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Targeted consultation on the review of Regulation on the Markets in Crypto-Assets (MiCA)

Fields marked with * are mandatory.

Introduction

Background for this consultation

Regulation 2023/1114 of 31 May 2023 on Markets in Crypto-Assets (MiCA) (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R1114), which sets a dedicated and harmonised framework at Union level to provide specific rules for crypto-assets and related services and activities started to apply in part from 30 June 2024 and in full from 30 December 2024.

Crypto-assets and distributed ledger technology (DLT) offer opportunities for faster cross-border payments, new fundraising methods, and innovative decentralised services, but also entail risks. MiCA was introduced to provide legal certainty through a harmonised EU framework, defining key crypto-asset categories and setting requirements for issuers and service providers, while fostering responsible innovation and mitigating risks related to investor protection, market integrity, and financial stability. As these markets are growing in importance, and traditional financial services providers are also moving into the crypto- and tokenised assets space, a question arises whether the regulatory framework currently governing them remains fit for purpose. The national competent authorities (NCAs), the European Supervisory Authorities (ESAs) (https://finance.ec.europa.eu/regulation-and-supervision/european-system-financial-supervision_en) and the industry have been sharing feedback on their first implementation experiences. While it may be difficult at this stage to draw conclusions on how MiCA is performing in practice, there have been many policy and regulatory developments globally since MiCA was adopted, and more importantly the crypto-asset markets themselves have significantly developed and continue to evolve since MiCA was designed and adopted. Given these developments, the Commission services consider it necessary to compare and contrast, via this public consultation, the EU framework for crypto-assets with the more recent frameworks of other jurisdictions and with market developments. The results should help assess whether MiCA remains fit for purpose in this evolving policy and market context.

Notwithstanding the objective to promote innovation and digitalisation in European financial systems, financial regulation should remain technology neutral. This is crucial to guarantee the freedom of choice for market participants without inciting them towards using any specific technology and to ensure financial regulation remains adapted to technological advancements without major amendments.

Article 142 MiCA requests the Commission to present a report to the European Parliament and the Council on the latest developments with respect to crypto-assets, in particular, on matters that were left outside the scope of MiCA. The Commission services consider that the review of the Payment Services Directive has largely addressed and clarified some issues emerging from the interplay between the payment services legislation and MiCA following the advice of the EBA (https://www.eba.europa.eu/publications-and-media/press-releases/eba-publishes-no-action-letter-interplay-between-payment-services-directive-psd23-and-markets-crypto).

With this consultation, the Commission services therefore:

- seek to respond to the request in Article 142 of MiCA[1] and seek to collect the views of the stakeholders on all the market developments not originally covered by MiCA and whether policy or regulatory action

would be warranted (see part 5)

- seek feedback to inform the review of MiCA referred to in Article 140 of MiCA[2], consulting also the European Banking Authority (EBA) (https://www.eba.europa.eu/homepage) and the European Securities and Markets Authority (ESMA) (https://www.esma.europa.eu/) to that effect

- seek to consult on matters that have emerged from the implementation of MiCA to date

- take stock of whether MiCA is fit for the future in the rapidly evolving landscape of digital and tokenised asset markets in a global and internationally competitive context, seizing both the opportunities tokenisation and DLT bring and addressing risks they may generate

In line with its simplification agenda to support EU competitiveness, the Commission services also wish to use this consultation to gather information and assess whether administrative or other burdens emanating from MiCA and its implementation measures can be simplified, reduced or dispensed with.

Beyond questions related to crypto-assets covered by MiCA, this consultation puts forward several questions affecting broader financial acquis. Interested parties that wish to bring other relevant issues, not raised in this consultation, to the Commission's attention, should feel free to communicate them through the open question at the end of this questionnaire. The Commission services welcome specificity and brevity in the replies. The different parts of the consultation cover the following areas:

- **PART 1 - Scope and definitions (title II crypto-assets)**: this section includes questions on the current conditions for offering or seeking admission to trading of crypto-assets other than asset referenced tokens (ARTs) or e-money tokens (EMTs)

- **PART 2 - requirements applying to asset referenced tokens (ARTs) and e-money tokens (EMTs) and their issuers (titles III and IV)**: this section includes questions on the current conditions for offering or seeking admission to trading of ARTs and EMTs,, their prudential regime, the multi-issuance model of global tokens and considering also the interaction with third country regulatory frameworks, the reserve requirements of ARTs and EMTs, the redemption rights of their holders and crisis management measures

- **PART 3 - the appropriateness of the current legal framework for crypto-asset service providers (CASPs) (titles V and VI)**: this section covers questions on the adequacy of the current scope of crypto-asset services regulated under MiCA. Since the supervisory arrangements for CASPs are covered under the current market integration and supervision package (MISP) (https://finance.ec.europa.eu/publications/market-integration-and-supervision-package_en), supervision of CASPs is outside the scope of this consultation

- **PART 4 - topics beyond the initial scope of MiCA**: this final part of the consultation consists of questions relating to decentralised finance, crypto-assets staking, lending and borrowing activities, and non-fungible tokens (NFTs). It also seeks views on whether MiCA should aim to increase legal certainty of crypto-assets and other on-chain assets, particularly in relation to natively issued assets

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[1] Regulation (EU) 2023/1114, Article 142(1): '*By 30 December 2024 and after consulting EBA and ESMA, the Commission shall present a report to the European Parliament and the Council on the latest developments with respect to crypto-assets, in particular on matters that are not addressed in this Regulation, accompanied, where appropriate, by a legislative proposal*'.

[2] Regulation (EU) 2023/1114, Article 140(1): '*By 30 June 2027, having consulted EBA and ESMA, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation accompanied, where appropriate, by a legislative proposal. An interim report shall be presented by 30 June 2025, accompanied, where appropriate, by a legislative proposal*'.

Responding to this consultation

In this targeted consultation, the Commission is interested in the views of a wide range of stakeholders. Responses to this consultation are expected to be most useful where they present a clear and detailed narrative, demonstrated by data (where possible), concrete examples, legal references and qualitative evidence. Specific suggestions for solutions to address issues raised are welcome.

All interested stakeholders are invited to reply by 30 September 2026 via the online questionnaires below.

To the extent that not all questions will be relevant to all stakeholders, respondents are invited to reply only to those questions that are relevant to them.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-mica-review@ec.europa.eu (mailto:fisma-mica-review@ec.europa.eu).

More information on

- this consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-review-mica-regulation_en)
- the related public consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/public-consultation-review-mica-regulation_en)
- the consultation document (https://finance.ec.europa.eu/document/download/62be7015-f066-4fac-b74e-71bacdbcc9f5_en?filename=2026-mica-review-targeted-consultation-document_en.pdf)
- crypto-assets (https://finance.ec.europa.eu/digital-finance/crypto-assets_en)
- the protection of personal data regime for this consultation (https://finance.ec.europa.eu/document/download/b6bd37fe-89ad-4e9a-9188-efa9743c4e2e_en?filename=2026-mica-review-targeted-specific-privacy-statement_en.pdf)

About you

*Language of my contribution

English

*I am giving my contribution as

Company/business

*First name

Guido

*Surname

Faltoni

*Email (this won't be published)

GFaltoni@StateStreet.com

*Organisation name

255 character(s) maximum

State Street

* Organisation size

Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register (https://transparency-register.europa.eu/index_en). It's a voluntary database for organisations seeking to influence EU decision-making.

2428270908-83

* Country of origin

Please add your country of origin, or that of your organisation.

United States

* Field of activity or sector (if applicable)

- [ ] Accounting
- [ ] Auditing
- [x] Banking
- [ ] Credit rating agencies
- [ ] Insurance
- [ ] Pension provision
- [ ] Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- [ ] Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- [ ] Social entrepreneurship
- [ ] Other
- [ ] Not applicable

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* **Contribution publication privacy settings**

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

○ **Anonymous**
Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

◉ **Public**
Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

☑ I agree with the personal data protection provisions (https://finance.ec.europa.eu/document/download/b6bd37fe-89ad-4e9a-9188-efa9743c4e2e_en?filename=2026-mica-review-targeted-specific-privacy-statement_en.pdf)

PART 1: Scope and definitions, Title II crypto-assets

MiCA covers three types of crypto-assets: asset-referenced tokens (ARTs), electronic money tokens (EMTs) and crypto-assets other than ARTs or EMTs. The provisions related to the last category are set out in Title II of MiCA. This part of the consultation seeks feedback on the regulation of this category of crypto-assets.

Crypto-assets that fall under other sectoral legislation such as deposits, financial instruments including derivatives, or other regulated products, are outside the scope of MiCA. Therefore, some crypto-assets are regulated under MiCA, while tokenised financial instruments are not.

The distinction between crypto-assets regulated under MiCA and those governed by other sectoral legislation can sometimes be complex, particularly given that the definitions of certain assets, such as securities, are established in national law. Evolving market practices further highlight the convergence between the two areas, as traditional financial institutions increasingly offer MiCA-regulated crypto-assets and services, while MiCA-authorised entities expand into traditional financial products, subject to obtaining the necessary authorisations to do so.

1.1 MiCA scope & crypto-asset classification

Question 1. Should crypto-assets that qualify as financial instruments as defined in Directive 2014/65/EU (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0065) of the European Parliament and of the Council, continue to be governed by sectorial legislation (MiFID/MiFIR (https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/financial-markets/securities-markets/investment-services-and-regulated-markets-markets-financial-instruments-directive-mifid_en#legislation)/MAR (https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/financial-markets/securities-markets/ensuring-integrity-securities-markets_en#legislation)/Prospectus Regulation (https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/financial-markets/securities-markets/securities-prospectus_en#legislation), etc.), or should all assets that are recorded and transacted on distributed ledgers and that meet the definition of a crypto-asset, or the services provided on such assets, in principle be covered by MiCA?

◉ Yes, they should remain under the main sectoral legislation
○ No, all crypto-assets, or the services provided on such assets, should be covered by MiCA

- ○ Don’t know / no opinion / not applicable

Question 1.1 Is the distinction between financial instruments governed by MiFID and crypto-assets governed by MiCA sufficiently clear, also taking into account ESMA’s guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments?

- ○ Yes, sufficiently clear
- ◉ No, clarification is needed
- ○ Don’t know / no opinion / not applicable

Question 1.2 Please explain your answer to question 1.1 and suggest any policy actions for clarification if needed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports maintaining a technology-neutral regulatory regime for crypto-asset classification. The economic and legal nature of the asset should dictate the regulatory approach, not the technology used for issuance/recording transfer. In light of this, crypto-assets which qualify as financial instruments should continue to be regulated under the related sectorial regulation rather than fall into the scope of MiCA.

While supporting the current regulatory architecture, State Street believes that further supervisory convergence and Level 3 Guidance may be needed to address differences in interpretation and practical application of the regime between NCAs. More operational use cases and criteria could help in clarifying the boundary, as opposed to a generalized re-allocation of financial instruments to MiCA. The use cases where the boundary is less clear are listed in our response to Q2 and Q7.

Question 2. To what extent have ESMA’s MiCA Article 2(5) guidelines and the joint ESA standardised classification test reduced uncertainty in practice? Which borderline cases remain difficult?

Please explain your response and suggest any policy actions for clarification if needed.

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street believes that ESMA's MiCA article 2(5) guidelines and the joint ESA standardised classification test have improved certainty. Where we see further potential for clarification is not in the legal framework itself but in more consistent interpretation and supervisory convergence across the EU for some practical and borderline uses cases where different NCAs approaches to classification criteria would prevent the emergence of scalable business models. From our perspective, most borderlines cases are concentrated in the wholesale market and collateral uses cases, such as "digital twin" structures and representative tokens that mirror rights in traditional assets, particularly tokenised money market funds, and digital cash solutions such as tokenised deposits. EU supervisory authorities should focus on practical examples of tokens and identify the criteria that lead to a change in in their regulatory classification.

1.2 Transparency rules and ex post supervisory control regime

Question 3. Title II establishes disclosure, marketing, conduct and liability rules for public offers and admission to trading of crypto-assets other than ART and EMT.

How appropriate or effective is the design of Title II in balancing investor protection, market integrity and innovation?

a) Please assess each provision below along their adequacy:

	1 (completely inadequate)	2 (mostly inadequate)	3 (neutral)	4 (moderately adequate)	5 (fully adequate)	Don't know - No opinion - Not applicable
Exemptions for offers to <150 persons per Member State, small offerings (<€1m over 12 months), and qualified investors (Article 4(2))	○	○	○	○	○	○

White paper disclosure framework (Article 6): issuer information, crypto-asset characteristics, tokenomics, risks, use of proceeds	○	○	○	○	○	○
Marketing requirements: identifiable, fair, clear, not misleading and consistent with the white paper (Article 7)	○	○	○	○	○	○
Ex ante notification model without prior regulatory approval (Article 8)	○	○	○	○	○	○
Obligation to modify/update the white paper for significant new factors, material mistakes or inaccuracies (Article 12)	○	○	○	○	○	○

Retail investor right of withdrawal (14 days), excluding assets already admitted to trading or after subscription period ends (Article 13)	○	○	○	○	○	○
Conduct obligations: honesty, fairness and professionalism, clear communications, conflicts management, and effective systems and security arrangements (Article 14)	○	○	○	○	○	○
Civil liability for inaccurate, misleading or incomplete white paper information (Article 15)	○	○	○	○	○	○
Overall balance between investor protection, market integrity and innovation under Title II	○	○	○	○	○	○

Please explain your ratings in question 3 a), focusing on the issues you deem most significant regarding the overall balance between investor protection, market integrity and innovation:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

b) Please assess each provision below along the direction of change you consider appropriate:

	1 (should be significantly weakened)	2 (should be somewhat weakened)	3 (should remain unchanged)	4 (should be somewhat strengthened)	5 (should be significantly strengthened)	Don't know - No opinion - Not applicable
Exemptions for offers to <150 persons per Member State, small offerings (<€1m over 12 months), and qualified investors (Article 4(2))	○	○	○	○	○	○
White paper disclosure framework (Article 6): issuer information, crypto-asset characteristics, tokenomics, risks, use of proceeds	○	○	○	○	○	○

Marketing requirements: identifiable, fair, clear, not misleading and consistent with the white paper (Article 7)	○	○	○	○	○	○
Ex ante notification model without prior regulatory approval (Article 8)	○	○	○	○	○	○
Obligation to modify/update the white paper for significant new factors, material mistakes or inaccuracies (Article 12)	○	○	○	○	○	○
Retail investor right of withdrawal (14 days), excluding assets already admitted to trading or after subscription period ends (Article 13)	○	○	○	○	○	○

Conduct obligations: honesty, fairness and professionalism, clear communications, conflicts management, and effective systems and security arrangements (Article 14)	○	○	○	○	○	○
Civil liability for inaccurate, misleading or incomplete white paper information (Article 15)	○	○	○	○	○	○
Overall balance between investor protection, market integrity and innovation under Title II	○	○	○	○	○	○

Please explain your ratings in question 3 b), focusing on the issues you deem most significant regarding the overall balance between investor protection, market integrity and innovation:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 4. Based on initial implementation experience under MiCA, please assess the extent to which the following issues remain a concern:

	1 (not serious concern at all)	2 (rather not serious concern)	3 (neutral)	4 (rather serious concern)	5 (extremely serious concern)	Don't know - No opinion - Not applicable
Inadequate or non-comparable disclosure clarity or complexity to retail investors in Title II white papers	○	○	○	○	○	○
Fraudulent or misleading crypto-asset offerings affecting EU investors	○	○	○	○	○	○
Lack of clear and enforceable investor rights for crypto-asset holders	○	○	○	○	○	○
Insufficient issuer governance or accountability in crypto-asset projects e.g. monitoring of the use of funds by issuers after the offering period	○	○	○	○	○	○

Regulatory arbitrage, including activity shifting outside the EU	○	○	○	○	○	○
Promotions by social media, influencers, sponsorships	○	○	○	○	○	○
Post-issuance token value erosion or project failure affecting EU retail investors	○	○	○	○	○	○
Market manipulation practices (e.g. wash trading, price manipulation) in crypto-asset markets	○	○	○	○	○	○
Misaligned incentives between crypto-asset issuers and investors (e.g. insider allocations, weak lock-ups)	○	○	○	○	○	○

Difficulty in assessing issuer quality and project credibility for EU investors	○	○	○	○	○	○
Cross-border enforcement and supervisory coordination challenges within the EU	○	○	○	○	○	○
Cross-border enforcement and supervisory coordination challenges with third countries authorities outside of the EU	○	○	○	○	○	○

Please explain your ratings in question 4, focusing on the issues you deem most significant and add any additional issues that you deem highly important:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 5. Should additional measures either at the issuance stage or during the marketing and distribution of crypto-assets, be considered?

Based on your experience or expertise, please evaluate the potential effectiveness of the following additional measures in relation to Title II crypto-assets.

	1 (not at all effective)	2 (slightly effective)	3 (moderately effective)	4 (rather effective)	5 (highly effective)	Don't know - No opinion - Not applicable
Marketing restrictions for high-risk or speculative crypto-assets aimed at retail investors e.g. restricting or banning the use of algorithmic or "gamified" marketing tactics for new token launches	○	○	○	○	○	○
Lock-up periods (e.g. 12 months) or vesting schedules for founder and early investor tokens	○	○	○	○	○	○

Please explain your ratings in question 5, and what (other) regulatory or supervisory actions you would consider useful either at the issuance stage and during marketing or distribution:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 6. What administrative simplification or burden reduction measures should be considered under title II and its implementing measures and technical standards?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 7. Which specific categories remain most difficult to classify in practice? (e.g. hybrid tokens, wrapped assets, tokenised fund interests, tokenised money-market instruments, governance tokens, synthetic exposures, or assets marketed as NFTs but issued in series)?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In line with our response to Question 2, in order to make the existing classification framework as useful as possible, EU supervisory authorities should focus further operational guidance on borderlines cases of relevance to wholesale market and collateral uses cases, such as tokenised money market funds and tokenised deposits.

Question 8. Are the current Title II mechanisms sufficient to ensure meaningful updates to investors after issuance, including where project governance, tokenomics, vesting schedules or control rights change materially?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 8:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PART 2. Requirements applying to Assets referenced tokens (ART) and electronic money tokens (EMT) and their issuers (MiCA Titles III and IV)

MiCA establishes a bespoke regulatory regime for so-called "stablecoins" by distinguishing between asset-referenced tokens (ARTs) and e-money tokens (EMTs).

This section seeks stakeholders' feedback on stablecoins (EMTs and ARTs) in general, notably on the future role they may play both within the EU and beyond. It also asks more specific questions related to their prudential regime, their reserve requirements, the redemption rights of their holders and whether MiCA's stablecoin regime remains fit for purpose or requires adjustment in view of market and international regulatory developments.

2.1 The future role of stablecoins

Question 9. Looking 5-10 years ahead, how strongly do you agree with the following visions for the role of stablecoins in the EU?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
A mainstream digital means of payment for retail transactions within the EU	○	◉	○	○	○	○
A mainstream digital means of payment for wholesale transactions within the EU	◉	○	○	○	○	○
A complement to existing payment instruments, used mainly in specific use cases especially in international, cross-border payments	○	○	○	○	◉	○

A core infrastructure layer for the digital economy and tokenised financial markets especially for settlement	◉	○	○	○	○	○
A niche or transitional product, eventually displaced by other forms of digital money (e.g. CBDCs or commercial bank money innovations)	○	○	○	◉	○	○
No clear long-term role can be identified at this stage	○	○	◉	○	○	○
Others	○	○	○	○	○	○

Please explain your answers to question 9:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports a regulatory framework that enables the coexistence of multiple forms of money and encourages innovation while maintaining financial stability. We recognize that stablecoins have an important role to play in specific use cases, particularly in crypto-asset markets, decentralized finance protocols, and certain emerging on-chain trading venues. However, for wholesale financial market activities, tokenized deposits should serve as the primary form of on-chain money, given their integration with the banking system and alignment with existing prudential, regulatory, and monetary frameworks.

Question 10. The following question explores the current and potential benefits of stablecoins (both EMTs and ARTs) for different use cases. For each use case below, please indicate how beneficial stablecoins would be for EU users:

	1 (not beneficial)	2 (moderately beneficial)	3 (neutral)	4 (beneficial)	5 (very beneficial)	Don't know - No opinion - Not applicable
International payments (non-EU cross-border remittances or transfers)	○	○	○	◉	○	○
Intra-EU payments (domestic and EU cross-border payments)	○	○	○	◉	○	○
Crypto trading and liquidity provision	○	○	○	○	◉	○
Retail payments - Person to Person	○	◉	○	○	○	○
Retail payments – Person to Business (POI payment to merchants including e-commerce)	○	◉	○	○	○	○
Retail payments - Business to Business	○	◉	○	○	○	○

Wholesale payments (between financial institutions)	○	◉	○	○	○	○
Settlement of tokenised financial instruments (e.g., digital bonds, securities)	○	○	○	○	◉	○
Corporate treasury management	○	○	○	○	◉	○
Access to programmable or smart contract-based financial services (DeFi applications)	○	○	○	○	○	◉
Provision of financial services in underserved regions in the EU	○	◉	○	○	○	○
Others	○	○	○	○	○	○

Please explain shortly your assessment and expectations in question 10 as regards the benefits of stablecoins for EU users and, where relevant, any potential risks:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.2 Prudential regime and capital requirements

MiCA sets out different capital requirements for issuers of EMTs and ARTs, with additional requirements applying where tokens are classified as “significant”. Article 35 and 46 require that non-bank issuers of ARTs and EMTs shall, at all times, have own funds equal to an amount of at least the highest of the following:

a. EUR 350 000

b. 2% of the average amount of the reserve of assets referred to in Article 36

c. a quarter of the fixed overheads of the preceding year

Question 11.1 To what extent do you think the calculation methods are relevant?

	1 (not at all relevant)	2 (slightly relevant)	3 (moderately relevant)	4 (mostly relevant)	5 (highly relevant)	Don't know - No opinion - Not applicable
Minimum own funds of EUR 350,000	○	○	○	○	○	○

2% of the average reserve of assets						

25% of the fixed overheads of the preceding year						

Additional own funds for “significant” tokens	○	○	○	○	○	○

Question 11.2 To what extent do you think the calculation methods are appropriately calibrated?

	1 (not at all appropriately calibrated)	2 (slightly appropriately calibrated)	3 (moderately appropriately calibrated)	4 (mostly appropriately calibrated)	5 (highly appropriately calibrated)	Don't know - No opinion - Not applicable

Minimum own funds of EUR 350,000	○	○	○	○	○	○
2% of the average reserve of assets	○	○	○	○	○	○

25% of the fixed overheads of the preceding year						

Additional own funds for “significant” tokens	○	○	○	○	○	○

Please explain your answers to question 11.1 and 11.2, including your reasoning and any suggestions for recalibration or alternative approaches (e.g. greater risk sensitivity, differentiation by business model, or interaction with reserve and liquidity requirements):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 12. After being in effect for close to two years, no ARTs have been licensed in the EU under MiCA. In your view, does this absence primarily reflect low market interest in ARTs or other reasons?

Please rate each factor below:

	1 (not at all a factor)	2 (rather not a factor)	3 (neutral/ uncertain)	4 (rather a factor)	5 (a major factor)	Don't know - No opinion - Not applicable

Market interests for ARTs	○	○	○	○	○	○
Licencing and regulatory requirements for ARTs	○	○	○	○	○	○

Please explain your answers to question 12:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 13. If ARTs were to come to market, what do you think is the primary purpose from a consumer/investor perspective: investment or alternative means of exchange/payment? Please explain your answer:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.3 Liquidity and reserve requirements

Question 14. MiCA requires issuers of ARTs to establish, maintain, and prudently manage a reserve of assets and appropriate liquidity arrangements to ensure orderly redemptions and mitigate financial stability, liquidity, and operational risks. Additional and enhanced requirements apply to ARTs classified as "significant" under Article 45.

How do you think, if at all, each of the following elements of the MiCA liquidity and reserve regime for ARTs should be adjusted?

Please rate each aspect on a scale from 1 to 5, where

- **"1" indicates that requirements should be significantly relaxed (e.g. lower liquidity buffers or remove specific obligations)**
- **"3" indicates that the current framework is appropriate and should remain unchanged**
- **"5" indicates that requirements should be made substantially more stringent (e.g. higher reserves, tighter risk controls, or enhanced safeguards)**

a) Please rate each aspect below as regard to non-significant ARTs:

	1 (should be significantly relaxed)	2 (should be somehow relaxed)	3 (current framework appropriate)	4 (should be made somehow more stringent)	5 (should be made substantially more stringent)	Don't know - No opinion - Not applicable

Obligation to constitute and maintain a reserve of assets covering redemption and liquidity risks (Article 36(1))	○	○	○	○	○	○
Liquidity composition and maturity structure of the reserve (Article 36(4), RTS)	○	○	○	○	○	○
Minimum amount of deposits held (30% and 60%) (Article 36(4), RTS)	○	○	○	○	○	○
Auditing requirements (Article 36(9))	○	○	○	○	○	○
Custody requirements (Article 37)	○	○	○	○	○	○

b) Please rate each aspect below as regard to requirements for significant ARTs:

	1 (should be significantly relaxed)	2 (should be somehow relaxed)	3 (current framework appropriate)	4 (should be made somehow more stringent)	5 (should be made substantially more stringent)	Don't know - No opinion - Not applicable

Obligation to constitute and maintain a reserve of assets covering redemption and liquidity risks (Article 36(1))	○	○	○	○	○	○
Liquidity composition and maturity structure of the reserve (Article 36(4), RTS)	○	○	○	○	○	○
Minimum amount of deposits held (30% and 60%) (Article 36(4), RTS)	○	○	○	○	○	○
Auditing requirements (Article 36(9))	○	○	○	○	○	○
Custody requirements (Article 37)	○	○	○	○	○	○
Enhanced liquidity management, stress testing, monitoring, and reporting obligations for significant ARTs (Article 45(3)-(4))	○	○	○	○	○	○

Please explain your answers to question 14 a) and b), including your reasoning and any suggestions for recalibration or alternative approaches (e.g. greater risk sensitivity, differentiation by business model, or interaction with reserve and liquidity requirements):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 15. MiCA sets out liquidity and reserve requirements for issuers of EMTs to ensure immediate redemption of tokens, mitigation of credit and operational risk, and resilience under stress scenarios. Additional requirements apply to EMTs classified as "significant" (Article 56).

Should any of the following aspects of the MiCA regime for EMTs issued by e-money institutions be adjusted?

Please rate each aspect on a scale from 1 to 5, where

- **"1" indicates that requirements should be significantly relaxed (e.g. lower liquidity buffers or remove specific obligations)**
- **"3" indicates that the current framework is appropriate and should remain unchanged**
- **"5" indicates that requirements should be made substantially more stringent (e.g. higher reserves, tighter risk controls, or enhanced safeguards)**

a) Please rate each aspect below as regard to requirements for non-significant ARTs:

	1 (should be significantly relaxed)	2 (should be somehow relaxed)	3 (current framework appropriate)	4 (should be made somehow more stringent)	5 (should be made substantially more stringent)	Don't know - No opinion - Not applicable
Obligation to constitute and maintain a reserve of assets covering redemption and liquidity risks (Article 36(1))	○	○	◉	○	○	○

Legal and operational segregation of reserve assets from the issuer’s own estate and from other token reserves (Article 36(2)–(3))	○	○	◉	○	○	○
Liquidity composition and maturity structure of the reserve (Article 36(4), RTS)	○	○	◉	○	○	○
Minimum amount of deposits held (30% and 60%) (Article 36(4), RTS)	○	○	◉	○	○	○
Auditing requirements (Article 36(9))	○	○	◉	○	○	○
Custody requirements (Article 37)	○	○	◉	○	○	○

Excessive exposure / concentration between bank and token (Article 36(4) MiCA) Do you consider the 1.5% binding limit adequate? (RTS)	○	◉	○	○	○	○

b) Please rate each aspect below as regard to requirements for significant ARTs:

	1 (should be significantly relaxed)	2 (should be somehow relaxed)	3 (current framework appropriate)	4 (should be made somehow more stringent)	5 (should be made substantially more stringent)	Don't know - No opinion - Not applicable
Obligation to constitute and maintain a reserve of assets covering redemption and liquidity risks (Article 36(1))	○	○	◉	○	○	○
Legal and operational segregation of reserve assets from the issuer's own estate and from other token reserves (Article 36(2)–(3))	○	○	◉	○	○	○

Liquidity composition and maturity structure of the reserve (Article 36(4), RTS)	○	○	◉	○	○	○
Minimum amount of deposits held (30% and 60%) (Article 36(4), RTS)	○	○	◉	○	○	○
Auditing requirements (Article 36(9))	○	○	◉	○	○	○
Custody requirements (Article 37)	○	○	◉	○	○	○
Enhanced liquidity management, stress testing, monitoring, and reporting obligations for significant EMTs (Article 45(3)–(4))	○	○	◉	○	○	○

Excessive exposure / concentration between bank and token (Article 36(4) MiCA) Do you consider the 1.5% binding limit adequate? (RTS)	○	◉	○	○	○	○

Please explain your answers to question 15 a) and b), including your reasoning and any suggestions for recalibration or alternative approaches:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports retaining the core safeguards for issuers of EMT, in particular the legal and operational segregation which are core pillars of the current regime. Any weakening of these principles may compromise the protection of client assets and therefore the long-term stability of the digital assets market. When designing a strong EMT prudential framework, we urge the EU to seek the greatest possible alignment with major jurisdictions such as the UK and the U.S. in order to establish a more consistent regulatory framework for such global financial instruments. International alignment will support both financial stability and a level playing field for market participants.

Two areas where requirements could be adjusted are: i) the composition of reserve assets requirements, and ii) the treatment of reserve assets held with credit institutions. On the first point, we believe that EU regulators should consider giving EMT issuers the possibility to hold a larger part of their reserves in high-quality assets such as short-dated sovereign securities, government money market funds, government-backed reverse repurchase agreements, and, where accessible, central bank deposits or reserves. This possibility should also be reflected in more flexible maturity profiles. In doing so the EU would align with the approach taken in other jurisdictions, e.g. the U.S. Genius Act, thereby allowing EU issuers to compete on equal footing. Secondly, it would be helpful to clarify that EMT reserve assets that are deposited by e-money institutions with credit institutions form part of the bank's ordinary deposit base, thus adjusting their LCR outflow treatment. Otherwise, treating these deposits as subject to disproportionately conservative liquidity assumptions or excessively high outflow rates would result in an undue reduction of banks' liquidity capacity.

Question 16. Under MiCA, credit institutions issuing EMTs are not subject to the reserve asset segregation requirements or the requirement to maintain a reserve of assets applicable to non-bank EMT issuers (Article 58 MiCA). This is consistent with the approach to the regulation of traditional e-money.

Should MiCA be adjusted to introduce a requirement to maintain a reserve of assets and segregation requirements for reserve assets of EMTs issued by credit institutions?

- ○ Yes – require reserve maintenance and segregation of EMT reserve assets within the credit institution's balance sheet
- ○ Yes – require issuance through a legally separate entity of the credit institution with full segregation of EMT reserve assets
- ◉ No – keep the current MiCA approach unchanged
- ○ Others / alternative approach
- ○ Don't know / no opinion / not applicable

Please explain your answer to question 16, including your reasoning and any suggestions for other/alternative approaches:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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We would like to stress that credit institutions are already subject to
extensive capital and prudential requirements that address the redemptions risks
and the goal of protecting the reserve backing for the benefit of the holder.
Imposing a separate requirement under MiCA would only duplicate existing
safeguards.
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2.4 Criteria for determining significance

Under MiCA, ARTs and EMTs may be classified as "significant" based on a set of quantitative and qualitative criteria set out in Article 43 (ARTs) and Article 56 (EMTs), which trigger enhanced prudential, governance, and supervisory requirements. The Commission has adopted a delegated act (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32024R1506) to further clarify the criteria for determining significance.

Question 17. Do you think the following quantitative criteria thresholds used to classify EMTs or ARTs as "significant" should be adjusted, and if so how?

Please rate each each quantitative criteria thresholds on a scale from 1 to 5, where

- **"1" = Significantly decreased (thresholds should be much lower / classification triggered earlier)**
- **"2" = Somewhat decreased**
- **"3" = Kept as is (current MiCA thresholds are broadly appropriate)**
- **"4" = Somewhat increased**
- **"5" = Significantly increased (thresholds should be much higher / classification triggered later)**

a) Please rate how each quantitative criteria thresholds used to classify EMTs should be adjusted:

	1 (significantly decreased)	2 (somewhat decreased)	3 (kept as is)	4 (somewhat increased)	5 (significantly increased)	Don't know - No opinion - Not applicable
Number of holders / users exceeding 10 million (Articles 43(1)(a) and 56)	○	○	○	○	○	○
Total outstanding value / market capitalisation exceeding EUR 5 billion (Articles 43(1)(b) and 56)	○	○	○	○	○	○
Transaction volume or value per day (average 2.5 million transactions and EUR 500 million) (Articles 43(1)(c) and 54)	○	○	○	○	○	○

b) Please rate how each quantitative criteria thresholds used to classify ARTs should be adjusted:

	1 (significantly decreased)	2 (somewhat decreased)	3 (kept as is)	4 (somewhat increased)	5 (significantly increased)	Don't know - No opinion - Not applicable

Number of holders / users exceeding 10 million (Articles 43(1)(a) and 56)	○	○	○	○	○	○
Total outstanding value / market capitalisation exceeding EUR 5 billion (Articles 43(1)(b) and 56)	○	○	○	○	○	○
Transaction volume or value per day (average 2.5 million transactions and EUR 500 million) (Articles 43(1)(c) and 54)	○	○	○	○	○	○

Please explain your answers to question 17 a) & b), including your reasoning and any suggestions for other/alternative approaches:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 18. Do you think the qualitative criteria used to classify EMTs or ARTs as "significant" under MiCA should be adjusted?

- ○ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Question 19. Are there any additional criteria or metrics that should be added to determine "significant" tokens?

- ○ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

2.5 Interest payment

MiCA currently prohibits the granting of interest or any interest-equivalent remuneration of stablecoins by either the issuer, offeror or crypto asset service provider. This prohibition applies to ARTs under Article 40 and to EMTs under Article 50 of MiCA.

Question 20. In your view, should the MiCA prohibition on granting interest or any interest-equivalent remuneration be modified?

a) for EMTs:

- ◉ No, interest and interest-equivalent remuneration should continue to be prohibited
- ○ Yes, interest or interest-equivalent remuneration should be allowed under defined conditions
- ○ Yes, interest or interest-equivalent remuneration should be allowed fully
- ○ Don't know / no opinion / not applicable

Please explain your answer to question 20 a):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports retaining the MiCA prohibition on interest and interest-equivalent remuneration for both EMTs and ARTs. The prohibition helps maintain the distinction between stablecoins used for payments and settlement and products intended primarily as investments or deposits. However, we invite the EU Commission to monitor developments in other jurisdictions and work towards greater international convergence on the interpretation of remuneration restrictions. This would help reduce regulatory fragmentation and support the development of global digital-asset markets.

b) for ARTs:

- ◉ No, interest and interest-equivalent remuneration should continue to be prohibited
- ○ Yes, interest or interest-equivalent remuneration should be allowed under defined conditions
- ○ Yes, interest or interest-equivalent remuneration should be allowed fully
- ○ Don't know / no opinion / not applicable

Please explain your answer to question 20 b):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports retaining the MiCA prohibition on interest and interest-equivalent remuneration for both EMTs and ARTs. The prohibition helps maintain the distinction between stablecoins used for payments and settlement and products intended primarily as investments or deposits. However, we invite the EU Commission to monitor developments in other jurisdictions and work towards greater international convergence on the interpretation of remuneration restrictions. This would help reduce regulatory fragmentation and support the development of global digital-asset markets.

2.6 Redemption

MiCA establishes distinct redemption regimes for ARTs and EMTs. For ARTs, redemption rights are primarily governed by Article 39, supported by operational and prudential requirements in Articles 36–38 and 47. For EMTs, redemption rights are set out in Article 49, with supporting provisions in Articles 46 and 47.

Question 21. Based on your experience either as a holder of EMTs or as an issuer of EMTs, how have redemption requests been processed and executed in practice by issuers or their agents? What practical problems, if any, have been encountered?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 22. If you hold EMTs and wish to dispose of them, which of the following options would you most likely choose?

a) In a normal market situation

- ○ I would likely spend them (e.g. on goods or services)
- ○ I would likely sell or exchange them with a broker or at a trading venue
- ○ I would likely turn to the EMT issuer or his agent to exercise my statutory redemption right
- ○ Don’t know / no opinion / not applicable

b) In a stressed market situation

- ○ I would likely spend them (e.g. on goods or services)
- ○ I would likely sell or exchange them with a broker or at a trading venue
- ○ I would likely turn to the EMT issuer or his agent to exercise my statutory redemption right
- ○ Don’t know / no opinion / not applicable

Please explain your answer to question 22 a) and b):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 23. For each of the redemption rights and rules listed below, please indicate whether the existing MiCA rules should be amended or specified or kept as they are.

Please consider, in particular, implications for financial stability, consumer protection, and cross-border usability.

	Weaken	Keep as is	Strengthen	Don't know - No opinion - Not applicable
Permanent right of redemption against the issuer, either at market value (ARTs) or at par (EMTs)	○	◉	○	○
Timing of redemption (timeframe for redemption by the issuer)	○	◉	○	○
Prohibition of redemption fees	◉	○	○	○
Conditions, procedures, and transparency of redemption policies	○	◉	○	○
Supervisory powers to intervene in or trigger redemption plans	○	◉	○	○

Please explain your assessment to question 23, including if a different approach is warranted for significant vs non-significant tokens, or in crisis scenarios and share any suggestions for adjustments you may have:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We support maintaining strong redemption rights, especially regarding timing transparency and operational certainty. On redemption fees, we note that other key jurisdictions (e.g. U.S. Genius Act) permit to a certain extent the charging of fees, and therefore EU issued stablecoins may as a result be competitively disadvantaged. We would therefore recommend that the EU considers permitting redemption fees at least for the recovery of gas fees, as long as they are appropriately disclosed and proportionate to the actual cost.

2.7 Stability issues

Stablecoins have the potential to reshape part of the financial service value chain as they can offer faster, cheaper, and more direct global payment and settlement transactions by bypassing certain financial intermediaries. They can also pose risks. This subsection aims to explore the adequacy of the safeguards provided by MiCA, especially regarding redemption and resolution plans.

Question 24. Articles 46 and 47 require issuers of ARTs and EMT to prepare a recovery plan and a redemption plan in case an issuer cannot comply with reserve requirements e.g. due to significant and sudden requests for redemptions.

Please indicate whether the current MiCA requirements are fit for purpose in those regards or should be amended:

a) Current MiCA requirements for ARTs

	Weaken	Keep as is	Strengthen	Don't know - No opinion - Not applicable
Recovery plans	○	○	○	○
Redemption plans	○	○	○	○

b) Current MiCA requirements for EMTs

	Weaken	Keep as is	Strengthen	Don't know - No opinion - Not applicable
Recovery plans	○	○	○	○
Redemption plans	○	○	○	○

Please explain your assessment to question 24 a) & b), including if a different approach is warranted for significant vs non-significant tokens, and share any suggestions for adjustments you may have:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 25. EMTs issued by authorised e-money institutions (EMIs) could potentially operate with enhanced monetary and financial safeguards.

Please rate the appropriateness and desirability of the following policy options for EMTs issued by e-money institutions:

	1 (not at all appropriate / desirable)	2 (slightly appropriate / desirable)	3 (moderately appropriate / desirable)	4 (mostly appropriate / desirable)	5 (highly appropriate / desirable)	Don't know - No opinion - Not applicable
Allowing EMT issuers to deposit their reserve assets directly into central bank accounts	○	○	○	○	○	○

Providing clear rules that ensure the continuity of redemption rights (reserves are safeguarded for the benefit of token holders and are ring-fenced in insolvency, giving these holders an exclusive claim against those assets) in case of insolvency of the issuer	○	○	○	○	○	○
Establishing a dedicated resolution regime for EMIs issuing EMTs	○	○	○	○	○	○
Allowing emergency liquidity support / lender-of-last-resort (LOLR) facilities for EMIs issuing EMTs	○	○	○	○	○	○
Others	○	○	○	○	○	○

Please explain your ratings in question 25, including potential benefits, risks, or implementation challenges:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 26. How appropriate is it to require EMT-issuing EMIs to hold 30-60% of their reserve assets in bank deposits?

- 1 - Not at all appropriate / desirable
- 2 - Slightly appropriate / desirable
- 3 - Moderately appropriate / desirable
- 4 - Mostly appropriate / desirable
- 5 - Highly appropriate / desirable
- Don't know / no opinion / not applicable

Please explain your ratings in question 26 and add any suggestions for recalibration or alternative approaches:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.8 Global stablecoins arrangements and interactions with other regulatory frameworks

Global stablecoins are stablecoins that have a wide existing or potential reach and use across multiple jurisdictions.

Question 27. What are the potential benefits of global stablecoins for different use cases?

For each use case below, please indicate on a scale of 1 to 5 how beneficial global stablecoins would be for EU holders:

	1 (not beneficial)	2 (moderately beneficial)	3 (neutral)	4 (rather beneficial)	5 (very beneficial)	Don't know - No opinion - Not applicable
International payments (cross-border remittances or transfers,)	○	○	○	◉	○	○

Intra-EU payments (domestic and cross-border EU payments)	○	○	○	◉	○	○
Crypto trading and liquidity provision	○	○	○	○	◉	○
Retail payments - Person to Person	○	◉	○	○	○	○
Retail payments - Person to Business (POI payment to merchants including e-commerce)	○	◉	○	○	○	○
Retail payments - Business to Business	○	◉	○	○	○	○
Settlement of tokenised financial instruments (e.g., digital bonds, securities)	○	○	○	◉	○	○
Corporate treasury management	○	○	○	◉	○	○

Access to programmable or smart contract-based financial services (DeFi applications)	○	○	○	○	○	◉
Provision of financial services in underserved regions in the world	○	○	◉	○	○	○
Other potential use cases	○	○	○	○	○	○

Please explain your answers to question 27:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We note that relevant use cases for stablecoin sit mainly outside the wholesale financial markets activity. Stablecoins are most valuable where they remove friction from existing payment chains rather than replacing already efficient payment infrastructures. We particularly support the use of stablecoin as settlement asset for crypto-asset markets, decentralized finance protocols, and certain emerging on-chain trading venues. Stablecoins also represent a particularly relevant solution for settlement on DLT, notably as a "cash leg" in tokenised transactions. However, for wholesale financial market activities, tokenized deposits should serve as the primary form of on-chain money, given their integration with the banking system and alignment with existing prudential, regulatory, and monetary frameworks.

Question 28. How important is it for EU users (both people and businesses) to be able to access global stablecoins via EU-based and licenced issuers and CASPs?

	1 (not important at all)	2 (moderately important)	3 (neutral / no clear preference)	4 (rather important)	5 (highly important)	Don't know - No opinion - Not applicable

EU-based and licenced stablecoins Issuers	○	○	○	◉	○	○
EU-based and licenced CASPs	○	○	○	◉	○	○

Please explain your answers to question 28:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports the emergence of vibrant digital money ecosystems across jurisdictions. Cross-border access and usability of tokenized cash instruments, including stablecoins, is of strategic importance to realize the full benefits of atomic settlement, collateral transfers and liquidity management. In this sense, global stablecoins already perform an important market function and restricting access would fragment liquidity and prevent the emergence of scalable digital assets solutions. Therefore, we believe the EU should focus on regulatory framework based on equivalence and/or multi-issuance or co-issuance structures rather than restricting access to global stablecoin markets. We believe that international interoperability will become increasingly important as jurisdictions develop their stablecoin frameworks, in particular with the UK and U.S.

Question 29. Based on your experience and assessment, how significant are the following risks associated with a multi-issuance model[3] of global stablecoins for the EU financial system?

[3]Under a multi-issuer model, the global stablecoin issuer operates subject to the requirements of the EU MICA framework for stablecoins offered or held in the EU (EU establishment, EU reserve requirements, redemption obligations, EU supervision) and the requirements of third country jurisdictions, if any, where it also issues or offers stablecoins. Protection of EU holders relies on EU prudential, operational, and consumer protection safeguards set out in MICA.

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather significant)	5 (very significant)	Don't know - No opinion - Not applicable

Run risk and reserve depletion in the EU (e.g. cross-border migration of tokens during stress leading to sudden increase of redemption pressure on EU issuers)	○	○	○	○	○	○
Unbalanced reserve distribution across jurisdictions (e.g. fragmentation of reserves between EU and non-EU entities)	○	○	○	○	○	○
Cross-border reserve transfer restrictions (e.g. third-country limitations on moving reserves during stress events)	○	○	○	○	○	○

Regulatory arbitrage due to fungibility of tokens (e.g. operation across regimes exploiting differences in prudential or conduct rules)	○	○	○	○	○	○
Supervisory monitoring and data-tracking challenges (e.g. difficulty measuring EU-holdings, especially holdings in self-custodial wallets)	○	○	○	○	○	○
Risks resulting from the stablecoin issuer home jurisdictions not having prudential or conduct rules that meet internationally accepted standards or that are significantly lower than those set out in EU law.	○	○	○	○	○	○
Others	○	○	○	○	○	○

Please explain the reasoning behind your ratings in question 29. Describe the nature and importance of these risks, the underlying assumptions, market dynamics, or regulatory factors informing your view:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 30. MiCA does not currently prohibit multi-issuer models, nor does the EU have jurisdiction to determine how third country entities, that also have licensed entities in the EU, should be regulated in third country jurisdictions.

Given your assessment of the advantages or disadvantages of global stablecoins and multi-issuance models, do you think that MiCA should continue to be open to multi-issuance models?

- Yes, the multi-issuance model for stablecoins should be permitted under MiCA
- No, MiCA should disallow the multi-issuance model for stablecoins
- Don't know / no opinion / not applicable

Please explain the reasons for your response to question 30 and describe the potential implications for the EU market and relevant stakeholders:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 31. MiCA considers that all EMTs that are pegged to or denominated in an EU currency are offered to the EU and therefore fully subject to MiCA issuer requirements.

a) Does this approach continue to be justified in view of market developments?

- Yes
- No
- Don't know / no opinion / not applicable

b) Does it discourage the international role of the euro?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 31 a) & b):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 32. What are the advantages and disadvantages of this approach for the EU and the international role of EU currencies?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.9 Interaction with the EU's economic security and the international role of the euro

Question 33. To what extent do you believe that euro-denominated stablecoins can contribute to the following objectives?

	1 (not at all)	2 (to a small extent)	3 (to a moderate extent)	4 (to a large extent)	5 (to a very large extent)	Don't know - No opinion - Not applicable
Strengthening EU payment autonomy in retail payments	○	○	○	○	○	○
Strengthening EU payment autonomy in wholesale payments	○	○	○	○	○	○
Enhancing the international role of the euro	○	○	○	○	○	○

Please explain your answers to question 33:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.10 Current safeguards in MiCA

Question 34. MiCA provides safeguards to mitigate the risks of multi-issuance stablecoins.

For each safeguard listed below, please indicate how effective you consider it to be:

	1 (not at all effective)	2 (slightly effective)	3 (moderately effective)	4 (rather effective)	5 (highly effective)	Don't know - No opinion - Not applicable
Restriction of widely used ARTs and EMTs denominated in a currency that is not an official currency of a Member State (Articles 23, 58)	○	○	○	○	○	○
ECB binding opinion powers on withdrawing authorisation and limit the amounts of ARTs and EMTs (Articles 24(2)(3), 58)	○	○	○	○	○	○
EU establishment requirement for ART and EMT issuers (Article 16)	○	○	○	○	○	○

Reserve location, composition and liquidity requirements for ARTs and EMTs (Articles 36-38, 45, 54)	○	○	○	○	○	○
The powers of competent authorities listed in Article 94, especially to suspend or prohibit the trading of crypto-assets	○	○	○	○	○	○
National supervisory intervention powers (Article 105)	○	○	○	○	○	○
EBA temporary intervention powers (Article 104)	○	○	○	○	○	○

Please explain your answers to question 34:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 35. MiCA requires that the reserves of the EMTs and ARTs issued, offered or held in the EU should be held in the EU.

Can the tokens held in the EU be determined or estimated with sufficient accuracy and frequency?

- ○ Yes, EU holdings can be determined with sufficient accuracy and frequency
- ○ Partially, but with some limitations (e.g., delays, estimation challenges)
- ○ No, current methods are insufficient for reliable compliance
- ○ Don’t know / no opinion / not applicable

Please explain your answer to question 35, including any specific remarks with regard to tokens held in unhosted wallets:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 36. Should MiCA redemption rights be explicitly limited to EU holders only?

- ○ Yes
- ◉ No
- ○ Don’t know / no opinion / not applicable

Please explain your answer to question 36:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that a limitation of redemption rights to EU holders would fragment liquidity and prevent the stablecoin usability in cross border contexts. It would also introduce significant operational complexity to continuously monitoring eligibility. As a useful comparison, we note that under e-money rules and for bank deposits investors don’t lose their right to redeem simply because they are outside the EU.

We urge regulators to focus instead on supporting international convergence on redemption fees and appropriate safeguards (such as sufficient reserves, operational arrangements, AML/KYC requirements). We also note that under comparable frameworks, e.g. the U.S. Genius Act, stablecoin holders have the enforceable right to redeem their tokens for any of the highly liquid underlying reserve instruments, not just for cash/fiat currency. We believe that this is a feature that should be considered also under the MiCA framework.

2.11 Potential additional safeguards

Question 37. In a multi-issuance model, reserve assets may be located across jurisdictions and legal entities. Concerns have been expressed that in times of market stress, the transfer or rebalancing of reserves between issuers may be delayed or restricted.

Is this concern valid or substantiated in your view?

- ○ Valid-substantiated
- ○ Not valid-not substantiated
- ○ Don’t know / no opinion / not applicable

Please explain your answer to question 37:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 38. How effective would the following possible additional measures be in mitigating such concerns?

	1 (highly ineffective)	2 (rather ineffective)	3 (neutral / uncertain)	4 (somewhat effective)	5 (highly effective)	Don't know - No opinion - Not applicable
Introducing requirements that would favour or strengthen the redemption rights of holders of stablecoins that are genuinely circulating in the EU, as opposed to redemption rights associated with stablecoins transferred to the EU in times of stress to take advantage of MiCA protections (including redemption rights)	○	○	○	○	○	○

Restricting direct redemption rights in the EU to holders who are clients of EU-authorised CASPs, while holders that keep the tokens in un-hosted wallets do not have a MiCA guaranteed redemption right in the EU.	○	○	○	○	○	○
Differentiating redemption rights in crisis situations between retail and wholesale/professional holders	○	○	○	○	○	○
Requiring a dedicated liquidity buffer or additional reserve tranche specifically calibrated to cover short-term redemption spikes in the EU	○	○	○	○	○	○

Strengthening real-time or high-frequency reserve and liquidity reporting to EU competent authorities, including granular disclosure of reserve location and transfer constraints	○	○	○	○	○	○
Establishing binding cooperation arrangements between home and host supervisors to ensure rapid approval and execution of cross-border reserve transfers in stress scenarios	○	○	○	○	○	○
Others	○	○	○	○	○	○

Please explain your answers to question 38:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 39. If you referred in your response to question 38 to adjusting redemption rights, please provide any comments on the operational feasibility, legal implications, proportionality, or potential intended or unintended consequences of such amendments the redemption rights in MiCA as listed above or in any other way:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 40. Do you see merit in introducing an equivalence regime (https://finance.ec.europa.eu/eu-and-world/equivalence-non-eu-financial-services-frameworks_en) for global stablecoins in the EU?

- ○ Yes but only if other mitigation measures are not introduced
- ◉ Yes, in addition to mitigation measures
- ○ No
- ○ Don't know / no opinion / not applicable

Please provide reasons for your response to question 40, including any perceived advantages or disadvantages of equivalence regimes:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street supports the introduction of an outcomes-based equivalence regime for global stablecoins recognizing robust third-country frameworks. Such regime will help reduce fragmentation, regulatory arbitrage and would support cross border interoperability. An equivalence regime should also be accompanied and supported by enhanced supervisory cooperation.

Question 41. Equivalence regimes can rely on the third country's regime to various degrees.

How far, in your opinion, should a possible equivalence regime go in terms of relying on third-country regime?

What rights or benefits should EU issuers derive from equivalence of a third country and what rights or benefits in the EU should issuers from an equivalent jurisdiction receive in the EU?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that an equivalence regime should follow international recognized standards on crypto assets markets, e.g. IOSCO and FSB. It should rely on comparable regulatory outcomes rather than identical legal rules and should avoid duplicative reserve, governance and prudential requirements. It should be supported by supervisory cooperation and information-sharing arrangements and should allow EU authorities and should allow EU authorities to intervene where necessary to protect consumers or financial stability. However, there should be no unnecessary duplication of oversight at EU or national/local level and where equivalence is granted EU issuers should benefit from reciprocal treatment in the third country jurisdiction.

Question 42. What administrative simplification or burden reduction measures should be considered under titles III and IV and their implementing measures and technical standards?

Do you believe that MiCA level 1 provisions lay down proportionate rules for issuers of EMTs and ARTs?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Authorisation of ARTs and EMTs issuers	○	○	○	○	○	○
Prudential requirements	○	○	○	○	○	○
Governance arrangements	○	○	○	○	○	○
Obligations in respect of specific crypto-asset services	○	○	○	○	○	○

Please explain your answers to question 42:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 43. Do you believe that below specified MiCA level 2 acts lay down proportionate and simple-to-apply rules for ART and EMT issuers, taking into account their different size, scope of activity and risk profile?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable

RTS on complaint handling by issuers of ARTs (Article 31(5))	○	○	○	○	○	○
RTS on the minimum content of governance remuneration (Article 45(7)(a))	○	○	○	○	○	○
RTS on the information to be submitted in an application for authorisation to issue ARTs (Article 18(6))	○	○	○	○	○	○
COM Delegated Act on ART/EMT significance criteria (Article 43(11))	○	○	○	○	○	○
RTS on own funds for issuers of ARTs and EMTs (Article 35(6))	○	○	○	○	○	○

Please motivate your answers to question 43 and briefly explain what the problems are for your highest-rated issue(s) and suggest how they should be addressed (e.g. legislative clarification, supervisory guidance, industry standards):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 44. Do issuers identify any need to further standardise reporting requirements for issuers/information flow between CASPs and issuers for the purposes of MiCA?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 44:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PART 3. The appropriateness of the legal framework for crypto-asset service providers (CASPs)

MiCA created a legal framework for crypto-asset service providers. While provisions governing crypto asset service providers have been in operation only since the end of 2024 and a transitional period for service providers that were already on the market is still in place in a number of Member States, a substantial number of crypto asset service providers have now been authorised across a range of Member States and service categories (currently, there are around 170 CASPs listed in the ESMA register – including both authorised CASPs and other entities that have notified to their national competent authorities their intention to provide crypto-asset services. These authorisations or notifications come from 18 different Member States).

This section accordingly seeks stakeholders' feedback on the adequacy of the current scope of crypto-asset services regulated under MiCA and seeks views on the merits of simplification of the framework, any risks not properly accounted for and on the functioning of certain CASP business models in light of MiCA.

3.1 Crypto-asset services

Question 45. Is the list of crypto-asset services as defined in Article 3(16) of MiCA adequate to effectively cover crypto-asset markets and provide sufficient legal clarity for businesses?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 45:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street believes that the MiCA framework adequately captures custody and safekeeping services supporting robust protections for client assets, functional segregation and operational resilience. From the perspective of a global custodian, the key issue is whether activities that are operationally linked to custody should be regulated as standalone CASP services requiring additional obligations or potentially additional authorizations. In a DLT environment, activities such as movement of assets between safekeeping accounts, settlement-related transfers, collateral movements, or corporate actions processing can involve a crypto-asset transfer. If MiCA treats these as separate regulated crypto-asset services it would result in a duplication of regulations that would be very burdensome for service providers.

Therefore, we consider that regulators should clarify that custody services should remain centred on the control of the crypto-assets, including the means of access on behalf of clients, and should exclude purely ancillary activities that do not give the service provider control over the assets. CASPs are also unlikely to develop and operate their entire infrastructure in-house and will therefore rely extensively on outsourcing arrangements, including critical ICT services. The treatment of crypto-asset custody-chain arrangements, including the distinction between sub-custody, delegation and outsourcing should be further clarified under MiCA and aligned with the MiFID framework.

The review of MiCA may also wish to clarify the legal and operational boundaries within which depositaries should operate when providing seakeeping services to a stablecoin issuer's reserve assets. In this area as well, we advocate for the clearer consistency as possible with existing frameworks such as the, Capital Requirements Regulation (CRR), Central Securities Depositories Regulation (CSDR) and AIFMD depositary standards. Finally, in line with the Market Integration and Supervision Package (MISP), the possibility of providing cross-border depositary services as a CRR-authorized institution should also be reflected in the MiCA framework for the purposes of providing crypto assets safekeeping services.

Question 46. If additional services should be added, what should those be and what requirements should be applied to these services and service providers?

If you believe that certain services should be removed, please specify which ones and why:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street reiterates the importance of a proportionate and tech neutral approach when considering broadening the scope of activities under MiCAR. We believe that no additional service category should be added merely to capture technical arrangements that are already covered by the existing notions of custody and administration, including for example when staking services are carried out as an ancillary service to custody.

Question 47. Would the introduction of appropriateness test for the crypto-asset services of reception and transmission, execution and placing of crypto-assets increase the protection for CASP clients, especially retail clients?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please explain your answer to question 47:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We acknowledge that an appropriateness test could bring benefits for certain crypto-asset services when targeted at retail clients. However, the introduction of an appropriateness test should not result in a blanket requirement, and MiCA should have a tiered client categorisation aligned with MiFID whereby the treatment of retail and professional clients should be clearly delineated.

Question 48. The provision in the EU of crypto asset services covered by MiCA requires that the service provider is authorised under MiCA and complies with its requirements.

Do you have evidence of non-EU authorised crypto asset services providers continuing to offer their services in the EU?

- ( ) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

3.2 Prudential requirements for CASPs

Article 67 of MiCA provides that prudential safeguards for crypto-asset service providers shall be equal to an amount or at least the higher of an amount of permanent minimum capital or one quarter of fixed overheads of the preceding year, reviewed annually.

Question 49. Is the prudential regime for crypto-asset service providers appropriate to capture the risks associated with the provision of crypto-asset services, or would it be warranted to adjust the prudential stance, e.g. by aligning it with the requirements for own funds applicable to investment firms (including K-factors) that provide services that are broadly similar?

- ( ) It is appropriate to capture the risks associated with the provision of crypto-asset services
- ( ) It would be warranted to adjust the prudential stance
- ( ) Don’t know / no opinion / not applicable

Please explain your answer to question 49:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 50. Is the amount of minimum capital provided for each class of CASP listed in Annex IV of MiCA adequate or should it be recalibrated?

Please rate each minimal requirement on a scale from 1 to 5, where:

- **1 = Significantly decreased (much lower than current MiCA requirements)**
- **2 = Somewhat decreased (moderately lower than current MiCA requirements)**
- **3 = Kept roughly as is (current MiCA calibration is broadly appropriate)**
- **4 = Somewhat increased (moderately higher than current MiCA requirements)**
- **5 = Significantly increased (much higher than current MiCA requirements)**

	1 (significantly decreased)	2 (somewhat decreased)	3 (kept roughly as is)	4 (somewhat increased)	5 (significantly increased)	Don't know - No opinion - Not applicable
Minimum initial capital for Class 1 (EUR 50.000)	○	○	○	○	○	○
Minimum initial capital for Class 2 (EUR 125.000)	○	○	○	○	○	○
Minimum initial capital for Class 3 (EUR 150.000)	○	○	○	○	○	○

Please explain your answers to question 50, indicating, if necessary, how the amount of minimum capital should it be recalibrated:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.3 Multi-function groups

MiCA recognises and supports multi-function groups in which issuers, crypto-asset service providers (CASPs) may provide multiple MiCA-scope crypto-asset services, or may also carry out other types of financial activity, based on proper governance and management of the conflicts of interest this may generate.

Question 51. Should the current approach be maintained or should there be enhanced oversight and coordination in relation to entities that in addition to providing crypto-asset services, offer (1) other unregulated services or (2) other types of regulated services, (3) a combination of crypto-asset services? What kind of action would be appropriate?

- ○ The existing approach should be maintained
- ○ There should be enhanced oversight and coordination in relation to such entities
- ○ Don’t know / no opinion / not applicable

3.4 Reporting

Apart from the obligation to report any reasonable suspicion regarding an order or transaction where there might exist circumstances indicating that market abuse has been committed, is being committed or is likely to be committed, there are no formal reporting obligations for CASPs in MiCA.

Question 52. Should CASPs report regularly their activities?

	Yes	No	Don't know - No opinion - Not applicable
Direct holdings of crypto-assets by CASPs	○	○	○
Large exposures to derivatives with crypto-assets as the underlying asset	○	○	○
Volumes of leveraged contracts and the extent to which leverage is actually used on trading platforms	○	○	○
Information on counterparty risk	○	○	○

3.5 Environmental and sustainability reporting

MiCA strengthens transparency on the environmental impact of crypto-assets. It does so by

- requiring white papers to contain information on the main adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism used to issue the crypto-asset
- requiring CASPs to make that information prominently available for each crypto-asset where they provide services

Question 53. Based on your experience to date, how do you assess the current environmental/sustainability disclosure regime under MiCA (including the relevant Level 2 RTS)?

- ○ Fully appropriate and proportionate
- ○ Broadly appropriate, with limited areas for clarification
- ○ Partially appropriate, but improvements could be considered
- ○ Not appropriate
- ○ Don't know / no opinion / not applicable

Please explain your answer to question 53:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.6 Other issues

Question 54. Given that crypto-asset service providers are entities subject to the regulatory framework of the Digital Operational Resilience Act (DORA), are there any additional issues/challenges that need to be addressed in relation to cybersecurity?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that DORA provides a strong foundational framework for ICT risk management and operational resilience. Additional challenges that may arise in crypto-asset servicing contexts should be addressed via additional supervisory guidance and action. One example is that of private key management and the governance of smart contracts, which may pose cybersecurity and operational risks that differ from those of traditional markets. More detailed supervisory guidance on areas such as key generation, key recovery, custody arrangements, governance controls, and incident reporting could improve consistency across the market. In addition, crypto-asset markets often operate continuously on a 24/7 basis. This creates unique operational resilience requirements relating to monitoring, incident response, disaster recovery that may warrant further supervisory consideration. Finally, regulators may wish to monitor the implications of future advances in quantum computing and support industry preparedness through work on cryptographic resilience and post-quantum migration planning.

Any additional guidance should remain principles-based and technology-neutral, avoiding prescriptive technical standards that could become obsolete as technology evolves. Custodians holding crypto-assets should not be subject to strict liability for losses arising from events that are demonstrably outside their control and cannot reasonably be prevented through appropriate governance, operational controls, security arrangements or due diligence processes.

Question 55. The Payment Services Directive has been substantially reviewed recently, bringing notably more clarity on the interplay between the MiCA rules applying to the transfer services in relation to e-money tokens and the rules under the payment services framework which apply to the provision of payment services. As a result, the PSD3/R will clarify which crypto-asset services may qualify as payment services, including targeted exclusions from the scope of PSD3/R for specific types of transactions/exchanges involving EMTs, and will specify the authorisation process under PSD3 in cases where CASPs are required to obtain a PSD3 authorisation.

Do you consider these changes bring sufficient clarity or are there other issues that remain to be addressed?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please explain your answer to question 55:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street welcomes the clarifications provided by PSD3/PSR regarding EMT-related payment services. One area where further clarification may be required is transfers that occur as part of custody, safekeeping and other administrative services, which serve a very different economic function than payment services. We believe that regulatory perimeter should distinguish between payment services and operational transfers that are ancillary to custody, market infrastructure or securities servicing activities. The latter are already subject to equivalent standards in separate regulatory frameworks and should not trigger additional authorisation requirements unless distinct payments risks are created.

Question 56. Do MiCA provisions governing crypto asset service providers sufficiently allow, or unduly restrict, access for EU consumers and investors to non-EU and global crypto asset trading and liquidity pools?

- ( ) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Question 56.1 What are the advantages and disadvantages of focusing on EU liquidity or full access to global liquidity?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 57. Do you believe that the below specified groups of MiCA level 1 provisions lay down proportionate and simple-to-apply rules for CASPs, taking into account their different size, scope of activity and risk profile?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Authorisation of crypto-asset service providers	○	○	○	◉	○	○
Prudential requirements	○	○	◉	○	○	○
Governance arrangements	○	○	◉	○	○	○
Obligations in respect of specific crypto-asset services	○	○	◉	○	○	○
Other Title V rules	○	○	◉	○	○	○

Please explain your ratings in question 57 and suggest how rules could be made simpler and more proportionate (e.g. legislative clarification, supervisory guidance, industry standards):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We see Level 1 requirements as broadly appropriate, although for credit institutions that are already subject to equivalent obligations under CRR and CRD certain provisions may be duplicative and could benefit from further alignment, in particular for custody-related obligations.

In our experience, the authorization process for carrying out custody-related services MiCA is unnecessarily burdensome for CRR/CRD authorized custodian and depositary banks who already provide services to e-money institutions that raise very similar risks to stablecoin providers. Regulators should instead consider a streamlined, risk-based approach to authorization process for authorized credit institutions seeking CASP authorization, proportionate to the risks arising with the activities undertaken. This would help avoid unnecessary duplications while ensuring the same level of prudential standards across legislation. Oher jurisdictions, e.g. Singapore, have struck a better balance on how to avoid overlapping licensing requirements and allowing simplified procedures for existing holders of a banking license.

Question 58. Do you believe that below specified MiCA level 2 acts lay down proportionate and simple-to-apply rules for CASPs, taking into account their different size, scope of activity and risk profile?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
RTS on complaint handling for CASPs (Article 71(5))	○	○	○	○	○	○
RTS on offering pre-trading and post-trading data to the public (Article 76(16)(a))	○	○	○	○	○	○
RTS on content and format of order book and records to be maintained (Article 76(16)(b))	○	○	○	○	○	○
RTS on records to be kept of all crypto-asset services, activities, orders and transactions undertaken (Article 68 (10)(b))	○	○	○	○	○	○

RTS on the continuity and regularity in performance of crypto services (Article 68 (10)(a))	○	○	○	○	○	○

Please explain your ratings in question 58 and suggest how rules could be made simpler and more proportionate:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PART 4. Policy areas beyond the current scope of MiCA

The following sections seek feedback from stakeholders on these areas, as well as some additional topical issues that are not currently directly regulated by MiCA

4.1 Decentralised finance

This section refers to decentralised finance (DeFi), understood as software programs deployed on blockchains or other types of DLT that operate autonomously without intermediaries and offer financial functionalities such as trading, lending, borrowing or portfolio management. In the broader sense, DeFi also refers to any blockchain-based application, including an application that does have an identifiable intermediary or person exercising control over its operation.

MiCA excludes from its scope 'crypto-asset services that are provided in a fully decentralised manner without any intermediary (MICA Recital 22: "Where crypto-asset services are provided in a fully decentralised manner without any intermediary, they should not fall within the scope of this Regulation").

This section seeks feedback on whether and how to complement MiCA as regards DeFi considering potential opportunities and challenges.

Question 59. In case you are aware or make use of DeFi currently beyond the regulatory perimeter of MiCA, what are the main services you (would) use and for which of them do you consider they bring benefits compared to similar intermediated digital assets services?

a) Exchange services

- ○ DeFi applications present **limited interest** and are **moderately used** for this service
- ○ DeFi applications present **important potential benefits** for this service but their **use remains limited** due to some non-mitigated weaknesses
- ○ DeFi applications present **important benefits** for this service and are **already significantly used**, despite **important non-mitigated weaknesses**

- ○ DeFi applications present **important benefits** for this service, they are **already significantly used** and **present limited risks**
- ◉ Don’t know / no opinion / not applicable

b) Payments and transactions services

- ○ DeFi applications present **limited interest** and are **moderately used** for this service
- ○ DeFi applications present **important potential benefits** for this service but their **use remains limited** due to some non-mitigated weaknesses
- ○ DeFi applications present **important benefits** for this service and are **already significantly used**, despite **important non-mitigated weaknesses**
- ○ DeFi applications present **important benefits** for this service, they are **already significantly used** and **present limited risks**
- ◉ Don’t know / no opinion / not applicable

c) Trading and investment services

- ○ DeFi applications present **limited interest** and are **moderately used** for this service
- ◉ DeFi applications present **important potential benefits** for this service but their **use remains limited** due to some non-mitigated weaknesses
- ○ DeFi applications present **important benefits** for this service and are **already significantly used**, despite **important non-mitigated weaknesses**
- ○ DeFi applications present **important benefits** for this service, they are **already significantly used** and **present limited risks**
- ○ Don’t know / no opinion / not applicable

d) Lending and borrowing services

- ○ DeFi applications present **limited interest** and are **moderately used** for this service
- ◉ DeFi applications present **important potential benefits** for this service but their **use remains limited** due to some non-mitigated weaknesses
- ○ DeFi applications present **important benefits** for this service and are **already significantly used**, despite **important non-mitigated weaknesses**
- ○ DeFi applications present **important benefits** for this service, they are **already significantly used** and **present limited risks**
- ○ Don’t know / no opinion / not applicable

e) Custody services

- ◉ DeFi applications present **limited interest** and are **moderately used** for this service
- ○ DeFi applications present **important potential benefits** for this service but their **use remains limited** due to some non-mitigated weaknesses
- ○ DeFi applications present **important benefits** for this service and are **already significantly used**, despite **important non-mitigated weaknesses**
- ○ DeFi applications present **important benefits** for this service, they are **already significantly used** and **present limited risks**
- ○ Don’t know / no opinion / not applicable

Please detail the benefits or weaknesses you associate with the use of DeFi applications for these different services in question 59, and the actions you would consider appropriate to optimise these benefits or address the possible issues they raise:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street recognises that DeFi applications may offer meaningful benefits in selected use cases by modernising aspects of financial services intermediation, increasing programmability and reducing friction. However, DeFi should not be viewed as a single category of activity rather as a spectrum ranging from genuinely decentralised protocols to arrangements involving identifiable developers, governance structures and intermediaries. State Street supports the principle of same activity, same risk and same regulation, and therefore regulatory treatment should continue to be based on the economic function performed rather than the technological architecture employed.

For trading and investment services, and for lending and borrowing services, State Street sees important long-term potential but believes adoption remains constrained by legal uncertainty regarding the role and responsibilities of intermediaries, broker functions, wallet providers and custody arrangements. As a result, many DeFi-based structures remain difficult to distribute through regulated institutional channels. Conversely, State Street is cautious regarding DeFi custody arrangements. Fully decentralised custody models are not currently conducive to large-scale institutional adoption. Institutional investors generally require clear governance arrangements, segregation of assets, operational controls, recovery mechanisms, accountability frameworks and legal certainty concerning ownership and insolvency treatment. These safeguards remain difficult to achieve consistently in fully decentralised custody structures.

Question 60. What do you consider to be the main risks associated with DeFi?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Operational risk	○	○	○	○	◉	○
Money laundering and terrorist financing risk	○	○	○	○	◉	○
Market abuse	○	○	○	○	◉	○

Investor protection risk (information asymmetry, no redress, opacity of functioning)	○	○	○	○	◉	○
Financial stability	◉	○	○	○	○	○

Please explain your answers to question 60:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the most significant risks currently associated with DeFi relate to operational resilience, governance, investor protection and financial crime. Operational risks are particularly relevant. Users remain exposed to smart-contract vulnerabilities, coding errors, cybersecurity incidents and dependencies on public blockchain infrastructure. The immutable and automated nature of many DeFi arrangements can amplify the consequences of operational failures, especially where vulnerabilities are exploited or governance processes are unable to respond effectively. Governance and accountability challenges may also arise where responsibilities are shared across participants with no clear remediation measures. At this stage, however, DeFi does not appear sufficiently large or interconnected to pose material financial stability concerns in the EU. Its use remains concentrated among technologically sophisticated users, and institutional adoption is still relatively limited. Policymakers should enabling controlled access to DeFi through regulated entities while continuing the focus on improving transparency, operational resilience and governance standards. This would support innovation and competition while ensuring that the most significant risks are adequately addressed.

Question 61. In case you consider the criteria for establishing whether a DeFi application is not fully decentralised not sufficiently clear, which of them should do you consider should be used to assess the degree of decentralisation?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable

Existence of an identifiable intermediary (person or group of persons) providing a crypto-asset service	○	○	○	○	○	○
Presence of control by an identifiable person e or group of persons (e.g. via admin keys) over the key functionalities of a DeFi protocol (e.g. upgradeability of protocol)	○	○	○	○	○	○
Significant concentration of governance power over the key functionalities of a DeFi protocol	○	○	○	○	○	○
Custody of user assets by the DeFi protocol	○	○	○	○	○	○
DeFi protocol code is not open source	○	○	○	○	○	○

Marketing of a DeFi protocol by an identifiable entity or person	○	○	○	○	○	○
Other	○	○	○	○	○	○

Please explain your answers to question 61:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 62. Do you believe that risks to users of fully decentralised DeFi protocols should be indirectly accounted for by MiCA, e.g. by requiring CASPs to conduct due diligence over DeFi protocols they connect their clients with, or in any other way?

- ◉ Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Question 62.1 Please specify how should MiCA account for risks from fully decentralised DeFi applications.

For the purpose of this question, certification of a DeFi application should be understood as verifying that it robustly mitigates against smart contract vulnerabilities, operational risk in general and functions in accordance with its publicised performance:

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable

CASPs should be able to connect their clients to any decentralised DeFi application, subject to giving appropriate warnings and disclosures on risks	○	○	○	○	○	◉
CASPs should be liable for certain types of incidents when they have provided access to the relevant DeFi application and clients have been affected	○	○	○	○	○	◉
CASPs should only facilitate connection of their clients to decentralised DeFi applications that are certified and service global (permissionless) liquidity	○	○	○	○	○	◉

CASPs should only facilitate connection of their clients to decentralised DeFi applications that are certified and service only verified liquidity (verified pools)	○	○	○	○	○	◉
CASPs should only facilitate connection of their clients to decentralised DeFi applications that service global liquidity	○	○	○	○	○	◉
CASPs should be required to discontinue or discourage connecting clients to DeFi protocols that are strongly associated with illicit activity based on blockchain analytics	○	○	○	○	○	◉

CASPs should not facilitate connection to decentralised DeFi applications	○	○	○	○	○	◉
Public bodies should be required, or private organisations incentivised to publish whitelists or blacklists of DeFi protocols based on their risk profile	○	○	○	○	○	◉
Other	○	○	○	○	○	◉

Please explain your answers to question 62.1, including your reasoning and any suggestions for improvement, recalibration, or alternative approaches:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As discussed under the Question 60, we believe that risks arising from fully decentralised DeFi protocols should be addressed through a proportionate and risk-based framework focused on identifiable actors and activities. Regulatory obligations should be aligned with the degree of operational influence and control exercise by the CASP. Any due diligence requirements should be risk-based and proportionate and remain focused on risk events that materially alter the risk profile of a protocol. We would also support greater transparency regarding protocol risk characteristics. Publicly available supervisory guidance, risk classifications or other forms of transparency could assist market participants in determining which protocols may be suitable for institutional use and could improve consistency in risk management practices. Finally, liability should also be clearly defined by legal arrangements, and regulation should clearly set out the parameters for how liability should be pursued by entities / individuals in case of failure or theft and to what degree the stablecoin issuer must freeze and prevent transfers without a separate court order.

Question 63. Do you support introducing certification schemes for DeFi protocols and smart contracts?

- ○ Yes, for all DeFi protocols and smart contracts providing any of the crypto-assets services defined under MiCA, and possibly also other services not in MiCA's scope such as lending and borrowing
- ○ Yes for the DeFi protocols and smart contracts providing some of the crypto-assets services defined under MiCA
- ○ No
- ○ Don't know / no opinion / not applicable

Question 64. Which of the following statements about potential certification schemes of DeFi protocols do you agree with?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Instead of a full CASP licence, DeFi protocols that are not fully decentralised should be required to obtain a certification before or soon after making the protocol available to the public	○	○	○	○	○	○

To obtain their certificate, DeFi protocols that are not fully decentralised should be required to integrate specific compliance tools in the design of their protocols	○	○	○	○	○	○
DeFi protocols and software developers offering the possibility to create and use non-custodial wallets should be required to obtain a certificate before making these wallets available to the public	○	○	○	○	○	○

DeFi protocols and software developers offering the possibility to create and use non-custodial wallets should be incentivised to obtain a certificate	○	○	○	○	○	○

Please explain your answers to question 64:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 65. Which of the following statements about potential certification schemes of DeFi protocols or smart contracts do you agree with?

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Certificates should be issued by qualified private sector entities	○	○	○	○	○	○
Certificates should be issued by qualified public sector entities	○	○	○	○	○	○

Any interested party (e.g. persons providing connectivity to or participating in governance of DeFi protocols) should have the possibility to ask for the certification of a fully decentralised DeFi protocol	○	○	○	○	○	○
Only fully decentralised DeFi protocols that reach a certain significance (e.g. based on total value locked) should be required to obtain a certificate	○	○	○	○	○	○
CASPs should not be allowed to connect clients with DeFi protocols that are not certified	○	○	○	○	○	○

Please explain your answers to question 65:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

4.2 Staking, lending and borrowing of crypto-assets

This section seeks stakeholders' feedback on staking, lending and borrowing of crypto-assets, currently not addressed in MiCA regulation (EBA-ESMA joint report on recent developments in crypto-asset markets - January 2025 (https://www.eba.europa.eu/publications-and-media/press-releases/eba-and-esma-analyse-recent-developments-crypto-assets)). Staking is the process of immobilising crypto-assets to support the operations of proof-of-stake and proof-of-stake-like blockchain consensus mechanisms in exchange for the granting of validator privileges that can generate block rewards. The provision of staking services often implies that the crypto-assets, or the private keys giving access to them, are held by the staking service provider in custody. Thus, the provision of staking services is ancillary to custody services which are fully covered under MiCA. The provision of staking services therefore requires that the staking service provider is authorised under MiCA to provide custody and administration of crypto-assets on behalf of clients, as set out in Article 75 MiCA. Furthermore, CASPs should obtain an explicit consent from the clients to stake their crypto-assets, as it may have an impact on their clients' ability to access them.

Respondents are asked to provide concrete examples to support answers provided, and, where possible, quantitative and qualitative information.

Question 66. Do you think the current approach whereby staking services are not separately regulated is adequate?

- Yes
- No
- Don't know / no opinion / not applicable

Question 67. Do you think that lending and borrowing of crypto-assets should be regulated?

- Yes
- No
- Don't know / no opinion / not applicable

4.3 Non-fungible tokens

Under MiCA Article 2(3), crypto-assets that are unique and not fungible with other crypto-assets (NFTs) are out of the scope of the regulation.

Question 68. In your view, does the current state of the NFT market and the risks and opportunities associated with it justify regulating providers of services related to these tokens?

- Yes
- No
- Don't know / no opinion / not applicable

4.4 Prediction markets and perpetual futures

One of the most marked developments in crypto markets since MiCA was adopted is the emergence of DLT-based prediction markets and the volume of trading activity in perpetual futures on crypto-assets.

Prediction markets where parties take a bet on a future development in almost any area, often far removed from financial assets or services, are increasingly conducted on or are structured through DLT, smart contracts and crypto-assets.

Question 69. Do prediction markets present opportunities or risks for EU consumer and investors?

- Yes
- No
- Don't know / no opinion / not applicable

Please elaborate on your answer to question 69:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 70. Should prediction markets, where they are DLT enabled and facilitated through smart contracts be governed by MiFID or MiCA?

- By MiFID
- By MiCA
- Don't know / no opinion / not applicable

Please explain your answer to question 70:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 71. What substantive requirements should be considered for service providers that provide prediction market services?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 72. Should perpetual futures on crypto-assets and services towards such perpetual futures be governed by MiCA or MiFID.

- By MiFID
- By MiCA
- Don't know / no opinion / not applicable

Please explain your answer to question 72:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 73. What substantive requirements should be considered for perpetual futures on crypto-assets and service providers providing service for such perpetual futures?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

4.5 Tokenised deposits

The terms ‘tokenised deposit’ and ‘deposit tokens’ are not defined terms and are sometimes used interchangeably (EBA Report on tokenised deposits - December 2024 (https://www.eba.europa.eu/publications-and-media/press-releases/eba-assesses-potential-benefits-and-challenges-tokenised-deposits)). For the purposes of the following questions, ‘tokenised deposits’ are digital representations of traditional commercial bank deposits recorded on a blockchain or distributed ledger, allowing for programmable, instant 24/7 settlements.

Question 74. Tokenised deposits could be deployed in support of a range of use cases across payments, capital markets, and on-chain financial activities.

Based on your experience and expectations, please assess the potential relevance and benefit of tokenised deposits for each of the following use cases in the EU:

	1 (not relevant / no meaningful benefit)	2 (low relevance / limited benefit)	3 (moderate relevance / moderate benefit)	4 (high relevance / high benefit)	5 (very high relevance / transfor-mative benefit)	Don't know - No opinion - Not applicable
Person to person payments	○	◉	○	○	○	○
Retail POI payments (domestic, day-to-day point of interaction transactions)	○	◉	○	○	○	○

Intra-EU cross-border payments (non-POI)	○	○	◉	○	○	○
International payments and remittances (third countries)	○	○	○	◉	○	○
Settlement of tokenised securities and other financial instruments	○	○	○	○	◉	○
Delivery-versus-payment (DvP) and atomic settlement	○	○	○	○	◉	○
Intraday liquidity management (real-time funding and liquidity optimisation)	○	○	○	◉	○	○
Treasury and liquidity management services for corporates and financial institutions	○	○	○	○	◉	○
Programmable payments and smart-contract-based use cases	○	○	○	◉	○	○

On-chain collateral or margining in regulated markets	○	○	○	◉	○	○
Improved settlement speed and operational efficiency	○	○	○	○	◉	○
Reduction of counterparty and settlement risk	○	○	○	○	◉	○

Please explain your answers to question 74:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street sees significant long-term potential for tokenised deposits and believes they are among the most promising forms of digital cash for institutional markets. Institutional clients are increasingly seeking digital cash solutions that provide real-time liquidity, always-on settlement and the safety of regulated banks. Tokenised deposits address this demand across payments, clearing, collateral management and settlement systems without the type of financial stability risks associated with other private digital cash solutions. Compared with other forms of private digital cash, tokenised deposits may offer important financial-stability advantages because they remain claims on regulated banking institutions operating within established prudential, liquidity and resolution frameworks. They can therefore play an important role in responsibly supporting the development of tokenised financial markets. At present, broader adoption remains constrained by limited interoperability between platforms, fragmented market infrastructures and legal uncertainty. Many tokenised deposit initiatives operate on institution-specific or permissioned environments, which limits network effects and cross-platform utility. Greater interoperability, legal certainty, common standards and effective interaction with future public-sector cash solutions, including potential wholesale central bank digital currency initiatives, could significantly enhance adoption and utility. In State Street's view, the regulatory framework should therefore focus on enabling interoperability, legal certainty and market-wide connectivity while preserving the safety and prudential characteristics that make tokenised deposits attractive to institutional users.

Question 75. Please select one or two use cases and benefits above that you consider most promising in the EU:

Maximum 2 selection(s)

Please select as many answers as you like

- [ ] Person to person payments
- [ ] Retail POI payments (domestic, day-to-day point of interaction transactions)
- [ ] Intra-EU cross-border payments (non-POI)
- [ ] International payments and remittances (third countries)
- [x] Settlement of tokenised securities and other financial instruments
- [x] Delivery-versus-payment (DvP) and atomic settlement
- [ ] Intraday liquidity management (real-time funding and liquidity optimisation)
- [ ] Treasury and liquidity management services for corporates and financial institutions
- [ ] Programmable payments and smart-contract-based use cases
- [ ] On-chain collateral or margining in regulated markets
- [ ] Improved settlement speed and operational efficiency
- [ ] Reduction of counterparty and settlement risk

Please explain why the case(s) you selected in your answer to question 75 are the most promising in the EU:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street considers the two most promising use cases for tokenised deposits to be Settlement of tokenised securities and Delivery-versus-Payment (DvP) and Atomic Settlement.

Tokenised deposits can provide a regulated and commercially viable cash leg for tokenised securities transactions. They offer the potential to support more efficient post-trade processes and improve settlement efficiency. Institutional clients are increasingly seeking digital cash solutions that can operate alongside tokenised securities while preserving the safety and prudential safeguards associated with regulated banking institutions. Tokenised deposits can help satisfy this demand while maintaining liquidity within the regulated financial system.

DvP and atomic settlement represent the most compelling near-term application of tokenised deposits. By enabling the simultaneous exchange of cash and assets, tokenised deposits can significantly reduce settlement counterparty risk and improve market efficiency.

Question 76. What factors, if any, constrain the development and uptake of tokenised deposits in the EU?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe currently constrain the development and uptake of tokenised deposits in the EU. Firstly, there is a need for greater legal and regulatory certainty. Credit institutions require explicit confirmation that tokenised deposits remain legally equivalent to traditional deposit liabilities and continue to fall within the existing banking regulatory perimeter.

Tokenisation should not, by itself, alter the prudential, liquidity, accounting or resolution treatment of deposits. Likewise, it should be confirmed that eligible tokenised deposits continue to benefit from protection under the Deposit Guarantee Schemes framework.
Secondly, limited interoperability constrains adoption and undermines the fungibility of money across bank-issued tokenised deposit systems. There are currently no widely adopted industry standards covering token formats, messaging protocols, settlement models or governance arrangements. As a result, many tokenised deposit solutions risk operating as closed-loop systems, limiting scalability, cross-bank usability and their ability to support broader financial-market intermediation.

Thirdly, banks face significant operational and investment challenges in modernising legacy infrastructure to support 24/7 programmable settlement and tokenised asset markets. While tokenised deposits offer potential benefits for settlement efficiency, treasury operations and tokenised capital markets, institutions need confidence that investments in new infrastructure will be supported by commercial demand and a stable, technology-neutral regulatory framework. Adoption of tokenised assets and DLT-based financial market infrastructures also remains at an early stage, which limits immediate network benefits.

Finally, initiatives that facilitate interoperability between tokenised commercial bank money and central bank settlement assets can help address concerns relating to the singleness of money and support the development of scalable wholesale tokenised markets. The Eurosystem's Pontes initiative provides a credible pathway for enabling tokenised deposit transfers to settle in central bank money.

Question 77. If you identify any regulatory issue(s) in your answer to the previous question, please indicate what regulatory action is appropriate to address the issue(s) identified:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the most important issue to address is the legal and supervisory certainty regarding the treatment of tokenised deposits within the existing EU framework.

EU authorities should provide explicit legislative or supervisory confirmation that tokenised deposits remain deposits for all legal and regulatory purposes and continue to be subject to the existing banking framework applicable to credit institutions. Clear confirmation is also needed that eligible tokenised deposits remain covered by the Deposit Guarantee Schemes framework and are distinct from EMTs and other crypto-assets regulated under MiCA.

Moreover, the market would benefit from greater legal certainty regarding settlement finality. Authorities should clarify that transfers of tokenised deposits can benefit from the protections and legal certainty associated with the EU settlement finality framework where the relevant conditions are met.

Regulatory expectations regarding AML/CFT compliance should be clarified. As tokenised deposit arrangements may involve banks, infrastructure providers, wallet providers and other participants, authorities should ensure that compliance responsibilities are clearly allocated and that accountability for customer due diligence, transaction monitoring and reporting obligations remains transparent and operationally workable.

Finally, policymakers should support the development of interoperable market infrastructure. Rather than prescribing technical solutions, authorities should convene and support industry-led initiatives aimed at developing common token standards, messaging protocols, APIs, data models and governance frameworks. Regulatory support should focus on facilitating industry convergence while allowing technical standards to emerge through market-led collaboration.

Question 78. Do tokenised deposits raise any specific issues under the CRD/CRR framework?

- ○ Yes
- ◉ No
- ○ Don’t know / no opinion / not applicable

Please explain your answer to question 78:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street believes that tokenised deposits should receive the same prudential treatment as economically equivalent traditional commercial bank deposits. Tokenisation does not alter the underlying legal claim, economic exposure or risk profile of the deposit itself. Accordingly, prudential treatment should remain unchanged. Capital requirements, liquidity treatment, large exposure rules, collateral treatment and other prudential measures should therefore be applied consistently between tokenised deposits and their non-tokenised equivalents. State Street would welcome additional clarification from the European Banking Authority regarding the prudential treatment of natively tokenised deposits. Dedicated supervisory guidance confirming that tokenised deposits receive equivalent treatment to economically identical traditional deposits would materially improve legal certainty, support adoption and reduce unnecessary implementation risk.

Question 79. Do tokenised deposits raise any questions and challenges from a deposit insurance perspective?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please explain your answer to question 79:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As noted in our responses to the previous questions, in principle, tokenized deposits should benefit from the same deposit protection as conventional bank deposits. The mere fact that a deposit is represented through DLT should not affect the applicability of the Deposit Guarantee Schemes framework. We would welcome a regulatory clarification to this effect in EU and national laws.

4.6 Legal treatment of tokens

Legal certainty in the treatment of tokens in the EU and in the Member States is crucial in supporting predictable outcomes in financial markets in Europe and is vital to avoid stifling innovation, both in relation to MiCA crypto-assets (crypto-assets) as well as for the tokenisation and issuance of financial instruments in the form of tokens, currently governed by MiFID/R or asset management regulation (DLT financial instruments). Tokens in this section generally refer to both DLT financial instruments and crypto-assets, unless specified otherwise. In relation to legal certainty in the treatment of tokens, at least several issues have been noted by stakeholders, supervisors and academics. These include questions on whether tokens can be objects of property, which rules apply to the title and transfer of tokens, their treatment in the event of insolvency, custody relationships, and security rights in crypto-assets.

There are different ways to categorise tokens depending on the type of rights they confer to the holder. There are two general types of tokens, native tokens and non-native tokens. Native tokens tend to represent an asset (such as a share or security) that **only exists on-chain** (i.e. without a physical or traditional paper-based equivalent). Non-native tokens tend to **represent an on chain right over an asset that is legally constituted and represented elsewhere (off chain)** allowing this right to be held and transacted on DLT. Regarding non-native tokens, legal uncertainties may arise because, depending on the legal framework and the way the token was created, the tokenisation often leads to the simultaneous existence of two assets: the token representing the asset and the asset that the token asset represents[4].

Native tokens too may raise important legal questions about their nature as many jurisdictions of today do not explicitly recognise existence of on-chain assets and it is often unclear if and how they fall under current rules on taxonomy and creation of traditional financial assets.

One of the key questions concerning legal certainty is whether holding (or controlling) a token on a blockchain constitutes ownership, and whether holding (or controlling) a non-native token constitutes ownership or merely a claim on the underlying asset that it represents. MiCA contains clear requirements for issuers or offerors of crypto-assets but it does not directly regulate the ownership of such assets, which remains a matter of (national) property laws. Similarly, MiFID does not define the proprietary nature of financial instruments or transfer of ownership, which is left to the discretion of national laws. Some Member States have implemented specific regulations to ensure legal certainty for tokens, including to provide for statutory "bridges" that synchronise the technical state of the ledger with the legal status of the asset.

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[4] In "complete tokenisation" possession can equate to legal ownership over the asset it represents if the legal system recognises the token as the asset's representation; the "indirect tokenisation" where the legal ownership depends on the intermediary entity or legal structure, not just the token; and the "incomplete tokenisation" where the token might only act as evidence or an interface to rights that are legally held off-chain. X. Lavayssière, "Legal Structures of Tokenised Assets". European Journal of Risk Regulation (https://www.cambridge.org/core/journals/european-journal-of-risk-regulation/article/legal-structures-of-tokenised-assets/5D3537D89F9AD858339424E1D60D7C43).

Question 80. Is there legal uncertainty as to the private law treatment of issuance, holding and transfers of tokens, under national law?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Question 80.1 Which of the following issues are most significant?

	1 (none or not significant)	2 (low)	3 (moderate)	4 (high)	5 (very high)	Don't know - No opinion - Not applicable
Issuing a crypto-asset token in compliance with national law	( )	(●)	( )	( )	( )	( )
Issuing a tokenised financial instrument in compliance with national law	( )	( )	( )	(●)	( )	( )

Transferring ownership (acquisitions , dispositions, earmarking etc) over a token, including good faith acquisition / bona fide ownership	○	○	○	○	◉	○
Recognising ownership in a token towards third-parties	○	○	○	○	◉	○
Using tokens as collateral	○	○	○	○	◉	○
Possibility to differentiate between native and non-native tokens in national law	○	○	○	◉	○	○
Recognising tokens as objects of property	○	○	○	○	◉	○
Rights of token holders in intermediated custody chains	○	○	○	◉	○	○

Enforcement and exercise of rights arising from /over tokens or the underlying assets	○	○	○	◉	○	○
Custody of tokens	○	○	○	◉	○	○
Treatment of tokens in insolvency proceedings including intermediary risk	○	○	○	◉	○	○
Others	○	○	○	○	○	○

Please explain your answers to question 80.1 and provide examples from national law. In particular specify if any of the answers is specifically referring to native or non-native tokens and specify if any of the answers would be different depending on if the token is recording a tokenised financial instrument or crypto-assets:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street believes that material legal uncertainty remains regarding the private-law treatment of tokenised assets, particularly where tokens are used in institutional market infrastructures, custody chains and collateral arrangements. While some Member States have made progress in recognising the nature of DLT-based financial instruments in their legal frameworks, legal uncertainty persist. We support EU and national measures that improve legal certainty while remaining technology-neutral. Any framework should clarify the legal effects of token ownership, holding and transfer without altering the underlying legal nature of the asset itself. Particular attention should be given to the treatment of tokenised assets in custody arrangements, collateral frameworks and insolvency proceedings, where legal certainty is essential for market confidence and adoption.

Question 80.2 What is the urgency with which each issue should be addressed by regulators?

	1 (none or not urgent)	2 (low urgency)	3 (moderate urgency)	4 (high urgency)	5 (immediate / critical)	Don't know - No opinion - Not applicable

Issuing a crypto-asset token in compliance with national law	○	◉	○	○	○	○
Issuing a tokenised financial instrument in compliance with national law	○	○	○	◉	○	○
Transferring ownership (acquisitions , dispositions, earmarking etc) over a token, including good faith acquisition / bona fide ownership	○	○	○	○	◉	○
Recognising ownership in a token towards third-parties	○	○	○	○	◉	○
Using tokens as collateral	○	○	○	○	◉	○
Possibility to differentiate between native and non-native tokens in national law	○	○	○	◉	○	○
Recognising tokens as objects of property	○	○	○	○	◉	○

Rights of token holders in intermediated custody chains	○	○	○	◉	○	○
Enforcement and exercise of rights arising from /over tokens or the underlying assets	○	○	○	◉	○	○
Custody of tokens	○	○	○	◉	○	○
Treatment of tokens in insolvency proceedings including intermediary risk	○	○	○	◉	○	○
Others	○	○	○	○	○	○

Please explain your answers to question 80.2 and provide examples from national law. In particular specify if any of the answers is specifically referring to native or non-native tokens and specify if any of the answers would be different depending on if the token is recording a tokenised financial instrument or crypto-assets:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

State Street believes that material legal uncertainty remains regarding the private-law treatment of tokenised assets, particularly where tokens are used in institutional market infrastructures, custody chains and collateral arrangements. While some Member States have made progress in recognising the nature of DLT-based financial instruments in their legal frameworks, legal uncertainty persist. We support EU and national measures that improve legal certainty while remaining technology-neutral. Any framework should clarify the legal effects of token ownership, holding and transfer without altering the underlying legal nature of the asset itself. Particular attention should be given to the treatment of tokenised assets in custody arrangements, collateral frameworks and insolvency proceedings, where legal certainty is essential for market confidence and adoption.

Question 81. Would you recommend increasing the legal certainty in the treatment of tokens through EU law?

- ○ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Question 82. There are different "ownership models" that could be used to increase legal certainty over tokens.

Please indicate maximum two models listed below that you think EU law could apply if it were to improve the legal certainty of tokens in the EU:

Maximum 2 selection(s)
Please select as many answers as you like

- ☐ **MODEL 1**: The token is the asset by law, the law recognises a ledger-based asset and the ownership rights are constituted directly by the ledger entry.
- ☐ **MODEL 2**: The token is the asset by law, where the law recognises that e.g. securities (dematerialised or physical) can be replaced by an entry into a DLT register and by this "replacing" (immobilisation) of the securities the function of the initial security is substituted by entry into a DLT register and the ownership rights are constituted by the representation on the ledger.
- ☐ **MODEL 3**: Token is the asset by law. In this case the law does not actively regulate legal aspects such as what property is or how transfer of ownership occurs etc. but instructs on the legal consequences of entries in a DLT register (this is often called a functional approach). The law could at EU level stipulate who may exercise rights, i.e. the person recorded in the DLT register as holder of a tokenised asset, that these rights have full third-party effect and protects from competing claims. This also creates legal certainty for collateral use. The EU law would create a uniform rule of "digital entitlement" that functions across all Member States' property law structures.
- ☐ **MODEL 4**: The token is the legal carrier of rights associated with a related (often off-chain) asset. The law defines tokens as legal objects that do not create new rights, but can –like a "container" –represent various kinds of rights, such as membership rights, ownership, intellectual property rights, usage rights or rights of lien etc. The token would represent the rights stemming from the underlying assets and the law would ensure that the transfer of a token on the ledger legally transfers ownership of the rights stemming from the underlying asset.

  (Inspired by Lichtenstein Law (https://www.regierung.li/files/attachments/950-6-en.pdf). Art 2 TVTG defines token as a piece of information on a TT System which can represent claims or rights of memberships against a person, rights to property, or other absolute or relative rights.
  Art 5 TVTG states that the TT Key holder has the power of disposal over the Token. It is further assumed that the person possessing the power of disposal over a Token also has the right to dispose of the Token. For every previous holder of the power of disposal, it is presumed that he was the person possessing the right of disposal at the time of this ownership).
- ☐ **MODEL 5**: Any other legal ownership structures, for example based on the approaches taken by different countries, including France, Germany, Luxembourg or adopted in other jurisdictions or internationally, that could be implemented in EU law.

Question 83. Comparing national laws of Member States, what are the main differences in how national laws governs the issuance, holdings and transfers of tokens? Please explain your answer and provide examples:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

4.7 Questions on conflicts of law

Financial Collateral Directive (FCD) and Settlement Finality Directive (SFD) entails targeted conflict of law rules, mainly applicable to financial instruments hence broadly relevant for DLT financial instruments, however the current regime leaves a potential gap where the token does not qualify under the scope of FCD and SFD or where existing conflict rules do not easily lend its application to tokens. As noted in the UNIDROIT Principles on digital assets and private law (https://www.unidroit.org/wp-content/uploads/2024/01/Principles-on-Digital-Assets-and-Private-Law-linked-1.pdf) the usual connecting factors for choice-of-law rules, such as the location of persons, offices, activity, or assets have less of a useful role for DLT financial instruments and crypto-assets and the approach would rather be to identify connecting factors relevant to such instruments and assets.

Question 84. Should EU law introduce a conflict of law rule for tokens?

- Yes
- No
- Don’t know / no opinion / not applicable

Question 85. If there are any other issues relating to legal certainty which are not mentioned above, please describe them here:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

4.8 Final open question

Question 86. Interested parties that wish to bring other relevant issues, not raised in this consultation, to the Commission’s attention, should feel free to communicate them here:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The prudential treatment of credit institutions' exposures to cryptoassets is an important factor to support the development of a thriving of a thriving European market for digital assets. In this sense, we would like to add that the current prudential regime under CRR can be seen in certain areas as too conservative and misaligned with the goals of MiCA. The MiCA review and the future Digital Assets Strategy should ensure consistency between MiCA and the prudential regulation so that institutions are not discouraged from participating in tokenised financial markets.

In particular, further consideration should be given to the application of the discretionary infrastructure risk add-on applicable to group 1 (e.g. tokenised traditional assets, EMTs and ARTs). As a general principle, where tokenised assets represent existing regulated financial instruments the prudential treatment should reflect the economic substance of the underlying exposure rather than the technology used to record or transfer it. A purely technology-driven capital surcharge risks creating unintended barriers to adoption without necessarily improving risk sensitivity.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data or any information that might identify you in the file you upload if you want to remain anonymous**.

Useful links

More on this consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-review-mica-regulation_en) (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-review-mica-regulation_en)

Consultation document (https://finance.ec.europa.eu/document/download/62be7015-f066-4fac-b74e-71bacdbcc9f5_en?filename=2026-mica-review-targeted-consultation-document_en.pdf) (https://finance.ec.europa.eu/document/download/62be7015-f066-4fac-b74e-71bacdbcc9f5_en?filename=2026-mica-review-targeted-consultation-document_en.pdf)

Related public consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/public-consultation-review-mica-regulation_en) (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/public-consultation-review-mica-regulation_en)

More on crypto-assets (https://finance.ec.europa.eu/digital-finance/crypto-assets_en) (https://finance.ec.europa.eu/digital-finance/crypto-assets_en)

Specific privacy statement (https://finance.ec.europa.eu/document/download/b6bd37fe-89ad-4e9a-9188-efa9743c4e2e_en?filename=2026-mica-review-targeted-specific-privacy-statement_en.pdf) (https://finance.ec.europa.eu/document/download/b6bd37fe-89ad-4e9a-9188-efa9743c4e2e_en?filename=2026-mica-review-targeted-specific-privacy-statement_en.pdf)

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