and crypto-currency. Specific communication campaigns underlining the risks of crypto-currency should also be put in place. The crypto-assets managers or sellers have the responsibility in adequately informing their customers and EU citizens about the risks of crypto-currency and crypto-assets.

(13a) Some types of crypto-assets are not issued by legal entities, but are managed by decentralised autonomous organisations (DAOs). Provided that such crypto assets are compatible with the requirements of this regulation and do not pose a risk for financial stability, market integrity or investor protection, competent authorities may decide to admit such crypto-assets for trading on a European
Trading platform for crypto-assets.

Amendment 71
Ondřej Kovařík, Billy Kelleher, Ivars Ijabs, Martin Hlaváček, Stéphanie Yon-Courtin, Gilles Boyer, Engin Eroglu

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) In order to ensure consumer protection, prospective purchasers of crypto-assets should be informed about the characteristics, functions and risks of crypto-assets they intend to purchase. When making a public offer of crypto-assets in the Union or when seeking admission of crypto-assets to trading on a trading platform for crypto-assets, issuers of crypto-assets should produce, notify to their competent authority and publish an information document (‘a crypto-asset white paper’) containing mandatory disclosures. Such crypto-asset white paper should contain general information on the issuer, on the project to be carried out with the capital raised, on the public offer of crypto-assets or on their admission to trading on a trading platform for crypto-assets, on the rights and obligations attached to the crypto-assets, on the underlying technology used for such assets and on the related risks. To ensure fair and non-discriminatory treatment of holders of crypto-assets, the information in the crypto-asset white paper, and where applicable in any marketing communications related to the public offer, shall be fair, clear and not misleading.

Amendment

(14) In order to ensure consumer protection, prospective purchasers of crypto-assets should be informed about the characteristics, functions and risks of crypto-assets they intend to purchase. When making a public offer of crypto-assets in the Union or when seeking admission of crypto-assets to trading on a trading platform for crypto-assets, issuers of crypto-assets should produce, notify to their competent authority and publish an information document (‘a crypto-asset white paper’) containing mandatory disclosures. Such crypto-asset white paper should contain general information on the issuer and offeror, when different, on the project to be carried out with the capital raised, on the public offer of crypto-assets or on their admission to trading on a trading platform for crypto-assets, on the rights and obligations attached to the crypto-assets, on the underlying technology used for such assets and on the related risks. To ensure fair and non-discriminatory treatment of holders of crypto-assets, the information in the crypto-asset white paper, and where applicable in any marketing communications related to the public offer, shall be fair, clear and not misleading.

Or. en
Amendment 72
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) In order to ensure consumer protection, prospective purchasers of crypto-assets should be informed about the characteristics, functions and risks of crypto-assets they intend to purchase. When making a public offer of crypto-assets in the Union or when seeking admission of crypto-assets to trading on a trading platform for crypto-assets, issuers of crypto-assets should produce, notify to their competent authority and publish an information document (‘a crypto-asset white paper’) containing mandatory disclosures. Such crypto-asset white paper should contain general information on the issuer, on the project to be carried out with the capital raised, on the public offer of crypto-assets or on their admission to trading on a trading platform for crypto-assets, on the rights and obligations attached to the crypto-assets, on the underlying technology used for such assets and on the related risks. To ensure fair and non-discriminatory treatment of holders of crypto-assets, the information in the crypto-asset white paper, and where applicable in any marketing communications related to the public offer, shall be fair, clear and not misleading.

Amendment

(14) In order to ensure consumer protection, prospective purchasers of crypto-assets should be informed about the characteristics, functions and risks of crypto-assets they intend to purchase. When making a public offer of crypto-assets in the Union or when seeking admission of crypto-assets to trading on a trading platform for crypto-assets, issuers of crypto-assets should produce, notify to their competent authority and publish an information document (‘a crypto-asset white paper’) containing mandatory disclosures. Such crypto-asset white paper should contain general information on the issuer, on the project to be carried out with the capital raised, on the public offer of crypto-assets or on their admission to trading on a trading platform for crypto-assets, on the rights and obligations attached to the crypto-assets, on the underlying technology used for such assets and on the related risks. To ensure fair and non-discriminatory treatment of holders of crypto-assets, the information in the crypto-asset white paper, and where applicable in any marketing communications related to the public offer, shall be fair, clear and not misleading. This white paper should be approved by the competent authority.

Or. en

Amendment 73
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 15
(15) In order to ensure a proportionate approach, the requirements to draw up and publish a crypto-asset white paper should not apply to offers of crypto-assets, other than asset-referenced tokens or e-money tokens, that are offered for free, or offers of crypto-assets that are exclusively offered to qualified investors as defined in Article 2, point (e), of Regulation (EU) 2017/1129 of the European Parliament and of the Council and can be exclusively held by such qualified investors, or that, per Member State, are made to a small number of persons, or that are unique and not fungible with other crypto-assets.

point (e), of Regulation (EU) 2017/1129 of the European Parliament and of the Council and can be exclusively held by such qualified investors, or that, per Member State, are made to a small number of persons, or that are unique and not fungible with other crypto-assets.


Amendment 75
Markus Ferber
Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) In order to ensure a proportionate approach, the requirements to draw up and publish a crypto-asset white paper should not apply to offers of crypto-assets, other than asset-referenced tokens or e-money tokens, that are offered for free, or offers of crypto-assets that are exclusively offered to qualified investors as defined in Article 2, point (e), of Regulation (EU) 2017/1129 of the European Parliament and of the Council and can be exclusively held by such qualified investors, or that, per Member State, are made to a small number of persons, or that are unique and not fungible with other crypto-assets.

Amendment

(15) In order to ensure a proportionate approach, the requirements to draw up and publish a crypto-asset white paper should not apply to offers of crypto-assets, other than asset-referenced tokens or e-money tokens, that are offered for free, or offers of crypto-assets that are exclusively offered to qualified investors as defined in Article 2, point (e), of Regulation (EU) 2017/1129 of the European Parliament and of the Council and can be exclusively held by such qualified investors, or that, per Member State, are made to a small number of persons, or that are unique and not fungible with other crypto-assets. This regulation shall also not apply to crypto assets that have a very narrow and precise
use case, that are designed for use in only a specific store or limited network of stores and that cannot be transferred between holders. Such specific-purpose crypto assets include inter alia public transport tokens and tokens for vouchers or loyalty schemes.


Justification

Exemption needed to prevent burdensome application of MiCA rules to tokens designed for a specific purpose that have no purpose beyond the specific use-case and have thus no wider financial stability implications.

Amendment 76
Chris MacManus
on behalf of The Left Group

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) Small and medium-sized enterprises and start-ups should not be subject to excessive administrative burdens. Offers to the public of crypto-assets in the Union that do not exceed an adequate aggregate threshold over a period of 12 months should therefore be exempted from the obligation to draw up a crypto-asset white paper. However, EU horizontal legislation ensuring consumer protection, such as Directive 2011/83/EU of the European Parliament and of the Council, Directive 2005/29/EC of the European Parliament and of the Council or the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, including any information obligations contained therein, remain

Amendment

European Parliament and of the Council\textsuperscript{39} or the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts\textsuperscript{40}, including any information obligations contained therein, remain applicable to these offers to the public of crypto-assets where involving business-to-consumer relations.


Philippe Lamberts, Bisser Petkov, Silvia雷v宠物
Proposal for a regulation
Recital 16

\textit{Text proposed by the Commission}  \hspace*{1cm} \textit{Amendment}

Amendment 77
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Or. en
Small and medium-sized enterprises and start-ups should not be subject to excessive administrative burdens. Offers to the public of crypto-assets in the Union that do not exceed an adequate aggregate threshold over a period of 12 months should therefore be exempted from the obligation to draw up a crypto-asset white paper. However, EU horizontal legislation ensuring consumer protection, such as Directive 2011/83/EU of the European Parliament and of the Council, Directive 2005/29/EC of the European Parliament and of the Council or the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, including any information obligations contained therein, remain applicable to these offers to the public of crypto-assets where involving business-to-consumer relations.

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Amendment 78
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) Small and medium-sized enterprises and start-ups should not be subject to excessive administrative burdens. Offers to the public of crypto-assets in the Union that do not exceed an adequate aggregate threshold over a period of 12 months should therefore be exempted from the obligation to draw up a crypto-asset white paper. However, EU horizontal legislation ensuring consumer protection, such as Directive 2011/83/EU of the European Parliament and of the Council38, Directive 2005/29/EC of the European Parliament and of the Council39 or the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, including any information obligations contained therein40, remain applicable to these offers to the public of crypto-assets where involving business-to-consumer relations.

Amendment

(16) Small and medium-sized enterprises and start-ups should not be subject to excessive and disproportionate administrative burdens. Offers to the public of crypto-assets in the Union that do not exceed an adequate aggregate threshold over a period of 12 months should therefore be exempted from the obligation to draw up a crypto-asset white paper. However, EU horizontal legislation ensuring consumer protection, such as Directive 2011/83/EU of the European Parliament and of the Council38, Directive 2005/29/EC of the European Parliament and of the Council39 or the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, including any information obligations contained therein40, remain applicable to these offers to the public of crypto-assets where involving business-to-consumer relations.


Amendment 79
Eva Kaili
Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

(17a) As an offer of crypto-assets will not necessarily be underwritten or guaranteed, there is a risk that the funds raised are eventually significantly lower than the total consideration initially targeted, and that the proceeds will be insufficient to fund the project envisaged by the issuer. In these circumstances, investors who subscribed to the offer should be protected. Issuers of crypto-assets should therefore be required to specify in their whitepaper a minimum subscription target (soft cap) and to return funds to investors expeditiously where their offer does not reach such target. This regulation should set out the minimum amount permissible for such a soft cap.
Justification

For enhanced investor protection the white paper should specify a minimum amount necessary to carry out the offer to the public of crypto-assets. This would allow investors to recover their funds in the event that subscriptions fail to reach this minimum subscription target by the end of the subscription period. The offering to the public should thus lapse and all funds collected shall be returned to the investors.

Amendment 80
Stéphanie Yon-Courtin, Gilles Boyer, Olivier Chastel

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to enable supervision, issuers of crypto-assets should, before any public offer of crypto-assets in the Union or before those crypto-assets are admitted to trading on a trading platform for crypto-assets, notify their crypto-asset white paper and, where applicable, their marketing communications, to the competent authority of the Member State where they have their registered office or a branch. Issuers that are established in a third country should notify their crypto-asset white paper, and, where applicable, their marketing communication, to the competent authority of the Member State where the crypto-assets are intended to be offered or where the admission to trading on a trading platform for crypto-assets is sought in the first place.

Amendment

(18) In order to enable supervision, issuers of crypto-assets should, before any public offer of crypto-assets in the Union or before those crypto-assets are admitted to trading on a trading platform for crypto-assets, notify their crypto-asset white paper and, where applicable, their marketing communications, to the competent authority of the Member State where they have their registered office. Issuers that are established in a third country should notify their crypto-asset white paper, and, where applicable, their marketing communication, to the competent authority of the Member State where the crypto-assets are intended to be offered or where the admission to trading on a trading platform for crypto-assets is sought in the first place.

Or. en

Amendment 81
Chris MacManus
on behalf of The Left Group

Proposal for a regulation
Recital 18
In order to enable supervision, issuers of crypto-assets should, before any public offer of crypto-assets in the Union or before those crypto-assets are admitted to trading on a trading platform for crypto-assets, notify their crypto-asset white paper and, where applicable, their marketing communications, to the competent authority of the Member State where they have their registered office or a branch. Issuers that are established in a third country should notify their crypto-asset white paper, and, where applicable, their marketing communication, to the competent authority of the Member State where the crypto-assets are intended to be offered or where the admission to trading on a trading platform for crypto-assets is sought in the first place. In both cases, any public offer or admission to trading or a trading platform is dependent on authorisation by the competent authority.

Amendment 82
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 19

Although undue administrative burdens should be avoided, a crypto-asset white paper should be approved by the competent authority before its publication. Furthermore, competent authorities should, after publication, have the power to request that additional information is included in the crypto-asset white paper, and, where applicable, in the marketing communications.
Amendment 83  
Chris MacManus  
on behalf of The Left Group  

Proposal for a regulation  
Recital 19  

Text proposed by the Commission

(19) Undue administrative burdens should be avoided. Competent authorities should **therefore not be required to approve a crypto-asset white paper before its publication. Competent authorities should, however, after publication, have the power to request that additional information is included in the crypto-asset white paper, and, where applicable, in the marketing communications.**

Amendment

(19) Undue administrative burdens should be avoided. Competent authorities should, after publication, have the power to request that additional information is included in the crypto-asset white paper, and, where applicable, in the marketing communications.

Or. en

Amendment 84  
Chris MacManus  
on behalf of The Left Group  

Proposal for a regulation  
Recital 20  

Text proposed by the Commission

(20) Competent authorities should be able to suspend or prohibit a public offer of crypto-assets or the admission of such crypto-assets to trading on a trading platform for crypto-assets where such an offer to the public or an admission to trading does not comply with the applicable requirements. Competent authorities should also have the power to publish a warning that an issuer has failed to meet those requirements, either on its website or through a press release.

Amendment

(20) Competent authorities should be able to suspend or prohibit a public offer of crypto-assets or the admission of such crypto-assets to trading on a trading platform for crypto-assets where such an offer to the public or an admission to trading does not comply with the applicable requirements. Competent authorities should also have the power to publish a warning that an issuer has failed to meet those requirements, either on its website and/or through a press release.

Or. en
Amendment 85
Chris MacManus
on behalf of The Left Group

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) Crypto-asset white papers and, where applicable, marketing communications that have been duly notified to a competent authority should be published, after which issuers of crypto-assets should be allowed to offer their crypto-assets throughout the Union and to seek admission for trading such crypto-assets on a trading platform for crypto-assets.

Amendment

(21) Crypto-asset white papers and, where applicable, marketing communications that have been duly notified to a competent authority and authorised by a competent authority should be published, after which issuers of crypto-assets should be allowed to offer their crypto-assets throughout the Union and to seek admission for trading such crypto-assets on a trading platform for crypto-assets.

Or. en

Amendment 86
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) Crypto-asset white papers and, where applicable, marketing communications that have been duly notified to a competent authority should be published, after which issuers of crypto-assets should be allowed to offer their crypto-assets throughout the Union and to seek admission for trading such crypto-assets on a trading platform for crypto-assets.

Amendment

(21) Crypto-asset white papers and, where applicable, marketing communications that have been duly notified to and been approved by a competent authority should be published, after which issuers of crypto-assets should be allowed to offer their crypto-assets throughout the Union and to seek admission for trading such crypto-assets on a trading platform for crypto-assets.

Or. en
Amendment 87  
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation  
Recital 22

**Text proposed by the Commission**

(22) In order to further ensure consumer protection, the consumers who are acquiring crypto-assets, other than asset-referenced tokens or e-money tokens, directly from the issuer or from a crypto-asset service provider placing the crypto-assets on behalf of the issuer should be provided with a right of withdrawal during a limited period of time after their acquisition. **In order to ensure the smooth completion of an offer to the public of crypto-assets for which the issuer has set a time limit, this right of withdrawal should not be exercised by the consumer after the end of the subscription period. Furthermore, the right of withdrawal should not apply where the crypto-assets, other than asset-referenced tokens or e-money tokens, are admitted to trading on a trading platform for crypto-assets, as, in such a case, the price of such crypto-assets would depend on the fluctuations of crypto-asset markets.**

**Amendment**

(22) In order to further ensure consumer protection, the consumers who are acquiring crypto-assets, other than asset-referenced tokens or e-money tokens, directly from the issuer or from a crypto-asset service provider placing the crypto-assets on behalf of the issuer should be provided with a right of withdrawal during a limited period of time after their acquisition. **The right of withdrawal can be exercised again in case of changes to the white paper, in order to protect the consumer and this until the end of the subscription period. Furthermore, the right of withdrawal should not apply where the crypto-assets, other than asset-referenced tokens or e-money tokens, are admitted to trading on a trading platform for crypto-assets, as, in such a case, the price of such crypto-assets would depend on the fluctuations of crypto-asset markets.**

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Amendment 88  
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation  
Recital 25

**Text proposed by the Commission**

(25) Asset-referenced tokens aim at stabilising their value by reference to several fiat currencies, to one or more commodities, **to one or more other crypto-assets, or to a basket of such assets. They could therefore be widely adopted by**

**Amendment**

(25) Asset-referenced tokens aim at stabilising their value by reference to several fiat currencies, to one or more commodities, or to a basket of such assets.
could therefore be widely adopted by users to transfer value or as a means of payments and thus pose increased risks in terms of consumer protection and market integrity compared to other crypto-assets. Issuers of asset-referenced tokens should therefore be subject to more stringent requirements than issuers of other crypto-assets.

**Amendment 89**  
Eero Heinäluoma, Victor Negrescu, Paul Tang, Jonás Fernández, Pedro Marques  
Proposal for a regulation  
Recital 27  

*Text proposed by the Commission*  
(27) To ensure the proper supervision and monitoring of offers to the public of asset-referenced tokens, issuers of asset-referenced tokens should have a registered office in the Union.

*Amendment*  
(27) To ensure the proper supervision and monitoring of offers to the public of asset-referenced tokens, issuers of asset-referenced tokens should have a registered office in the Union and its corporate structure should not incorporate entities established in either non-cooperative jurisdictions for tax purposes or high risk third countries.

**Amendment 90**  
Eero Heinäluoma, Victor Negrescu, Pedro Marques  
Proposal for a regulation  
Recital 28  

*Text proposed by the Commission*  
(28) Offers to the public of asset-referenced tokens in the Union or seeking an admission of such crypto-assets to trading on a trading platform for crypto-assets should be possible only where the competent authority has authorised the
issuer of such crypto-assets and approved the crypto-asset white paper regarding such crypto-assets. The authorisation requirement should however not apply where the asset-referenced tokens are only offered to qualified investors, or when the offer to the public of asset-referenced tokens is below a certain threshold. Credit institutions authorised under Directive 2013/36/EU of the European Parliament and of the Council should not need another authorisation under this Regulation in order to issue asset-referenced tokens. In those cases, the issuer of such asset-referenced tokens should be still required to produce a crypto-asset white paper to inform buyers about the characteristics and risks of such asset-referenced tokens and to notify it to the relevant competent authority, before publication.


Amendment 91
Markus Ferber
Proposal for a regulation
Recital 28

Text proposed by the Commission

(28) Offers to the public of asset-referenced tokens in the Union or seeking an admission of such crypto-assets to trading on a trading platform for crypto-assets should be possible only where the

Amendment

(28) Offers to the public of asset-referenced tokens in the Union or seeking an admission of such crypto-assets to trading on a trading platform for crypto-assets should be possible only where the
compotent authority has authorised the issuer of such crypto-assets and approved the crypto-asset white paper regarding such crypto-assets. The authorisation requirement should however not apply where the asset-referenced tokens are only offered to qualified investors, or when the offer to the public of asset-referenced tokens is below a certain threshold. Credit institutions authorised under Directive 2013/36/EU of the European Parliament and of the Council should not need another authorisation under this Regulation in order to issue asset-referenced tokens. In those cases, the issuer of such asset-referenced tokens should be still required to produce a crypto-asset white paper to inform buyers about the characteristics and risks of such asset-referenced tokens and to notify it to the relevant competent authority, before publication.

They should, however, notify at least three months prior to the issuance their respective competent authority of their intention to issue an asset-referenced token. In those cases, the issuer of such asset-referenced tokens should be still required to produce a crypto-asset white paper to inform buyers about the characteristics and risks of such asset-referenced tokens and to notify it to the relevant competent authority, before publication.


Justification

Issuing an ART comes with idiosyncratic risks, hence the banking supervisor should at least be made aware of the intention.

Amendment 92
Gunnar Beck
Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Amendment

(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability. Such refusal shall be based on clear criteria laid down in a legislative act of the Union. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application.

Opinions should be non-binding. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Or. en

Amendment 93
Michiel Hoogeveen

Proposal for a regulation
Recital 29
(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Or. en

Amendment 94
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, Marco Zanni, France Jamet

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Amendment

(29) A competent authority should be obliged to refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should be obliged to consult the EBA and ESMA and, where the asset-referenced tokens are referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with an opinion on the prospective issuer’s application. Opinions should be non-binding with the exception of those of the ECB and the Member States’ central banks on monetary policy enforcement and ensuring the secure handling of payments. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Or. it

Amendment 95
Eero Heinäluoma, Victor Negrescu, Pedro Marques
(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a *non-binding* opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Amendment 96
Christophe Hansen

Proposal for a regulation
Recital 29

(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a *binding* opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.
(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.
(29) A competent authority should refuse authorisation where the prospective issuer of asset-referenced tokens’ business model may pose a serious threat to financial stability, monetary policy transmission and monetary sovereignty. The competent authority should consult the EBA and ESMA and, where the asset-referenced tokens is referencing Union currencies, the European Central Bank (ECB) and the national central bank of issue of such currencies before granting an authorisation or refusing an authorisation. The EBA, ESMA, and, where applicable, the ECB and the national central banks should provide the competent authority with a non-binding opinion on the prospective issuer’s application. Where authorising a prospective issuer of asset-referenced tokens, the competent authority should also approve the crypto-asset white paper produced by that entity. The authorisation by the competent authority should be valid throughout the Union and should allow the issuer of asset-referenced tokens to offer such crypto-assets in the Single Market and to seek an admission to trading on a trading platform for crypto-assets. In the same way, the crypto-asset white paper should also be valid for the entire Union, without possibility for Member States to impose additional requirements.

Or. en
Amendment 99
Markus Ferber

Proposal for a regulation
Recital 30

Text proposed by the Commission

(30) To ensure consumer protection, issuers of asset-referenced tokens should always provide holders of asset-referenced tokens with clear, fair and not misleading information. The cryptoasset white paper on asset-referenced tokens should include information on the stabilisation mechanism, on the investment policy of the reserve assets, on the custody arrangements for the reserve assets, and on the rights provided to holders.

Amendment

(30) To ensure consumer protection, issuers of asset-referenced tokens should always provide holders of asset-referenced tokens with clear, fair and not misleading information. The cryptoasset white paper on asset-referenced tokens should include information on the stabilisation mechanism, on the investment policy of the reserve assets, on the custody arrangements for the reserve assets, and on the rights provided to holders.

Where the issuers of asset-referenced tokens do not offer a direct claim or redemption right on the reserve assets to all the holders of such asset-referenced tokens, the cryptoasset white paper related to asset-referenced tokens should contain a clear and unambiguous warning in this respect. Marketing communications of an issuer of asset-referenced tokens should also include the same statement, where the issuers do not offer such direct rights to all the holders of asset-referenced tokens.
Where the issuers of asset-referenced tokens do not offer a direct claim or redemption right on the reserve assets to all the holders of such asset-referenced tokens, the crypto-asset white paper related to asset-referenced tokens should contain a clear and unambiguous warning in this respect. Marketing communications of an issuer of asset-referenced tokens should also include the same statement, where the issuers do not offer such direct rights to all the holders of asset-referenced tokens.

Justification

The issuer should be required to always offer a redemption right.

Amendment 100
France Jamet

Proposal for a regulation
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to strengthen investor protection, considers that all holders of crypto-assets exceeding a specific share of the crypto-asset market in question should have an obligation to declare this to the regulatory authorities and the issuer so that new entrants may be fully informed and in a position to appreciate the risks of market manipulation.

Amendment 101
France Jamet

Proposal for a regulation
Recital 34
(34) Issuers of asset-referenced tokens should have robust governance arrangements, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which they are or might be exposed. The management body of such issuers and their shareholders should have good repute and sufficient expertise and be fit and proper for the purpose of anti-money laundering and combatting the financing of terrorism. Issuers of asset-referenced tokens should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. For that purpose, issuers of asset-referenced tokens should establish a business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the performance of their core payment activities. Issuers of asset-referenced tokens should also have a strong internal control and risk assessment mechanism, as well as a system that guarantees the integrity and confidentiality of information received.

(34) Issuers of asset-referenced tokens should have robust governance arrangements, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which they are or might be exposed. The management body of such issuers and their shareholders should be properly equipped for the purpose of anti-money laundering and combatting the financing of terrorism. Issuers of asset-referenced tokens should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. In order to prevent market manipulation, considers that it is the responsibility of the issuer or the platform for the purchase or trading of crypto-assets to maintain its services without undue interruptions. Considers that investors and consumers must be able to pursue remedies against an issuer or platform that has unilaterally interrupted its services following a market event, without having received authorisation for such action from the regulatory authority. For that purpose, issuers of asset-referenced tokens should establish a business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the performance of their core payment activities. Issuers of asset-referenced tokens should also have a strong internal control and risk assessment mechanism, as well as a system that guarantees the integrity and confidentiality of information received.
Amendment 102
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 34

Text proposed by the Commission

(34) Issuers of asset-referenced tokens should have robust governance arrangements, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which they are or might be exposed. The management body of such issuers and their shareholders should have good repute and sufficient expertise and be fit and proper for the purpose of anti-money laundering andcombatting the financing of terrorism. Issuers of asset-referenced tokens should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. For that purpose, issuers of asset-referenced tokens should establish a business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the performance of their core payment activities. Issuers of asset-referenced tokens should also have a strong internal control and risk assessment mechanism, as well as a system that guarantees the integrity and confidentiality of information received.

Information on governance arrangements should be sent together with the draft white paper to the competent authority and should be assessed during the white paper approval process.

Or. en

Amendment 103
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 34

Text proposed by the Commission

(34) Issuers of asset-referenced tokens should have robust governance arrangements, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which they are or might be exposed. The management body of such issuers and their shareholders should have good repute and sufficient expertise and be fit and proper for the purpose of anti-money laundering and combatting the financing of terrorism. Issuers of asset-referenced tokens should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. For that purpose, issuers of asset-referenced tokens should establish a business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the performance of their core payment activities. Issuers of asset-referenced tokens should also have a strong internal control and risk assessment mechanism, as well as a system that guarantees the integrity and confidentiality of information received.

Amendment

(34) Issuers of asset-referenced tokens should have robust governance arrangements, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which they are or might be exposed. The management body of such issuers and their shareholders should have good repute and sufficient expertise and be fit and proper for the purpose of anti-money laundering and combatting the financing of terrorism. Issuers of asset-referenced tokens should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. For that purpose, issuers of asset-referenced tokens should establish a business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the performance of their core payment activities. Issuers of asset-referenced tokens should also have a strong internal control and risk assessment mechanism, as well as a system that guarantees the integrity and confidentiality of information received. Fulfilment of this obligation aims to ensure the protection of basic rights and freedoms within the Union, not to create unnecessary barriers on the crypto-asset market.

Or. pl
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 34 a (new)

Text proposed by the Commission

(34a) A significant proportion of crypto-asset service providers are deemed to have inadequate KYC and customer due diligence procedures pose increased risks of money laundering and terrorist financing. In 2019 the FATF adopted ‘the Travel Rule’ requiring all firms providing services in crypto-assets to obtain and hold required and accurate originator information and required beneficiary information on any transfers in crypto-assets, submit the information to beneficiary service provider and counterparts, if any, and make it available on request to the authorities. The Travel Rule has so far been implemented in a few jurisdictions, but not in the Union. With a view to stepping up the fight against money laundering and terrorist financing, the Union should ensure that crypto-asset service providers comply with stringent AML obligations, and that the Union AML regulatory framework is aligned with the FATF international standards on combating money laundering and the financing of terrorism.

Amendment 105
Eero Heinäluoma, Victor Negrescu, Paul Tang, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 35

Text proposed by the Commission

(35) Issuers of asset-referenced tokens are usually at the centre of a network of
entities that ensure the issuance of such crypto-assets, their transfer and their distribution to holders. Issuers of asset-referenced tokens should therefore be required to establish and maintain appropriate contractual arrangements with those third-party entities ensuring the stabilisation mechanism and the investment of the reserve assets backing the value of the tokens, the custody of such reserve assets, and, where applicable, the distribution of the asset-referenced tokens to the public.

The corporate structure of issuers of asset-referenced tokens should not incorporate entities established in either non cooperative jurisdictions for tax purposes or high risk third countries.

Amendment 106
Eero Heinäläuoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 36

Text proposed by the Commission

(36) To address the risks to financial stability of the wider financial system, issuers of asset-referenced tokens should be subject to capital requirements. Those capital requirements should be proportionate to the issuance size of the asset-referenced tokens and therefore calculated as a percentage of the reserve of assets that back the value of the asset-referenced tokens. Competent authorities should however be able to increase or decrease the amount of own fund requirements required on the basis of, inter alia, the evaluation of the risk-assessment mechanism of the issuer, the quality and volatility of the assets in the reserve backing the asset-referenced tokens or the aggregate value and number of asset-
referenced tokens.

Amendment 107
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 36

Text proposed by the Commission

(36) To address the risks to financial stability of the wider financial system, issuers of asset-referenced tokens should be subject to capital requirements. Those capital requirements should be proportionate to the issuance size of the asset-referenced tokens and therefore calculated as a percentage of the reserve of assets that back the value of the asset-referenced tokens. Competent authorities should however be able to increase or decrease the amount of own fund requirements required on the basis of, inter alia, the evaluation of the risk-assessment mechanism of the issuer, the quality and volatility of the assets in the reserve backing the asset-referenced tokens or the aggregate value and number of asset-referenced tokens.

Amendment

(36) To address the risks to financial stability of the wider financial system, issuers of asset-referenced tokens should be subject to capital requirements. Those capital requirements should be proportionate to the issuance size of the asset-referenced tokens and therefore calculated as a percentage of the reserve of assets that back the value of the asset-referenced tokens. Competent authorities should however be able to increase or decrease the amount of own fund requirements required on the basis of, inter alia, the evaluation of the risk-assessment mechanism of the issuer, the quality and volatility of the assets in the reserve backing the asset-referenced tokens or the aggregate value and number of asset-referenced tokens. In any case, it is recognised that excessive and disproportionate capital requirements may make the Union crypto-asset environment less attractive compared with rival external markets. There should be a sensible central management mechanism at a Union level in terms of openness of the market to new players and the avoidance of non-competitive regulation imposed at a regional level.
Amendment 108  
Markus Ferber  
Proposal for a regulation  
Recital 37

Text proposed by the Commission

(37) In order to stabilise the value of their asset-referenced tokens, issuers of asset-referenced tokens should constitute and maintain a reserve of assets backing those crypto-assets at all times. Issuers of asset-referenced tokens should ensure the prudent management of such a reserve of assets and should in particular ensure that the creation and destruction of asset-referenced tokens are always matched by a corresponding increase or decrease in the reserve assets and that such increase or decrease is adequately managed to avoid adverse impacts on the market of the reserve assets. Issuers of asset-backed crypto-assets should therefore establish, maintain and detail policies that describe, inter alia, the composition of the reserve assets, the allocation of assets, the comprehensive assessment of the risks raised by the reserve assets, the procedure for the creation and destruction of the asset-referenced tokens, the procedure to purchase and redeem the asset-referenced tokens against the reserve assets and, where the reserve assets are invested, the investment policy that is followed by the issuer.

Amendment

(37) In order to stabilise the value of their asset-referenced tokens, issuers of asset-referenced tokens should constitute and maintain a reserve of assets backing those crypto-assets at all times. Issuers of asset-referenced tokens should ensure the prudent management of such a reserve of assets and should in particular ensure that the creation and destruction of asset-referenced tokens are always matched by a corresponding increase or decrease in the reserve assets and that such increase or decrease is adequately managed to avoid adverse impacts on the market of the reserve assets. Issuers of asset-referenced crypto-assets should therefore establish, maintain and detail policies that describe, inter alia, the composition of the reserve assets, the allocation of assets, the comprehensive assessment of the risks raised by the reserve assets, the procedure for the creation and destruction of the asset-referenced tokens, the procedure to purchase and redeem the asset-referenced tokens against the reserve assets and, where the reserve assets are invested, the investment policy that is followed by the issuer.

Or. en

Justification

Editorial change for consistency.
Recital 37

Text proposed by the Commission

(37) In order to stabilise the value of their asset-referenced tokens, issuers of asset-referenced tokens should constitute and maintain a reserve of assets backing those crypto-assets at all times. Issuers of asset-referenced tokens should ensure the prudent management of such a reserve of assets and should in particular ensure that the creation and destruction of asset-referenced tokens are always matched by a corresponding increase or decrease in the reserve assets and that such increase or decrease is adequately managed to avoid adverse impacts on the market of the reserve assets. Issuers of asset-backed crypto-assets should therefore establish, maintain and detail policies that describe, inter alia, the composition of the reserve assets, the allocation of assets, the comprehensive assessment of the risks raised by the reserve assets, the procedure for the creation and destruction of the asset-referenced tokens, the procedure to purchase and redeem the asset-referenced tokens against the reserve assets and, where the reserve assets are invested, the investment policy that is followed by the issuer.

Amendment

(37) In order to stabilise the value of their asset-referenced tokens, issuers of asset-referenced tokens should constitute and maintain a reserve of assets backing those crypto-assets at all times. **Such reserve constitutes a guarantee to the issuer liability represented by the asset-referenced token.** Issuers of asset-referenced tokens should ensure the prudent management of such a reserve of assets and should in particular ensure that the creation and destruction of asset-referenced tokens are always matched by a corresponding increase or decrease in the reserve assets and that such increase or decrease is adequately managed to avoid adverse impacts on the market of the reserve assets. Issuers of asset-backed crypto-assets should therefore establish, maintain and detail policies that describe, inter alia, the composition of the reserve assets, the allocation of assets, the comprehensive assessment of the risks raised by the reserve assets, the procedure for the creation and destruction of the asset-referenced tokens, the procedure to purchase and redeem the asset-referenced tokens against the reserve assets and, where the reserve assets are invested, the investment policy that is followed by the issuer.

Or. en

Justification

To express the idea of a secured liability it is proposed to use the current requirements applicable to EMI and Payment Institutions when offering e-money (including EMT) and payment accounts, currently foreseen in article 10(1)(a) of PSD II.

Amendment 110
Markus Ferber
Proposal for a regulation
Recital 38

Text proposed by the Commission

(38) To prevent the risk of loss for asset-referenced tokens and to preserve the value of those assets issuers of asset-referenced tokens should have an adequate custody policy for reserve assets. That policy should ensure that the reserve assets are entirely segregated from the issuer’s own assets at all times, that the reserve assets are not encumbered or pledged as collateral, and that the issuer of asset-referenced tokens has prompt access to those reserve assets. The reserve assets should, depending on their nature, be kept in custody either by a credit institution within the meaning of Regulation (EU) No 575/2013 or by an authorised crypto-asset service provider. Credit institutions or crypto-asset service providers that keep in custody the reserve assets that back the asset-referenced tokens should be responsible for the loss of such reserve assets vis-à-vis the issuer or the holders of asset-referenced tokens, unless they prove that such loss has arisen from an external event beyond reasonable control.

Amendment

(38) To prevent the risk of loss for asset-referenced tokens and to preserve the value of those assets issuers of asset-referenced tokens should have an adequate custody policy for reserve assets. That policy should ensure that the reserve assets are entirely segregated from the issuer’s own assets at all times, that the reserve assets are not encumbered or pledged as collateral, and that the issuer of asset-referenced tokens has prompt access to those reserve assets. The reserve assets should, depending on their nature, be kept in custody either by a credit institution within the meaning of Regulation (EU) No 575/2013, an authorised investment firm that specialises in the safe-keeping of assets or by an authorised crypto-asset service provider. Credit institutions or crypto-asset service providers that keep in custody the reserve assets that back the asset-referenced tokens should be responsible for the loss of such reserve assets vis-à-vis the issuer or the holders of asset-referenced tokens, unless they prove that such loss has arisen from an external event beyond reasonable control.

Or. en

Amendment 111
Eero Heinäluoma, Victor Negrescu, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 39

Text proposed by the Commission

(39) To protect holders of asset-referenced tokens against a decrease in value of the assets backing the value of the tokens, issuers of asset-referenced tokens

Amendment

(39) To protect holders of asset-referenced tokens against a decrease in value of the assets backing the value of the tokens, issuers of asset-referenced tokens
should invest the reserve assets in secure, low risks assets with minimal market and credit risk. As the asset-referenced tokens can be used as a means of payment, all profits or losses resulting from the investment of the reserve assets should be borne by the issuer of the asset-referenced tokens.

Amendment 112
Markus Ferber
Proposal for a regulation
Recital 39

Text proposed by the Commission

(39) To protect holders of asset-referenced tokens against a decrease in value of the assets backing the value of the tokens, issuers of asset-referenced tokens should invest the reserve assets in secure, low risks assets with minimal market and credit risk. As the asset-referenced tokens can be used as a means of payment, all profits or losses resulting from the investment of the reserve assets should be borne by the issuer of the asset-referenced tokens.

Amendment

(39) To protect holders of asset-referenced tokens against a decrease in value of the assets backing the value of the tokens, issuers of asset-referenced tokens should invest the reserve assets in secure, low risks assets with minimal market, credit and concentration risk. As the asset-referenced tokens can be used as a means of payment, all profits or losses resulting from the investment of the reserve assets should be borne by the issuer of the asset-referenced tokens.

Or. en

Amendment 113
Markus Ferber
Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) Some asset-referenced tokens may offer all their holders rights, such as redemption rights or claims on the reserve

Amendment

(40) Issuers of asset-referenced tokens should provide the holders of asset-referenced tokens with redemption rights.
assets or on the issuer, while other asset-referenced tokens may not grant such rights to all their holders and may limit the right of redemption to specific holders. Any rules regarding asset-referenced tokens should be flexible enough to capture all those situations. Issuers of asset-referenced tokens should therefore inform the holders of asset-referenced tokens on whether they are provided with a direct claim on the issuer or redemption rights. Where issuers of asset-referenced tokens grant direct rights on the issuer or on the reserve assets to all the holders, the issuers should precisely set out the conditions under which such rights can be exercised. Where issuers of asset-referenced tokens restrict such direct rights on the issuer or on the reserve assets to a limited number of holders of asset-referenced tokens, the issuers should still offer minimum rights to all the holders of asset-referenced tokens. Issuers of asset-referenced tokens should ensure the liquidity of those tokens by concluding and maintaining adequate liquidity arrangements with crypto-asset service providers that are in charge of posting firm quotes on a predictable basis to buy and sell the asset-referenced tokens against fiat currency. Where the value of the asset-referenced tokens varies significantly from the value of the reserve assets, the holders of asset-referenced tokens should have a right to request the redemption of their asset-referenced tokens against reserve assets directly from the issuer. Issuers of asset-referenced tokens that voluntarily stop their operations or that are orderly wind-down should have contractual arrangements in place to ensure that the proceeds of the reserve assets are paid to the holders of asset-referenced tokens.

Issuers should make available to the holders of asset-referenced tokens sufficiently detailed and easily understandable information about the procedures governing the redemption.
(40) Some asset-referenced tokens may offer all their holders rights, such as redemption rights or claims on the reserve assets or on the issuer, while other asset-referenced tokens may not grant such rights to all their holders and may limit the right of redemption to specific holders. Any rules regarding asset-referenced tokens should be flexible enough to capture all those situations. Issuers of asset-referenced tokens should therefore inform the holders of asset-referenced tokens on whether they are provided with a direct claim on the issuer or redemption rights. Where issuers of asset-referenced tokens grant direct rights on the issuer or on the reserve assets to all the holders, the issuers should precisely set out the conditions under which such rights can be exercised. Where issuers of asset-referenced tokens restrict such direct rights on the issuer or on the reserve assets to a limited number of holders of asset-referenced tokens, the issuers should still offer minimum rights to all the holders of asset-referenced tokens. Issuers of asset-referenced tokens should ensure the liquidity of those tokens by concluding and maintaining adequate liquidity arrangements with crypto-asset service providers that are in charge of posting firm quotes on a predictable basis to buy and sell the asset-referenced tokens against fiat currency. Where the value of the asset-referenced tokens varies significantly from the value of the reserve assets, the holders of asset-referenced tokens should have a right to request the redemption of their asset-referenced tokens against reserve assets directly from the issuer. Issuers of asset-referenced tokens that voluntarily stop their operations or that are orderly wound-down should have contractual arrangements in place to ensure that the proceeds of the reserve assets are paid to the holders of asset-referenced tokens.
that voluntarily stop their operations or that are orderly wound-down should have contractual arrangements in place to ensure that the proceeds of the reserve assets are paid to the holders of asset-referenced tokens.

Amendment 115
Ondřej Kovařík, Billy Kelleher, Ivars Ijabs, Martin Hlaváček

Proposal for a regulation
Recital 41

Text proposed by the Commission

(41) To ensure that asset-referenced tokens are mainly used as a means of exchange and not as a store of value, issuers of asset-referenced tokens, and any crypto-asset service providers, should not grant interests to users of asset-referenced tokens for time such users are holding those asset-referenced tokens.

Amendment

(41) Some asset-referenced tokens and e-money tokens should be considered significant due to the potential large customer base of their promoters and shareholders, their potential high market capitalisation, the potential size of the reserve of assets backing the value of such asset-referenced tokens or e-money tokens, the potential high number of transactions, the potential interconnectedness with the financial system or the potential cross-border use of such crypto-assets. Significant asset-referenced tokens or significant e-money tokens, that could be used by a large number of holders and which could raise specific challenges in terms of financial stability, monetary policy transmission or monetary sovereignty, should be subject to more stringent requirements than other asset-referenced tokens or e-money tokens.
Amendment 116
Gunnar Beck

Proposal for a regulation
Recital 41

Text proposed by the Commission

(41) To ensure that asset-referenced tokens are mainly used as a means of exchange and not as a store of value, issuers of asset-referenced tokens, and any crypto-asset service providers, should not grant interests to users of asset-referenced tokens for time such users are holding those asset-referenced tokens. Some asset-referenced tokens and e-money tokens should be considered significant due to the potential large customer base of their promoters and shareholders, their potential high market capitalisation, the potential size of the reserve of assets backing the value of such asset-referenced tokens or e-money tokens, the potential high number of transactions, the potential interconnectedness with the financial system or the potential cross-border use of such crypto-assets. Significant asset-referenced tokens or significant e-money tokens, that could be used by a large number of holders and which could raise specific challenges in terms of financial stability, monetary policy transmission or monetary sovereignty, should be subject to more stringent requirements than other asset-referenced tokens or e-money tokens.

Amendment

(41) To ensure that asset-referenced tokens are mainly used as a means of exchange and not as a store of value, issuers of asset-referenced tokens, and any crypto-asset service providers, should not grant interests to users of asset-referenced tokens for time such users are holding those asset-referenced tokens. Some asset-referenced tokens and e-money tokens should be considered significant due to the potential large customer base of their promoters and shareholders, their potential high market capitalisation, the potential size of the reserve of assets backing the value of such asset-referenced tokens or e-money tokens, the potential high number of transactions, the potential interconnectedness with the financial system or the potential cross-border use of such crypto-assets. Significant asset-referenced tokens or significant e-money tokens, that could be used by a large number of holders and which could raise specific challenges in terms of financial stability should be subject to more stringent requirements than other asset-referenced tokens or e-money tokens.

Amendment 117
Markus Ferber

Proposal for a regulation
Recital 41 a (new)
In order to delineate significant from non-significant asset-reference tokens, appropriate thresholds should be set. The appropriateness of the thresholds should be reassessed by the European Commission on a regular basis. In case the European Commission determines that the thresholds need to be revised, the Commission should present a legislative proposal to adjust the thresholds accordingly.

Proposal for a regulation

Recital 46

Issuers of e-money tokens, and any crypto-asset service providers, should not grant interests to holders of e-money tokens for the time such holders are holdings those e-money tokens.

Proposal for a regulation

Recital 47

The crypto-asset white paper produced by an issuer or offeror of e-money tokens should contain all the relevant information concerning that issuer,
money tokens or their admission to trading on a trading platform for crypto-assets that is necessary to enable potential buyers to make an informed purchase decision and understand the risks relating to the offer of e-money tokens. The crypto-asset white paper should also explicitly indicate that holders of e-money tokens are provided with a claim in the form of a right to redeem their e-money tokens against fiat currency at par value and at any moment.

when known, the offeror and the offer of e-money tokens or their admission to trading on a trading platform for crypto-assets that is necessary to enable potential buyers to make an informed purchase decision and understand the risks relating to the offer of e-money tokens. The crypto-asset white paper should also explicitly indicate that holders of e-money tokens are provided with a claim in the form of a right to redeem their e-money tokens against fiat currency at par value and at any moment.

Or. en

Amendment 120
France Jamet

Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) Where an issuer of e-money tokens invests the funds received in exchange for e-money tokens, such funds should be invested in assets denominated in the same currency as the one that the e-money token is referencing to avoid cross-currency risks.

Amendment

deleted

Or. fr

Amendment 121
France Jamet

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) Crypto-asset services should only be provided by legal entities that have a registered office in a Member State and that have been authorised as a crypto-asset...

Amendment

(50) Crypto-asset services should only be provided by legal entities that have a registered office in a Member State, are fiscally resident in that State and have...
service provider by the competent authority of the Member State where its registered office is located.

been authorised as a crypto-asset service provider by the competent authority of the Member State where its registered office is located.

Or. fr

Amendment 122
Eero Heinäluoma, Victor Negrescu, Paul Tang, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) Crypto-asset services should only be provided by legal entities that have a registered office in a Member State and that have been authorised as a crypto-asset service provider by the competent authority of the Member State where its registered office is located.

Amendment

(50) Crypto-asset services should only be provided by legal entities that have a registered office in a Member State and that have been authorised as a crypto-asset service provider by the competent authority of the Member State where its registered office is located and its corporate structure should not incorporate entities established in either non cooperative jurisdictions for tax purposes or high risk third countries.

The notion of crypto asset service provider is wide. The whole lifecycle of a crypto asset service is relevant, and the decentralization of any individual element of operations does not affect the qualification as a crypto asset service provider and does not relieve such a provider of its obligations.

The qualification of crypto asset service provider leads to the application of the Travel Rule, which requires the crypto asset service providers to perform extensive Know Your Customer and Anti-Money Laundering checks for the originator and beneficiary of transactions.

Or. en
Amendment 123
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) This Regulation should not affect the possibility for persons established in the Union to receive crypto-asset services by a third-country firm at their own initiative. Where a third-country firm provides crypto-asset services at the own initiative of a person established in the Union, the crypto-asset services should not be deemed as provided in the Union. Where a third-country firm solicits clients or potential clients in the Union or promotes or advertises crypto-asset services or activities in the Union, it should not be deemed as a crypto-asset service provided at the own initiative of the client. In such a case, the third-country firm should be authorised as a crypto-asset service provider.

Amendment

(51) Due to the inherently digital nature of crypto-asset services, third-country firms are often able to offer their services to customers in the Union without any physical or legal presence in the Union. This poses significant risks of circumvention of the standards of this Regulation and of putting crypto-asset service providers authorised in the Union at a competitive disadvantage vis-a-vis third-country competitors. No legal or natural person shall therefore be allowed to provide crypto-asset services to Union citizens on a non-occasional basis without having a legal representative in the Union and being authorised under this Regulation, even if services are provided solely at the own initiative of EU clients. ESMA should monitor and report annually on the scale and severity of circumvention of this Regulation by third-country actors, as well as propose possible countermeasures. The European Commission should, in its final report, analyse the scale and severity of circumvention of this Regulation by third-country actors and propose concrete and effective dissuasive sanctions to such entities to end or significantly reduce such circumvention.

Or. en

Amendment 124
Eero Heinäluoma, Jonás Fernández, Pedro Marques

Proposal for a regulation
Recital 51
(51) This Regulation should not affect the possibility for persons established in the Union to receive crypto-asset services by a third-country firm at their own initiative. Where a third-country firm provides crypto-asset services at the own initiative of a person established in the Union, the crypto-asset services should not be deemed as provided in the Union. Where a third-country firm solicits clients or potential clients in the Union or promotes or advertises crypto-asset services or activities in the Union, it should not be deemed as a crypto-asset service provided at the own initiative of the client. In such a case, the third-country firm should be authorised as a crypto-asset service provider.

(51) This Regulation should not affect the possibility for persons established in the Union to receive crypto-asset services by a third-country firm at their own exclusive initiative. Where a third-country firm provides crypto-asset services at the own exclusive initiative of a person established in the Union, the crypto-asset services should not be deemed as provided in the territory of the Union. Where a third-country firm solicits clients or potential clients in the Union or promotes or advertises crypto-asset services or activities in the Union, it should not be deemed as a crypto-asset service provided at the own exclusive initiative of the client. In such a case, the third-country firm should be authorised as a crypto-asset service provider. A practise whereby a third-country firm includes general clauses in its Terms of Business or through the use of online pop-up “I agree” boxes whereby clients state that any transaction is executed on the exclusive initiative of the client, should not deemed as an attempt to circumvent the rules of this Regulation.
initiative of a person established in the Union, the crypto-asset services should not be deemed as provided in the Union. Where a third-country firm solicits clients or potential clients in the Union or promotes or advertises crypto-asset services or activities in the Union, it should not be deemed as a crypto-asset service provided at the own initiative of the client. In such a case, the third-country firm should be authorised as a crypto-asset service provider.

A practise whereby a third-country firm includes general clauses in its Terms of Business or through the use of online pop-up “I agree” boxes where by clients state that any transaction is executed on the exclusive initiative of the client, should not deemed as an attempt to circumvent the rules of this Regulation.

Justification

Reverse solicitation should be strengthened given that large foreign platforms (American or Asian) carry out significant volumes with European investors. Therefore, it is proposed to complete Recital 51 with binding and explicit provisions, inspired by Article 42 of MiFID 2 and Article 46(5) of MiFIR in the articles of this Regulation in order to regulate more precisely reverse solicitation practices in the field of crypto-asset services.

Amendment 126
Stéphanie Yon-Courtin, Gilles Boyer, Olivier Chastel

Proposal for a regulation
Recital 51

Text proposed by the Commission
(51) This Regulation should not affect the possibility for persons established in the Union to receive crypto-asset services by a third-country firm at their own initiative. Where a third-country firm provides crypto-asset services at the own initiative of a person established in the

Amendment
(51) This Regulation should not affect the possibility for persons established in the Union to receive crypto-asset services by a third-country firm at their own exclusive initiative. Where a third-country firm provides crypto-asset services at the own exclusive initiative of a person
Union, the crypto-asset services should not be deemed as provided in the Union. Where a third-country firm solicits clients or potential clients in the Union or promotes or advertises crypto-asset services or activities in the Union, it should not be deemed as a crypto-asset service provided at the own initiative of the client. In such a case, the third-country firm should be authorised as a crypto-asset service provider.

(52) Given the relatively small scale of crypto-asset service providers to date, the power to authorise and supervise such service providers should be conferred to national competent authorities. The authorisation should be granted, refused or withdrawn by the competent authority of the Member State where the entity has its registered office. Such an authorisation should indicate the crypto-asset services for which the crypto-asset service provider is authorised and should be valid for the entire Union.

Amendment 127
France Jamet

Proposal for a regulation
Recital 52

**Text proposed by the Commission**

(52) Given the relatively small scale of crypto-asset service providers to date, the power to authorise and supervise such service providers should be conferred to national competent authorities. The authorisation should be granted, refused or withdrawn by the competent authority of the Member State where the entity has its registered office. Such an authorisation should indicate the crypto-asset services for which the crypto-asset service provider is authorised and should be valid for the entire Union.

**Amendment**

(52) Given the relatively small scale of crypto-asset service providers to date, the power to authorise and supervise such service providers should be conferred to national competent authorities. The authorisation should be granted, refused or withdrawn by the competent authority of the Member State where the entity has its registered office. Such an authorisation should indicate the crypto-asset services for which the crypto-asset service provider is authorised.
Amendment 128
France Jamet

Proposal for a regulation
Recital 54

*Text proposed by the Commission*

(54) Some firms subject to Union legislation on financial services should be allowed to provide crypto-asset services without prior authorisation. Credit institutions authorised under Directive 2013/36/EU should not need another authorisation to provide crypto-asset services. Investment firms authorised under Directive 2014/65/EU to provide one or several investment services as defined under that Directive similar to the crypto-asset services they intend to provide should also be allowed to provide crypto-asset services across the Union without another authorisation.

[deleted]

Or. fr

Amendment 129
Eero Heinäluoma, Victor Negrescu, Pedro Marques

Proposal for a regulation
Recital 54

*Text proposed by the Commission*

(54) Some firms subject to Union legislation on financial services should be allowed to provide crypto-asset services without prior authorisation. Credit institutions authorised under Directive 2013/36/EU should not need another authorisation to provide crypto-asset services. Investment firms authorised under Directive 2014/65/EU to provide one or several investment services as defined under that Directive similar to the crypto-asset services they intend to provide should also be allowed to provide
crypto-asset services across the Union without another authorisation.

Amendment 130
Markus Ferber

Proposal for a regulation
Recital 54

Text proposed by the Commission

(54) Some firms subject to Union legislation on financial services should be allowed to provide crypto-asset services without prior authorisation. Credit institutions authorised under Directive 2013/36/EU should not need another authorisation to provide crypto-asset services. Investment firms authorised under Directive 2014/65/EU to provide one or several investment services as defined under that Directive similar to the crypto-asset services they intend to provide should also be allowed to provide crypto-asset services across the Union without another authorisation.

Amendment

(54) Some firms, including operators of financial market infrastructures, subject to Union legislation on financial services should be allowed to provide crypto-asset services without prior authorisation. Credit institutions authorised under Directive 2013/36/EU should not need another authorisation to provide crypto-asset services. Central Counterparties authorised under Regulation 648/2012/EU, Central Securities Depositories authorised under Regulation 909/2014/EU and regulated markets authorized under Directive 2014/65/EU should not need another authorisation to provide crypto-asset services. Investment firms authorised under Directive 2014/65/EU to provide one or several investment services as defined under that Directive similar to the crypto-asset services they intend to provide should also be allowed to provide crypto-asset services across the Union without another authorisation.

Justification

CCPs and CSDs are strictly regulated and fulfil high regulatory standards. Certain services provided by those entities can therefore be deemed to be equivalent to those performed by crypto-asset service providers.
Amendment 131
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 56

_text proposed by the Commission_

(56) To ensure consumer protection, crypto-asset service providers should comply with some prudential requirements. Those prudential requirements should be set as a fixed amount or in proportion to their fixed overheads of the preceding year, depending on the types of services they provide.

- **Amendment**

(56) To ensure consumer protection, crypto-asset service providers should comply with some prudential requirements. Those prudential requirements should be set as a fixed amount or in proportion to their fixed overheads of the preceding year, depending on the types of services they provide. *Nevertheless, this requirement must be proportionate and must not deter potential investors from the Union market.*

Or. pl

Amendment 132
France Jamet

Proposal for a regulation
Recital 57

_text proposed by the Commission_

(57) Crypto-asset service providers should be subject to strong organisational requirements. Their managers and main shareholders should be fit and proper for the purpose of anti-money laundering and combatting the financing of terrorism. Crypto-asset service providers should employ management and staff with adequate skills, knowledge and expertise and should take all reasonable steps to perform their functions, including through the preparation of a business continuity plan. They should have sound internal control and risk assessment mechanisms as well as adequate systems and procedures to ensure integrity and confidentiality of

- **Amendment**

(57) Crypto-asset service providers should be subject to strong organisational requirements. Their managers and main shareholders should have the competence required for the purpose of anti-money laundering and combatting the financing of terrorism. Crypto-asset service providers should employ management and staff with adequate skills, knowledge and expertise and should take all reasonable steps to perform their functions, including through the preparation of a business continuity plan. They should have sound internal control and risk assessment mechanisms as well as adequate systems and procedures to ensure integrity and confidentiality of
information received. Crypto-asset service providers should have appropriate arrangements to keep records of all transactions, orders and services related to crypto-assets that they provide. They should also have systems in place to detect potential market abuse committed by clients.

Amendment 133
Eero Heinäluoma, Pedro Marques, Victor Negrescu

Proposal for a regulation
Recital 64

Text proposed by the Commission

(64) It is necessary to ensure users’ confidence in crypto-asset markets and market integrity. It is therefore necessary to lay down rules to deter market abuse for crypto-assets that are admitted to trading on a trading platform for crypto-assets. However, as issuers of crypto-assets and crypto-asset service providers are very often SMEs, it would be disproportionate to apply all the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council to them. It is therefore necessary to lay down specific rules prohibiting certain behaviours that are likely to undermine users’ confidence in crypto-asset markets and the integrity of crypto-asset markets, including insider dealings, unlawful disclosure of inside information and market manipulation related to crypto-assets. These bespoke rules on market abuse committed in relation to crypto-assets should be applied, where crypto-assets are admitted to trading on a trading platform for crypto-assets.

Amendment

(64) It is necessary to ensure users’ confidence in crypto-asset markets and market integrity. It is therefore necessary to lay down rules to deter market abuse for crypto-assets that are admitted to trading on a trading platform for crypto-assets.

44 Regulation (EU) No 596/2014 of the
European Parliament and of the Council of 16 April 2014 on market abuse (market
abuse regulation) and repealing Directive
2003/6/EC of the European Parliament and
of the Council and Commission Directives

Amendment 134
Patryk Jaki
on behalf of the ECR Group

Proposal for a regulation
Recital 64

Text proposed by the Commission

(64) It is necessary to ensure users’
confidence in crypto-asset markets and
market integrity. It is therefore necessary to
lay down rules to deter market abuse for
crypto-assets that are admitted to trading
on a trading platform for crypto-assets.
However, as issuers of crypto-assets and
crypto-asset service providers are very
often SMEs, it would be disproportionate
to apply all the provisions of Regulation
(EU) No 596/2014 of the European
Parliament and of the Council44 to them. It
is therefore necessary to lay down specific
rules prohibiting certain behaviours that are
likely to undermine users’ confidence in
crypto-asset markets and the integrity of
crypto-asset markets, including insider
dealings, unlawful disclosure of inside
information and market manipulation
related to crypto-assets. These bespoke
rules on market abuse committed in
relation to crypto-assets should be applied,
where crypto-assets are admitted to trading
on a trading platform for crypto-assets.

Amendment

(64) It is necessary to ensure users’
confidence in crypto-asset markets and
market integrity. It is therefore necessary to
lay down rules to deter market abuse for
crypto-assets that are admitted to trading
on a trading platform for crypto-assets.
However, as issuers of crypto-assets and
crypto-asset service providers are very
often SMEs, it would be disproportionate
to apply all the provisions of Regulation
(EU) No 596/2014 of the European
Parliament and of the Council 44 to them. It
is therefore necessary to lay down specific
rules prohibiting certain behaviours that are
likely to undermine users’ confidence in
crypto-asset markets and the integrity of
crypto-asset markets, including insider
dealings, unlawful disclosure of inside
information and market manipulation
related to crypto-assets. These bespoke
rules on market abuse committed in
relation to crypto-assets should be applied,
where crypto-assets are admitted to trading
on a trading platform for crypto-assets. The
principles should be proportionate and
should not constitute an excessive burden,
especially for SMEs, which could easily
set up their headquarters in another
jurisdiction whilst still providing Union consumers with access to crypto-assets.


Amendment 135
Sven Giegold
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 65

Text proposed by the Commission

(65) **Competent authorities** should be conferred with sufficient powers to supervise the issuance of crypto-assets, including asset-referenced **tokens or e-money** tokens, as well as crypto-asset service providers, including the power to suspend or prohibit an issuance of crypto-assets or the provision of a crypto-asset service, and to investigate infringements of the rules on market abuse. Given the cross-border nature of crypto-asset markets, **competent authorities** should cooperate with **each other** to detect and deter any infringements of the legal framework governing crypto-assets and markets for crypto-assets. Competent authorities should also have the power to impose sanctions on issuers of crypto-assets, including asset-referenced tokens or e-money tokens and crypto-asset service providers.

Amendment

(65) **ESMA** should be conferred with sufficient powers to supervise the issuance of crypto-assets, including asset-referenced tokens, as well as crypto-asset service providers, including the power to suspend or prohibit an issuance of crypto-assets or the provision of a crypto-asset service, and to investigate infringements of the rules on market abuse. Given the cross-border nature of crypto-asset markets, **there should be a European single supervisor responsible for the supervision of those crypto-assets and crypto-asset service providers with the view of ensuring consistency and effectiveness in the supervision. ESMA** should cooperate with the relevant authorities in Member States to detect and deter any infringements of the legal framework governing crypto-assets and markets for crypto-assets. Competent authorities should also have the power to impose sanctions on issuers of crypto-assets, including asset-referenced tokens.
ore-money tokens and crypto-asset service providers.

Amendment 136
France Jamet

Proposal for a regulation
Recital 65

Text proposed by the Commission

(65) Competent authorities should be conferred with sufficient powers to supervise the issuance of crypto-assets, including asset-referenced tokens or e-money tokens, as well as crypto-asset service providers, including the power to suspend or prohibit an issuance of crypto-assets or the provision of a crypto-asset service, and to investigate infringements of the rules on market abuse. Given the cross-border nature of crypto-asset markets, competent authorities should cooperate with each other to detect and deter any infringements of the legal framework governing crypto-assets and markets for crypto-assets. Competent authorities should also have the power to impose sanctions on issuers of crypto-assets, including asset-referenced tokens or e-money tokens and crypto-asset service providers.

Amendment

(65) Competent national authorities should be conferred with sufficient powers to supervise the issuance of crypto-assets, including asset-referenced tokens or e-money tokens, as well as crypto-asset service providers, including the power to suspend or prohibit an issuance of crypto-assets or the provision of a crypto-asset service, and to investigate infringements of the rules on market abuse. Given the cross-border nature of crypto-asset markets, competent authorities should cooperate with each other to detect and deter any infringements of the legal framework governing crypto-assets and markets for crypto-assets. Competent authorities should also have the power to impose sanctions on issuers of crypto-assets, including asset-referenced tokens or e-money tokens and crypto-asset service providers.

Amendment 137
Eva Kaili

Proposal for a regulation
Recital 65 a (new)

Text proposed by the Commission

Amendment

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105/113

PE693.707v01-00
(65a) Competent authorities shall take appropriate supervisory action where they identify that an ART is used as a means of payment. Before they consider withdrawing an issuer’s license, they may make public the fact that an ART is increasingly used as a means of payment. Where appropriate, they may also prohibit all regulated entities the acceptance and any services related to investment ART.

Amendment 138
France Jamet
Proposal for a regulation
Recital 66

Text proposed by the Commission

(66) Significant asset-referenced tokens can be used as a means of exchange and to make large volumes of payment transactions on a cross-border basis. To avoid supervisory arbitrage across Member States, it is appropriate to assign to the EBA the task of supervising the issuers of significant asset-referenced tokens, once such asset-referenced tokens have been classified as significant.

Amendment

(66) Significant asset-referenced tokens can be used as a means of exchange and to make large volumes of payment transactions on a cross-border basis. To avoid supervisory arbitrage across Member States, it is appropriate to assign to the EBA, in cooperation with Member States, the task of supervising the issuers of significant asset-referenced tokens, once such asset-referenced tokens have been classified as significant.

Amendment 139
Markus Ferber
Proposal for a regulation
Recital 67

Text proposed by the Commission

(67) The EBA should establish a college of supervisors for issuers of significant

Amendment

(67) The ESMA should establish a college of supervisors for issuers of
asset-referenced tokens. Those issuers are usually at the centre of a network of entities that ensure the issuance of such crypto-assets, their transfer and their distribution to holders. The members of the college of supervisors should therefore include all the competent authorities of the relevant entities and crypto-asset service providers that ensure, among others, the custody of the reserve assets, the operation of trading platforms for crypto-assets where the significant asset-referenced tokens are admitted to trading and the crypto-asset service providers ensuring the custody and administration of the significant asset-referenced tokens on behalf of holders. The college of supervisors should facilitate the cooperation and exchange of information among its members and should issue non-binding opinions on supervisory measures or changes in authorisation concerning the issuers of significant asset-referenced tokens or on the relevant entities providing services or activities in relation to the significant asset-referenced tokens.

In case the issuer of a significant asset-referenced token is also the issue of a significant e-money token, there should only be a single college per entity. This will ensure that decisions are made holistically with all relevant information available.

Amendment 140
Markus Ferber

Proposal for a regulation
Recital 68

Text proposed by the Commission

(68) Competent authorities in charge of supervision under Directive 2009/110/EC should supervise issuers of e-money tokens. However, given the potential

Amendment

(68) Competent authorities in charge of supervision under Directive 2009/110/EC should supervise issuers of e-money tokens. However, given the potential
widespread use of significant e-money tokens as a means of payment and the risks they can pose to financial stability, a dual supervision by both competent authorities and the EBA of issuers of significant e-money tokens is necessary. The EBA should supervise the compliance by issuers of significant e-money tokens with the specific additional requirements set out in this Regulation for significant e-money tokens.

Amendment 141
Markus Ferber

Proposal for a regulation
Recital 69

Text proposed by the Commission

(69) The EBA should establish a college of supervisors for issuers of significant e-money tokens. Issuers of significant e-money tokens are usually at the centre of a network of entities which ensure the issuance of such crypto-assets, their transfer and their distribution to holders. The members of the college of supervisors for issuers of significant e-money tokens should therefore include all the competent authorities of the relevant entities and crypto-asset service providers that ensure, among others, the operation of trading platforms for crypto-assets where the significant e-money tokens are admitted to trading and the crypto-asset service providers ensuring the custody and administration of the significant e-money tokens on behalf of holders. The college of supervisors for issuers of significant e-money tokens should facilitate the cooperation and exchange of information among its members and should issue non-binding opinions on changes in authorisation or supervisory measures

Amendment

(69) The ESMA should establish a college of supervisors for issuers of significant e-money tokens. Issuers of significant e-money tokens are usually at the centre of a network of entities which ensure the issuance of such crypto-assets, their transfer and their distribution to holders. The members of the college of supervisors for issuers of significant e-money tokens should therefore include all the competent authorities of the relevant entities and crypto-asset service providers that ensure, among others, the operation of trading platforms for crypto-assets where the significant e-money tokens are admitted to trading and the crypto-asset service providers ensuring the custody and administration of the significant e-money tokens on behalf of holders. The college of supervisors for issuers of significant e-money tokens should facilitate the cooperation and exchange of information among its members and should issue non-binding opinions on changes in authorisation or supervisory measures
concerning the issuers of significant e-money tokens or on the relevant entities providing services or activities in relation to those significant e-money tokens.

In case the issuer of a significant e-money token is also the issuer of a significant asset-referenced token, there should only be a single college per entity. This will ensure that decisions are made holistically with all relevant information available.

Amendment 142
Markus Ferber
Proposal for a regulation
Recital 70

Text proposed by the Commission

(70) To supervise the issuers of significant asset-referenced tokens, the EBA should have the powers, among others, to carry out on-site inspections, take supervisory measures and impose fines. The EBA should also have powers to supervise the compliance of issuers of significant e-money tokens with additional requirements set out in this Regulation.

Amendment

(70) To supervise the issuers of significant asset-referenced tokens, the ESMA should have the powers, among others, to carry out on-site inspections, take supervisory measures and impose fines. The ESMA should also have powers to supervise the compliance of issuers of significant e-money tokens with additional requirements set out in this Regulation.

Amendment 143
Markus Ferber
Proposal for a regulation
Recital 71

Text proposed by the Commission

(71) The EBA should charge fees on issuers of significant asset-referenced tokens and issuers of significant e-money tokens to cover its costs, including

Amendment

(71) The ESMA should charge fees on issuers of significant asset-referenced tokens and issuers of significant e-money tokens to cover its costs, including
overheads. For issuers of significant asset-referenced tokens, the fee should be proportionate to the size of their reserve assets. For issuers of significant e-money tokens, the fee should be proportionate to the amount of funds received in exchange for the significant e-money tokens.

Amendment 144
Markus Ferber

Proposal for a regulation
Recital 72

Text proposed by the Commission

(72) In order to ensure the uniform application of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) should be delegated to the Commission in respect of the modifications of the definitions set out in this Regulation in order to adapt them to market and technological developments, to specify the criteria and thresholds to determine whether an asset-referenced token or an e-money token should be classified as significant and to specify the type and amount of fees that can be levied by EBA for the supervision of issuers of significant asset-referenced tokens or significant e-money tokens. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same
time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

\textit{45 OJ L 123, 12.5.2016, p. 1.}\hfill Or. en

\textit{Justification}

The definitions and thresholds should be set by the European legislator.

\textbf{Amendment 145}
Markus Ferber

\textbf{Proposal for a regulation}
Recital 73

\textit{Text proposed by the Commission}

(73) In order to promote the consistent application of this Regulation, including adequate protection of investors and consumers across the Union, technical standards should be developed. It would be efficient and appropriate to entrust the EBA and ESMA, as bodies with highly specialised expertise, with the development of draft regulatory technical standards which do not involve policy choices, for submission to the Commission.

\textit{Amendment}

(73) In order to promote the consistent application of this Regulation, including adequate protection of investors and consumers across the Union, technical standards should be developed. It would be efficient and appropriate to entrust the EBA and ESMA, as bodies with highly specialised expertise, with the development of draft regulatory technical standards which do not involve policy choices, for submission to the Commission. \textit{When developing said regulatory technical standards, the EBA and ESMA shall take due account of existing provisions in other pieces of EU financial services legislation in order to minimise the potential for regulatory arbitrage.}

\textit{Or. en}

\textbf{Amendment 146}
Antonio Maria Rinaldi, Francesca Donato, Valentino Grant, Marco Zanni
Proposal for a regulation
Recital 76 a (new)

Text proposed by the Commission

(76a) In order to avoid dysfunctional legislation that could hinder the development of crypto-assets and proper consumer protection, when transposing this Regulation Member States should ensure that their legislation does not create legislative discrepancies between national and European legislation that could give rise to legal uncertainty.

Amendment

Or. it

Amendment 147
Eero Heinäluoma, Pedro Marques, Victor Negrescu

Proposal for a regulation
Recital 77

Text proposed by the Commission

(77) In order to avoid disrupting market participants that provide services and activities in relation to crypto-assets that have been issued before the entry into force of this Regulation, issuers of such crypto-assets should be exempted from the obligation to publish a crypto-asset white paper and other applicable requirements. However, those transitional provisions should not apply to issuers of asset-referenced tokens, issuers of e-money tokens or to crypto-asset service providers that, in any case, should receive an authorisation as soon as this Regulation enters into application.

Amendment

Or. en

Amendment 148
Markus Ferber

Proposal for a regulation
Recital 79 a (new)

Text proposed by the Commission

Amendment

(79a) The supervisory duties in relation to markets in crypto assets most resemble the supervisory tasks fulfilled by securities markets supervisors. Therefore, ESMA should be the lead authority in developing regulatory technical standards and for the supervisory duties in relation to markets in crypto assets.

Or. en