



International Association for
Trusted Blockchain Applications

Markets in Crypto Assets (MiCA)

Presentation on INATBA's policy considerations
for European Blockchain Observatory & Forum
workshop on January 19th 2021



INATBA Overview

Independent, multi-stakeholder organisation connecting DLT actors with policymakers, public bodies and standard setting organizations

Objectives

- Permanent dialogue with public authorities & regulators
- Promote governance models
- Support development & adoption of standards

Constituents

- 170 members in 34 countries
- 25 governments & public bodies
- 45 academics & institutions

Join us at inatba.org



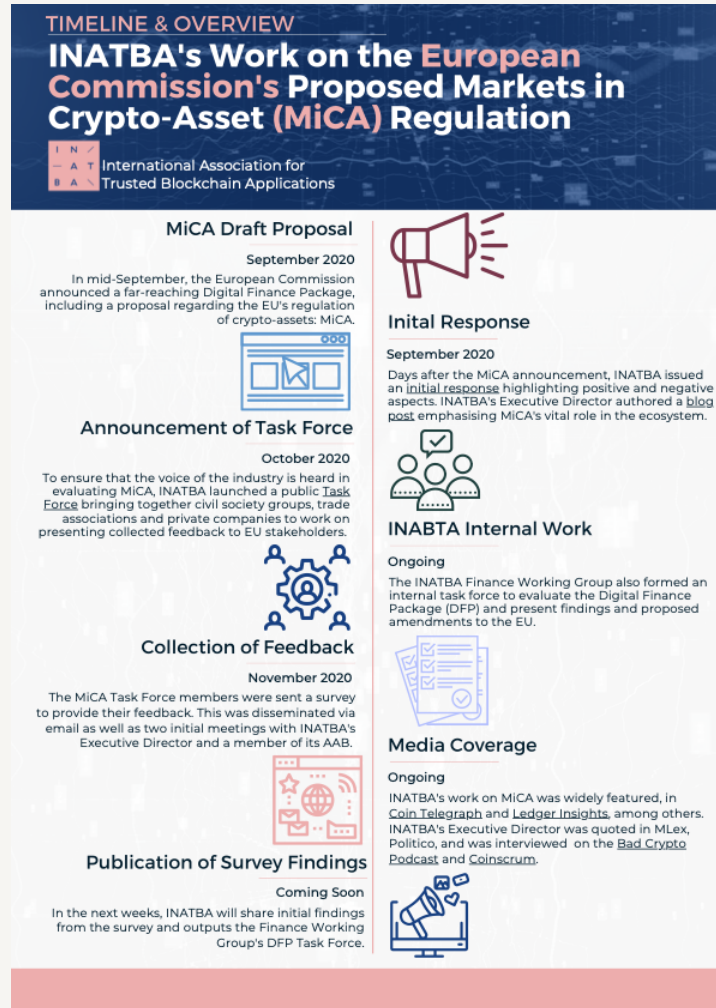
Introduction

MiCA sets out to establish legal certainty, support innovation, increase consumer protection and ensure financial stability.

INATBA is supportive of strategies which support the growth of DLT and blockchain applications for the benefit of society

We welcome the establishment of regulatory and legal certainty and greatly value the work undertaken in preparing MiCA by the European Commission

INATBA's work on MiCA



Finance Working Group led a detailed review of MiCA & PRR with input from a diverse membership group of start-ups, large companies, traditional finance operators, innovators and academia.

Academic Advisory Body led a process to gather data and opinion from non-INATBA members using interviews, questionnaires and interactive presentations.

Secretariat leading a series of meetings with stakeholders to present INATBA policy positions and will continue to convene bilateral meetings for benefit of INATBA members



INATBA Policy Positions

Issue #1: The proposed definitions of certain crypto-assets are broad and challenging to apply consistently across EU member states

Issue #2: Certain requirements will be problematic for decentralized projects and may stifle innovation in Europe

Issue #3: Exempting credit institutions from seeking authorisation under MiCA creates an uneven playing field and may result in heightened consumer risk

Issue #4: Lack of transitional arrangements penalise issuers of e-money & ARTs

Issue #5: Technology neutrality not upheld as MiCA proposes to limit capital raises using blockchain to €1m over 12 months whilst other technologies can raise up to €8m over 12 months



INATBA Policy Positions

Issue #1: The proposed definitions of certain crypto-assets are broad and challenging to apply consistently & may pull into scope projects unintentionally

Solution: Amend definitions to become activity based (e.g. investment) & include in primary legislation

Issue #2: The requirement to register as legal entity may be problematic for certain distributed projects (e.g. DeFi)

Solution: Guidance on use of alternate structures (foundations) & consider leveraging the technology

Issue #3: Exempting credit institutions from seeking authorisation = unlevel playing field & more consumer risk

Solution: Credit institutions wishing to issue ARTs or act as CASPs should not be exempt from the requirements



INATBA Policy Positions

Issue #4: The transitional arrangements penalise issuers of ARTs or e-money tokens as issuers pause from date of MiCA coming into force until NCA are able to authorise issuers

Solution: Similar transitional arrangements should be provided for ARTs or e-money tokens as crypto-assets

Issue #5: Technology neutrality not evident in MiCA as DLT capital raises limited to €1m whilst non DLT go up to €8m

Solution: Align both requirements in MiCA and Prospectus Regulations to establish technology neutrality



Contact us

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