

CONSULTATION PAPER

(CP-01-2024)



SUBJECT: CONSULTATION PAPER ON THE FEES PAYABLE AND INFORMATION TO BE SUBMITTED TO CySEC BY THE ENTITIES FALLING UNDER THE SCOPE OF MiCAR

DATE OF ISSUE: 26 JUNE 2024

PURPOSE THIS CONSULTATION PAPER

This Consultation Paper helps enact effective consultation procedures with market participants and investors regarding proposed changes in the Cyprus Securities and Exchange Commission's ("CySEC") policy.

IMPORTANT WARNING

The submission of responses should be made **no later than 17 July 2024**. No extension will be given on an individual basis. Therefore, unless CySEC extends the submission period with a formal announcement, any responses received after the above date **will not be considered**.

INSTRUCTIONS FOR THE SUBMISSION OF RESPONSES

Interested parties may submit their responses to the CySEC Policy Department by email at policy@cysec.gov.cy.

The subject of the email should have the following form:

« CP-01-2024– [*insert the Name of Organisation, Legal or Natural Person submitting the comments or views*]

In submitting your responses, you are requested to state whether you represent an organized group or a specific enterprise, or if you are an individual. In the case of organized groups, you are kindly requested to provide information on the number and nature of persons or enterprises you represent and provide a single response representing the views of your organisation (i.e. please refrain from forwarding individual responses provided to you by your members).

Please answer the questions in the order presented in this document, be concise and provide your replies in a Word document.

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1 PURPOSE OF THIS CONSULTATION PAPER

The purpose of this Consultation Paper ('CP') is to lay down the proposed fees payable by entities falling within the scope of 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 ('MiCAR').

2 BACKGROUND INFORMATION

2.1 MiCAR introduces a harmonized framework in relation to crypto-assets¹ that are fungible² and do not qualify as financial instruments or any other crypto-asset excluded³ from MiCAR's scope. As to the content of MiCAR, it applies to natural and legal persons and certain other undertakings that are engaged in the issuance, offer to the public and admission to trading of such crypto-assets or that provide services related to those crypto-assets in the EU⁴.

2.2 There are three regulatory categories of crypto-assets that fall within MiCAR's scope:

- i. The asset-referenced tokens ('ARTs')⁵, which is the regulatory category corresponding to the so-called 'stablecoins', regulated under Title III of MiCAR;

¹ A crypto-asset is defined under MiCAR as: '*a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology*'.

² Article 2 para.3 of MiCAR.

³ The crypto-assets excluded from MiCAR's scope are laid down in Article 2 para.4 of MiCAR.

⁴ Article 2 para.1 of MiCAR.

⁵ Article 3 para.1 nr.(6) of MiCAR: "*asset-referenced token*' means a type of crypto-asset that is not an electronic money token and that purports to maintain a stable value by referencing another value or right or a combination thereof, including one or more official currencies'.

- ii. The electronic money tokens ('EMTs')⁶, which are regulated under Title IV of MiCAR. EMTs demonstrate many similarities, in terms of economic function and regulation, with electronic money. Given their assimilation to electronic money, EMTs are excluded from CySEC's supervisory mandate; and
- iii. Crypto-assets other than ARTs and EMTs, which are regulated under Title II of MiCAR, hence forming a residual category.

It should be noted that ARTs and EMTs that qualify as '*significant*'⁷, within the meaning of MiCAR, are subject to additional obligations⁸, including supervision by the European Banking Authority ('EBA')⁹.

2.3 As to the crypto-asset-related operations caught by MiCAR, these can be summarised as follows:

- i. Initial offerings and admission of crypto-assets to trading;
- ii. Provision of services in relation to crypto-assets¹⁰, the regulation of which is laid down in Title V of MiCAR. The regulation of the said services demonstrates significant similarities with the regulation of investment services and investment activities under Directive 2014/65/EU of the European Parliament

⁶ Article 3 para.1 nr.(7) of MiCAR: "*electronic money token*" or "*e-money token*" means a type of crypto-asset that purports to maintain a stable value by referencing the value of one official currency'.

⁷ Articles 43-44 of MiCAR as to the classification of '*significant*' ARTs and Articles 56-57 of MiCAR in relation to the classification of '*significant*' EMTs.

⁸ Article 45 of MiCAR in relation to significant ARTs and Article 58 of MiCAR in relation to EMTs.

⁹ Article 43 para.6 of MiCAR in relation to supervision of '*significant*' ARTs and Article 56 para.6 of MiCAR in relation to supervision of '*significant*' EMTs.

¹⁰ Article 3 para.1 nr.(16) of MiCAR: '*crypto-asset service*' means any of the following services and activities relating to any crypto-asset: (a) providing custody and administration of crypto-assets on behalf of clients; (b) operation of a trading platform for crypto-assets; (c) exchange of crypto-assets for funds; (d) exchange of crypto-assets for other crypto-assets; (e) execution of orders for crypto-assets on behalf of clients; (f) placing of crypto-assets; (g) reception and transmission of orders for crypto-assets on behalf of clients; (h) providing advice on crypto-assets; (i) providing portfolio management on crypto-assets; (j) providing transfer services for crypto-assets on behalf of clients;'

and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ('MIFID II');

- iii. Authorisation and ongoing obligations of issuers of ARTs and of EMTs, laid down in Title III and IV of MiCAR respectively; and
- iv. Prevention and prohibition of market abuse involving crypto-assets under Title VI of MiCAR.

2.4 As to the new categories of supervised entities introduced by MiCAR, the supervision of which it is expected to be assigned to CySEC, these consist of:

- i. Offerors of crypto-assets other than ARTs and EMTs;
- ii. Issuers of ARTs, excluding issuers of ARTs that are credit institutions¹¹. As regards issuers of EMTs, given that these can be only electronic money institutions, within the meaning of the Electronic Money Law 81(I)/2012 as in force from time to time; and credit institutions, within the meaning of the Business of Credit Institutions Law 66(I) of 1997 as in force from time to time,¹² they fall entirely outside of CySEC's supervisory mandate; and
- iii. Crypto-Asset Service Providers ('CASPs')¹³, being the entities authorized to provide services in relation to crypto-assets, in accordance with Title V of MiCAR.

2.5 In addition to the aforementioned new categories of supervised entities, MiCAR¹⁴ allows existing financial services entities to act as CASPs without additional

¹¹ Credit institutions are eligible issuers of ARTs under Article 17 of MiCAR. However, they fall outside CySEC's supervisory mandate.

¹² Article 48 para.1 lit.(a) of MiCAR.

¹³ Article 3 para.1 nr.(15) of MiCAR: '*means a legal person or other undertaking whose occupation or business is the provision of one or more crypto-asset services to clients on a professional basis, and that is allowed to provide crypto-asset services in accordance with Article 59*'.

¹⁴ Article 60 of MiCAR.

authorisation¹⁵, but subject to a relevant notification only. More specifically, the entities laid down in Article 60 of MiCAR may offer those crypto-asset services that are deemed equivalent¹⁶ to the MiFID II services covered by their (topped-up) sectoral license. The reason therefore being that *'MiCA provides that entities that already have a license to provide financial services and that already went through the authorisation process with the NCA of their home Member State (such as investment firms, credit institutions, etc.), do not need to go through the entire authorisation process again. MiCA indeed presumes that such entities are generally capable of providing crypto-asset services...In other words, MiCA is paying deference to the existing authorisation...'*¹⁷ However, all those entities, in spite of not being subject to authorisation, are subject to an extensive notification procedure, which is subject to completeness assessment and to full compliance with MiCAR and supervisory enforcement in case of non-compliance. The CySEC supervised entities that may provide crypto-asset services without authorisation but notification are the following:

- i. Investment firms, including market operators, authorized under Law 87(I) of 2017, as in force from time to time, transposing MiFID II into Cypriot Law¹⁸;
- ii. Alternative Investment Fund Managers authorized under Law 56(I) of 2013, as in force from time to time, transposing Directive 2011/61/EU into Cypriot Law¹⁹;

¹⁵ Nevertheless, compliance with MiCAR is required from such entities as per Article 60 para.10c of MiCAR: *'Where the entities referred to in paragraphs 1 to 6 of this Article provide crypto-asset services, they shall not be subject to Articles 62, 63, 64, 67, 83 and 84'*.

¹⁶ Article 60 paras.2-6 of MiCAR.

¹⁷ European Securities and Markets Authority (ESMA), *Consultation Paper: Technical Standards specifying certain requirements of the Markets in Crypto Assets Regulation (MiCA)*, ESMA74-449133380-425, 12 July 2023 (accessed 28.05.2024), p.10 paras. 8ff. Available at https://www.esma.europa.eu/sites/default/files/2023-07/ESMA74-449133380-425_MiCA_Consultation_Paper_1st_package.pdf .

¹⁸ Article 60 paras. 3 and 6 of MiCAR.

¹⁹ Article 60 para.5 of MiCAR.

- iii. UCITS Management Companies authorized under Law 78(I) of 2012, as in force from time to time, transposing Directive 2009/65/EC into Cypriot Law²⁰; and
- iv. A central securities depository authorised under Regulation (EU) No 909/2014²¹.

2.6 Furthermore, the MiCAR provisions are substantiated by means of Regulatory Technical Standards ('RTS'), Implementing Technical Standards ('ITS') and Guidelines (to be) developed by EBA and the European Securities and Markets Authority ('ESMA') in close cooperation.

2.7 As to the MiCAR implementation measures to be developed by ESMA, these consist of three consultation packages.

2.8 As to the first consultation package²² developed by ESMA, it includes draft technical standards for the following mandates:

- i. RTS on content of notification from selected entities to NCAs. It is stressed that this is relevant for existing financial services entities intending to avail of Article 60 of MiCAR;
- ii. ITS on forms and templates for notification from entities to NCAs. It is stressed that this is relevant for existing financial services entities intending to avail of Article 60 of MiCAR;
- iii. RTS on the content of the application for authorisation for CASPs. It is stressed that this is relevant for entities intending to apply for a CASP authorisation;
- iv. ITS on forms and templates for CASP authorisation application. It is stressed that this is relevant for entities intending to apply for a CASP authorisation;

²⁰ Article 60 para.5 of MiCAR.

²¹ Article 60 para.2 of MiCAR.

²² Available [here](#)

- v. RTS on complaint handling procedure for CASPs;
- vi. RTS on identification, prevention, management and disclosure of conflict of interest for CASPs; and
- vii. RTS on intended acquisition information requirements for CASPs.

Following the end of the consultation period, ESMA has issued a Final Report²³ regarding six (6) of the aforementioned seven (7)²⁴ technical standards on 25.03.2024. The draft technical standards have been submitted to the European Commission for adoption.

2.9 As to the second consultation package²⁵ published on 5 October 2023 by ESMA, it includes draft:

- i. RTS on content, methodologies and presentation of sustainability indicators on adverse impacts on the climate and the environment;
- ii. RTS on measures that CASPs must take to ensure continuity and regularity in the performance of services;
- iii. RTS on trade transparency for CASPs operating a trading platform²⁶;
- iv. RTS on record-keeping by CASPs;

²³ Available [here](#).

²⁴ The final report relating to the technical standards on conflicts of interest for crypto-asset service providers (in accordance with Article 72(5) of MiCAR) will be published at a later stage to allow the European Banking Authority (EBA) to conclude its consultation process and thus allow ESMA and EBA to cooperate closely and ensure maximum alignment.

²⁵ Available [here](#).

²⁶ Article 3 para.1 nr.(18) of MiCAR: “*operation of a trading platform for crypto-assets’ means the management of one or more multilateral systems, which bring together or facilitate the bringing together of multiple third-party purchasing and selling interests in crypto-assets, in the system and in accordance with its rules, in a way that results in a contract, either by exchanging crypto-assets for funds or by the exchange of crypto-assets for other crypto-assets;*”.

- v. RTS on the data necessary for the classification of white papers;
- vi. ITS on standard forms and templates for the crypto-asset white papers; and
- vii. ITS on technical means for appropriate public disclosure of inside information.

This second consultation package includes mandates with a 12-month deadline. The relevant technical standards should be submitted by ESMA to the European Commission by 30 June 2024.

2.10 As to the third consultation package²⁷ published on 25.03.2024²⁸ by ESMA, it includes draft:

- i. RTS on arrangements, systems and procedures for detecting and reporting suspected market abuse in crypto-assets;
- ii. Guidelines on certain aspects of the suitability requirements and format of the periodic statement for portfolio management activities under MiCAR;
- iii. Guidelines on the procedures and policies, including the rights of clients, in the context of transfer services for crypto-assets; and
- iv. Guidelines on the maintenance of systems and security access protocols in accordance with appropriate Union standards.

The ESMA will consider all comments received by Tuesday, 25 June 2024.

2.11 Furthermore, ESMA has issued two additional consultation papers, one on draft Guidelines on reverse solicitation under MiCAR²⁹ and one on draft Guidelines on classification of crypto-assets as financial instruments³⁰. ESMA will consider all

²⁷ Available [here](#).

²⁸ The cover page of the third consultation package refers erroneously to 25.03.2023 as the publication date thereof. However, the correct date is that of 25.03.2024, see [here](#).

²⁹ Available [here](#).

³⁰ Available [here](#).

relevant comments having been received by 29 April 2024.

2.12 As regards, the MiCAR implementation work undertaken by EBA, it is ART and EMT³¹ related, and encompasses the following:

- i. A consultation paper on draft RTS on requirements for policies and procedures on conflicts of interest for issuers of ARTs under MiCAR³². The consultation closed on 07 March 2024;
- ii. A consultation paper on draft RTS to specify the highly liquid financial instruments in the reserve of assets for ARTs under MiCAR³³. The consultation closed on 08 February 2024;
- iii. A consultation paper on draft RTS further specifying the liquidity requirements of the reserve of assets for ARTs under MiCAR³⁴. The consultation closed on 08 February 2024;
- iv. A consultation paper on draft RTS to specify the minimum contents of the liquidity management policy and procedures under MiCAR³⁵. The consultation closed on 08 February 2024;
- v. A consultation paper on draft RTS on the adjustment of own funds requirements and design of stress testing programmes for issuers under MiCAR³⁶. The consultation closed on 08 February 2024;

³¹ EMTs are excluded from CySEC's supervisory mandate.

³² Available [here](#).

³³ Available [here](#).

³⁴ Available [here](#).

³⁵ Available [here](#).

³⁶ Available [here](#).

- vi. A consultation paper on draft RTS on the procedure and timeframe to adjust own funds requirements for issuers of significant asset-referenced tokens or of e-money tokens under MiCAR³⁷. The consultation closed on 08 February 2024;
- vii. A consultation paper on draft RTS on the use of ARTs and EMTs denominated in a non-EU currency as a means of exchange³⁸. The consultation closed on 08 February 2024;
- viii. A consultation paper on draft RTS on supervisory colleges under MiCAR³⁹. The consultation closed on 08 February 2024;
- ix. A consultation paper on draft ITS on the reporting on ARTs and EMTs denominated in a non-EU currency under MiCAR⁴⁰. The consultation closed on 08 February 2024;
- x. A consultation paper on draft RTS on the minimum content of the governance arrangements on the remuneration policy under MiCAR⁴¹. The consultation closed on 22 January 2024;
- xi. Final draft RTS adopted by EBA and submitted to the European Commission on the procedure for the approval of white papers of ARTs issued by credit institutions⁴². It is stressed that the said document is not applicable to CySEC-supervised entities;
- xii. Final draft RTS adopted by EBA and submitted to the European Commission on

³⁷ Available [here](#).

³⁸ Available [here](#).

³⁹ Available [here](#).

⁴⁰ Available [here](#).

⁴¹ Available [here](#).

⁴² Available [here](#).

information for assessment of a proposed acquisition of qualifying holdings in issuers of ARTs under MiCAR⁴³;

- xiii. Final draft RTS/ITS adopted by EBA and submitted to the European Commission on information for authorisation as issuers of ARTs under MiCAR⁴⁴; and
- xiv. Draft RTS on requirements, templates and procedures for handling complaints under MiCAR for issuers of ARTs⁴⁵ published on 13 April 2024.

3 WHO THIS CONCERNS

3.1 As regards the new categories of supervised entities introduced by MiCAR, this CP concerns:

- i. Offerors and persons seeking admission to trading of crypto-assets other than ARTs and EMTs, falling under Title II of MiCAR;
- ii. Issuers of ARTs, excluding issuers of ARTs being credit institutions, in accordance with Title III of MiCAR; and
- iii. CASPs authorised, in accordance with Title V of MiCAR.

3.2 As regards other CySEC-supervised entities, which will be allowed to avail of the notification possibilities under Article 60 of MiCAR (CASPs permitted to provide crypto-asset services), this CP concerns:

- i. Investment firms and market operators, authorized under Law 87(I) of 2017, as in force from time to time, transposing MiFID II into Cypriot Law;
- ii. Alternative Investment Fund Managers authorized under Law 56(I) of 2013, as in force from time to time, transposing Directive 2011/61/EU into Cypriot Law;

⁴³ Available [here](#).

⁴⁴ Available [here](#).

⁴⁵ Available [here](#).

- iii. UCITS Management Companies authorized under Law 78(I) of 2012, as in force from time to time, transposing Directive 2009/65/EC into Cypriot Law; and
- iv. A central securities depository authorised under Regulation (EU) No 909/2014

4 PROPOSED APPROACH

4.1 The below table outlines the proposed CySEC fees and charges applicable per category of supervised entities under MiCAR.

OFFERORS AND PERSONS SEEKING ADMISSION TO TRADING FOR CRYPTO-ASSETS OTHER THAN ARTs OR EMTs			
	APPLICATION/NOTIFICATION AND ANNUAL FEES	COMMENT	SUGGESTED FEE
1.	Notification of the crypto-asset white paper for crypto-assets other than ARTs or EMTs (Article 8, paragraph 1 of MiCAR)	N/A	€1.000 per white paper notified.
2.	Notification of a modification of a published crypto-asset white paper for crypto-assets other than ARTs or EMTs – Article12(2) of MiCAR	N/A	€500 per modified white paper notified.
3.	Persons falling under Title II of MiCAR (i.e. offerors or persons seeking admission to trading of crypto-assets other than ARTs or EMTs that have their registered office in Cyprus), except for the case of operators of a trading platform shall pay an annual fee.	<p>Persons falling under title II of MiCAR are subject to ongoing supervision, particularly in relation to:</p> <ul style="list-style-type: none"> • Their Marketing communications; • Acting honestly and professionally; • Identifying, preventing, managing and disclosing conflicts of interest; • Maintaining systems and securities access protocols. 	€5.000 annual fee payable on 30 November of each year. Where an entity operates for a period of less than 12 months in a calendar year the fee shall be calculated for the period that the entity was operational.

OFFERORS AND PERSONS SEEKING ADMISSION TO TRADING FOR ARTs			
	APPLICATION/NOTIFICATION AND ANNUAL FEES	COMMENT	PROPOSED FEE
4.	Application for authorisation to offer to the public or seek admission to trading of an ART – Article 18(1) of MiCAR	The procedure involves an application for authorisation in the context of which the competent authority inter alia approves the relevant white paper. The authorisation is provided per ART basis as per the wording of Article 16(3) of MiCAR.	€15.000
5.	Assessment of the plan submitted under Article 23 paragraph 1, point (b) to ensure that the estimated quarterly average number and average aggregated value of transactions per day are kept below the thresholds for ARTs – Article 23, paragraph 4 of MiCAR)	Where the thresholds are exceeded the issuer of ARTs submits this plan to be assessed and approved by its home Member State NCA, as per Article 23, paragraph 4 of MiCAR.	€10.000
6.	Assessment of a notification of a modified crypto-asset white paper for ARTs (Article 25, paragraph 2 of MiCAR)	Modifications as regards a white paper for ARTs are subject to approval by the home Member State NCA, as per Article 25, paragraph 2, fourth subparagraph of MiCAR.	€8,000
7.	Notification of any changes to the management body for issuers of ARTs (Article 33 of MiCAR)	Changes to the management body of an issuer of ARTs are subject to an immediate ex-post notification to the home Member State NCA. MiCAR does not provide for an ex-ante approval in this case. However, such an assessment is required to be undertaken by CySEC once notified, per Article 33 of MiCAR. Based on the content of Article 34 and relevant Joint Guidelines issued for consultation by ESMA and EBA, the issuers of ARTs remain primarily responsible for the assessment of the suitability of the members of their management body both on an individual basis and on a collective basis. Hence, as a minimum, they should be	€2,000 per change notified.

		required to provide their own assessment along with the notification to CySEC to ensure that a thorough assessment has indeed been undertaken by the respective issuer of ART. The aforesaid information is necessary for CySEC to assess compliance with Article 34(2), as required by Article 33 of MiCAR.	
8.	Notification of a discontinuation plan by an issuer of an ART (Article 34, paragraph 7 of MiCAR)	If the issuer of an asset-referenced token decides to discontinue the provision of its services and activities, including by discontinuing the issue of that ART, it shall submit a plan to the competent authority for approval of such discontinuation, as per Article 34, paragraph 7 of MiCAR.	€10.000
9.	Notification of a change to a Key Function Holder for issuers of ARTs	Based on the EBA Draft Guidelines on the minimum content of the governance arrangements for issuers of ARTs, the ' <i>three lines of defense</i> ' model has been utilized in identifying the functions within issuers of ARTs responsible for addressing and managing risks. As per paragraph 97 of the Draft EBA Guidelines, Issuers of ARTs should establish and maintain a permanent and effective compliance function that operates independently from the business it controls and, where appropriate and taking into account the application of the proportionality principle, establish and maintain risk management and internal audit functions that operate independently. The issuers of ARTs shall be required in addition to the to	No fee

		<p>the information required under Articles 18(2)(o) and 25(1)(a) to submit to CySEC:</p> <ul style="list-style-type: none"> i. Information on the persons comprising those functions, the persons responsible for those functions (including the reporting lines applicable); and ii. their own assessment on the effectiveness of the function, commensurate with <ul style="list-style-type: none"> a) the nature, scale and complexity of their operations and b) with the number and the knowledge and experience of the persons comprising the respective function. <p>The aforesaid information will be required to be submitted, pursuant to CySEC exercising powers vested in it by virtue of the national law transposing Article 94(1)(a) of MiCAR, in order to assess the compliance of Issuers of ARTs with their obligations under Article 34, paragraph 10 of MiCAR.</p> <p>Such information shall be submitted to CySEC at least annually and in any case every time there is a change in relation to the person responsible for the function in question.</p>	
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10.	Notification of proposed acquisitions of issuers of ARTs (Article 41, paragraph 4 of MiCAR)	Based on Article 41, paragraphs 4, 6 and 7 of MiCAR, the proposed acquisitions are subject to an assessment and (silent) approval or objection.	€8.000 per proposed acquisition.
11.	Notification of the Recovery plan of issuers of ARTs (Article 46, paragraph 2 of MiCAR)	Based on paragraph 2 of Article 46 of MiCAR, the issuer of ARTs shall notify the recovery plan to the NCA and the NCA shall assess and require amendments where deemed necessary.	No fee will be charged for this. It will be covered by the annual fee.
12.	Notification of the Redemption plan of issuers of ARTs (Article 47, paragraph 3 of MiCAR)	Based on paragraph 3 of Article 47 of MiCAR, the issuer of ARTs shall notify the redemption plan to the NCA and the NCA shall assess and require amendments where deemed necessary.	No fee for this. Will be covered by the annual fee.
13.	Annual fee for issuers of ARTs.		An annual fee shall be calculated on 31 January of each year and shall be payable to CySEC by 31 March of the following year the latest and shall be comprised of a flat and a variable component as follows: €20.000 flat fee, plus 0,2% of the aggregate value of the reserve of assets, based on the latest available audit report notified to CySEC in accordance with paragraph 10 of Article 36 of MiCAR.

			<p>Where the value of the reserve of assets is expressed in a currency other than the Euro, the exchange reference rate of the said currency against the Euro fixed by the European Central Bank at the end of the day which the aggregate value of the reserve was established, shall be used.</p> <p>For the avoidance of doubt the issuers or ARTs will commence paying fees on the year following the year of their authorisation. This will effectively result in no fees being charged for the period being operational during the first year of authorisation and an ex ante payment of fees for each subsequent year.</p>
CRYPTO ASSET SERVICES PROVIDERS (CASPs)			
	APPLICATION/NOTIFICATION AND ANNUAL FEES	COMMENTS	PROPOSED FEE
14.	Notification by CySEC regulated financial entities of their intention to provide certain crypto-asset services (Article 60 of MiCAR)	N/A	€10.000

15.	<p>Application for authorisation as a CASP (Article 62 of MiCAR)</p> <p>(a) providing custody and administration of crypto-assets on behalf of clients;</p> <p>(b) operation of a trading platform for crypto-assets;</p> <p>(c) exchange of crypto-assets for funds;</p> <p>(d) exchange of crypto-assets for other crypto-assets;</p> <p>(e) execution of orders for crypto-assets on behalf of clients;</p> <p>(f) placing of crypto-assets;</p> <p>(g) reception and transmission of orders for crypto-assets on behalf of clients;</p> <p>(h) providing advice on crypto-assets;</p> <p>(i) providing portfolio managements of crypto-assets;</p> <p>(j) providing transfer services for crypto-assets on behalf of clients.</p>	N/A	<p>Providing custody and administration of crypto-assets on behalf of clients: €10.000.</p> <p>Operation of a trading platform for crypto-assets: €30.000</p> <p>exchange of crypto-assets for funds: €5.000</p> <p>exchange of crypto-assets for other crypto-assets: €5.000</p> <p>execution of orders for crypto-assets on behalf of clients: €8.000</p> <p>placing of crypto-assets: €8.000</p> <p>reception and transmission of orders for crypto-assets on behalf of clients: €8.000</p> <p>providing advice on crypto-assets: €8.000</p> <p>providing portfolio managements of</p>
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			<p>crypto-assets: €8.000</p> <p>providing transfer services for crypto-assets on behalf of clients: €5.000</p> <p>it is clarified that in order for an end service to be delivered to clients, the provision of several of the aforesaid services might coexist. In such cases the fee payable should amount to the cumulative fee corresponding to each and every service.</p>
16.	Notification of changes to management body for a CASP (Article 69 of MiCAR)	<p>According to Article 69 of MiCAR CASPs shall notify their competent authority without delay of any changes to their management body, prior to the exercise of activities by any new members, and shall provide their competent authority with all the necessary information to assess compliance with Article 68 of MiCAR.</p> <p>The information to assess compliance with Article 68 shall include the CASP own assessment on their compliance with Article 68, as a consequence of the change to the management body, measured against the content</p>	€2.000 per change notified.

		of Article 68 and against the items outlined in relevant Level II or III measures. More specifically the draft Commission Delegated Regulation supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information to be included in an application for authorisation as crypto-asset service provider, includes relevant information to be collected for the assessment of the members of the management body, which remain relevant for a subsequent assessment of the composition thereof.	
17.	Notification of proposed acquisitions of crypto-asset service providers (Article 83 and 84 of MiCAR)	<p>Article 83(7) of MiCAR provides for approval for a proposed acquisition: <i>“A competent authority that, upon completion of the assessment referred to in paragraph 4 decides to oppose the proposed acquisition referred to in paragraph 1, shall notify the proposed acquirer thereof within two working days and in any event before the date referred to in paragraph 4 extended, where applicable, in accordance with paragraph 6, second and third subparagraphs. The notification shall provide the reasons for such a decision.”</i></p> <p>The assessment is undertaken in accordance with Article 84 of MiCAR, as further elaborated in delegated acts.</p>	€8.000 per proposed acquisition notified.
18.	Notification of a change to a Key Function Holder in the case of CASPs	According to Article 68(5) of MiCAR:	No fee.

		<p><i>“Crypto-asset service providers shall employ personnel with the knowledge, skills and expertise necessary for the discharge of the responsibilities allocated to them, taking into account the scale, nature and range of crypto-asset services provided.”</i></p> <p>CASPs shall be required to submit to CySEC:</p> <ul style="list-style-type: none"> i. Information on the persons comprising the compliance, internal audit and risk management function (as the case may be), the persons responsible for those functions (including the reporting lines applicable); and ii. their own assessment on the effectiveness of the function, commensurate with a) the nature, scale and complexity of their operations and b) with the number and the knowledge and experience of the persons comprising the respective function. <p>The aforesaid information will be required to be submitted, pursuant to CySEC exercising powers vested in it by virtue of the national law transposing Article 94(1)(a) of MiCAR, in order to assess the compliance of CASPs with Article 68(4) and 68(5) of MiCAR.</p> <p>Such information shall be submitted to CySEC at least annually and in any case every time there is a change in relation to the person</p>	
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		responsible for the function in question.	
19.	CASPs Annual Supervision Fee.	N/A	<p>The annual fee shall be comprised of a fixed and a variable component as follows, payable within four months after the end of their financial year:</p> <p>A. Fixed Component:</p> <p>CASPs Providing custody and administration of crypto-assets on behalf of clients: €10.000 annually.</p> <p>Operation of a trading platform for crypto-assets: €20.000 annually.</p> <p>exchange of crypto-assets for funds: €5.000 annually.</p> <p>exchange of crypto-assets for other crypto-assets: €5.000 annually.</p> <p>execution of orders for crypto-assets on behalf of clients: €5.000 annually.</p>

			<p>placing of crypto-assets: €5.000 annually.</p> <p>reception and transmission of orders for crypto-assets on behalf of clients: €5.000 annually.</p> <p>providing advice on crypto-assets: €8.000 annually.</p> <p>providing portfolio managements of crypto-assets: €8.000 annually.</p> <p>providing transfer services for crypto-assets on behalf of clients: €5.000</p> <p>B. Variable component: A cumulative surcharge according to the financial turnover of the CASP stemming from crypto-asset services, as long as this exceeds €500.000 euro, on the corresponding scale of percentages, as determined below:</p> <p>(i) Financial turnover between</p>
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			<p>five hundred thousand and one (500,001) and one million (1,000,000) euro Percentage is set at 1%.</p> <p>(ii) Financial turnover between one million and one (1,000,001) and five million (5,000,000) euro Percentage is set at 0,4%.</p> <p>(iii) Financial turnover between five million one (5,000,001) and ten million (10,000,000) euro Percentage is set at 0,3%.</p> <p>(iv) Financial turnover of more than ten million euro (10,000.001) euro Percentage is set at 0,1%.</p> <p>The calculation of the surcharge is based on the annual audited financial statements of the previous year.</p>
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5 QUESTIONS

5.1 Interested parties are invited to submit their comments and responses to the Questions listed below by no later than 17 July 2024.

5.2 You are kindly reminded that you should:

- i. Answer the questions in the order presented in this document;
- ii. Be concise;
- iii. Provide your replies in a Word document; and
- iv. In case of an organised group, please provide a single response representing the views of your organisation (i.e. please refrain from forwarding individual responses submitted to you by your members).

Question 1:

Do you agree with the fee set out in line 1, of the table of Section 4, for the notification of a crypto-asset white paper for crypto-assets other than ARTs and EMTs?

Question 2:

Do you agree with the fee set out in line 2, of the table of Section 4, for the notification of a modification of a published crypto-asset white paper for crypto-assets other than ARTs and EMTs?

Question 3:

Do you agree with the annual fee set out in line 3 of the table of Section 4, for persons falling under Title II of MiCAR?

Question 4:

Do you agree with the application fee set out in line 4, of the table of Section 4, for the assessment of an application for authorisation to offer to the public or seek admission to trading of ARTs?

Question 5:

Do you agree with the assessment fee set out in line 5, of the table of Section 4, for the plan submitted under Article 23 paragraph 1, point (b)?

Question 6:

Do you agree with the fee set out in line 6, of the table of Section 4, for the notification of a modified crypto-asset white paper for ARTs?

Question 7.1:

Do you agree with the fee set out in line 7, of the table of Section 4, for the notification of any changes to the management body for issuers of ARTs?

Question 7.2:

Do you agree with the information that will be required, as a minimum, to be submitted to CySEC for the assessment of the members of the management body, set out in the comments (line 7, column 2, of the table of Section 4)?

Question 8:

Do you agree with the fee set out in line 8, of the table of Section 4, for the notification of a discontinuation plan by issuers of ARTs?

Question 9:

Do you agree with CySEC's approach as outlined in line 9, of the table of Section 4, regarding the notification of a change to a key function holder for issuers of ARTs?

Question 10:

Do you agree with the fee set out in line 10, of the table of Section 4, for the notification of a proposed acquisition of issuers of ARTs?

Question 11:

Do you agree with the annual fee set out in line 13, of the table of Section 4, for issuers of ARTs?

Question 12:

Do you agree with the fee set out in line 14, of the table of Section 4, for the assessment of a notification by a CySEC regulated financial entity of its intention to provide certain crypto-asset services?

Question 13:

Do you agree with the application fee set out in line 15, of the table of Section 4, for the assessment of an application for authorisation as a CASP?

Question 14.1:

Do you agree with the fee set out in line 16, of the table of Section 4, for the notification of any changes to the management body of a CASP?

Question 14.2:

Do you agree with the information to be submitted to CySEC, as a minimum, for the assessment of the notification of change to the management body of a CASP, as outlined in line 16, column 2, of the table of Section 4?

Question 15:

Do you agree with the fee, set out in line 17, of the table of Section 4, for the notification of a proposed acquisition of a CASP?

Question 16:

Do you agree with CySEC's approach as outlined in line 18, of the table of Section 4, regarding the notification of a change to a key function holder of CASPs?

Question 17:

Do you agree with the annual supervision fee, set out in line 19, of the table of Section 4, for CASPs?

Question 18:

Do you have any other comment(s) in relation to the proposed fees and charges outlined in the table of Section 4?

In the affirmative, please specify the line you are referring to.
