EBA/CP/2023/32

8 November 2023

Consultation Paper

Draft Implementing Technical Standards

on the reporting on asset-referenced tokens under Article 22(7) of Regulation (EU) No 2023/1114 (MiCAR) and on e-money tokens denominated in a currency that is not an official currency of a Member State pursuant to Article 58(3) of that Regulation

Contents

1. Responding to this consultation

The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 6.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 08 February 2024. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

2. Abbreviations

AMLD	Anti-money laundering directive (Directive (EU) 2015/849)
AML	Anti-money laundering
ART	Asset-referenced token
CA	Competent authority
CASP	Crypto-asset service provider
CP	Consultation paper
CFT	Countering financing of terrorism
EBA	European Banking Authority
ECB	European Central Bank
EU	European Union
EMT	E-money token
FTR	Funds Transfer Regulation (Regulation (EU) 2023/1113)
ITS	Implementing technical standards
MiCAR	Regulation on markets in crypto-assets (Regulation (EU) 2023/1114)
RTS	Regulatory Technical Standards

3. Executive Summary

Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets (MiCAR)[1] was published in the Official Journal of the European Union on 9 June 2023 and entered into force on 29 June 2023.

Article 22(1) of MiCAR requires the issuer of an asset-referenced token (ART) to report to the competent authority, on a quarterly basis

(a) "The number of holders;

(b) The value of the asset-referenced token issued and the size of the reserve of assets;

(c) The average number and average aggregate value of transactions per day during the relevant quarter;

(d) an estimate of the average number and average aggregate value of transactions per day during the relevant quarter that are associated to uses [of the ART] as a means of exchange within a single currency area".

Article 22(3) of MiCAR requires crypto-asset service providers (CASPs), that provide services related to ARTs, to provide the issuers of ARTs the information necessary for them to prepare the report referred to in Article 22(1) of MiCAR.

In support of these provisions, Article 22(7) of MiCAR mandates the EBA to develop draft implementing technical standards (ITS) to establish standard forms, formats and templates for the purposes of reporting by the issuers and CASPs, as referred to in Article 22(1) and (3) of MiCAR.

In accordance with Articles 22(7) and 58(3) of MiCAR, the draft ITS proposed in this Consultation Paper (CP) apply to both ARTs and e-money tokens (EMTs) denominated in a non-EU currency.

The draft ITS specify the reporting requirements and provide harmonised sets of templates and instructions for both the issuers and CASPs.

Next steps

The final draft ITS will be submitted to the European Commission for endorsement following which they will be subject to scrutiny by the European Parliament and the Council before being published in the Official Journal of the European Union. The EBA will also develop the data point model (DPM), XBRL taxonomy and validation rules based on the final draft ITS.

[1] 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 (OJ L 150, 9.6.2023, p. 40–205)

4. Background and rationale

4.1 Background

1. The Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets (MiCAR) regulates the offering to the public and admission to trading of asset-referenced tokens (ARTs), e-money tokens (EMTs) and other types of crypto-assets, as well as crypto-assets services provided by crypto-asset service providers (CASPs) in the European Union (EU). MiCAR entered into force on 29 June 2023, and will apply from 30 December 2024, except for Titles III and IV regarding the offering to the public and the admission to trading of ARTs and EMTs, that will apply from 30 June 2024.

2. The objectives of MiCAR are to ensure the proper functioning of markets in crypto-assets, market integrity and financial stability in the EU, as well as the protection of holders of crypto-assets, in particular retail holders[2]. MiCAR aims to address, in particular, risks that the wide use of crypto-assets which aim to stabilise their price in relation to a specific asset or a basket of assets (such as ARTs) could pose to financial stability, the smooth operation of payment systems, monetary policy transmission or monetary sovereignty[3].

3. MiCAR sets out a number of safeguards to address such risks. These include supervisory activities by the competent authorities (CAs) such as the examination of compliance by the issuers of ARTs with the reserve of assets[4] requirements and in general to monitor the robustness and significance[5] of the tokens issued in the market. It also includes the monitoring by CAs of the use of ARTs and the possibility for limiting the issuance of these tokens when the volume and value of transactions associated to uses of these tokens as a means of exchange exceed certain thresholds (which are set out in Article 23 of MiCAR). Moreover, CAs may limit the issuance of these tokens where the European Central Bank (ECB) or, where applicable, a central bank referred to in Article 20(4) of MiCAR, issues an opinion that such tokens pose a threat to the smooth operation of payment systems, monetary policy transmission or monetary sovereignty[6].

4. To allow CAs to monitor the use of ARTs and compliance with the reserve of assets requirements, Article 22(1) of MiCAR requires the issuer of an ART to report on a quarterly basis to the CA:

   (a) the number of holders;

   (b) the value of the asset-referenced token issued and the size of the reserve of assets;

[2] See Recital 112 of MiCAR
[3] See Recital 5 of MiCAR
[4] See Recitals 54 and 56 of MiCAR
[5] See Recital 59 of MiCAR
[6] See Articles 24(3) and 58(3) of MiCAR

(c) the average number and average aggregate value of transactions per day during the relevant quarter; and

(d) an estimate of the average number and average aggregate value of transactions per day during the relevant quarter that are associated to uses of the ART as a means of exchange within a single currency area.

5. The above reporting requirements apply for each ART with an issued value that is higher than EUR 100 million, and for ARTs with a value issued below this threshold, when required by the CA in accordance with Article 22(2) of MiCAR.

6. To enable issuers to report this information, Article 22(3) of MiCAR requires CASPs that provide services related to ARTs to share with the issuer the information necessary to prepare the report referred to in Article 22(1), including by reporting transactions that are settled outside the distributed ledger.

7. To support these provisions, there are several mandates addressed to the EBA:

   i. Article 22(7) of MICAR mandates the EBA to develop draft implementing technical standards (ITS) to establish standard forms, formats and templates for the purposes of the reporting in Article 22(1), and for the purpose of the reporting by CASPs to the issuer in accordance with Article 22(3).

   ii. Article 22(6) mandates the EBA, in close cooperation with the ECB, to develop draft regulatory technical standards (RTS) specifying the methodology to estimate "the quarterly average number and average aggregate value of transactions per day that are associated to uses of an ART as a means of exchange within a single currency area", as referred to in point (d) of Article 22(1) of MiCAR. The EBA's proposals on the draft RTS under Article 22(6) are included in the separate Consultation Paper (CP) (EBA/CP/2023/31).

The EBA is required to submit these draft technical standards to the Commission by 30 June 2024.

8. In accordance with Article 58(3) of MiCAR, the provisions of Articles 22, 23 and 24(3) shall also apply to EMTs denominated in a currency that is not an official currency of an EU Member State. Accordingly, the ITS and RTS mentioned above shall also apply *mutatis mutandis* to such tokens. Going forward throughout this CP, when referring to ARTs, EMTs denominated in a non-EU currency are also covered and included in the scope of tokens for this draft ITS.

9. This CP sets out how the EBA proposes to fulfill the mandate in Article 22(7) by developing this draft ITS. In the rational section below, the various policy options that have been considered in the process are explained. Questions have been inserted throughout the document to elicit the views of external stakeholders.

4.2 Rationale

10. This chapter sets out the approach the EBA has taken to develop the draft ITS in respect of the below topics:

    - the objectives of the reporting by issuers of ARTs in Article 22(1) of MiCAR;
    - reporting by issuers of ARTs on holders in Article 22(1)(a) of MiCAR;
    - reporting by issuers of ARTs of the value of the token issued in Article 22(1)(b) of MiCAR;
    - reporting by issuers of ARTs on the reserve of assets in Article 22(1)(b) of MiCAR;
    - the scope and reporting by issuers of ARTs of transactions according to Article 22(1)(c) and (d) of MiCAR;
    - reporting transactions by CASPs according to Article 22(3) of MiCAR;
    - data quality and the reconciliation by the issuer of the data reported by CASPs to the issuer;
    - the reporting reference dates and related reporting remittance dates.

The objectives of the reporting by issuers of ARTs in Article 22(1) of MiCAR

11. Article 22(7) mandates the EBA to develop draft ITS to establish standard forms, formats and templates for the purposes of the reporting in Article 22(1), and for the purpose of the reporting by CASPs to the issuer in accordance with Article 22(3).

12. In order to assess whether an ART meets the criteria in Articles 43(1) and 56(1) of MiCAR to be classified as "significant", the data reported based on Article 22(1) should be used by the CAs. Significant ARTs due to their larger scale of use and presence in the market are associated with higher risks, thus they are subject to different supervisory measures, including supervision by the EBA.

13. It is important to note that the transactions referred to in point (d) of Article 22(1) (that are associated to its uses as a means of exchange) are the same as the transactions that are subject to the caps in Article 23(1) of MiCAR. This latter Article limits the issuance of ARTs where "the estimated quarterly average number and average aggregate value of *transactions* per day *associated to its uses as a means of exchange within a single currency area* is higher than 1 million transactions and EUR 200 000 000, respectively". Articles 22(1)(d) and 23(1) should help to monitor and mitigate risks that the wide use of ARTs as a means of exchange may have on monetary policy transmission and monetary sovereignty within the EU, through currency substitution effects.

14. Finally, Article 22(1) of MiCAR is the only provision that includes specific, harmonized reporting requirements for the issuers, and should ensure that CAs receive the information needed to perform their supervisory and other statutory activities.

Reporting by issuers of ARTs on holders in Article 22(1)(a) of MiCAR

15. Article 22(1)(a) requires issuers to report the respective number of holders related to those ARTs under the scope of the reporting obligations. The total number of holders of an ART will be the basis for the significance criteria and for determining which CAs qualify to be members of a college of supervisors under Article 119(2)(l) (as per the criteria proposed in the related CP on draft RTS on supervisory colleges under MiCAR, EBA/CP/2023/33). The ITS also include the breakdowns of holders that are retail holders, holders of custodial wallet and/or holders of non-custodial wallet[7]. As described in paragraph 2 of this CP, MiCAR particularly focuses on the protection of retail holders. Also, considering the different nature of custodial and non-custodial wallets, as described in paragraph 26 of this CP, this breakdown provides useful and necessary information for the CAs to perform their supervisory duties. Furthermore, and in order to monitor possible concentrations, these breakdowns should be also reported separately for each relevant country, based on the country of residence of the holder, which is determined based on the registered office address for legal entities and the habitual residence for natural persons. This is in line with the EBA draft Guidelines under Regulation (EU) 2023/1113[8] (the Funds Transfer Regulation or 'FTR').

16. MiCAR requires CASPs to provide the issuers with the necessary information that they need to report the number of holders. The draft ITS propose that CASPs should prepare a list of the holders they provide services to and share this list with the issuers of these ARTs. A holder might have several accounts with different CASPs. According to the draft ITS, when reporting the number of holders for an ART, each individual holder should be counted only once, regardless the number of different accounts the holders possess. To avoid double counting of the same holders, CASPs should include unique identifier information for each holder, so issuers can reconcile the lists shared by different CASPs. These unique identifiers should be LEI code, official tax registration number, national identification number, name(s), depending on the type of the holder (legal entity or natural person). CASPs should also include in this list information whether the holder is retail or non-retail and the country of the holder, so issuers have all information to complete their templates on holders.

Question 1: Do you agree with the proposal included in the ITS on how issuers and CASPs should report on holders in Article 22(1)(a) of MiCAR? If not, please provide your reasoning and suggest an alternative approach.

Reporting by issuers of ARTs of the value of the token issued in Article 22(1)(b) of MiCAR

[7] Or holder of any other type of distributed ledger address that is used for settlement purposes and not controlled by a user or by a crypto asset service provider.
[8] Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849

17. Issuers have to report the value of the token issued in accordance with Article 22 of MiCAR. This value is also necessary to assess the significance of an ART following Article 43 of MiCAR. If the value of the token issued is higher than 100 million EUR, the issuer is subject to the mandatory reporting to the CA of the templates developed under these ITS, on a quarterly basis[9]. The valuation of the tokens should be based on the methodologies and practices described particular in paragraphs 11 and 12 of Article 36 and paragraph 2, letter (c) of Article 39. These practices should also ensure that the valuation of such tokens is harmonized and aligned throughout the different technical standards developed under MiCAR.

18. Issuers have to report the value of the token issued. However as MiCAR does not specify the nature of this value, the ITS require in template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS the reporting of the following types of values for the token issued: value at reference date; the minimum, the maximum and the average values over the preceding quarter. The value at reference date gives a point in time value, the same point in time value as the number of holders to be reported, which is the value as of the end of the reporting period. The minimum, maximum and average values[10] over the preceding quarter provide information to the CAs on the fluctuation and stability of the value of the token. The ITS specify that the maximum of these values during the preceding quarter should be the triggering criteria for the reporting obligations and to assess the EUR 100 000 000 threshold mentioned in Article 22 of MiCAR. This means in practice that if at least once at the end of one calendar day the value of the token issued exceed the threshold, the issuer becomes subject to the mandatory reporting obligations regardless of the value of the token issued at the end of the reporting period.

Question 2: Do you agree with the template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS on how issuers should report the different values of the token issued in Article 22(1)(b) of MiCAR, and in particular do you agree with how the maximum value that would trigger the reporting obligation is defined? If not, please provide your reasoning and suggest an alternative approach.

Reporting by issuers of ARTs on the reserve of assets in Article 22(1)(b) of MiCAR

19. Issuers are also required to report the size of the reserve of assets, one of the criteria for classifying an ART as a significant ART based on Article 43 of MiCAR. For reporting the size of the reserve of assets, the ITS specify an approach similar to that described in paragraph 18 above. Therefore, issuers will have to report in template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS the size of the reserve of assets as of the reporting reference date, and the maximum, the minimum and the average values during the preceding quar-

[9] Based on Article 22(2) of MiCAR, CAs *may* require issuers to report the information in Article 22 also for ARTs with an issue value of less than EUR 100 million.
[10] Calculations of such values are based on end of the calendar day values of the token issued.

ter. In addition to the reasons explained above for the value of the token issued, it is very relevant for CAs the information on the size of the reserve of assets, since it includes liquidity measures as well, ensuring the overall soundness of the market.

20. On the other hand, the EBA is developing two separate RTS under MICAR, one further specifying the liquidity requirements of the reserve of assets under Article 36(4) of MICAR (EBA/CP/2023/25) and another one specifying the highly liquid financial instruments in the reserve of assets under Article 38(5) of MICAR (EBA/CP/2023/24). The ITS now being consulted include templates S 03.01 - COMPOSITION OF THE RESERVE OF ASSETS BY TYPE OF ASSETS AND MATURITIES and S 03.02 - COMPOSITION OF THE RESERVE OF ASSETS BY COUNTERPARTY/ISSUER that provide the information that the CAs need to monitor the compliance with the requirements related to reserve of assets prescribed by MiCAR and the abovementioned RTS.

Question 3: Do you agree with template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS on how issuers should report the size of the reserve of assets in Article 22(1)(b) of MiCAR, and with templates S 03.01 - COMPOSITION OF THE RESERVE OF ASSETS BY TYPE OF ASSETS AND MATURITIES and S 03.02 - COMPOSITION OF THE RESERVE OF ASSETS BY COUNTERPARTY/ISSUER related to the requirements specified on the RTS developed under Articles 36(4) and 38(5) of MiCAR? If not, please provide your reasoning and suggest an alternative approach.

The scope and reporting by issuers of ARTs of transactions according to Article 22(1)(c) and (d) of MiCAR

21. The second subparagraph of Article 22(1) of MiCAR defines a “transaction”, for the purpose of points (c) and (d) of Article 22(1), as: “any change of the natural or legal person entitled to the token as a result of the transfer of the token from one distributed ledger address or account to another”. Relatedly, Recital 60 of MiCAR states that “To capture all transactions that are conducted in relation to any given asset-referenced token, the monitoring of such tokens therefore includes the monitoring of all transactions that are settled, whether they are settled on the distributed ledger (‘on-chain’) or outside the distributed ledger (‘off-chain’), and including transactions between clients of the same crypto-asset service provider”.

22. Taking into account recital 60, the ITS consider that “transactions” to be reported according to Article 22(1) of MiCAR should include both transactions settled on a distributed ledger (‘on-chain’) and transactions settled outside a distributed ledger (‘off-chain’). Furthermore, transfers between different addresses or accounts of the same person would not qualify as a “transaction” within the meaning of Article 22(1) of MiCAR and therefore should be excluded from the scope of reporting transactions.

23. Transactions under Article 22(1)(d) of MiCAR are a subset of the transactions of Article 22(1)(c) of the same Regulation. The narrower scope of the transactions for Article 22(1)(d) is defined in the draft RTS under Article 22(6) of MiCAR, now under consultation (EBA/CP/2023/31).

24. For the reporting requirements in Article 22(1)(c) of MiCAR, the ITS specify in template S 04.01 - TRANSACTIONS PER DAY - AVERAGE that issuers should report them separately by the relevant countries. In template S 04.02 - TRANSACTIONS PER DAY - AVERAGE_EU, issuers should also report the transactions covering the EU. These templates include the following breakdown: *transactions made within the country*, *received transactions to the country* and *sent transactions from the country*[11]. The country of a transaction is the country of residence of the holders involved, as defined in paragraph 15 in this CP. In case that both holders, the countries of originator and the beneficiary of the transaction are the same, the transaction should be reported under *transactions made within the country*. If the countries of the originator and beneficiary are different, then the transactions should be reported as *received transactions to the country* when the country of the beneficiary is the country covered by the template, and transactions to be reported as *sent transactions from the country* when the country of the originator is the country covered by the template. This approach means that transactions between holders of different countries will be reported twice but under different countries, once as a received transaction and once as a sent transaction. These templates should support CAs when monitoring the concentration and related volumes of the transactions, and support to determine which CAs qualify to be member of a college of supervisors under Article 119(2)(l) of MiCAR (as per the criteria proposed in the related CP on draft RTS on supervisory colleges under MiCAR, EBA/CP/2023/33) and when monitoring the significance criteria related to the international scale of the token as described in Article 43(1)(e) of MiCAR.

25. For transactions under Article 22(1)(d), the ITS include the same approach as described above and use the same structure of the reporting template for issuers (template S 05.00 - TRANSACTIONS PER DAY THAT ARE ASSOCIATED TO ITS USES AS A MEANS OF EXCHANGE WITHIN A SINGLE CURRENCY AREA - AVERAGE). The only difference is that in this case the country breakdown is not requested. Instead, there is a breakdown by `single currency area` as prescribed in Article 22(1)(d) of MiCAR. The methodology regarding how a single currency area is defined and what transactions are in scope for these templates are defined in the draft RTS under Article 22(6) of MiCAR, now under consultation (EBA/CP/2023/31).

26. Finally, the ITS also include template S 04.03 - TRANSACTIONS AND TRANSFERS PER DAY BETWEEN NON-CUSTODIAL WALLETS - AVERAGE covering transactions between non-custodial wallets or between other types of distributed ledger addresses where there is no CASP involved; and transfers between non-custodial wallets or between other types of distributed ledger addresses where there is no CASP involved. Information on transactions between non-custodial wallets or other types of distributed ledger addresses where there is no CASP involved should only be requested on a best effort basis, taking into account the limited information available in such cases. Issuers would not necessarily know whether the transfer is made between addresses of different persons or between addresses of the same person, which means that the issuer may not be able to determine whether the transfer qualifies as a "transaction" as defined in Article 22(1) of MiCAR. Template S 04.03 includes information on the number and

[11] For the separate template covering EU transactions, the wording will change accordingly from *country* to *EU* for these breakdowns.

value of transfers between non-custodial wallets or other types of distributed ledger addresses where there is no CASP involved, along with the transactions between non-custodial wallets or other types of distributed ledger addresses where there is no CASP involved. This information should allow CAs to monitor the scale of such transfers. This could be used as a proxy for these types of transactions (as "transactions", as defined in Article 22(1) of MiCAR, are a subset of transfers – which include any transfer with a token in scope, regardless of whether the transfer is made between addresses of different persons or between addresses of the same person). This additional template is defined only for the purposes of the reporting under Article 22(1)(c) of MiCAR (not relevant for reporting under Article 22(1)(d) of the same Regulation).

Question 4: Do you agree with templates S 04.01 - TRANSACTIONS PER DAY - AVERAGE, S 04.02 - TRANSACTIONS PER DAY - AVERAGE_EU and S 05.00 - TRANSACTIONS PER DAY THAT ARE ASSOCIATED TO ITS USES AS A MEANS OF EXCHANGE WITHIN A SINGLE CURRENCY AREA - AVERAGE on how issuers should report transactions under Article 22(1)(c) and (d) of MiCAR? In particular, do you agree to include a separate template (S 04.03 - TRANSACTIONS AND TRANSFERS PER DAY BETWEEN NON-CUSTODIAL WALLETS - AVERAGE) requesting information on transactions and transfers made between non-custodial wallets or other types of distributed ledger addresses where there is no CASP involved? If not, please provide your reasoning and suggest an alternative approach.

Reporting transactions by CASPs according to Article 22(3) of MiCAR

27. According to Article 22(3) of MiCAR, CASPs should provide issuers with the information that they need to fill in the templates related to Article 22(1)(c) and (d). The ITS include template S 07.01 - INFORMATION ON TRANSACTIONS, which requires CASPs to include the following transactional data for each transaction related to the ART in scope: the hash, the distributed ledger address and the crypto-asset account number[12] of the originator and/or of the beneficiary, as applicable, the value and the date of the transaction, and the country of the holder of the originator and beneficiary involved in the transaction, in accordance with paragraph 15 of this CP, and indicate whether the transaction is in scope for Article 22(1)(d) of MiCAR. Moreover, CASPs should report to the issuer (template S 07.02 - DISTRIBUTED LEDGER ADDRESSES FOR MAKING TRANSFERS ON BEHALF OF CLIENTS) the public distributed ledger addresses they use for making transfers on behalf of their clients, in order to make it easier for issuers to identify which transactions registered on the distributed ledger take place between non-custodial wallets.

28. These transactional data should allow issuers to reconcile the information shared by the CASPs with their own databases, thus facilitating accurate reporting and data quality.

Question 5: Do you agree with template S 07.01 - INFORMATION ON TRANSACTIONS how CASPs should report transactions of Article 22(1)(c) and (d) of MiCAR to the issuers? Do you agree with

[12] Crypto-asset account number as in Article 14(1) and 14(2) of Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849.

template S 07.02 - DISTRIBUTED LEDGER ADDRESSES FOR MAKING TRANSFERS ON BEHALF OF CLIENTS to be reported by the CASPs to the issuers? If not, please provide your reasoning and suggest an alternative approach.

Data quality and the reconciliation by the issuer of the data reported by CASPs to the issuer

29. On the CASPs side - The reporting obligations for the CASPs specified in the ITS following Article 22(3) of MiCAR should leverage on the controls and procedures that should be put in place by CASPs to identify and verify the identity of their customers and conduct ongoing monitoring of the business relationship with their customers in accordance with Directive (EU) 2015/849[13] (AMLD). By compliance with AMLD, CASPs should possess the necessary information on transactions and on holders to fill in their reporting templates defined in this ITS.

30. On the issuers side - When reporting the information in Article 22(1) of MiCAR to the CA, the issuer should ensure that the information reported is correct, complete and submitted within the deadlines specified in this draft ITS. Furthermore, both the draft ITS and the draft RTS under Article 22(6) of MiCAR (EBA/CP/2023/31) require issuers to have systems and procedures in place that allow them to reconcile, for each transaction, the data reported by the CASP of the originator and the CASP of the beneficiary to the issuer pursuant to Article 22(3) of MiCAR, and the data available to the issuer from other sources, including, where applicable, transactional data available on the distributed ledger. This aims to ensure that the data reported to the CA is correct and complete, and to avoid double-counting of transactions and holders reported by the different CASPs.

31. In order to facilitate a smooth reconciliation of the data shared by the CASPs, the issuers should prescribe the exact format and extension of the files they receive from the CASPs, as specified in Article 4 of the draft ITS. To avoid for CASPs to follow several different approaches introduced by different issuers, one common format and extension would be recommended to use. This should be widely used, easily accessible option in the market that would be suitable to transmit the data between the CASPs and issuers.

Question 6: Do you agree that issuers should define and agree on one common harmonized format and file extension, that they request the CASPs to use for submitting the reports for them? If yes, please provide your suggestions for this common format and file extension.

The reporting reference dates and related reporting remittance dates

32. MiCAR defines in Article 22(1), that issuers shall report on a quarterly basis to the CA, therefore the EBA proposes that the reporting reference dates should be 31 March, 30 June, 30 September and 31 December. In order to give enough time for the CASPs to prepare and share the templates with the issuers, and then for the issuers to reconciliate the data received by the

[13] Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing

different CASPs and fill in the templates to be submitted to the CAs, the EBA proposes that the remittance dates should be the following:

- For CASPs, 10 calendar days after the reporting reference dates, therefore 10 April, 10 July, 10 October and 10 January.
- For issuers, the remittance dates are proposed to be 30 calendar days after the reporting reference dates, therefore 30 April, 30 July, 30 October and 30 January.

33. If the remittance day is a public holiday in the Member State of the CA to which the submission of the reporting templates is to be provided, or a Saturday or a Sunday, the submission should be on the following working day.

5. Draft implementing technical standards

COMMISSION DELEGATED REGULATION (EU) …/…

of XXX

supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets with regard to implementing technical standards establishing standard forms, formats and templates for the purposes of reporting related to asset-referenced tokens under Article 22(1) and (3) of Regulation (EU) 2023/1114 and the reporting related to e-money tokens pursuant to Article 58(3) of that Regulation

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/1114 of the European Parliament and of the Council 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[14], and in particular to Article 22(7) third subparagraph thereof,

Whereas:

(1) For the purposes of the reporting in Article 22(1)(a) of Regulation (EU) 2023/1114, issuers should provide the number of holders with a breakdown by the holders` location and within that location the number for custodial wallet holders and the number for non-custodial wallet holders or holders of any other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto asset service provider. Within these two categories of holders, issuers should provide, with an additional breakdown, the number of retail holders. All these breakdowns are necessary to the competent authorities, as information on the concentration of holders and on the volumes for the retail holders are relevant for the supervisors to meet the objectives of Regulation (EU) 2023/1114 and ensure the proper functioning of markets in crypto-assets, market integrity and financial stability in the European Union, as well as the protection of holders of crypto-assets, in particular retail holders. The information provided with the breakdown by location of the holders should also be used to determine which competent authorities will qualify to be members of a college under Article 119(2)(l) of Regulation (EU) 2023/1114, following the criteria stated in Commission Delegated Regulation (EU) 2023/xx [RTS under Article 119(8) of MiCAR].

(2) For the purposes of the reporting in Article 22(1)(b) of Regulation (EU) 2023/1114, and in order to ensure a proper supervision of the requirements stated for reserve of

[14]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 (OJ L 150, 9.6.2023, p. 40–205)

assets in accordance with Articles 36 and 38 of Regulation (EU) 2023/1114 and with Commission Delegated Regulation (EU) 2023/xx [RTS under Article 36(4) and 38(5) of MiCAR], issuers should provide the size of the reserve of assets in a broken-down manner to reflect the value and the composition of the reserve of assets, including liquidity management measures. Such a requirement under this Regulation can be considered as proportionate as asset-referenced tokens issuers shall, in any event, under Article 30 of Regulation (EU) 2023/1114, disclose, in a publicly and easily accessible place, on their website, the value and composition of the reserve of assets referred to in Article 36 of Regulation (EU) 2023/1114.

(3) Considering the definition of "transactions" in Article 22(1) second subparagraph of Regulation (EU) 2023/1114 and recital 60 of that Regulation, transaction to be reported according to Article 22(1) of Regulation (EU) 2023/1114 should include transactions settled on the distributed ledger ('on-chain') and transactions settled outside the distributed ledger ('off-chain'). Transfers of an asset-referenced token between different addresses or accounts of the same person should be excluded from the scope of the reporting in Article 22(1) (c) and (d) of Regulation (EU) 2023/1114 as they do not qualify as a "transaction" within the meaning of that Regulation, with the exception of transfers between non-custodial wallets or other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto-asset service provider. Such transfers are to be reported separately by the issuers pursuant to Article 22(1)(c) of that Regulation.

(4) The definition of "transaction" in Article 22(1) second subparagraph of Regulation (EU) 2023/1114 is agnostic to the type of wallets used by the originator or by the beneficiary for sending or receiving a transaction. Accordingly, the reporting in Article 22(1) (c) and (d) of that Regulation should include transactions between custodial wallets and transactions between a custodial wallet and a non-custodial wallet or other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto asset service provider. In addition, the reporting in Article 22(1) (c) should also cover transactions between non-custodial wallets or between non-custodial wallets and other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto-asset service provider. Since issuers have limited information on the holders involved in these transactions, in some cases it cannot be determined whether these are fulfilling the conditions to be treated as transactions. Therefore, to have the most accurate information possible on these transactions, the reporting in Article 22(1) (c) should also include information on transfers between non-custodial wallets or between non-custodial wallets and other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto asset service provider. As transactions are a subset of transfers, these additionally included transfers between non-custodial wallets or between non-custodial wallets and other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto-asset service provider could be used as a proxy and provide useful information on the number and value of the transactions between non-custodial wallets or between non-custodial wallets and other types of distributed ledger addresses that are used for settlement purposes and are not controlled by a user or by a crypto-asset service provider. The exact scope and related methodology for the calculation

for the reporting obligations of issuers under Article 22(1) (d) of Regulation (EU) 2023/1114 is defined in the Commission Delegated Regulation (EU) 2023/xx [RTS under Article 22(6) of MiCAR].

(5) For the purposes of the reporting in Article 22(1)(c) of Regulation (EU) 2023/1114, issuers should provide the information on the transactions with a breakdown for geographical distribution, meaning the countries of origin of the holders involved in the transactions. That is to provide useful information on the concentration of transactions for the competent authorities performing their supervisory roles. The information provided with the breakdown by countries of the transactions will be also used to determine which competent authorities will qualify to be members of a college under Article 119(2)(l) of Regulation (EU) 2023/1114, according to the criteria set out in Commission Delegated Regulation (EU) 2023/xx [RTS under Article 119(8) of MiCAR]. This breakdown is not required for the transactions and transfers between non-custodial wallets or between non-custodial wallets and other types of distributed ledger addresses that are used for settlement purposes, due to the limited information issuers have on the holders involved in such transactions and transfers.

(6) For the purposes of reporting in Article 22(3) of Regulation 2023/1114, some information which crypto-asset service providers should provide to the issuers can include personal data when it relates to natural persons. This includes for example full name(s) accompanied by national identification number, official tax registration number, or passport number. The collection of such personal data in this case is necessary in order to achieve the objectives of Regulation (EU) 2023/1114 as without this information the issuers could not determine the exact number of holders of an asset-referenced token and they would be double counting holders having multiple accounts with different crypto-asset service providers at the same time. This would distort the information reported to the competent authorities about the number of holders of an asset-reference token and would therefore hinder proper supervision by the competent authorities. As a result of the above, there is no other way to accurately reflect the information on the holders of asset-referenced tokens in the reporting and the usual measures for limiting or protecting personal data sharing, such as pseudonymisation, cannot be applied in this case.

(7) In addition, for the purposes of reporting in Article 22(3) of Regulation 2023/1114, crypto-asset service providers should also provide to the issuer the public distributed ledger addresses they use for making transfers on behalf of their clients. This information is necessary for issuers to be able to identify which transactions registered on the distributed ledger take place between non-custodial wallets and report the transactions in scope of the reporting obligations.

(8) To ensure that the information reported to the competent authority is correct and complete, issuers should have systems and procedures in place that allow the issuer to reconcile the data received from the crypto-asset service providers pursuant to Article 22(3) of Regulation (EU) 2023/1114. These systems and procedures should also allow the issuer to reconcile the data reported by crypto-asset service providers with the data

available to the issuer from other sources, including, where applicable, transactional data available on the distributed ledger.

(9) This Regulation should also apply *mutatis mutandis* to e-money tokens denominated in a currency that is not an official currency of a Member State as Article 22 of Regulation (EU) 2023/1114 applies to e-money tokens denominated in a currency that is not an official currency of a Member State.

(10) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority.

(11) The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council[15].

HAS ADOPTED THIS REGULATION:

Article 1

General provisions

1. For the purposes of the reporting referred to in Article 22(1) of Regulation (EU) 2023/1114, issuers shall submit to their competent authorities all the templates set out in Annex I, in accordance with the instructions specified in Annex II of this Regulation.
2. For the purposes of the reporting referred to in Article 22(3) of Regulation (EU) 2023/1114, crypto-asset service providers shall submit to the issuers the information set out in Annex III, in accordance with the instructions specified in Annex IV of this Regulation in order for the issuers to comply with the reporting obligations under this Regulation.

[15] Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331 15.12.2010, p. 12)

Article 2

Reporting reference dates

1. For the purposes of the reporting referred to in Article 22(1) of Regulation (EU) No 2023/1114, issuers shall submit information to competent authorities on a quarterly reporting basis, with the following reporting reference dates: 31 March, 30 June, 30 September and 31 December.
2. The first reference date shall be the one corresponding to the quarter in which the issue value of the asset-referenced token is higher than the threshold referred to in Article 22(1) of Regulation (EU) 2023/1114.
3. The last reference date shall be the one corresponding to the third consecutive quarter in which the issue value of the asset-referenced token is lower than the threshold referred to in Article 22(1) of Regulation (EU) No 2023/1114.

Article 3

Reporting remittance dates

1. For the purposes of the reporting referred to in Article 22(1) of Regulation (EU) 2023/1114, issuers shall submit the information stated in Article 22(1) of that Regulation to competent authorities on a quarterly reporting basis, by close of business on the following remittance dates: 30 April, 30 July, 30 October and 30 January.
2. For the purposes of the reporting referred to in Article 22(3) of Regulation (EU) 2023/1114, crypto-service asset providers shall submit the information stated in Article 22(3) of that Regulation to the issuers on a quarterly reporting basis, by close of business on the following remittance dates: 10 April, 10 July, 10 October and 10 January.
3. If the remittance day is a public holiday in the Member State of the competent authority to which the report is to be provided, or a Saturday or a Sunday, data shall be submitted on the following working day.
4. Issuers shall submit corrections to the reports submitted to the competent authorities without undue delay.

Article 4

Data exchange formats and information accompanying submissions

1. Issuers shall submit the information referred to in this Regulation in the data exchange formats and representations specified by the competent authorities and respecting the data point definition of the data point model and the validation formulae stated in Annex V and the following specifications:
   (a) information that is not required or not applicable shall not be included in a data submission;
   (b) numerical values shall be submitted as follows:

i. data points with the data type 'Monetary' shall be reported using a minimum precision equivalent to thousands of units;

ii. data points with the data type 'Integer' shall be reported using no decimals and a precision equivalent to units.

2. Crypto-asset service providers shall submit the information referred to in Article 1(2) to the issuers in the data exchange formats and representations specified by the issuers and respect the data point definition of the data point model and the validation formulae stated in Annex V.

Article 5

Final provisions

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 30 December 2024.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

[For the Commission
On behalf of the President

[Position]

ANNEXES

Please see separate files

Annex I – Reporting for issuers of asset-referenced token - templates

Annex II – Reporting for issuers of asset-referenced token – instructions

Annex III – Reporting for crypto-asset service providers - templates

Annex IV – Reporting for crypto-asset service providers – instructions

Annex V – DPM and validation rules

6. Accompanying documents

6.1 Draft cost-benefit analysis / impact assessment

According to Articles 10 of Regulation (EU) No 1093/2010 (EBA Regulation), the EBA shall analyse the potential costs and benefits of draft RTS and ITS developed by the EBA. The ITS developed by the EBA shall therefore be accompanied by an Impact Assessment (IA) which analyses 'the potential related costs and benefits'.

This analysis presents the IA of the main policy options regarding the draft ITS on the reporting on ARTs under Article 22(7) of MiCAR.

MiCAR sets out a new legal framework for the issuers of ARTs. This includes the obligation of issuers of ARTs to report, on a quarterly basis, to the CA related to these tokens the number of holders, the value of the token issued and the size of the reserve of assets, the average number and average aggregate value of transactions per day during the relevant quarter, and an estimate of the average number and average aggregate value of transactions per day during the relevant quarter that are associated to its uses as a means of exchange within a single currency area. This reporting obligation applies to each ART with an issue value that is higher than EUR 100 000 000, and, where the CA so decides in accordance with paragraph 2 of Article 22, also to ARTs with a value of less than EUR 100 000 000. Regarding the transactions that are associated to its uses as a means of exchange, a separate RTS is defining the exact scope of the transactions and the methodology for their calculations (see CP on draft RTS under Article 22(6) of MiCAR, EBA/CP/2023/31). In this regard, the costs and benefits related to the calculation and reporting of these transactions are covered in the IA in the CP on those RTS, and are not repeated in this IA.

To enable issuers to report this information, MiCAR requires CASPs that provide services related to ARTs to report to the issuer the information necessary for issuers to prepare such reports, including by reporting transactions that are settled outside the distributed ledger. The information that CASPs should report to the issuer in accordance with MiCAR is also specified in this draft ITS developed under Article 22(7) of MiCAR.

A. Problem identification

While the requirement for issuers to report the information mentioned above is clearly listed in MiCAR, the text does not specify exact details on how issuers should calculate and present the reportable values. Because the legal framework introduced by MiCAR is new, there is no established methodology to calculate these numbers and values. Moreover, currently there is limited data available particularly with regard to the geographical location of the holders of such tokens, as well as information whether the transfers of such tokens are made between addresses of different persons or between addresses of the same person. These data limitations add challenges to what data can be reported and how it should be presented.

B. Policy objectives

The general objective of the draft ITS is to clarify the reporting obligation of issuers and CASPs in accordance with MiCAR and to support the objectives of MiCAR of ensuring that the data reported allows to:

- the CAs to monitor and ensure the proper functioning of markets in crypto-assets, market integrity and financial stability in the EU;
- protect holders, in particular retail holders;
- monitor and prevent risks that the wide use of ARTs as a means of exchange may have on monetary policy transmission and monetary sovereignty within the EU, through currency substitution effects;
- assess whether an ART meets the criteria in Articles 43(1) and 56(1) of MiCAR to be classified as significant.

The draft ITS also aims to ensure that issuers apply the same methodology to calculate the reportable numbers and values and submit them to the respective CAs using the same templates and formats. This is to have one common, harmonized general reporting package under MiCAR.

C. Baseline scenario

In a baseline scenario, the issuers of ART and respective CASPs would need to apply the MiCAR requirements to report the information described in Article 22 of MiCAR without a clear methodology on how to calculate the data, and without general harmonized reporting templates and related instructions for how to report the data. This scenario would lead to divergent approaches and interpretations on the calculation methods and in the reporting practices. This would lead to CAs having data that is not comparable and not in the format that facilitates their supervisory roles and activities. Moreover, such a divergence in approaches may lead to unreliable data quality in general which will create level playing field issues, and would not meet the objectives of MiCAR explained above.

The costs and benefits of the underlying Regulation, i.e. MiCAR, are not assessed within this impact assessment.

D. Policy issues, options considered

Policy issue 1: Level of detail on the number of holders

Following Article 22(1)(a) of MiCAR issuers required to report the number of holders. The EBA is of the view that holders of a token in scope of reporting obligations should be only counted once, regardless of the number of different accounts a holder might possess in several CASPs. In order to

filter out possible duplications of the same holder having multiple accounts, CASPs should share their list of holders with the issuers with unique identifiers for each holder. Thus, issuers could reconcile the lists they receive from the CASPs and compare with their own data sources as well.

Since Article 22(1) of MiCAR does not define the exact measures to be reports for the number of holders, EBA has considered the following values to be reported on this subject: the maximum, the minimum and the average number of holders throughout the quarter (reporting period) and the total number of holders at the end of the quarter (reporting period), at reference date. Taking into account the abovementioned reconciliation activity that the issuer should perform in order to filter out the duplication of holders, and the related data sharing from the CASPs, for the calculation of the maximum, minimum and average number of holders a daily frequency of data sharing and reconciliation would be needed. The calculation of the number of holders at reference date requires the provision of data from CASPs and its reconciliation for one day only. Even though the maximum, minimum and average values would offer useful information for the CAs on the fluctuation of the number of holders, adding them to the requirements would significantly increase the reporting burden for both issuers and CASPs, by requiring the submission of datasets and reconciliation of the data for each day within the quarter. Therefore the option requiring the reporting of the number of holders only at reference date was preferred.

In order for CAs to perform their supervisory and other statutory activities, further information related to the number of holders would be needed. The following details and breakdown within the total number of holders at reference date were considered:

(a) Country of the holders;

(b) Number of retail and non-retail holders;

(c) Number of holders of custodial and non-custodial wallets[16];

(d) Sectoral breakdown, based on the industries the holders are associated to.

Concerning point (a), having a country level breakdown for the number of holders would provide useful information to the CAs on geographical concentration. Since the information on the country of a holder is essential for issuers to comply with the reporting obligations following Article 22(1)(d)[17] of MiCAR and the separation of holders by country does not create huge additional reporting burden, the country level of breakdown was included in the template developed for the number of holders.

Concerning points (b) and (c), both breakdowns hold information important for the CAs. As one MiCAR objective is to protect holders, especially retail holders, it is important that the numbers of retail and non-retail holders are monitored. Information on the volume and its evolution through

[16] Or holder of any other type of distributed ledger address that is used for settlement purposes and not controlled by a user or by a crypto asset service provider.
[17] CP on draft RTS under Article 22(6) of MiCAR, EBA/CP/2023/31

time of custodial and non-custodial wallet holders are also important for the CAs, taking into account the limited information on the transactions between holders of non-custodial wallets. As reporting the breakdowns in points (b) and (c) are not creating significant additional reporting burden, the benefits of their inclusion to the template outweigh the related reporting costs.

Regarding point (d), sectoral distribution of holders would give useful and important insight related to the token in scope of the supervisors and CAs. Even though this additional breakdown would bring benefits, adding it to the templates could create difficulties for complying with the reporting requirements, because the issuers and CASPs might not possess this type of information on each holder. Therefore inclusion of such breakdown has been discarded.

Policy issue 2: Value of the token issued and the size of the reserve of assets

Article 22(1)(b) of MiCAR requires issuers to report the value of the ART issued and the related reserve of assets, but it does not specify the exact type of the measures and related calculations for them. Apart from being one of the criteria for determining significance of an ART[18], the value of the token issued is also important because it is used to define the threshold for the reporting obligations following Article 22(1) of MiCAR: *"For each asset-referenced token with an issue value that is higher than EUR 100 000 000, the issuer shall report on a quarterly basis…".* The EBA is of the view that this reporting threshold should be the maximum value of the token issued during the quarter. Therefore even if the EUR 100 000 000 threshold has been hit only once during a quarter, issuers should report the templates defined in this ITS to the CAs. Additionally, three additional values have been considered to be added to the template: the minimum, the average values for the quarter and the value at reference date of the token issued, giving important information for the CAs on the fluctuation and stability of the token. The same approach has been considered for reporting on the size of the reserve of assets, asking the minimum, the average, the maximum values for the quarter and the value at reference date.

This would require issuers to calculate the value of the token issued and the size of the reserve of assets on a daily basis, which is in line with Article 36(7) of MiCAR and that *"Issuers of asset-referenced tokens shall constitute and at all times maintain a reserve of assets."* following Article 36(1), and therefore will not represent additional burden for the issuers of ARTs. The reporting itself will represent a limited burden, but since data will already be available, this would offer useful information for the CAs assisting their supervisory roles.

Policy issue 3: Reporting on the reserve of assets

Issuers face additional requirements related to their reserve of assets. Based on the RTS following Article 36(4)[19] and Article 38(5)[20] of MiCAR, issuers will be required to comply with specific liquidity requirements while building up and maintaining their reserve of assets. When doing so issuers shall follow the respective RTS on what could be included as highly liquid financial instruments in the reserve of assets. The mandates of these RTS do not prescribe general and harmonized supervisory

[18] As defined in Article 43(1) of MiCAR
[19] CP on draft RTS further specifying the liquidity requirements of the reserve of assets, EBA/CP/2023/25
[20] CP on draft RTS to specify the highly liquid financial instruments in the reserve of assets, EBA/CP/2023/24

reporting obligations for the issuers. The EBA is of the view, that additional two templates should be developed under the scope of letter (b) of Article 22(1) of MiCAR, covering the requirements set by the abovementioned RTS. Based on Article 30 of MiCAR, issuers shall disclose information on the value and composition of their reserve of assets in a publicly and easily accessible place on their website on a monthly basis. This provision does not specify harmonized templates and formats for disclosing this information, therefore comparability and data quality of these disclosures could be insufficient from a supervisor perspective. The additional cost for issuers by including these two additional templates would only come from filling them in, as they shall anyway monitor compliance with such requirements on their reserve of assets. Therefore, submitting these templates would not create significant additional reporting burden, and the benefits of their inclusion, namely CAs` ability to monitor compliance with the requirements and better performance of their supervisory roles, outweigh the related reporting costs.

Policy issue 4: Reporting on the transactions in scope under Article 22(1)(c) of MiCAR

Based on Article 22(1)(c) of MiCAR, issuers should report the average number and average aggregate value of transactions per day during the relevant quarter. This information will be used for determining the significance of an ART following Article 43(1) of MiCAR. For the CAs, further details could ensure better supervision, as having more information would cover more possible areas of risks. Given that issuers should know the country of the holders involved in the transactions for allocating them into single currency areas[21], issuers should possess the needed information for allocating all transactions in scope under Article 22(1)(c) of MiCAR to countries. Therefore including the breakdown of countries and an additional category covering the EU for these transactions would give CAs useful insight on the concentration of transactions, without a significant increase in the reporting burden for issuers. Also, this information would allow monitoring of the significance of activities on an international scale, which is another significance criteria based on Article 43(1)(e) of MiCAR.

For the purpose of allocating a transaction to a country, based on the countries of the two holders involved in the transaction, 3 subcategories of transaction have been defined:

(i) Of which within the country;

(ii) Of which received transaction to the country; and

(iii) Of which sent transaction from the country.

Under point (i) issuers should report transactions where both holders are of the same country. For point (ii), issuers should report transactions where the beneficiary of the transaction is within a country, and the originator is outside of that country. Finally, for point (iii), issuers should report transactions where the originator of the transaction is within the country, and the beneficiary is outside of that country. With the data provided by the CASPs, issuers should possess all the neces-

[21] As this methodology is defined in the CP on draft RTS under Article 22(6) of MiCAR, EBA/CP/2023/31

sary information to allocate the transactions to countries and to the abovementioned 3 subcategories. At the same time, these templates would offer to the CAs great insight of the movements and related volumes of the tokens in scope, having necessary information for better understanding and monitoring the market of ARTs.

An additional template covering *transactions between non-custodial wallets*[22] and *transfers between non-custodial wallets*[23] have been added under the scope of Article 22(1)(c). The rationale and the related cost benefit analysis and impact assessment are presented in the CP on draft RTS under Article 22(6) of MiCAR (EBA/CP/2023/31), due to its interconnectedness with this ITS.

Policy issue 5: Reconciliation of data received from CASPs

Article 22(3) of MiCAR requires CASPs that provide services related to ARTs to report to the issuer the information necessary to enable the issuer to report to the CA the information in Article 22(1), including by reporting transactions that are settled outside the distributed ledger. Its related cost benefit analysis and impact assessment are presented in the CP on draft RTS under Article 22(6) of MiCAR (EBA/CP/2023/31), due to its interconnectedness with this ITS.

E. Cost and benefit analysis

When comparing with the baseline scenario (where the issuer and CASPs will need to report information without a clear methodology or guidance), the ITS is expected to bring benefits by achieving a higher level of harmonisation of methodology, comparability of data, and better data quality. This in turn will contribute to more effective supervision and monitoring of the crypto-assets market within the EU, in line with the MiCAR requirements. In that way, these ITS contribute to ensuring the safety and soundness of the European financial system.

The ITS is expected to lead to moderate costs to issuers and CASPs in relation to the application of the methodologies and complying with the reporting obligations. These costs are associated with the one-off costs related to the setting up of processes to fill in the reporting templates, as well as recurring costs related to the data collection and processing, filling-in of the templates, ensuring the data quality checks, and the submission of the reporting packages on a quarterly basis to the CAs. These costs are expected to be moderate, given that the costs of the ITS are only incremental to the costs for implementing the existing reporting requirements set out in MiCAR.

6.2 Overview of questions for consultation

Question 1: Do you agree with the proposal included in the ITS on how issuers and CASPs should report on holders in Article 22(1)(a) of MiCAR? If not, please provide your reasoning and suggest an alternative approach.

[22] Or between any other type of distributed ledger address that is used for settlement purposes and not controlled by a user or by a crypto asset service provider.
[23] Or between any other type of distributed ledger address that is used for settlement purposes and not controlled by a user or by a crypto asset service provider.

Question 2: Do you agree with the template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS on how issuers should report the different values of the token issued in Article 22(1)(b) of MiCAR, and in particular do you agree with how the maximum value that would trigger the reporting obligation is defined? If not, please provide your reasoning and suggest an alternative approach.

Question 3: Do you agree with template S 02.00 - VALUE OF THE TOKEN ISSUED AND THE SIZE OF THE RESERVE OF ASSETS on how issuers should report the size of the reserve of assets in Article 22(1)(b) of MiCAR, and with templates S 03.01 - COMPOSITION OF THE RESERVE OF ASSETS BY TYPE OF ASSETS AND MATURITIES and S 03.02 - COMPOSITION OF THE RESERVE OF ASSETS BY COUNTERPARTY/ISSUER related to the requirements specified on the RTS developed under Articles 36(4) and 38(5) of MiCAR? If not, please provide your reasoning and suggest an alternative approach.

Question 4: Do you agree with templates S 04.01 - TRANSACTIONS PER DAY - AVERAGE, S 04.02 - TRANSACTIONS PER DAY - AVERAGE_EU and S 05.00 - TRANSACTIONS PER DAY THAT ARE ASSOCIATED TO ITS USES AS A MEANS OF EXCHANGE WITHIN A SINGLE CURRENCY AREA - AVERAGE on how issuers should report transactions under Article 22(1)(c) and (d) of MiCAR? In particular, do you agree to include a separate template (S 04.03 - TRANSACTIONS AND TRANSFERS PER DAY BETWEEN NON-CUSTODIAL WALLETS - AVERAGE) requesting information on transactions and transfers made between non-custodial wallets or other types of distributed ledger addresses where there is no CASP involved? If not, please provide your reasoning and suggest an alternative approach.

Question 5: Do you agree with template S 07.01 - INFORMATION ON TRANSACTIONS how CASPs should report transactions of Article 22(1)(c) and (d) of MiCAR to the issuers? Do you agree with template S 07.02 - DISTRIBUTED LEDGER ADDRESSES FOR MAKING TRANSFERS ON BEHALF OF CLIENTS to be reported by the CASPs to the issuers? If not, please provide your reasoning and suggest an alternative approach.

Question 6: Do you agree that issuers should define and agree on one common harmonized format and file extension, that they request the CASPs to use for submitting the reports for them? If yes, please provide your suggestions for this common format and file extension.

Question 7: Do you have any other comments on the ITS, the templates or instructions?