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# EU | European Council approves MiCA Regulation

**On October 5, 2022, the European Council approved the final version of the Proposal for a Regulation on Markets in Cryptoassets, amending Directive (EU) 2019/1937 (“MiCA Regulation”)**

Legal Flash | TMT & IP

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## Key aspects

- > The European Council’s approval of the MiCA Regulation is a significant move forward for the cryptoassets industry on a European and worldwide level.
- > The European Parliament still has to approve the MiCA Regulation; the vote is scheduled for October 10, 2022.
- > Entities engaging in cryptoasset activities will have up to 18 months to comply with this regulation, which is expected to become applicable by the end of 2024.



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## Legislative news

The version of the MiCA Regulation approved by the European Council includes legislative developments for entities providing cryptoasset-related services in the European Union. This legislation must be analyzed in conjunction with the Regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain cryptoassets.

We highlight the following:

> **More stringent requirements**

The legislation establishes more stringent requirements for entities that offer asset-referenced tokens to the public and admit them to trading, and issuers of e-money tokens, including additional conditions relating to the content of the white paper.

This includes considering all asset-referenced tokens and foreign currency e-tokens as a means of payment when they are used to settle transactions involving other cryptoassets.

> **Passport regime – authorization to operate**

To be able to operate in the European market under a passport regime, entities covered by the MiCA Regulation need only obtain authorization to operate from the competent authority of the Member State where they have their headquarters.

> **Exclusions from the scope of application**

Non-fungible tokens (“NFTs”) that are materially intangible, decentralized finances (DeFi) and lending are confirmed as being outside the scope of application of the MiCA Regulation.

> **Next steps and entry into force**

On October 10, 2022, the European Council will vote on the version approved by the European Parliament. It is expected that the official version of the MiCA Regulation will enter into force at the beginning of 2023.

The rules on service providers issuing stablecoins will apply 12 months after the MiCA Regulation enters into force and the remaining provisions will apply after 18 months. The MiCA Regulation will be in full force and effect by the end of 2024.



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