

MALTA OPPOSES CENTRALISATION OF ESMA SUPERVISION OVER KEY CRYPTO-ASSET SERVICE PROVIDERS

BACKGROUND

The financial services regulators in Austria (FMA), Italy (CONSOB) and France (AMF) have set out a number of proposals to the European Securities and Markets Authority (ESMA) within the context of the Markets in Crypto Assets Regulation (MiCAR). Amongst them is the call to ESMA to take over the direct supervision of major crypto-asset service providers in order to ensure uniform application of the rules and avoid opportunistic choices by applicants on the basis of lower supervision levels.

MALTA OPPOSES PROPOSITION

On the 18th September, the Malta Financial Services Authority (MFSA) issued a statement communicating its opposition to the proposition put forward by the FMA, CONSOB and AMF. The MFSA expressed that the position by the other authorities is premature in view that MiCAR has been applicable for only nine months. The MFSA also highlighted that centralising supervision would add unnecessary bureaucracy and potentially hinder competitiveness and innovation within the digital assets market.

The MFSA affirmed its commitment to implement the recommendations made by ESMA following the peer review conducted earlier this year. MFSA also expressed its continued support toward ESMA's ongoing initiatives to address emerging risks effectively, making specific reference to the establishment of the Digital Finance Standing Committee to support ESMA's work related to digital innovation across various subject areas.

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