
TO : Issuers and applicant issuers of asset-referenced tokens, crypto-asset service providers and applicant crypto-asset service providers.

FROM : Cyprus Securities and Exchange Commission

DATE : 28 March 2025

CIRCULAR NO. : C696

SUBJECT : Joint EBA and ESMA Guidelines on the assessment of the suitability of (i) the members of the management body of issuers of asset-referenced tokens and of crypto-asset service providers and (ii) the shareholders or members, whether direct or indirect, with qualifying holdings in issuers of asset-referenced tokens or of crypto-asset service providers.

The Cyprus Securities and Exchange Commission (“CySEC”) herewith wishes to inform the issuers and applicant issuers of asset-referenced tokens (“ARTs”), as defined in points 6, 10 and 11 of Article 3(1) of Regulation (EU) 2023/1114¹ (“MiCA Regulation”), and the crypto-asset service providers (“CASPs”) and applicant CASPs as defined in point 15 of Article 3(1) of MiCA Regulation, and are authorised or have submitted an application for authorisation in accordance with Article 63 of MiCA Regulation, or – with reference to Article 68(1) of MiCA – providing crypto-asset services as part of their authorisation in accordance with paragraphs (2), (4), (5) and (6) of Article 60 of MiCA; that it has adopted the [joint Guidelines](#) of the European Banking Authority (“EBA”) and the European Securities and Markets Authority (“ESMA”) on the assessment of the suitability, which were issued on December 12, 2024.

The Guidelines are issued pursuant to Article 16 of Regulation (EU) No 1093/2010² and Article 16 of Regulation (EU) No 1095/2010³ and apply at authorisation and on an ongoing basis. The suitability assessment of the members of the management body of issuers of ARTs and CASPs is based on the criteria set out in Articles 34(2) and 68(1) respectively, which provide that members of the management body shall be of sufficiently good repute and capable of

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.

² 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.

³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Securities and Market Authority (European Securities and Market Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.

committing sufficient time to effectively perform their duties as well as the assessment of whether members of the management body have the individually and collectively appropriate knowledge, skills and experience to perform their duties. Members of the management body of issuers of ARTs and CASPs shall not have been convicted of offences relating to money laundering or terrorist financing or of any other offences that would affect their good repute. The members of the management body to be assessed include persons that will become members of the management body of an issuer of ARTs or a CASP and members that have already taken up their position.

Regarding the assessment of suitability of the shareholders or members, whether direct or indirect, with qualifying holdings in issuers of ARTs or of CASPs, the Guidelines lay down the methodology that competent authorities should use for the assessment of the circumstances giving rise to qualifying holdings, for the assessment of the suitability of the shareholder or member that has qualifying holdings, and the assessment of the suitability of a proposed acquirer of direct or indirect qualifying holdings.

The Guidelines apply from 4 February 2025.

Sincerely,

Dr. George Theocharides
Chairman
Cyprus Securities and Exchange Commission