

---

## **BC4EU Response to joint paper by AMF, CONSOB and FMA**

### **Introduction**

Blockchain for Europe welcomes the contribution from the AMF, FMA, and Consob on targeted adjustments to MiCA's supervisory framework and broader implementation challenges. We support the objective of strengthening convergence, reducing fragmentation, and enhancing market integrity and level-playing field.

At the same time, any legislative amendments and guidance must be aligned with Europe's ambition to build globally competitive, open, digital finance markets.

Not a year has passed since the licensing of CASPs under MiCA began, and commercial dynamics already illustrate that competitive positioning in markets for crypto-assets stands to impact cross-border payments and new models in traditional capital markets as well. The EU has attracted one of the highest concentrations of compliant market participants globally. This momentum must not be conceded.

Adjustments to supervision, third-country access, cyber requirements, or token-offering processes should improve supervisory consistency and investor outcomes without introducing new barriers, harming European consumers by reducing liquidity, or limiting the ability of compliant firms to scale.

Our position is clear: reforms should help MiCA function better in practice while ensuring the EU remains a leading hub for responsible digital asset innovation.

### **Rules for third-country platforms / intermediaries / delegation**

#### ***Open markets deliver better outcomes***

Proposals to restrict order routing to only MiCA-authorized or "equivalent" venues risk fragmenting global crypto liquidity and undermining best execution in inherently borderless markets.

Restricting order routing to EU venues would weaken liquidity access, raise execution costs, and reduce competitiveness for EU intermediaries. Legislation ought to recognize that crypto-assets, unlike equities or bonds, trade in globally connected markets. Cross-border liquidity access is essential to achieving best execution particularly for crypto-assets, where liquidity is distributed across multiple venues and jurisdictions.

Limiting routing geography would fragment liquidity pools, widen spreads, and make it impossible for investors to obtain fair and efficient pricing. It would also place EU firms at a

structural disadvantage compared to peers in open jurisdictions such as the U.S. or U.K., where firms can access global liquidity under transparent, outcome-based governance rules. Empirical evidence shows that the option to avail aggregated routing across multiple global venues significantly improves execution outcomes. Restricting routing to EU venues would remove these benefits, leaving investors facing higher costs, reduced depth, and fewer trading pairs.

Limiting brokers to a small number of EU venues would also reduce competition and risk creating monopoly-style pricing power. With fewer eligible venues, execution fees would rise and best execution obligations would become harder to meet; hurting both retail and institutional users.

By contrast, other leading jurisdictions such as the U.S., U.K., and Singapore focus on governance and disclosure standards for venue selection rather than geographic limits. These frameworks ensure high supervisory standards while maintaining access to deep, competitive liquidity pools; an advantage Europe risks losing if it moves in the opposite direction.

#### ***MiCA already provides strong safeguards***

The EU already has strong, enforceable safeguards in place. MiCA establishes comprehensive governance, conduct, and prudential standards for crypto-asset service providers, ensuring that firms act honestly, fairly, and in their clients' best interests. Technology-based solutions that further limit counterparty risk exist. ESMA's Broker Model Opinion complements this by setting detailed expectations on transparency, oversight, and conflict-of-interest management; requiring firms to avoid systematic routing to affiliated venues, maintain multiple execution options, and ensure independent governance and revenue flows.

Together, these frameworks can deliver the regulatory outcomes sought by national supervisors: market integrity, investor protection, and operational accountability. Introducing geographic limits would not strengthen those outcomes; it would instead reduce efficiency, and push activity offshore, ultimately diminishing supervisory visibility rather than improving it.

#### ***Focus on reinforcing governance not geographic restrictions***

Rather than pursuing location-based restrictions, policymakers should reinforce governance and supervisory convergence. Firms should be required to demonstrate best execution, compliance with market abuse requirements incl. conflicts of interests and rules on reverse solicitation, maintain transparent routing disclosures, and ensure strong governance—outcomes that safeguard investors and maintain fair, efficient markets.

A governance-driven, principles-based approach will keep the EU open, competitive, and globally connected, ensuring that its markets remain liquid, innovative, and well-supervised under MiCA.

---

## **Cybersecurity audit regime**

A blanket requirement to mandate independent cybersecurity audits before CASP authorisation, and to harmonize EU-wide certification criteria for cybersecurity auditors at the same time, risks creating both a bottleneck for the MiCA transition process and a discrepancy between already authorised CASPs and yet-to-be-authorised CASPs. Such a discrepancy can leave EU consumers with limited and suboptimal choices.

Possibly, the right of NCAs to request a cybersecurity audit can be applied on a risk basis. This will avoid the uncertainty over how existing CASPs are to address this new requirement, including CASPs that would have already undergone a cybersecurity audit as part of a national-level process. It would also avoid the uncertainty over how a sufficient capacity within high-quality EU-wide auditors is to be ensured for the remaining six months of the MiCA transition timeline.

To aid this process, guidance can be issued by the ESAs on operational resilience best practices specific to markets for crypto-assets, addressing industry-specific risks e.g., the safeguarding of private keys in the safeguarding of client assets. Any certification of EU-wide auditors would also be advised to take into consideration such industry-specific issues stemming from e.g., technology-specific risks and reliance on cryptography.

## **One-stop shop for token offerings**

Clarifying the scrutiny process for crypto-asset white papers and establishing a single European access point for filings and management of token offerings (excluding stablecoins) would provide greater legal certainty and operational efficiency.

A centralised filing mechanism under ESMA would reduce duplication, promote consistent supervisory practices across Member States, and lower administrative burdens for issuers and authorities. Given that most token offerings are pan-European by nature, the current fragmented notification process creates unnecessary complexity and cost without enhancing investor protection.

A harmonised scrutiny framework would improve predictability for issuers and strengthen the credibility of compliant offerings, supporting the development of a transparent and trusted EU market for crypto-assets. Centralised filings could also facilitate placement and distribution services by offering a unified reference point for due diligence and cross-border activity.

---

## **Centralised supervision / ESMA oversight**

We understand that direct ESMA supervision of CASPs is likely to be taken forward as part of the upcoming Savings and Investment Union proposal.

We share the objective of ensuring consistent, high-quality supervision across the EU and a uniform application and enforcement of MiCA rules. Achieving this is essential to maintain trust in the framework, provide predictability for market participants, and ensure that compliant actors compete on fair and equal terms across jurisdictions. We therefore welcome the constructive debate initiated by the three NCAs on how to strengthen supervisory convergence and the overall quality of oversight in the crypto-asset sector.

At the same time, it is essential that this discussion does not lead to a reopening of the MiCA text. The sector has only just begun implementing the new framework, and both regulators and market participants need stability to ensure a smooth transition. Reopening MiCA at this stage would introduce legal uncertainty, risk delaying the authorisation process, and divert attention and resources from the practical task of consistent implementation. The upcoming MiCA review, foreseen once the framework has been applied in full, offers a more natural and evidence-based opportunity to revisit supervisory arrangements.

MiCA already provides ESMA and national competent authorities (NCAs) with a range of instruments to ensure coherent supervision across the EU, including cooperation mechanisms, coordination platforms, and convergence tools. These should now be deployed to their full potential and strengthened where necessary. Early and active cooperation between ESMA and NCAs can help ensure a harmonised supervisory approach without the need for structural changes at this stage.

We also underline the importance of maintaining the benefits of supervisory proximity. NCAs' day-to-day engagement with firms enables faster, more informed responses to market developments, while ESMA's role in ensuring convergence and thus level-playing field, consistency, and cross-border coordination remains central. Together, these levels of supervision can provide an effective balance between local insight and EU-wide coherence.

If, in the future, the EU decides to explore more centralised supervisory models, this should be done on the basis of concrete experience and evidence gathered from MiCA's first years of implementation. Any such evolution should be gradual, proportionate, and inclusive of national expertise, ensuring that the pursuit of consistency does not come at the expense of stability or market functioning. BC4EU stands ready to contribute constructively to this discussion and to share the industry's perspective on how to achieve an efficient and coherent supervisory framework that supports innovation and competitiveness in the EU.