

ESMA Statement on MiCA Transitional Measures

The Markets in Crypto Assets Regulation (MiCA)¹ includes a transitional regime for crypto asset service providers (CASPs) that offered their services in accordance with applicable law prior to 30 December 2024.

This regime grants them additional time to transition from compliance with the current national regulatory frameworks to compliance with MiCA, while giving individual Member States complete discretion not to apply this transitional regime or to reduce its duration in view of fostering financial stability and investor protection.

On 17 October 2023, ESMA published a statement² clarifying the timeline for the implementation of MiCA and calling on CASPs to make adequate preparations early on to reduce the risk of disruption, including engaging with the national competent authorities (NCAs) of the jurisdictions in which they operate to inform them of their authorisation plans.

In turn, on 17 December 2024³, ESMA published a statement on MiCA recalling that the inherently non-unified approach to transitional periods foreseen by Article 143(3) of MiCA has resulted in [different transitional periods applicable across EU Member States](#)³.

In the latter statement, ESMA noted its expectations that:

- i. CASPs make all possible effort to be compliant and undertake all possible steps to avoid detriment to their clients, market participants, and the integrity of the market, while also adhering to applicable AML/CFT requirements, including applying for MiCA authorisation as soon as possible; and
- ii. NCAs make sure they are fully aware of the cross-border activities of CASPs applying for MiCA authorisation in their Member State, and to engage in early and continuous dialogue with relevant Host Member State NCAs to mitigate – to the extent possible – disruptions stemming from the divergence in transitional periods across Member States and that could cause harm to CASPs' clients.

Considering the fact that (i) some transitional periods have come to an end and that the remaining ones will come to an end shortly and that (ii) market participants have by now had time to benefit from these transitional periods to engage with NCAs for the purpose of MiCA authorisation, ESMA wishes to:

¹ [Regulation \(EU\) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets](#)

² [ESMA Statement on supervisory convergence - 17 October 2023](#)

³ [ESMA Statement on MiCA transitional periods – 17 December 2024](#)

- **Set out its expectation that CASPs not yet authorised under MiCA:**
 - **Have implemented orderly wind-down plans** for the services they provided in Member States in which the transitional period is over.
 - **Have orderly wind down plans in place ready for implementation** ahead of the end of the remaining transitional periods in case they should not be authorised by then (or at all). ESMA expects that these plans should allow the CASP to carry out an orderly wind-down without causing undue economic harm to their clients (for instance, organising the transfer of the crypto-assets held for the clients to another authorised CASP).
- **Remind NCAs that they are expected to:**
 - **treat “last minute” applications for authorisation under MiCA with considerable caution and assess their compliance with MiCA upholding the same standard as for any other**, including if that implies the applicant CASP must wind-down its crypto-asset services in (a) given Member State(s) or the European Union more widely while the application is assessed; and
 - **be ready to (cooperate with one another to) enforce** against the unauthorised provision of crypto-asset services.

Finally, ESMA wishes **to warn investors engaging with crypto assets** that:

- entities active in providing crypto asset services after the end of the transitional period are not guaranteed to be authorised under MiCA, and
- it is important to **check in the [ESMA Interim MiCA Register](#)⁴ that the [CASP entity](#) of which they are clients are authorised to provide crypto asset services under MiCA** to ensure that they benefit from the protections afforded by MiCA.

⁴ [Markets in Crypto-Assets Regulation \(MiCA\)](#)