



MiCAR Series: Week 3 – Navigating the crypto asset white paper process

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To issue an asset-referenced token (ART), it is necessary for a crypto asset 'white paper' to be produced by the issuer and approved by the Central Bank of Ireland (CBI). This week, we outline the crypto asset white paper process under MiCAR and the timelines for each step.

MiCAR will become applicable from 30 June 2024 for ARTs. To assist with adopting new regulations, the European Banking Authority (EBA), European Securities and Markets Authority (ESMA), and the European Central Bank (ECB) have provided a clear method for attaining crypto asset white papers for ARTs via draft regulatory technical standards (RTS). These RTS aim to create a consistent approach to applying for and approving crypto white papers, giving credit institutions a clear understanding of the methods and timelines to be expected.

Crypto asset white papers set out the main goals, reasoning and technology behind a specific cryptocurrency. While credit institutions do not need authorisation under MiCAR to issue ARTs, they must produce a white paper detailing the characteristics and risks of the ART.

Steps for white paper approval:

1. Drafting a crypto asset white paper

In line with MiCAR, white papers must include the following information:

- Issuer details of the ART.
- Offerings of the ART.
- Rights and obligations attached to the ART.
- Technology relating to the ART.
- Risks of the ART.
- Reserves relating to the ART.

The white paper must be clear, concise and outline any potential risks. It must also be available in a machine-readable format and include contact information for communication with the authority.

2. Submission and acknowledgement

The credit institution must submit an electronic copy of the white paper to the CBI, the competent authority in Ireland for the authorisation of financial services firms.

The CBI must acknowledge the white paper before the close of business two days after receipt.

3. Assessment

The white paper is assessed within 20 working days, with electronic acknowledgement from the CBI. If incomplete, the CBI will inform the credit institution of any missing information and set a deadline for re-completion, not exceeding 20 working days. Re-submissions should include both a 'clean' copy and a version highlighting all changes from the initial submission.

4. ECB Involvement

The CBI has two working days to present the completed white paper to the ECB, which then has two working days to acknowledge receipt and provide a contact point for queries. If the ECB does not respond within 20 days, it is assumed there are no objections.

5. Amendments

The CBI has five working days to set a deadline for any necessary amendments, not exceeding 10 working days. The re-submission should include both a 'clean' copy and a version with marked changes.

6. Approval

The CBI has five working days to issue a final decision on the white paper once the amended version is submitted. Upon approval, the issuing credit institution can begin trading their ART in compliance with MiCAR guidelines and regulations.

The RTS and MiCAR guidelines aim to create a consistent framework for credit institutions, clarifying what is required and how governing bodies make their decisions. While drafting crypto white papers is similar to other types, it requires a deep understanding of MiCAR and its approval format. Professional advice is recommended to correctly navigate and streamline the process and ensure timely completion.

To recap on our previous MiCAR series articles, click the link below.

[Week 1](#)

[Week 2](#)

How Can We Help?

Our Forvis Mazars Prudential Risk experts understand that regulations are pivotal for the strategic priorities of financial institutions. Our team excels at helping clients navigate the complex regulatory landscape, working closely to identify responsibilities and develop compliance strategies.