

Euro stablecoins belong in Europe's tokenised markets

To the Members of the European Parliament and the Representatives of the Member States negotiating the Market Integration and Supervision Package

As the co-legislators finalise the Market Integration and Supervision Package (MISP), we, the undersigned associations, urge you to ensure that e-money tokens (EMTs) authorised under MiCA can play their full part in Europe's tokenised capital markets.

MiCA gave the Union the world's first comprehensive rulebook for stablecoins. EMTs authorised under it are fully reserved, supervised and redeemable at par. Yet several amendments tabled to the package would, taken together, keep these regulated instruments out of the very market infrastructure the MISP seeks to modernise. Each looks technical on its own. **Cumulatively, they would slow tokenisation in the Union, push onchain liquidity to other jurisdictions and weaken the international role of the euro at a time when the large majority of stablecoins in circulation are denominated in US dollars.**

Complementary, not competing

Wholesale central bank money settlement and tokenised deposits are essential anchors of trust, and we support the Eurosystem's work in this area. By design, however, they serve a defined circle of eligible institutions on permissioned networks. MiCA-authorised EMTs complement them by settling tokenised transactions around the clock, on open networks and with counterparties worldwide, so that liquidity flows into European markets rather than elsewhere.

Amendments that would hold Europe back

We are particularly concerned by proposals that would:

- remove EMTs as eligible settlement assets under the CSDR and the DLT Pilot Regime, and deny central counterparties the option of settling in EMTs under EMIR;
- restrict settlement to EMTs classified as "significant" (CSDR Art. 54c), a threshold no euro-denominated EMT currently meets or approaches, so that the rule would in practice exclude euro stablecoins;
- confine EMT settlement to prefunded accounts, locking up capital and ruling out credit facilities that are standard in traditional markets;
- prohibit the payment of CSDR cash penalties in EMTs, and bar tokens issued under multi-issuance models from settlement;
- remove the ability of MiCA-authorised crypto-asset service providers to operate DLT trading and settlement systems or to provide notary and central maintenance services;
- reintroduce time limits on DLT permissions or lower the thresholds proposed by the Commission;
- make multi-issuance unworkable, whether through an outright ban or through requirements that cannot work in practice.

What Europe needs from the final package

Europe needs the opposite. MiCA-authorized EMTs should remain eligible settlement assets under the CSDR, the DLT Pilot Regime and EMIR, alongside central bank money and tokenised commercial bank money. That eligibility should come without a significance requirement or a prefunding-only rule. EMTs should also be recognised as eligible collateral, and MiCA-authorized crypto-asset service providers should keep their role in DLT market infrastructure under a permanent regime.

Europe also needs a workable framework for multi-issuance. It is currently the only way most global stablecoins can operate within the Union, and the only way euro stablecoins can reach markets outside it. The draft Article 48a is a constructive basis. It should provide for a pragmatic, outcome-based equivalence assessment, a predictable authorisation process and a clear transition for arrangements already operating today.

Together, these measures would give Europe something few jurisdictions can yet offer: a coherent rulebook under which regulated euro stablecoins, tokenised securities and open settlement infrastructure work together at scale and connect with markets worldwide.

We call on legislators, supervisors and market leaders to finish the job in that spirit, to judge stablecoins by their safeguards rather than by suspicion - and to recognise that **a euro absent from on-chain markets will be a weaker euro in every market.**

Yours sincerely,

