



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

The Director-General

Brussels

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Dear Petitioner,

I would like to thank you for your letter of 7 July to President von der Leyen. The Commission services have taken due note of the information you have provided and the President has requested me to reply on her behalf.

In December 2019, following an announcement of a potential global ‘stablecoin’, the Commission and the Council issued a joint statement¹, in which they expressed their willingness to put in place a framework for these new innovations and clarified that no such arrangements should begin operation before all legal, regulatory and oversight challenges and risks have been identified and addressed.

In September 2020, the Commission put forward a comprehensive proposal for a regulation for Markets in Crypto-Assets (MiCA).² The Commission’s MiCA proposal covers all crypto-assets not covered in other areas of EU financial services legislation, including ‘stablecoins’. The MiCA proposal seeks to provide legal certainty for innovators, appropriate levels of consumer protection and market integrity as well as to protect financial stability and monetary sovereignty.

The Commission’s MiCA proposal provides for specific requirements on ‘stablecoins’, taking into account both the 2019 statement of the Commission and the Council as well as the high level recommendations published by the Financial Stability Board in 2020³. In particular, the MiCA proposal introduces an authorisation requirement for issuers of ‘stablecoins’, subjects these issuers to supervision by financial supervisors, and obliges them to meet the requirements on the establishment and management of the reserve of assets. The MiCA proposal also sets out the redemption obligation of the ‘stablecoins’ issuer and an interoperability requirement, ensuring consumers are free to store their ‘stablecoins’ with other companies than the issuer.

As regards the concerns related to data collection, the EU already has a comprehensive framework in place, including the General Data Protection Regulation (GDPR), which must be adhered to by entities that will be authorised under the future MiCA framework.

¹ <https://www.consilium.europa.eu/en/press/press-releases/2019/12/05/joint-statement-by-the-council-and-the-commission-on-stablecoins/>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0593&from=EN>

³ <https://www.fsb.org/2020/10/regulation-supervision-and-oversight-of-global-stablecoin-arrangements/>

The MiCA proposal is currently being negotiated by the co-legislators (the Council and the European Parliament) and, once adopted, will become EU law applicable in all EU Member States. We are confident that this new legal framework will promote innovation within the EU, while appropriately address the risks arising from crypto-assets, in particular ‘stablecoins’.

Yours faithfully,

John BERRIGAN
Director-General