Stablecoins under MiCA

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Titles III and IV have applied since 30 June 2024 and are the part of MiCA with the sharpest practical edge. An e-money token references one official currency. Only a credit institution or an electronic money institution authorised under the E-Money Directive may issue one, and it must be redeemable at par at any time, carry no interest and be backed by funds held partly in deposits and partly in low-risk assets. An asset-referenced token references anything else: a basket of currencies, commodities, crypto-assets or combinations. Its issuer needs authorisation in a Member State, a reserve of assets segregated from the issuer's estate, a redemption right and a white paper approved by the competent authority. Significant ARTs and EMTs, measured by holders, value, transactions and interconnectedness, come under EBA supervision and higher capital.[1]

The effect on the market was immediate. Tether's USDT, whose issuer did not seek Union authorisation, was delisted by Union-regulated venues in the first quarter of 2025. Circle obtained an electronic money institution licence in France and issues USDC and EURC under it. Several banks announced euro EMTs. For a Swiss franc stablecoin issued from Zürich or Zug, MiCA treats the token as an EMT referencing a non-Union currency. Offering it to the Union public requires a Union credit institution or EMI as issuer, which no Swiss franc stablecoin had set up by

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mid-2026. For the Singapore single-currency stablecoin issuers, the position is identical.[2] The comparison with FINMA's and MAS's approaches is instructive. FINMA treats the issuer's promise as a deposit or a collective investment and demands a bank or a fund structure, which produces a stricter result than MiCA's EMI route. MAS's framework of August 2023 resembles MiCA's EMT title in substance: reserve, par redemption within five business days, capital, disclosure and a label. MiCA's innovation is the transaction cap on non-Union currency tokens, which neither Switzerland nor Singapore has copied.

Cross-border perspective

A Singapore MPI that issues an MAS-regulated S$ stablecoin and wants European users should assume that the token is an EMT referencing a non-Union currency. It will need a Union EMI, a white paper notified to that EMI's authority, a reserve held in Union custodians and a monitoring system for the Art. 58 transaction cap. The alternative is to leave the European market to a partner that holds an EMI and to supply the technology under a service agreement. A Swiss issuer faces the same choice, with the added difficulty that FINMA's deposit characterisation already requires a bank or fintech licence at home. Two licences in two regimes for one token is the price of a franc or dollar stablecoin that crosses into the Union.

Notes

1. Regulation (EU) 2023/1114, Arts. 16 to 47 (ARTs) and Arts. 48 to 58 (EMTs). Art. 50 prohibits interest on EMTs. Arts. 23 and 58 impose a limit on ARTs and EMTs referencing a non-Union currency once daily transactions as a means of exchange within a single currency area exceed one million and EUR 200 million. ↩
2. The USDT delistings are discussed in Part E, Chapter VII, and Part K, Chapter VI, in the context of the Swiss and Singapore stablecoin regimes. ↩

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