

## CCI Position Paper on MiCA review, October 2026

### Introduction

The [Crypto Council for Innovation](#)<sup>1</sup> (CCI) welcomes the European Commission's ongoing reflections in relation to its landmark Markets in Crypto-assets (MiCA) framework. CCI and [its membership](#) have been long-standing, active and vocal supporters of bringing legal certainty to the global digital assets ecosystem. As other jurisdictions develop their own regimes, we offer EU policymakers this position paper, which accompanies our more detailed submission to the Commission's recent consultation, as a series of guiding principles which we believe should frame any revisions to the EU's framework.

### Executive Summary

The European Commission's review of MiCA provides an opportunity to ensure that the EU's regulatory framework remains proportionate, technology-neutral and supportive of the development of competitive digital-asset and tokenised financial markets. CCI supports the core architecture of MiCA, including its focus on regulated intermediaries and its distinction between crypto-assets and financial instruments. However, implementation experience and international market developments indicate a need for targeted adjustments to improve proportionality, reduce regulatory duplication and ensure that EU markets remain connected to global liquidity and digital-asset ecosystems.

CCI's principal recommendations are:

- **Preserve the technology-neutral, activity-based perimeter.** Financial instruments should remain governed by the relevant sectoral legislation, irrespective of whether they are issued or traded using DLT. At the same time, MiFID and related legislation should be adapted to DLT-native markets, with streamlined pathways allowing MiCA-authorised firms to undertake equivalent financial-services activities where the underlying technology, controls and risks are materially similar.
- **Make MiCA more proportionate and innovation-friendly.** The framework should retain strong investor protection and market-integrity safeguards while reducing unnecessary administrative burdens, particularly in Level 2 measures, such as sustainability disclosures,

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<sup>1</sup> Crypto Council for Innovation is the premier global alliance advancing crypto innovation. We believe in leading with a global world view, advocating for inclusive regulation, developing actionable and evidence-based insights, working in trusted partnership with government and business stakeholders and unlocking the promise of Web3.

reporting, white-paper duplication etc., and requirements that do not reflect the size or risk profile of individual firms.

- **Support a competitive European stablecoin market.** Significant-token thresholds should be raised and complemented by transitional and risk-based assessment. The prohibition on interest-equivalent remuneration should be recalibrated to permit genuine use-based rewards and, subject to safeguards, narrowly defined remuneration linked to high-quality reserve assets. Rigid commercial-bank deposit requirements should likewise be replaced by a more flexible, risk-based reserve framework.
- **Keep European stablecoins connected to global markets.** MiCA should remain open to multi-issuance models and support fungibility and interoperability between euro and non-euro stablecoins. In parallel, the EU should establish a genuine, outcomes-based equivalence regime for robust third-country frameworks. Equivalence should ultimately provide an alternative to full EU authorisation rather than an additional layer of regulation.
- **Strengthen the international role of the euro through openness and interoperability.** Euro-denominated EMTs should not automatically be treated as offered into the EU irrespective of where they are issued or used. Euro stablecoins can contribute to retail and, particularly, wholesale payments and tokenised capital markets, but their international role and attractiveness will depend on access to global liquidity, interoperability and appropriate cross-border arrangements.
- **Preserve access to global crypto-asset liquidity.** EU-authorised CASPs should be able to access global trading venues and liquidity pools where this supports execution quality, subject to strong governance, conflict-of-interest controls and EU regulatory accountability. Geographic restrictions on liquidity would risk fragmentation and could drive activity offshore.
- **Keep DeFi and self-hosted wallets outside the MiCA perimeter where there is no identifiable intermediary.** Where a CASP actively facilitates access to decentralised protocols, proportionate safeguards can apply to the CASP-controlled interface or customer journey. However, obligations should not be imposed directly or indirectly on genuinely decentralised protocols, neutral software or self-directed wallet tools merely because they enable interaction with blockchain infrastructure.

These recommendations share a common objective: **maintaining effective regulatory safeguards while ensuring that MiCA does not isolate EU markets, duplicate existing**

**financial-services requirements or inadvertently disadvantage regulated European firms relative to global competitors.**

The rest of this position paper provides a more detailed overview of the above-mentioned recommendations. CCI and its members look forward to discussing this in more detail with EU policymakers in the weeks and months ahead, as the EU seeks to build out its technology-neutral, risk-based and internationally interoperable digital assets legislative and regulatory framework.

## **Detailed summary of CCI recommendations on this position paper**

### **1. A technology-neutral and activity-based regulatory perimeter**

CCI supports the continued distinction between financial instruments governed by the EU's sectoral financial-services legislation and crypto-assets falling within MiCA. A security, derivative or fund unit should remain subject to MiFID/MiFIR, MAR, the Prospectus Regulation, UCITS or other relevant and applicable EU legislation, irrespective of whether it is recorded or transacted on a distributed ledger. The economic characteristics and risk profile of an asset should determine its regulatory treatment rather than the technology used.

At the same time, the convergence of financial markets and crypto-asset markets means that the existing sectoral framework needs to adapt to DLT-native market structures. On-chain trading can combine trading, settlement and custody, operate continuously and enable atomic or near-instant settlement. The Commission should therefore consider either a targeted Markets in Digital Assets framework or targeted amendments to MiFID and related legislation, while preserving investor protection, market integrity and enforceable holder rights.

A particular priority should be avoiding duplicative authorisation. Where a MiCA-authorised CASP performs an activity that is materially equivalent to an existing MiFID-regulated activity—particularly custody—firms should be able to rely on their existing authorisation, systems and controls through a streamlined pathway. This would complement the simplified treatment already available in the other direction under Article 60 MiCA.

### **2. Proportionality, innovation and regulatory simplification**

CCI supports MiCA's core investor-protection and market-integrity objectives but considers that implementation should place greater weight on proportionality and innovation. The Commission should assess whether Level 1 and Level 2 requirements create unnecessary barriers to entry or compliance costs, particularly for smaller firms and innovative business models.

Priority areas for simplification include sustainability disclosures, reporting formats, white-paper duplication and micro-offering thresholds. Where the same white paper has already been verified and registered, other compliant entities should be able to reference the existing record rather than reproduce the same documentation. Reporting should also make greater use of flexible digital formats rather than imposing unnecessarily prescriptive technical architectures.

More broadly, requirements should be calibrated to firms' size, business models and actual risks. CCI does not support automatically importing the MiFID investment-firm capital framework into MiCA, given differences between crypto-asset and traditional financial-market structures. The existing MiCA prudential framework is broadly appropriate, provided that implementation remains risk-based and proportionate.

### 3. Stablecoins: competitiveness, remuneration and reserve requirements

Stablecoins should remain a central component of the EU's digital-finance strategy. CCI supports adjustments that would allow regulated European stablecoins to develop commercially while retaining appropriate prudential and consumer-protection safeguards.

First, the thresholds for designation of EMTs and ARTs as significant should be increased and supplemented by transitional phase-in arrangements. Quantitative measures alone can capture growing issuers before they have become systemically significant; qualitative factors such as the underlying risk profile, reserve quality and operational structure should therefore also inform designation.

Second, the prohibition on interest and interest-equivalent remuneration should be reconsidered. CCI supports remuneration as a legitimate incentive linked to genuine use of a stablecoin. Cashback, loyalty rewards, fee rebates and similar incentives should be permitted where they are substantively connected to payments, transfers, purchases or other use of the token. More narrowly, remuneration derived from high-quality reserve assets could also be considered, subject to safeguards including at-par redemption, high-quality and liquid reserve assets, and restrictions on maturity transformation or speculative lending.

Third, reserve requirements should avoid unnecessarily concentrating risk in commercial-bank deposits. CCI supports a flexible, risk-based framework allowing greater use of high-quality liquid assets and, where appropriate, direct central-bank facilities, while maintaining immediate redeemability and appropriate diversification.

## 4. Global stablecoins, multi-issuance and the international role of the euro

EU stablecoin policy should promote interoperability rather than fragmentation. CCI supports maintaining the availability of global stablecoins through EU-regulated entities and retaining multi-issuance as a viable model. In the absence of an equivalence framework, multi-issuance currently provides an important mechanism through which global stablecoins can remain available to EU users while maintaining EU-side reserves and supervision.

At the same time, CCI supports a long-term vision to develop a dedicated, reciprocal outcomes-based equivalence regime for third-country stablecoin issuers operating under robust regulatory frameworks. Such equivalence should assess substantive regulatory outcomes—including reserves, liquidity, governance, AML/CFT, consumer protection and supervision—rather than require line-by-line replication of EU rules. It should be a genuine alternative to full EU authorisation, supported where appropriate by supervisory cooperation, information sharing, EU points of contact and proportionate mitigation measures.

This provides a coherent longer-term pathway: **multi-issuance should remain available under the current framework, while an effective equivalence regime could ultimately provide a less fragmented alternative to duplicative EU issuance structures.** This should be accompanied by interoperability and, where appropriate, fungibility between euro and non-euro stablecoins.

CCI also considers that the automatic treatment of every euro-denominated EMT as being offered into the EU should be reconsidered. Applying the full MiCA issuer framework to products issued and principally used outside the EU can create overlapping requirements and discourage international euro-stablecoin issuance. A more proportionate approach would preserve MiCA protections for activity directly in the EU while allowing legitimate cross-border use of euro-denominated stablecoins.

Euro-denominated stablecoins can support payment autonomy, particularly in wholesale and cross-border applications. They can provide a programmable euro cash leg for tokenised funds, bonds and other financial instruments, support DvP settlement and enable 24/7 digital liquidity. Their contribution to the international role of the euro, alongside whole and retail digital euro projects, will however depend on openness, interoperability, fungibility and access to global liquidity rather than regulatory isolation.

## 5. CASPs, payments and global liquidity

CCI supports maintaining the existing CASP framework and the broker model for multi-function groups. The regulatory framework should provide a level playing field for

regulated EU firms while avoiding incentives for activity to migrate to unregulated offshore providers.

Access to global crypto-asset liquidity is an important component of competitive European markets. CCI therefore supports continued access by EU-authorised CASPs to global trading venues and liquidity pools. An EU-only liquidity model could fragment markets, reduce trading pairs and depth, increase execution costs and make it harder for firms to meet best-execution objectives.

This does not mean that global liquidity should be accessed without safeguards. EU-authorised CASPs should retain responsibility for the client relationship and execution outcomes, assess related-party liquidity against independent venues, manage conflicts of interest, avoid excessive concentration and maintain credible contingency arrangements. Regulatory oversight should therefore focus on governance, transparency and execution quality rather than geographical restrictions on liquidity sources.

The interaction between MiCA and PSD3/PSR should similarly be clarified. Genuine payment services should remain subject to payment-services requirements, but crypto-native transfers, exchange, settlement, collateral and treasury activity should not inadvertently be classified as payment services merely because EMTs are used. Where dual authorisation is deemed genuinely necessary, the proposed streamlined process should operate as a genuine single-window procedure, relying, wherever possible, on information already assessed under MiCA.

## 6. DeFi and self-hosted wallets: regulate activity, not technology

CCI supports the decision not to bring genuinely decentralised finance within the initial MiCA framework and considers that any future intervention should be carefully targeted and internationally coordinated. The scale, structure, risk profile and lack of systemic financial stability concerns linked to DeFi markets do not, in CCI's view, justify automatically extending MiCA obligations designed for centralised entities to decentralised protocols or software infrastructure.

Where a regulated CASP integrates with a DeFi protocol or actively facilitates access through a CASP-controlled interface or customer journey, proportionate safeguards may be appropriate. These may include risk disclosures, just-in-time warnings, transaction screening, on-chain analytics and risk-based technical due diligence. However, obligations should attach to the CASP's own activities and degree of control, rather than to an underlying protocol that the CASP does not control.

Neutral software, non-custodial interfaces and self-directed wallet tools should remain outside MiCA merely because they enable users to interact with decentralised protocols. CCI opposes mandatory certification of DeFi protocols and self-hosted wallet software. Were any such certification nevertheless to be considered, it should be a market-led, opt-in approach, which would allow for demonstrating adherence to recognised best practices, while preserving the permissionless nature of DeFi and allowing technology and standards to evolve.

## 7. Looking ahead: supporting the development of on-chain finance

The MiCA review should be used to improve the coherence of the EU's wider digital-finance framework rather than simply expand the MiCA perimeter. In the short to medium term, the priority should be adapting existing financial-services legislation to support the digitalisation of assets and the development of on-chain finance, in conjunction with the Market Integration and Supervision Package (MISP) on which we have also drafted a separate position paper.

In the longer term, the Commission could consider whether a more comprehensive Markets in Digital Assets framework would provide a coherent regulatory architecture for increasingly integrated digital financial markets.

More broadly, CCI encourages the Commission to focus on areas where the existing framework does not yet fully reflect market developments and technological innovations, including the treatment of tokenised equity traded on decentralised venues and the potential creation of a professional-client regime for crypto-assets analogous to the MiFID framework.

## Conclusion

We believe the European Commission's overarching objective should be a **technology-neutral, risk-based and internationally interoperable framework** that preserves strong regulatory safeguards while allowing regulated European firms to compete, innovate and connect to global digital-asset markets.