

EU adopts new laws to regulate cryptocurrency transactions

May 16 (UPI) — The European Council on Tuesday formally adopted a pair of rules designed to regulate the cryptocurrency market.

The council announced it adopted updated regulations, formalizing the Markets in Crypto-Assets law, or MiCA, which introduces a “harmonized regulatory framework” in the bloc for the first time, the commission said.

“This package bridges a gap in existing EU legislation by ensuring that the current legal framework does not pose obstacles to the use of new digital financial instruments and, at the same time, ensures such new technologies and products fall within the scope of financial regulation and operational risk management of firms active in the EU,” the council said.

The law, agreed upon in June, requires that issuers of so-called “stablecoins” keep up a sufficient liquid reserve with a one-to-one ratio partially in the form of deposits to ensure they can accommodate user withdrawals.

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