

BETTER FINANCE responds to Public consultation on the review of Regulation on the Markets in Crypto-Assets (MiCA)

01 October 2026

Executive Summary

BETTER FINANCE welcomes the opportunity to contribute to the review of the Markets in Crypto-Assets Regulation (MiCAR), while offering preliminary views on the broader regulatory challenges arising from digitalisation, tokenisation and distributed ledger technology (DLT). We regard MiCAR as an important foundation for crypto-asset regulation, but believe its implementation and potential review should address emerging market practices, interpretative uncertainties and observed actual gaps in retail investor protection. More broadly, we welcome digital innovation insofar it offers opportunities to improve market access, reduce unnecessary intermediation and support more integrated European capital markets. These benefits should be demonstrated through lower costs, greater transparency, interoperability and enforceable investor rights, rather than easier access to (increasingly complex) financial products alone.

Our contribution also places particular emphasis on clear information, identifiable responsibility and effective investor safeguards. MiCAR's white-paper regime represents an important first line of protection, yet its practical accessibility, scope and associated liability provisions raise concerns, particularly where crypto-assets reach retail users without an identifiable party responsible for asset-level disclosure. We therefore advocate clearer regulatory interpretations and for regulators to contemplate requiring a short, standardised Token/Coin Information Document to complement white papers and address information gaps where these are not required. Further priorities include proportionate conduct safeguards, transparent custody and redemption arrangements, and effective supervision and redress.

Looking beyond the strict crypto-assets framework, we stress that technology neutrality must not become a means of circumventing established financial-sector protections. In particular, tokenised securities, hybrid products, DeFi arrangements and other emerging structures should be assessed according to their substantive economic characteristics, legal rights and risks. Ultimately, we call for regulatory adaptation to preserve the potential of innovation while ensuring that digital finance delivers tangible improvements in financial market

integrations and transparency to ensure investor outcomes, legal certainty and trust in European financial markets – elements we deem essential to truly align with the objective a Savings and Investment Union.

- *See also BETTER FINANCE's complementary response to the “targeted consultation on the MiCAR review”, providing granular feedback of digital asset markets evolution and regulatory frameworks, alongside our preliminary policy views and recommendations.*

Keywords : MiCA Review; Retail Investor Protection; Crypto-Asset Disclosure and Accountability; Tokenisation and Digital Finance; Technology Neutrality; Investor Rights and Safeguards.

About BETTER FINANCE

BETTER FINANCE is the European federation representing individual savers, investors, and financial services users. Dedicated to promoting transparency, fairness, and accountability, it works to ensure that Europe's financial system serves the real economy and the best interests of its citizens. BETTER FINANCE is a European federation consisting of 40 member organisations across 25 countries. We represent millions of individual investors and other users of financial services and operate with EU support since 2012. Through our network, we empower citizens with independent information and education, advocate for fair access to financial markets, and call for policies that place people at the heart of financial decision-making. Through participation in EU advisory groups, research-based advocacy, educational initiatives and campaigns, we strengthen investor protection, enhance financial literacy, and advocate for effective supervision and governance.

Contact

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Questions and answers

Question 1. How would you rate your overall knowledge of financial matters (e.g. savings, investments, loans)?

1 - Very low

2 - Low

3 - Moderate

4 - High

☒ **5 - Very high**

Don't know / no opinion / not applicable

Question 2. Which digital financial service(s) do you use?

☒ **Mobile banking apps**

☒ **Payment apps (e.g., peer-to-peer transfers)**

☒ **Online investment platforms**

☒ **Cryptocurrency services**

☒ **Digital wallets**

☒ **Robo-advisors**

Buy-now-pay-later services

Question 3. Before today, have you ever heard of the following types of digital assets and services?

'Cryptocurrencies' (e.g. Bitcoin, Ethereum)

- ☒ **Yes**
- No
- Don't know / No opinion / Not applicable

Stablecoins (EMTs, ARTs)

- ☒ **Yes**
- No
- Don't know / No opinion / Not applicable

Decentralised finance / DeFi

- ☒ **Yes**
- No
- Don't know / No opinion / Not applicable

Tokenised financial assets

- ☒ **Yes**
- No
- Don't know / No opinion / Not applicable

NFTs

- ☒ **Yes**
- No
- Don't know / No opinion / Not applicable

Question 4. For each type of digital asset, please indicate how well you understand what it is and how it works ?

'Cryptocurrencies' (e.g. Bitcoin, Ethereum)

- 1 (not at all)
- 2 (very limited understanding)
- 3 (basic understanding)
- ☒ **4 (good understanding)**
- 5 (very good understanding)
- Don't know / No opinion / Not applicable

Stablecoins (EMTs, ARTs)

- 1 (not at all)
- 2 (very limited understanding)
- 3 (basic understanding)
- ☒ **4 (good understanding)**
- 5 (very good understanding)
- Don't know / No opinion / Not applicable

Decentralised finance / DeFi

- 1 (not at all)
- 2 (very limited understanding)
- ☒ **3 (basic understanding)**
- 4 (good understanding)
- 5 (very good understanding)
- Don't know / No opinion / Not applicable

Tokenised financial assets

- 1 (not at all)
- 2 (very limited understanding)
- 3 (basic understanding)
- ☒ **4 (good understanding)**
- 5 (very good understanding)

- Don't know / No opinion / Not applicable

NFTs

- 1 (not at all)
- 2 (very limited understanding)
- ☒ **3 (basic understanding)**
- 4 (good understanding)
- 5 (very good understanding)
- Don't know / No opinion / Not applicable

Question 5. To what extent have you personally used the following types of digital asset services in the past 12 months?

'Cryptocurrencies' (e.g. Bitcoin, Ethereum)

- 1 (never)
- 2 (once or twice)
- 3 (occasionally)
- 4 (a few times during the year)
- 5 (regularly, i.e. at least once a month)
- ☒ **Don't know / No opinion / Not applicable**

Stablecoins (EMTs, ARTs)

- 1 (never)
- 2 (once or twice)
- 3 (occasionally)
- 4 (a few times during the year)
- 5 (regularly, i.e. at least once a month)
- ☒ **Don't know / No opinion / Not applicable**

Decentralised finance / DeFi

- 1 (never)
- 2 (once or twice)
- 3 (occasionally)
- 4 (a few times during the year)
- 5 (regularly, i.e. at least once a month)
- ☒ **Don't know / No opinion / Not applicable**

Tokenised financial assets

- 1 (never)
- 2 (once or twice)
- 3 (occasionally)
- 4 (a few times during the year)
- 5 (regularly, i.e. at least once a month)
- ☒ **Don't know / No opinion / Not applicable**

NFTs

- 1 (never)
- 2 (once or twice)
- 3 (occasionally)
- 4 (a few times during the year)
- 5 (regularly, i.e. at least once a month)
- ☒ **Don't know / No opinion / Not applicable**

Question 6. Overall, how do you assess the balance between the potential benefits and risks of each of the following for individuals in a similar situation to yours?

'Cryptocurrencies' (e.g. Bitcoin, Ethereum)

- 1 (risks clearly outweigh benefits)
- ☒ **2 (risks somewhat outweigh benefits)**
- 3 (benefits and risks are balanced)
- 4 (benefits somewhat outweigh risks)
- 5 (benefits clearly outweigh risks)
- Don't know / No opinion / Not applicable

Stablecoins (EMTs, ARTs)

- 1 (risks clearly outweigh benefits)
- ☒ **2 (risks somewhat outweigh benefits)**
- 3 (benefits and risks are balanced)
- 4 (benefits somewhat outweigh risks)
- 5 (benefits clearly outweigh risks)
- Don't know / No opinion / Not applicable

Decentralised finance / DeFi

- 1 (risks clearly outweigh benefits)
- 2 (risks somewhat outweigh benefits)
- ☒ **3 (benefits and risks are balanced)**
- 4 (benefits somewhat outweigh risks)
- 5 (benefits clearly outweigh risks)
- Don't know / No opinion / Not applicable

Tokenised financial assets

- 1 (risks clearly outweigh benefits)
- 2 (risks somewhat outweigh benefits)
- ☒ **3 (benefits and risks are balanced)**
- 4 (benefits somewhat outweigh risks)
- 5 (benefits clearly outweigh risks)
- Don't know / No opinion / Not applicable

NFTs

- 1 (risks clearly outweigh benefits)
- ☒ **2 (risks somewhat outweigh benefits)**
- 3 (benefits and risks are balanced)
- 4 (benefits somewhat outweigh risks)
- 5 (benefits clearly outweigh risks)
- Don't know / No opinion / Not applicable

Question 7. Before today, have you heard about the EU regulation that aims to protect European crypto asset users the so-called Markets in Crypto-Assets (MiCA) Regulation?

- ☒ **Yes**
- No
- Don't know / no opinion / not applicable

Question 8. For each type of digital asset or service, please indicate what information you consider necessary to feel confident using it:

'Crypto-currencies' (e.g. Bitcoin, Ethereum)

- ☒ **Clear information about the benefits and use cases of these assets and services**
- ☒ **Easy-to-understand information, guides, or instructions explaining how the assets or services work**
- ☒ **Clear information about the possible risks and downsides of using these assets**
- ☒ **Clear rules or laws that explain what you are allowed to do and what is prohibited when using these assets**
- ☒ **Consumer protection measures or guarantees if the platform fails, or transactions go wrong**
- ☒ **Investors protection measures in place if the assets lose their value, the providers fail and you lose funds**
- ☒ **Secure and reliable platforms or apps to buy, sell, store, or interact with these digital assets safely**
- Advice or recommendations from trusted sources such as banks, financial advisors, or reputable organisations
- ☒ **Availability of crypto-related products or services offered directly by your bank or payment institution that you trust**
- ☒ **Clear information about who supervises or regulates the platforms, exchanges, or digital assets**
- ☒ **Other missing aspects you feel are important to make you feel safe and confident using these assets**

Please specify to what other missing aspect(s) you refer in your answer to question 8 a):

Submitted written answer:

Further risks remain inherent to the crypto market despite the improvements brought under the MiCAR framework. In particular, we are wary of disclosure and conduct gaps in the face of the ever growing easier accessibility of such assets. Generic, boilerplate disclaimers do not give retail users enough information to assess an individual crypto-asset (whether in marketing promotions, general CASP risk notices, or standard warnings stating that 'no appropriateness assessment' has been conducted). In fact, relying on a mere disclaimer to inform users of this lack of protection may prove insufficient; a formal appropriateness assessment may also be mandated in specific cases. Instead, we advise that consumers be provided with further practical, easy-to-understand key information detailing an asset's purpose, liquidity/volatility metrics, its governance and protocol vulnerabilities, and manipulation risks, alongside clear accountability information to be provided.

A short, standardised, Token/Coin Information Document (inspired by the PRIIPs KID) could provide such information alongside any required white paper (or at minimum, act as a replacement in the absence thereof, by being drafted or verified by the CASP). The goal should be to enhance comparability between asset types, including PRIIPs and simple securities. Moreover, MiCA white papers may be too technical or lengthy for retail users; for some assets, including certain legacy tokens, no white paper is currently available. Title II white papers are also merely notified rather than approved before publication. Where there is no white paper, the specific MiCAR liability route for misleading or incomplete information cannot operate. Minimum asset-level information, with a clearly accountable provider, is especially important when a firm actively makes such tokens available to retail clients.

We are specifically concerned that the combined practical effect of Q&As 2404, 2552 and 2654 may create a “white-paper evasion architecture” across different crypto-asset types CASPs distribution models. Uncertainty over when a CASP's retail-facing activity constitutes an offer, the exclusion of tokens without an identifiable issuer, and the limited white-paper duties identified for certain legacy tokens distributed outside trading platforms may leave no actor clearly responsible for producing crucial asset-level information. This deprives retail investors of comparable information and, in the absence of a white paper, the specific civil-liability route linked to its contents. Any Level 1 review should clarify the applicable obligations and close this interpretative gap, which creates legal uncertainty for investors and risks inconsistent supervision by NCAs. It is crucial to establish who must provide information under each service model, what minimum disclosure is owed to retail clients where no white paper is required, and who bears responsibility for the accuracy thereof. Furthermore, WP are notified rather than approved before publication, reinforcing this need for clear and structured KID-like information along with accountability and effective framework for the information provided.

Users should be able to understand how a trade is carried out: whether they trade on a multilateral platform, deal directly with a CASP exchanging crypto-assets as principal, or have their order routed to another provider. These arrangements can affect the spread or execution price. Trading and settlement may involve on-chain or off-chain steps, and the routes available vary between providers, making them difficult for retail users to assess. Users should also understand, separately, how their assets are held in custody, how those assets are protected from the provider's creditors in insolvency, and what happens if a custodian or other provider fails; notably the absence of deposit-guarantee and investor-compensation cover for the crypto-assets concerned must be prominent. Further, Market abuse risks also remain significant. Providers should take all measures to detect and address wash trading, pump-and-dump schemes, spoofing and front-running. Regulator should tackle such high-risk schemes and asset's (including their issuer).

Finally, self-directed access to crypto-assets can be easier than access to complex traditional financial instruments, even where the risks are difficult to understand. MiCAR does not impose a general client appropriateness assessment for an ordinary crypto purchase; this may warrant reassessment for certain products. The review should consider a proportionate distinction between relatively straightforward spot purchases and more complex crypto structures, with targeted knowledge and risk checks for the latter. This would not imply that spot crypto-assets are low risk. Authoritative EU-level guidance is also needed on 'hybrid' tokens at the MiCAR-MiFID boundary, so to avoid miss-classification, based on holder's rights and risks.

b) Payments with stablecoins (EMTs, ARTs)

- ☒ **Clear information about the benefits and use cases of these assets and services**
- ☒ **Easy-to-understand information, guides, or instructions explaining how the assets or services work**
- ☒ **Clear information about the possible risks and downsides of using these assets**
- ☒ **Clear rules or laws that explain what you are allowed to do and what is prohibited when using these assets**
- ☒ **Consumer protection measures or guarantees if the platform fails, or transactions go wrong**
- ☒ **Investors protection measures in place if the assets lose their value, the providers fail and you lose funds**
- ☒ **Secure and reliable platforms or apps to buy, sell, store, or interact with these digital assets safely**
- Advice or recommendations from trusted sources such as banks, financial advisors, or reputable organisations
- ☒ **Availability of crypto-related products or services offered directly by your bank or payment institution that you trust**

- ☒ **Clear information about who supervises or regulates the platforms, exchanges, or digital assets**
- ☒ **Other missing aspects you feel are important to make you feel safe and confident using these assets**

Please specify to what other missing aspect(s) you refer in your answer to question 8 b):

Submitted written answer:

Retail investors need certainty that regular, independently audited reserve attestations showing the assets backing the token, their custody and liquidity. They also need clear, enforceable redemption rights and procedures if the issuer comes under stress or fails: who is liable, what the holder is entitled to receive, whether redemption is available directly or through an intermediary, and when payment can be expected. The distinction between an EMT's redemption at par and an ART's redemption by reference to the value of its underlying assets must be unmistakable; a blanket "1:1 guarantee" would misdescribe some ARTs. Users should also understand that the token's trading price can depart from its reference value – and under what conditions and what to expect in such scenario, which must be mitigated.

c) Decentralised finance / DeFi

- Clear information about the benefits and use cases of these assets and services
- ☒ **Easy-to-understand information, guides, or instructions explaining how the assets or services work**
- ☒ **Clear information about the possible risks and downsides of using these assets**
- ☒ **Clear rules or laws that explain what you are allowed to do and what is prohibited when using these assets**
- ☒ **Consumer protection measures or guarantees if the platform fails, or transactions go wrong**
- ☒ **Investors protection measures in place if the assets lose their value, the providers fail and you lose funds**
- ☒ **Secure and reliable platforms or apps to buy, sell, store, or interact with these digital assets safely**
- ☒ **Advice or recommendations from trusted sources such as banks, financial advisors, or reputable organisations**
- Availability of crypto-related products or services offered directly by your bank or payment institution that you trust
- ☒ **Clear information about who supervises or regulates the platforms, exchanges, or digital assets**

- ☒ **Other missing aspects you feel are important to make you feel safe and confident using these assets**

Please specify to what other missing aspect(s) you refer in your answer to question 8 c):

Submitted written answer:

Users need an accessible explanation of what the protocol does, who can change or halt it, and what claims or recourse exist if it fails. Where relevant, smart-contract audits should be required and made available to users. Supervisors should be able to assess their scope, date, material findings and unresolved weaknesses; an audit must never be presented as a guarantee of safety. Disclosures should also explain who controls the protocol, its reliance on external data and bridges, when positions may be liquidated, and how users could lose access to deposited assets.

More generally, DeFi should deliver on DLT's potential to reduce unnecessary intermediation, improve transparency and support more integrated markets under standardisation and interoperability requirements. In fact, over-reliance on proprietary interfaces, bridges or other systems can instead create new dependencies and an opaque, fragmented financial architecture which goes counter the SIU objectives. Finally, Users should understand whether they can transfer or recover their assets outside a particular provider, while supervisors need sufficient visibility into the protocol's operation, governance and risks.

d) Transactions with tokenised financial assets

- ☒ **Clear information about the benefits and use cases of these assets and services**
- ☒ **Easy-to-understand information, guides, or instructions explaining how the assets or services work**
- ☒ **Clear information about the possible risks and downsides of using these assets**
- ☒ **Clear rules or laws that explain what you are allowed to do and what is prohibited when using these assets**
- ☒ **Consumer protection measures or guarantees if the platform fails, or transactions go wrong**
- ☒ **Investors protection measures in place if the assets lose their value, the providers fail and you lose funds**
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- ☒ **Advice or recommendations from trusted sources such as banks, financial advisors, or reputable organisations**
- Availability of crypto-related products or services offered directly by your bank or payment institution that you trust

- ☒ **Clear information about who supervises or regulates the platforms, exchanges, or digital assets**
- ☒ **Other missing aspects you feel are important to make you feel safe and confident using these assets**

Please specify to what other missing aspect(s) you refer in your answer to question 8 d):

Submitted written answer:

Clarification is needed to the extent that investors must be told clearly whether a token is itself a financial instrument issued on a ledger, represents a claim to an underlying instrument held elsewhere, or merely provides synthetic exposure to its price. They should understand whether they participate in the underlying issuer's economic performance and what rights, such as dividends or voting, they actually hold.

Where an asset is held elsewhere, providers should substantiate the legal and economic link with verifiable documentation: who holds the underlying instruments, how token holdings are reconciled with them, and whether investors have an enforceable claim. They should also explain what tokenisation changes for investors, rather than use it merely as a marketing label. A product should not be marketed as ownership of a tokenised share when it confers only a price-linked claim, potentially exposing the investor to counterparty risk as well as market risk. Investors also need clarity on each intermediary's role and what happens if an issuer, custodian or platform fails.

Whilst we believe technology neutrality is an important principle, hybrid products may raise difficult questions at the boundary of MiCAR and sectoral financial legislation. Their classification must follow their substantive rights and risks. More authoritative and consistent EU-level guidance, alongside monitoring of emerging structures, is needed so that divergent national interpretations or self-classification do not place economically similar products under a less protective regime.

e) NFTs

- ☒ **Clear information about the benefits and use cases of these assets and services**
- ☒ **Easy-to-understand information, guides, or instructions explaining how the assets or services work**
- ☒ **Clear information about the possible risks and downsides of using these assets**
- ☒ **Clear rules or laws that explain what you are allowed to do and what is prohibited when using these assets**
- ☒ **Consumer protection measures or guarantees if the platform fails, or transactions go wrong**

- ☒ **Investors protection measures in place if the assets lose their value, the providers fail and you lose funds**
- ☒ **Secure and reliable platforms or apps to buy, sell, store, or interact with these digital assets safely**
 - Advice or recommendations from trusted sources such as banks, financial advisors, or reputable organisations
 - Availability of crypto-related products or services offered directly by your bank or payment institution that you trust
- ☒ **Clear information about who supervises or regulates the platforms, exchanges, or digital assets**
- ☒ **Other missing aspects you feel are important to make you feel safe and confident using these assets**

Please specify to what other missing aspect(s) you refer in your answer to question 8 e):

Submitted written answer:

For this type of product, users need reliable information on an NFT's provenance, the seller's authority and the rights/underling actually transferred. Before purchase, they should be told which legal regime applies and whether they acquire copyright or usage rights, title to an associated asset, or only the token itself. Ownership of an NFT does not, by itself, establish ownership of the artwork or other asset it references – and any type of counterfeiting should be tackled. Where an NFT purports to represent a physical or financial asset, digital provenance alone is insufficient: the asset's existence, custody and legal link to the token should be verifiable, including through the responsible, regulated custodian where applicable. Marketplaces should take proportionate steps to detect fake mints and copied collections, explain whether linked content can change or disappear, and make clear what remedy is available for misrepresentation. We support technology-neutral, substance-over-form classification, but case-by-case assessment can still leave uncertainty at the MiCAR/MiFID boundary. Baseline information and authenticity safeguards should therefore apply regardless of an NFT's label or changes in its popularity. In principle, using a blockchain to reduce intermediaries must not make the asset or the buyer's rights harder to verify.