



TOPICS:

Crypto Asset

SOURCE:

European Banking Authority

The EBA Identifies Priorities for the Review of MiCA

- The EBA's **response to the European Commission's MiCA (Markets in Crypto-assets) review** focuses on regulatory boundaries, cross-border stablecoin risks and activities outside MiCA's scope.
- **Classification.** Tokenised financial instruments should remain under securities law, since blockchain recording does not alter their regulatory nature. The EBA calls for harmonised EU definitions of "financial instrument" and "deposit", with clearer treatment of commodity-linked, wrapped and hybrid tokens.
- **Stablecoins.** The EBA supports current capital, significance, redemption and interest-prohibition rules for ARTs and EMTs, but seeks a maximum redemption period, stronger stress arrangements and liquid, high-quality reserves. It also proposes assessing multi-issuer arrangements spanning the EU and third countries.
- **Cross-border issuance.** Reserves held outside the jurisdiction where redemptions occur could strain EU issuers. The EBA recommends safeguards, third-country equivalence assessments and powers to impose conditions or deny access.
- **Services beyond issuance.** The EBA favours stronger oversight of multifunction crypto groups, clearer interaction with payment-services rules, and analysis of crypto lending regulation, potentially including disclosures, suitability checks and leverage limits.

