
TO : Issuers of asset-referenced tokens
ROM : Cyprus Securities and Exchange Commission
DATE : 20 November 2024
CIRCULAR NO. : C666
SUBJECT : EBA Guidelines on the minimum content of the governance arrangements for issuers of asset-referenced tokens

The Cyprus Securities and Exchange Commission (“CySEC”) herewith wishes to inform the issuers of asset-referenced tokens, as defined in points 6 and 10 of Article 3(1) of Regulation (EU) 2023/1114¹ (“MiCA Regulation”), that it has adopted the [Guidelines](#) of the European Banking Authority (“EBA”) on the minimum content of the governance arrangements for issuers of asset-reference tokens, which were issued on June 6, 2024.

The Guidelines are issued pursuant to Article 16 of Regulation (EU) No 1093/2010² and specify the various governance provisions in MiCA Regulation, taking into account the principle of proportionality, by specifying the requirements regarding the tasks, responsibilities and functioning of the management body, and the organisation of issuers of asset-referenced tokens (“ARTs”). They further aim to ensure the sound management of all risks associated with the activities of issuers of ARTs, while providing for appropriate consumer and investor protection. While the business needs to manage its risks, the guidelines stress the responsibilities of the second line of defence (the independent risk management and compliance function) and the third line of defence (the internal audit function).

Issuers of ARTs should also employ resources proportionate to the scale of their activities and should always ensure continuity and regularity in the performance of their activities. For that purpose, the guidelines specify that issuers of ARTs should establish a business continuity policy that aims to ensure, in the case of an interruption to their systems and procedures, the performance of their core activities related to ARTs.

The Guidelines apply from 20 December 2024.

¹ 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.

² Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC.

Sincerely,

Dr. George Theocharides
Chairman
Cyprus Securities and Exchange Commission