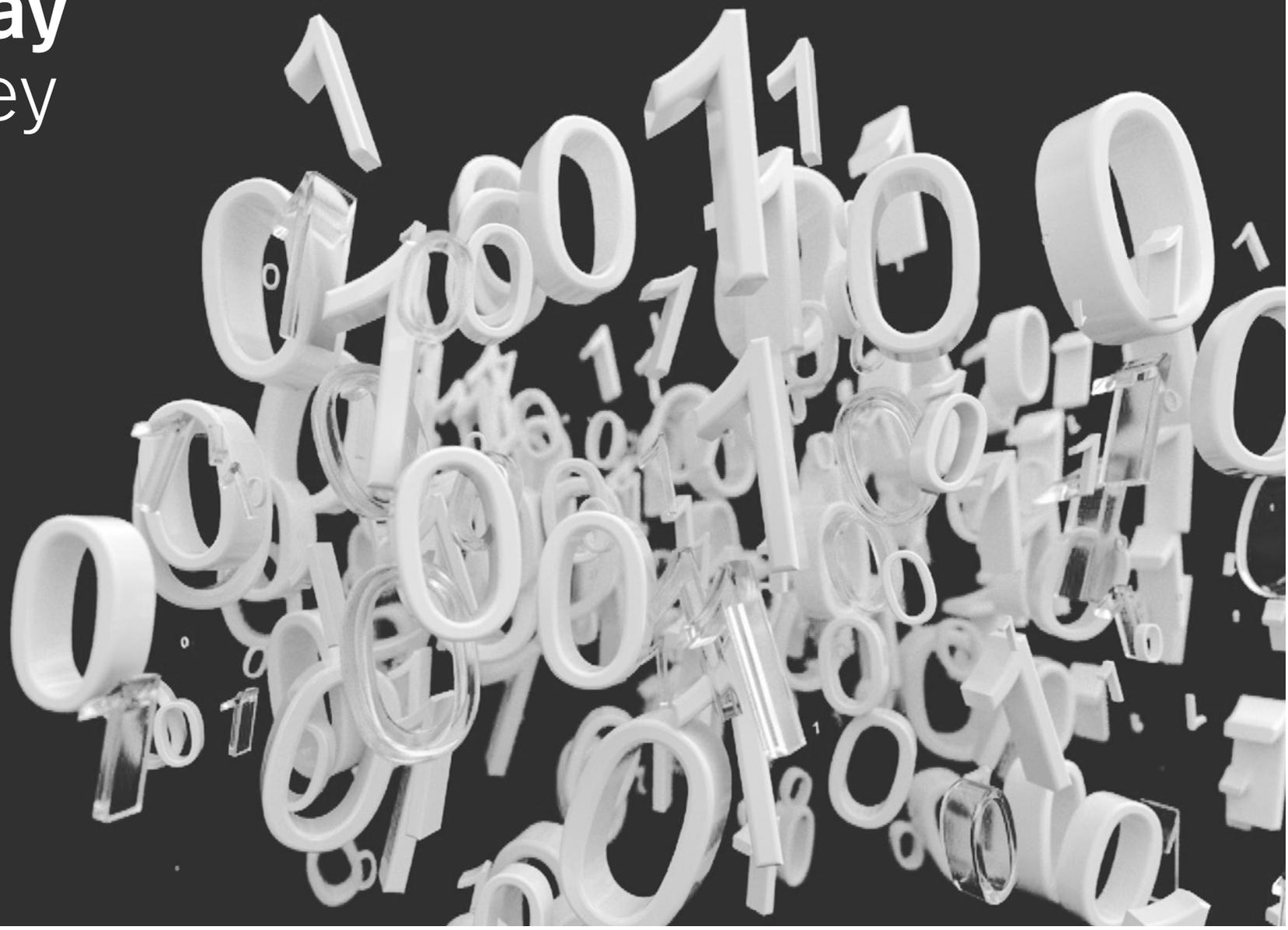


Munich digital day

Crypto assets: key trends in Europe

Jochen Kindermann
George Morris

6 May 2021



Crypto-Assets

Regulatory status and
development in Germany



Germany runs ahead



Overview

March 2019: German framework paper regarding the regulatory treatment of securities and crypto-token

September 2019: Germany implemented its “blockchain strategy” to “set the scene for a token economy”

Germany has taken the 4th EU Money Laundering Directive as an opportunity to expand its leading position

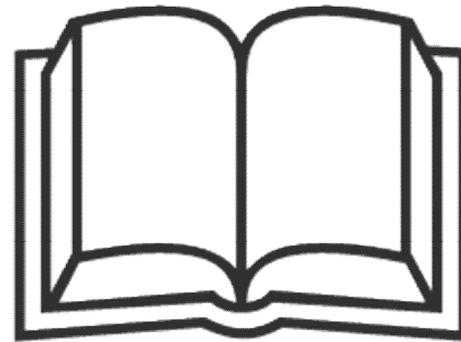
BaFin’s regulatory focus takes digitalization into account

Crypto-Assets

Current regulatory status



Crypto-assets as a
new financial
instrument



German Banking Act

Crypto-custody
business as a new
financial service

Electronic Securities Act (eWpG)



Overview

- December 2020: Government bill for an „Electronic Securities Act“ (eWpG)
- Modernization of the German securities law / regulatory law

Current situation

- Financial instruments which qualify as securities under civil law have to be securitized in a deed

What will be new?

- The bill proposes to remove the global deed requirement
- It permits the issuance of securities in electronic form
- Includes issuance of security tokens on a blockchain

Electronic Securities Act (eWpG)



Scope of the eWpG

In scope

- Electronic bearer bonds
- (Partly) electronic bearer unit shares pursuant to the German Capital Investment Code (*Kapitalanlagegesetzbuch*)

Out of scope

- Shares
- Securities of the transport law (i.e. consignment bill, warehouse warrant and bill of lading)
 - Already regulated in the Commercial Register Code

- For the time being, the eWpG is limited to electronic bearer bonds and electronic bearer unit shares
- But: It is designed to allow other forms of securities, such as electronic shares for the future

Electronic Securities Act (eWpG)



Electronic securities

The eWpG distinguishes between central register securities and crypto-securities:

Central register securities

- Issued with entry into the electronic securities register
- The electronic securities register must be operated by a central securities depository

Crypto-securities register

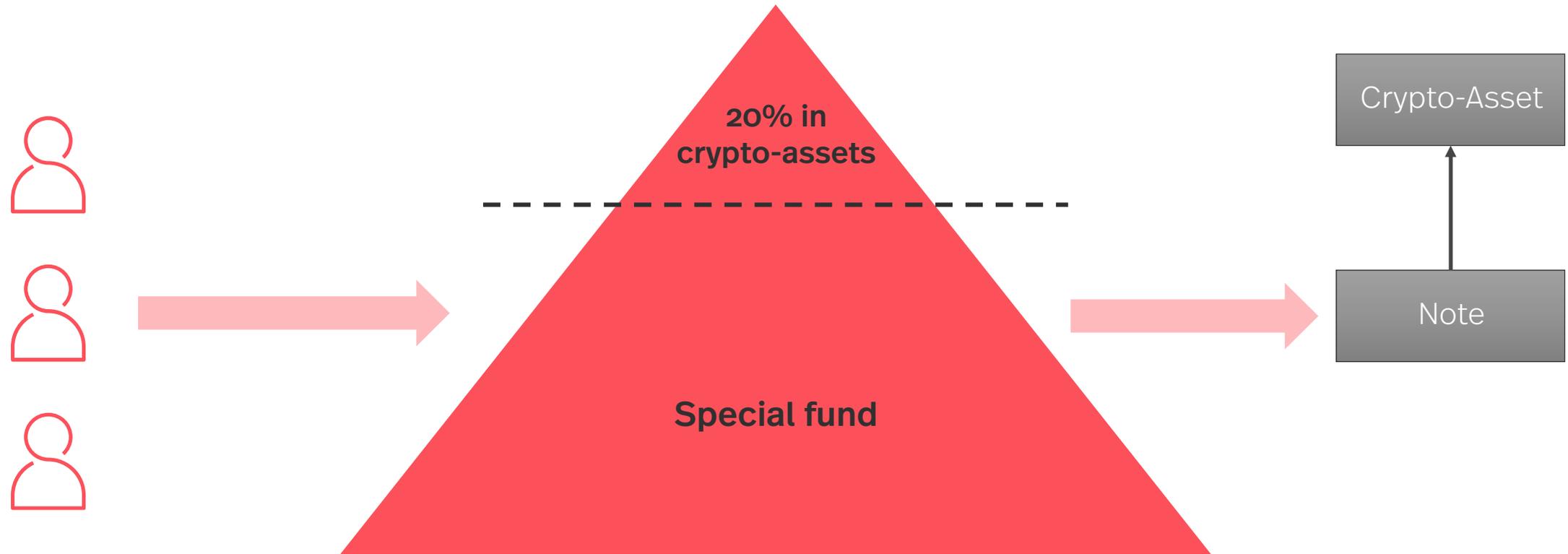
- Issued with entry into the decentralized blockchain-based crypto-securities register
- The crypto-securities register can be operated by the issuer or a third-party registrar appointed by the issuer

Latest regulatory developments

Special funds and crypto



FoStoG



The Markets in Crypto-Assets Regulation (MiCA)

Regulatory status and development in the EU



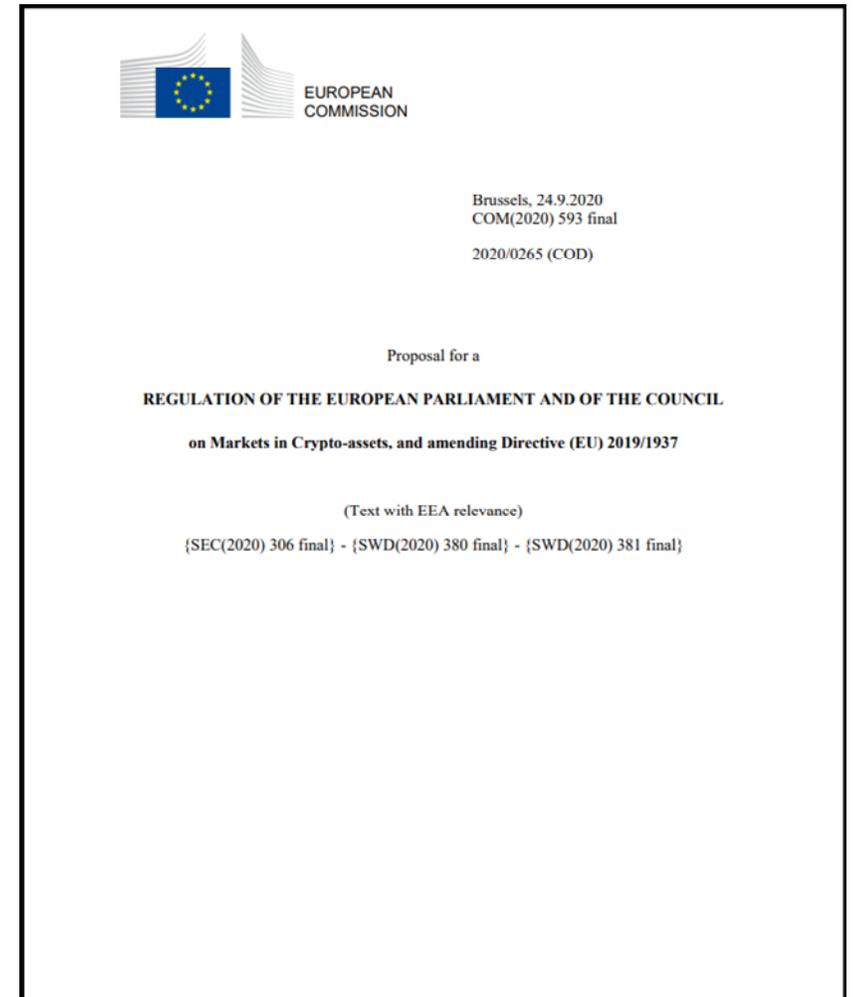
The Markets in Crypto-Assets Regulation



MiCA

5 things you need to know about MiCA

- 1 What is MiCA and why is it needed?
- 2 What does MiCA do?
- 3 Who would be subject to MiCA?
- 4 What crypto-assets will be subject to this regime?
- 5 Which crypto-asset services are covered?



The Markets in Crypto-Assets Regulation



MiCA

Current state of play

September 2020

The EU Commission published its proposal for MiCA

March 2021

European Economic and Social Committee opinion on MiCA

February 2021

- ECB opinion on MiCA
- Economic and Monetary Affairs Committee draft report on MiCA

2024

Goal to be fully operational



Digital euro

Central Bank Digital
Currency



Digital euro



4 things you need to know about the digital euro

- 1 What is a digital euro?
- 2 What would it look like?
- 3 Would a digital euro be a crypto-asset?
- 4 When will it be ready?





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