

MiCA Regulation Summary (EU Crypto Licensing)

Understanding the Markets in Crypto-Assets (MiCA) Regulation – 2025 Edition

Executive Summary

The Markets in Crypto-Assets Regulation (MiCA), effective across the European Union from June 2024, represents the EU's first comprehensive crypto regulatory framework. It introduces a harmonised licensing regime for crypto-asset issuers and service providers, with the goal of enhancing market integrity, consumer protection, and financial stability.

MiCA directly applies to all 27 EU Member States and will significantly impact any crypto project, exchange, wallet provider, or stablecoin issuer seeking to operate legally within the EU. HPT Financial Group advises clients across token structuring, licensing, and cross-border compliance to meet MiCA requirements efficiently and with foresight.

Scope of MiCA

MiCA regulates the following categories:

1. Crypto-Asset Service Providers (CASPs) – including exchanges, custodians, brokers, and wallet providers
2. Issuers of Utility Tokens – projects issuing tokens not classified as securities
3. Issuers of Asset-Referenced Tokens (ARTs) – stablecoins backed by baskets of fiat or other assets
4. Issuers of E-Money Tokens (EMTs) – stablecoins pegged to a single fiat currency (e.g., EUR)

It excludes:

- Security tokens (regulated under MiFID II)
- NFTs (unless fractionalised or fungible)
- Decentralised protocols without identifiable issuer or service provider

Licensing Obligations Under MiCA

Entity Type	Requirement
CASPs	Mandatory license from EU National Competent Authority (NCA)
ART/EMT Issuers	Whitepaper + prior authorisation from an NCA
Utility Token Issuers	Whitepaper notification + compliance with marketing rules
Third-Country Providers	Must establish presence within the EU or cease services

HPT coordinates application filing, substance creation, and capital planning in crypto-friendly EU jurisdictions (e.g., Lithuania, France, Luxembourg).

Crypto-Asset Service Providers (CASPs)

CASPs must apply for an authorisation covering activities such as:

- Operating a crypto-asset trading platform
- Exchange between crypto-assets and fiat
- Custody and administration of crypto-assets
- Execution of orders
- Placement and portfolio management of crypto-assets
- Crypto transfer and reception services (on behalf of third parties)

Key Requirements:

- Registered office in EU
- Effective governance and risk framework
- AML/CFT compliance (aligned with AMLD6 and FATF Travel Rule)
- Safeguarding of client assets
- Capital adequacy (€50k to €150k depending on services)

Stablecoin Issuers: ARTs and EMTs

Asset-Referenced Tokens (ARTs):

- Must maintain adequate reserves
- Require authorisation and ongoing disclosure
- Can be suspended if widely used without ECB approval

E-Money Tokens (EMTs):

- Regulated like e-money
- Issuers must be authorised as Electronic Money Institutions (EMIs)
- Must guarantee 1:1 redemption and full reserve backing

Prohibited: Algorithmic stablecoins or unbacked value-stable tokens.

Whitepaper & Disclosure Rules

All token issuers must publish a compliant whitepaper covering:

- Project purpose and features
- Technical risks and governance

- Tokenomics and utility
- Rights and obligations of token holders
- Disclaimers and risk warnings

For ART/EMT: Prior regulatory approval is mandatory.

For utility tokens: Notification to the local regulator is sufficient (if not classified as securities).

Cross-Border Passporting

Once licensed in one EU country, CASPs and issuers can passport services across the entire EU single market without needing separate authorisations in other states. This makes MiCA a central strategic point for launching regulated crypto services across Europe.

Timeline & Enforcement

- MiCA entered into force: June 2023
- Applicable from:
 - June 2024: Stablecoins (EMT/ART)
 - December 2024: CASPs and utility token issuers
- Grandfathering: Certain entities with existing national registrations may be granted a 12–18 month transitional period

Sanctions & Supervision

- National Competent Authorities (NCAs) will supervise local entities
- ESMA and EBA will publish technical standards and enforce consistency
- Administrative penalties for non-compliance up to €5 million or 3% of annual turnover

How HPT Assists

- Incorporation and office setup in EU crypto-friendly jurisdictions
- Legal structuring of token classification and issuance strategy
- Preparation of MiCA-compliant whitepapers and policies
- CASP license applications and EMI structuring
- Regulatory representation and ongoing compliance support
- Strategic planning for global operations post-MiCA

Conclusion

MiCA is a transformative development for crypto businesses in the EU. It brings long-awaited legal clarity and opens the path for institutionally viable token offerings and crypto services.

HPT Group helps clients navigate the legal, regulatory, and operational demands of MiCA to ensure long-term success across Europe.