

12 December 2024

Implementation of the MiCA Regulation and its Corresponding Guidelines

1. Background

The purpose of this Circular is to inform the industry about the Markets in Crypto-Assets Regulation ("MiCA"), which will come into effect on 30th December, and the resulting amendments to the Investment Services Rules for Investment Services Providers to implement it, along with the corresponding Guidelines. Furthermore, we are also launching the MiCA Notification Form for the use of Investment Firms and Asset Managers. The EU legislation driving these changes are:

- [Regulation \(EU\) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations \(EU\) No 1093/2010 and \(EU\) No 1095/2010 and Directives 2013/36/EU and \(EU\) 2019/1937;](#)
- [A draft RTS specifying the information to be included by certain financial entities in the notification of their intention to provide crypto-asset services;](#)
- [Joint EBA and ESMA guidelines on suitability of management body members and shareholders for entities under MiCA.](#)

The Rules implementing this Regulation, and its relevant Guidelines, consist of changes to the Glossary to the Investment Services Rules for Investment Services Providers, Part A – The Application Process, Part BI for MiFID Investment Firms, Part BII for UCITS ManCos, and Part BIII for AIFMs. The changes can be found in Annex A.

2. MiCA Regulation

MiCA has been published to combat concerns about consumer protection, market integrity, and financial stability, with regard to crypto-assets. MiCA is designed to regulate crypto-assets, particularly those previously governed only by AML rules, with a key focus on combating money laundering and terrorist financing. It does not apply to instruments classified as Financial Instruments under MiFID II or to Non-Fungible Tokens.

MiCA affects Investment Services Providers as it allows Investment Firms, AIFMs, and UCITS ManCos to extend their existing licences to include also crypto-asset services. According to Article 60 of MiCA, they are not required to obtain a new licence but must submit a Notification Form, as outlined below, to the MFSA to extend their services in order to comply with the requirements outlined in Title V of the Regulation.

Part A, Part BI, Part BII, and Part BIII for Investment Service Providers have therefore been updated to oblige Investment Service Providers intending to offer services in terms of MiCA to notify the Authority as required .

These amendments are outlined in Annex A.

3. Joint EBA and ESMA Guidelines on Suitability of Management Body Members and Shareholders for Entities under MiCA

The Guidelines focus on the suitability for Crypto-Asset Service Providers (“CASPs”) and issuers of Asset-Referenced Tokens (“ARTs”) under MiCA. Therefore, the above Investment Services Providers, if they are also licensed as a CASP, shall ensure that:

- Members of the Management Body must be of good repute, possess relevant skills, knowledge, and experience, and dedicate sufficient time to their duties. Any changes in the management body must be reported to the competent authority for assessment;
- Shareholders or members with direct or indirect qualifying holdings must maintain a good reputation at all times, with no convictions related to money laundering, terrorist financing, or other relevant offences;
- Proposed acquirers of qualifying holdings must meet suitability criteria, including their reputation, financial soundness, and the ability of the ART or CASP to continue meeting the suitability requirements set out in Articles 42 or Article 84 of MiCA.

The Guidelines provide detailed instructions on conducting these assessments and outline the required information and methodology.

The above-mentioned Rulebooks have been updated to reference these Guidelines.

These amendments are outlined in [Annex A](#).

4. The Notification Form

Article 60 of MiCA allows, *inter alia*, licensed Investment Firms, AIFMs, and UCITS ManCos to extend their licences to include crypto-asset services by providing due notification to their National Competent Authority. To this effect, "[Form AA103 – MiCA Notification Form](#)", was developed in accordance with the [Draft technical Standards specifying certain requirements of the Markets in Crypto Assets Regulation](#) and may be updated as appropriate when the Final Regulatory Technical Standards are published.

The notification to the Authority should *inter alia* contain:

- A programme of operations;
- A description of the internal control mechanisms;
- A description of the custody and administration policy; and
- Whether the crypto-asset service relates to asset-referenced tokens, e-money tokens or other crypto-assets.

In accordance with Article 60(1) of MiCA, licensed entities must notify the MFSA at least 40 working days before starting to offer crypto-asset services. The MFSA will then review the notification within 20 working days. If the Notification Form is considered as incomplete, the MFSA will request additional information with a deadline of up to 20 working days. Once a Notification Form is considered as complete by the Authority the 20-working day review period restarts.

5. Conclusion

Should you have any queries on the contents of this circular, please contact the Investment Services Supervision Function on isspolicy@mfsa.mt.