

SFC response to Commission's targeted consultation on the Markets in Crypto-Assets Regulation

Question 1. Should crypto-assets that qualify as financial instruments as defined in [Directive 2014/65/EU](#) of the European Parliament and of the Council, continue to be governed by sectorial legislation ([MiFID/MiFIR/MAR/Prospectus Regulation](#), etc.), or should all assets that are recorded and transacted on distributed ledgers and that meet the definition of a crypto-asset, or the services provided on such assets, in principle be covered by MiCA?

- ☒ Yes, they should remain under the main sectoral legislation
- ☐ No, all crypto-assets, or the services provided on such assets, should be covered by MiCA

If the answer is "Yes", is the distinction between financial instruments governed by MiFID and crypto-assets governed by MiCA sufficiently clear, also considering ESMA's guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments?

- ☒ Yes, sufficiently clear
- ☐ No, clarification is needed

If the answer to the previous question is "No" please explain your response and suggest any policy actions for clarification, if needed.

The current dual-track regulatory architecture, with the Markets in Crypto-Assets (MiCA) Regulation governing crypto-assets falling outside the definition of financial instruments, and the Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR), among others, disciplining those that qualify as financial instruments, reflects a logic that should be preserved. The legal qualification of an asset and the applicable regulatory framework should be determined by its economic and legal nature, rather than by the technology used for its issuance, recording, or transfer. The mere use of distributed ledger technology (DLT) should not alter the regulatory treatment of an instrument that already qualifies as a financial instrument under existing EU legislation.

Under the European Securities and Markets Authority (ESMA)'s guidelines on the qualification of crypto-assets as financial instruments¹, a crypto-asset may qualify as a transferable security where it cumulatively satisfies three criteria: i) it is not an instrument of payment, ii) it belongs to a class of securities, iii) and it is negotiable on the capital market. Such classification framework should equally apply to tokenised financial instruments, assets economically and legally equivalent to traditional securities but issued or recorded on distributed ledger technology infrastructure, as determining whether an instrument qualifies as a financial instrument is technology-neutral by design. The fact that a security is recorded on DLT does not per se alter its nature, and it should not therefore be in scope of a different regulatory treatment compared to an economically identical instrument issued in dematerialised form through a traditional central securities depository (CSD). These considerations are also mirrored in the recently published Own Initiative (INI) report of the European Parliament on "Digital assets – challenges for the competitiveness and integrity of the European Union's financial system"². The European Parliament highlights that the tokenisation of financial assets does not in itself alter the legal nature or core economic characteristics of those assets and emphasises that tokenised financial instruments must grant rights equivalent to those attached to traditional securities to prevent regulatory arbitrage and safeguard investor protection. The applicable regulatory framework must be determined by the substantive rights attached to an instrument, not by the technological infrastructure on which it is recorded.

Moreover, the MiFID II, MiFIR, and Market Abuse Regulation (MAR) frameworks constitute mature, internationally recognised architectures around which financial institutions in third countries, including Switzerland, shaped their compliance processes and internal processes. Moving the regulatory treatment of

¹ European Securities and Markets Authority (ESMA), "Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments", [final report](#), 17 December 2024.

² European Parliament, "Digital assets – challenges for the competitiveness and integrity of the European Union's financial system", Own Initiative (INI) [report](#), 26 June 2026.

tokenised financial instruments from these frameworks into MiCA would generate legal uncertainty during a potential transitional period, increase compliance burden without corresponding benefit, and risk misalignment with international standards that continue to treat tokenised securities as securities.

Question 16. Under MiCA, credit institutions issuing EMTs are not subject to the reserve asset segregation requirements or the requirement to maintain a reserve of assets applicable to non-bank EMT issuers (Article 58 MiCA). This is consistent with the approach to the regulation of traditional e-money. Should MiCA be adjusted to introduce a requirement to maintain a reserve of assets and segregation requirements for reserve assets of EMTs issued by credit institutions?

Please select one option.

- ☐ Yes – require reserve maintenance and segregation of EMT reserve assets within the credit institution's balance sheet!
- ☐ Yes – require issuance through a legally separate entity of the credit institution with full segregation of EMT reserve assets
- ☒ No – keep the current MiCA approach unchanged
- ☐ Others / alternative approach

The current MiCA approach should be preserved, without extending additional reserve asset segregation requirements to credit institutions. Banks already operate under stringent supervision and an exacting prudential regime set out in the Capital Requirements Directive and Regulation (CRD/CRR), covering capital, liquidity, governance, recovery, and resolution. These safeguards are specifically designed to secure solvency, resilience and liquidity - protections that non-bank EMT issuers do not benefit from. Layering a further 1:1 segregation requirement on top of them would add nothing in prudential terms while consuming capital to no purpose.

Such a requirement would also amount to a de facto 'narrow banking' constraint on these instruments, locking up liquidity and constraining the capacity of banks to perform their core economic function of credit creation. As drafted, MiCA strikes a workable balance between technological innovation and the realities of European banking regulation and does so in line with the principle of proportionality; it should be left unchanged. That reading is reinforced by the EBA's position on the interaction between MiCAR and the payment services framework, which treats EMTs as electronic money and stresses the importance of avoiding duplicative or inconsistent regulatory requirements.

That said, given the direction of the current regulatory debate, there would be value in stating this principle more explicitly in the MiCA framework, so as to foreclose restrictive readings that would treat bank-issued EMTs on the same footing as those issued by non-bank entities. Express clarification would reinforce legal certainty and maintain the intended distinction between issuers already captured by comprehensive prudential supervision and those for which dedicated safeguarding arrangements remain necessary. It would equally serve the level playing field, by ensuring that regulated banks are not disadvantaged relative to electronic money institutions (EMIs) operating under a different prudential regime.

Question 27. What are the potential benefits of global stablecoins for different use cases? For each use case below, please indicate on a scale of 1 to 5 how beneficial global stablecoins would be for EU holders:

- 1: Not beneficial**
2: Moderately beneficial
3: Neutral
4: Rather beneficial
5: Very beneficial

Use case	1	2	3	4	5
International payments (cross-border remittances or transfers)	☐	☐	☐	☐	☒
Intra-EU payments (domestic and cross-border EU payments)	☐	☒	☐	☐	☐
Crypto trading and liquidity provision	☐	☐	☐	☒	☐
Retail payments - Person to Person	☐	☐	☐	☐	☐
Retail payments - Person to Business (POI payment to merchants including e-commerce)	☐	☐	☐	☐	☐
Retail payments - Business to Business	☐	☐	☐	☒	☐
Settlement of tokenised financial instruments (e.g., digital bonds, securities)	☐	☐	☐	☐	☒
Corporate treasury management	☐	☐	☐	☐	☒
Access to programmable or smart contract-based financial services (DeFi applications)	☐	☐	☐	☒	☐
Provision of financial services in underserved regions in the world	☐	☐	☐	☒	☐
Other potential use cases (please specify)	☐	☐	☐	☐	☐

Please explain shortly your assessment and expectations as regards the use cases of global stablecoins (EMTs/ARTs) and the benefits for EU users.

The benefits of global stablecoins for EU users cannot be assessed in isolation from the broader international structural shift which is taking place in the wholesale and institutional contexts. The emergence of regulated global stablecoins as credible settlement and payment rails within established financial infrastructures is becoming operational reality. Global stablecoins are developing rapidly across the major financial institutions active in cross-border payments in Europe and broader, including institutions headquartered in Switzerland. The regulatory framework governing global stablecoins in the EU will therefore have direct consequences not only for EU users, but for the ability of EU market participants to interact efficiently with the global financial system. From this perspective, the benefits of global stablecoins for EU users are most tangible in two cases: i) the settlement of tokenised financial instruments and ii) business-to-business (B2B) payments. By contrast, their added value appears more limited for domestic and intra-EU payment use cases, where efficient banking and payment infrastructures are already available. In particular:

- **Settlement of tokenised financial instruments:** *Global stablecoins and tokenised deposits offer a credible on-chain cash leg for the settlement of tokenised financial instruments, addressing one of the potential infrastructure gaps in the current European tokenisation agenda. Atomic delivery-versus-payment settlement eliminates the settlement risk that exists in securities markets. For EU institutional users operating in tokenised bond, fund, and securities markets, the access to a globally trusted, liquid instrument as a settlement asset is essential. In fully integrated on-chain ecosystems which enable smart contract-*

based payments and settlement of tokenised instruments such as bonds, funds, and collateral, different forms of digital money are likely to coexist – with tokenised deposits and tokenised central bank money expected to be preferred for higher-value or systemically important transactions, while global stablecoins may serve complementary roles.

- **Business-to-business payments:** *Global stablecoins and tokenised deposits can offer meaningful enhancements to existing payment infrastructure for EU financial institutions engaged in cross-border transactions, complementing established channels with real-time settlement, 24/7 availability, and programmable payment formats. These capabilities are particularly relevant for transactions involving third country institutions, where the combination of currency conversion and banking coordination creates operational complexity that programmable digital money instruments can help reduce.*

Question 30. MiCA does not currently prohibit multi-issuer models, nor does the EU have jurisdiction to determine how third country entities, that also have licensed entities in the EU, should be regulated in third country jurisdictions. Given your assessment of the advantages or disadvantages of global stablecoins and multi-issuance models, do you think that MiCA should continue to be open to multi-issuance models?

- ☒ Yes, the multi-issuance model for stablecoins should be permitted under MiCA
☐ No, MiCA should disallow the multi-issuance model for stablecoins

Please explain the reasons for your response and describe the potential implications for the EU market and relevant stakeholders.

Multi-issuance schemes – whereby e-money tokens (EMTs) are issued by a global stablecoin issuer through several entities licensed and supervised across different jurisdictions – reflect the operational structure through which globally circulating EMTs function as potential cross-border payment and settlement asset. The permissibility of such structures under MiCA has been subject of a recent institutional debate. We believe that resolving this uncertainty in favour of a permissive but well-regulated approach is viable and essential for MiCA's credibility as a regulatory benchmark. Prohibiting multi-issuance models entirely would not eliminate global EMTs in circulation nor prevent EU customers' exposure to these but rather exclude EU-licensed entities from participating in the global markets, to the detriment of EU institutional players and users. A few considerations need to be considered around these models:

- **Multi-issuance is structural for global markets:** *EMTs used as cross-border payment and settlement instrument must be issuable and redeemable across multiple jurisdictions without friction. Euro-denominated stablecoins represent a marginal share of the global stablecoin market, which remains overwhelmingly dominated by US dollar-pegged instruments. A regulatory framework that further restricts EU users to single-issuer euro instruments of limited global circulation would deepen rather than adjust this imbalance³.*
- **Prohibition of such models would not reduce EU's exposure:** *Multi-issued stablecoins will continue to exist and be used by EU institutional users regardless of whether an EU-licensed entity participates in their issuance. A blanket prohibition would simply redirect that activity outside MiCA's perimeter and beyond EU supervisory reach – being the least desirable outcome from both consumer protection and financial stability perspectives. Reserve requirements, redemption guarantees, and supervisory intervention powers provide a robust baseline for protecting EU holders without requiring such prohibition. The appropriate response should consist in applying existing safeguards rather than excluding multi-issuance structures from the regulatory perimeter altogether. A consistent approach should consider the broader regulatory context, and any revision of the framework should seek an appropriate balance between financial stability objectives and the need to enable efficient and globally competitive digital payment infrastructure within the EU.*
- **Suggested approach:** *The appropriate policy response is the development of a permissive but well-regulated framework, based on equivalence. The framework should rely on home-country supervision*

³ "As of early 2026, the total stablecoin market cap stood around \$310 billion, with USD-pegged stablecoins accounting for approximately 99% of supply. In contrast, euro-denominated stablecoins total only about \$1.06 billion (roughly 0.35% of the market)", "How Europe can match the US in the tokenised economy", EFAMA, June 2026.

rather than requiring full parallel compliance, where third-country issuers operate under prudential, governance, and supervisory standards comparable to MiCA's requirements. Major jurisdictions (i.e., the US GENIUS Act, the UK FCA's stablecoin regime, and Singapore's MAS stablecoin framework) are establishing and implementing regulatory frameworks on stablecoins converging on principles comparable to MiCA's. This creates the conditions for mutual recognition and equivalence arrangements that would support a level playing field and reduce market fragmentation. MiCA should provide a clear pathway for Swiss-issued instruments to interact with EU market participants on proportionate terms, without structurally disadvantaging third-country participants operating under comparable frameworks.

Question 31. MiCA considers that all EMTs that are pegged to or denominated in an EU currency are offered to the EU and therefore fully subject to MiCA issuer requirements. Does this approach continue to be justified in view of market developments? Does it discourage the international role of the euro?

- ☒ Yes
☐ No

Question 32. What are the advantages and disadvantages of this approach for the EU and the international role of EU currencies?

The euro remains one of the world's major reserve and settlement currencies and the EU demonstrated a clear commitment to maintaining and strengthening this role in recent years, through initiatives including the Digital Euro, the Eurosystem's Pontes and Appia programmes for wholesale tokenised settlement, and the Savings and Investment Union (SIU) agenda. Against this backdrop, the regulatory framework governing euro-denominated digital money instruments should be designed to support rather than constrain the euro's international presence. MiCA's contribution to this objective is concrete, as it provides a high degree of regulatory clarity that supported growing interest in euro-denominated stablecoins, including from European issuers, and contributed to increased trust and legal certainty in the market. Nevertheless, the international success of euro-pegged stablecoins will ultimately depend on broader factors, including the global strength and attractiveness of the euro and its integration into non-EU payment systems, which regulatory design alone cannot determine.

In this context, we believe that one specific provision of MiCA warrants targeted reconsideration to ensure it remains consistent with these broader objectives. Article 48(2) of MiCA highlights that all EMTs pegged to or denominated in an official EU currency are automatically deemed to be offered in the EU and fully subject to MiCA's issuer requirements, regardless of where the issuer is established. While we clearly understand the ultimate objective of such provision, we believe that it may produce unintended consequences against the EU's broader objective of strengthening the international role of the euro. Requiring full MiCA compliance solely by virtue of currency denomination creates a regulatory disincentive for third-country institutions to choose the euro as a reference currency for instruments designed for non-EU markets. Moreover, the MiCA review should consider laying broader foundations for an international and interconnected landscape and favour the realisation of an open market in which regulated instruments issued in third countries under comparable supervisory frameworks can access EU markets on a reciprocal basis.

Question 37. In a multi-issuance model, reserve assets may be located across jurisdictions and legal entities. Concerns have been expressed that in times of market stress, the transfer or rebalancing of reserves between issuers may be delayed or restricted. Is this concern valid or substantiated in your view?

- ☐ Valid-substantiated
☒ Not valid-not substantiated

Please explain your response.

The concern that reserve transfers between co-issuers could be delayed or restricted under stress conditions has a basis in historical experience. Past financial crises and stress scenarios demonstrated that foreign

jurisdictions may implement ring-fencing measures that restrict cross-border access to locally held assets, and that insolvency proceedings involving non-EU entities can complicate access to reserves held outside the EU. There is also a structural dimension which involves the near-instantaneous nature of token redemptions vis-a-vis the slower processes required for reserve liquidation and cross-border fund transfers. We therefore acknowledge such concerns as legitimate. However, they do not substantiate a case for prohibiting or materially restricting multi-issuance models. MiCA already addresses the core risk through its existing framework. Articles 36 and 54 require EU-licensed issuers to maintain reserves fully backing their own outstanding issuance, held in EU credit institutions and ring-fenced from non-EU co-issuers' reserves. The prudential protection of EU holders does not depend on cross-border reserve transfers, as it is secured independently at the level of the EU-licensed entity. The rebalancing mechanism between co-issuers is a supplementary liquidity tool, not the primary source of holder protection, and should not be characterised as a systemic vulnerability when the primary safeguards are already in place. Moreover, a well-designed multi-issuance model can enhance rather than undermine resilience. By requiring each issuer to maintain sufficient reserves and redemption capacity to meet its own obligations independently under its local regulatory framework, multi-issuance structures reduce concentration risk and allow local supervisors to oversee local issuers and reserve assets directly. The stability of the arrangement does not depend on rapid cross-border transfers under stress but rather on robust local reserve management, effective liquidity planning, and sound governance at the issuing entities level. The objective should be to ensure robust reserve management, transparency, and supervisory cooperation while avoid restricting multi-issuance models based on risks that the existing framework already addresses.

Question 40. Do you see merit in introducing an equivalence regime for global stablecoins in the EU?

- ☐ Yes, but only if other mitigation measures are not introduced
- ☒ Yes, in addition to mitigation measures
- ☐ No

Please provide reasons for your response, including any perceived advantages or disadvantages of equivalence regimes.

We strongly welcome the Commission's consideration of an equivalence regime for global stablecoins and encourage its introduction as part of the MiCA review. As MiCA enters its first review cycle, one of the most significant structural gaps to address is the absence of mechanisms recognising third-country frameworks, where they provide substantially equivalent protection and reserve requirements. Mitigation measures alone cannot substitute for a legislative framework that determines how globally regulated stablecoins are treated when interacting with EU markets. Major third country jurisdictions established or are implementing comprehensive crypto-assets frameworks (including on stablecoins) providing rules on mandatory reserve backing, redemption rights, issuer authorisation, and supervision.

The equivalence regime should be designed following a principle-based and outcome-based approach by assessing whether a third-country framework achieves materially equivalent results in terms of reserve adequacy, redemption rights, and supervisory oversight, rather than requiring line-by-line correspondence with MiCA's requirements. We believe that such design features address legitimate concerns without hampering broader market access. In addition, an equivalence regime, as described above, would deliver further benefits for the EU's Savings and Investment Union (SIU) strategy and European competitiveness. It would encourage other jurisdictions to align their stablecoin frameworks with MiCA's standards, enhancing regulatory convergence globally. Jurisdictions seeking equivalence have a natural incentive to bring their rules closer to MiCA's requirements, strengthening MiCA's position as an international reference point. Conversely, the absence of equivalence risks developing a fragmented global landscape in which materially different standards apply to the same instruments across jurisdictions, undermining the coherence of cross-border supervision and complicating the international interoperability that both EU and third-country market participants need.

Question 41. Equivalence regimes can rely on the third country's regime to various degrees. How far, in your

opinion, should a possible equivalence regime go in terms of relying on third-country regime? What rights or benefits should EU issuers derive from equivalence of a third country and what rights or benefits in the EU should issuers from an equivalent jurisdiction receive in the EU?

Where equivalence is recognised, issuers from equivalent jurisdictions should benefit from simplified market access and reduced duplicative compliance requirements, while EU issuers should receive reciprocal treatment in those jurisdictions. Equivalence should be based on broadly comparable regulatory outcomes in areas including reserve management, redemption rights, governance, operational resilience, transparency and supervisory oversight, rather than strict rule-by-rule alignment. An effective equivalence regime should promote international interoperability and seek to avoid unnecessary fragmentation of liquidity, reserves and operational arrangements while maintaining appropriate safeguards for financial stability and consumer protection.