

Position paper

Regulatory developments necessary for the development of euro-denominated *stablecoins*

Summary

Today, nearly 96.2% of *stablecoins* in circulation, mainly on crypto-asset markets, are backed by the dollar, compared with less than 1% for the euro¹. By comparison, the dollar accounts for 58% of global foreign exchange reserves and the euro for 20%. This disproportion illustrates Europe's lag and highlights the major risk for the euro of losing its importance in the future of finance. Without concrete and rapid action, the European Union (EU) risks monetary marginalisation in tomorrow's payments, finance and international trade.

Euro-backed *stablecoins* represent an opportunity for the European Union: that of providing the euro with a competitive and sovereign digital version capable of rivalling the current dominance of dollar-backed *stablecoins*. A collective effort is therefore needed to support the rise of the euro stablecoin and give the Union and industry the means to remain in control of their monetary future.

This momentum is already underway. Leading regulated players such as Circle and Société Générale - FORGE have launched euro *stablecoins* that comply with regulatory requirements, paving the way for other initiatives on the continent. More recently, a *consortium* of nine major European banks² (UniCredit, ING, DekaBank, Banca Sella, KBC Group, Danske Bank, SEB, CaixaBank and Raiffeisen Bank International) announced the launch of a euro *stablecoin*, confirming the growing interest of traditional institutions. Ultimately, it is desirable to see the emergence of one or more euro stablecoins with a high volume of liquidity. At the same time, the European Central Bank is continuing its work on the digital euro, which is now scheduled for launch in 2029. A digital euro issued by the ECB and euro *stablecoins* developed by private and regulated players can coexist and reinforce each other, with a view to consolidating the euro's position in the global digital economy.

However, in order to succeed, it is necessary to remove the regulatory barriers that currently hinder the development of euro *stablecoins* and to promote a political and public discourse that is favourable to their growth. The prohibition on paying interest on them, the lack of direct access to central bank accounts, the risk of dual MiCA/PSD authorisation, and the constraints attached to the concept of significance are all factors that hinder their attractiveness and adoption.

It is in this spirit that Adan proposes, through this document, a series of targeted regulatory changes. These proposals constitute a concrete contribution to the ongoing European debate and should be taken into account in the drafting of the MiCA (Market-in-Crypto Assets) report in accordance with Article 142 of the Regulation. They aim to support not only euro stablecoins but also the players who develop them, in order to consolidate a credible and competitive ecosystem that serves European sovereignty.

¹ <https://coinmarketcap.com/view/eur-stablecoin/>

² <https://paperjam.lu/article/neuf-banques-prevoient-de-lancer-un-stablecoin-en-euro-dici-2026>.

Summary

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1. Authorise the remuneration of stablecoins in euros to enhance their attractiveness

The development of *stablecoins* is a strategic issue for the European Union. These instruments, backed by an official currency and already regulated by the Market-in-Crypto-Assets (MiCA) regulation³, are a key innovation for supporting the competitiveness of the internal market, boosting the Union's monetary sovereignty and offering citizens payment solutions that can compete with those of the United States, which are currently the most widely used, even in Europe.

Article 50 of MiCA prohibits issuers of electronic money tokens (EMTs), as well as crypto-asset service providers (CASP) that provide services related to these tokens, from paying interest or any other form of remuneration to their holders. Any remuneration or benefit linked to the length of time the tokens are held is considered interest and therefore falls within the scope of this prohibition. While this may be justified for issuers, it appears disproportionate when extended to intermediaries, who are not directly involved in the issuance of these tokens.

In the United States, the *Genius Act*⁴ makes a clear distinction between *stablecoin* issuers and intermediaries. The former cannot pay interest, but the latter retain the ability to offer remunerated services on these assets. Conversely, MiCA imposes a uniform prohibition on all relevant actors. This homogeneity creates a major competitive disadvantage for European PSCA and limits their ability to innovate and offer business models comparable to those seen in neighbouring markets.

From a prudential perspective, Adan considers that this prohibition disregards the principle of proportionality set out in Article 5 TFEU and reiterated in the *Fedesa* case law⁵. Alternatives exist: limiting this prohibition to issuers, as is the case with the rules for traditional electronic money, setting remuneration caps, and imposing stricter transparency requirements.

From an economic perspective, the inability of PSCA to offer remuneration directly undermines the attractiveness of *stablecoins* within the European Union. It also undermines the monetary sovereignty of the Union, in particular because it deprives the euro of a tool for internationalisation and encourages consumers to turn to unregulated products.

Consequently, Adan recommends a targeted revision of Article 50(2) and (3) of MiCA to allow PSCAs and third parties to pay interest or rewards to EMT holders, and to align with the EMD2 Directive. This change would restore a balance that is essential to supporting the competitiveness of stablecoins and give the European Union the means to achieve its ambition: to make the euro stablecoin a competitive, attractive and sovereign digital currency. Finally, it would bring the Union into line with international frameworks such as the Genius Act in the United States.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1114&qid=1758877879367>.

⁴ <https://www.congress.gov/bill/119th-congress/senate-bill/1582/text>.

⁵ https://eur-lex.europa.eu/resource.html?uri=cellar:ffd72601-c072-4215-83f8-ed59f5af0d03.0001.06/DOC_2&format=PDF.

It should be noted that **some ADAN member banks do not share this position.**

2. Guaranteeing direct access for *stablecoin* issuers to central bank accounts

The issue of access for euro *stablecoin* issuers to backup accounts with central banks is central to financial stability and user confidence. Due to their potential for mass adoption and their growing role in digital payment systems, *stablecoins* should be considered critical infrastructure whose proper functioning is in the interest of the EU and its citizens. That said, Adan believes that MiCA, as currently drafted, introduces structural fragility by preventing EMT issuers from accessing central bank accounts directly.

Articles 36 and 37 of MiCA require EMT issuers to place reserve assets either with credit institutions or in liquid financial instruments. This obligation may have the effect of concentrating a significant portion of reserves within a limited number of banking counterparties, which may limit the diversification of the system. Limited access to central bank accounts, strictly reserved for *stablecoin* issuers **regulated by MiCA**, would address these issues. Such access, limited to the specific needs of *stablecoin* issuance and management, would exclude any refinancing or generalised access. It would make it possible to:

- Reduce banking counterparty risk;
- Reduce issuers' dependence on private intermediaries.

As the regulation stands, EMTs appear paradoxically less protected than traditional electronic money funds, even though they are set to play a structuring role in the ecosystem and the digital economy. The exclusion of this mechanism is also questionable in view of the principle of equal treatment. Credit institutions and electronic money institutions are already authorised to open backup accounts with central banks. Preventing EMT issuers from accessing them, even though they carry out a comparable activity – which consists of receiving funds from the public in exchange for tokens representing a stable monetary value – creates discrimination without objective justification. Finally, refusing to allow euro *stablecoins* to be directly anchored to the Eurosystem's monetary infrastructure undermines their international credibility.

At a time when the United States and other jurisdictions are developing frameworks conducive to the emergence of dollar-backed *stablecoins*, the EU would risk marginalising its own instruments. Conversely, opening central bank accounts to European issuers would send a strong signal of confidence, stability and sovereignty, in line with the strategic objective of strengthening the international role of the euro.

*Adan therefore recommends including MiCA-regulated EMT issuers among the entities authorised to hold accounts with national central banks in order to meet the needs arising from the issuance and management of *stablecoins*. This reform would secure reserves, mitigate banking concentration and strengthen user confidence. It would also reflect a clear political will to make*

the euro a benchmark digital currency, capable of competing with its international rivals and establishing itself as a pillar of European monetary sovereignty.

*It should be noted that **some ADAN member banks do not share this position.***

3. Avoiding the need for dual licensing with the Payment Services Directive

While the Payment Services Directive (PSD2) aims to regulate payment services for traditional monetary transactions, MiCA seeks to regulate crypto-asset services related to EMT activities. It is essential to clarify the scope of payment regulations in order to avoid any overlap between the requirements applicable to EMTs.

The industry is extremely concerned about the overlap between the payments regime and the MiCA regulation, given the dual classification of EMTs as electronic money and crypto-assets. Certain services involving EMTs would be classified simultaneously as payment services and crypto-asset services, resulting in duplication of regulation and dual licensing requirements for the same activity.

We recall the intention expressed by the legislator in recital 93 of the MiCA Regulation: "*Depending on the specific characteristics of the services associated with the transfer of electronic money tokens, those services could fall within the definition of payment services in Directive (EU) 2015/2366. In that case, such transfers should be carried out by an entity authorised to provide those payment services in accordance with that Directive.*" If the legislator's intention was to subsume EMT activities in general under the PSD/R, MiCA would have explicitly reflected this.

Redundant requirements for EMT-based services would not only reduce the competitiveness of European CASPs, but would also have a chilling effect on the growth potential of the nascent euro *stablecoin* market. Many European CASPs, which are essential for the distribution and circulation of euro *stablecoins*, would likely reduce their EMT custody and transfer services, given the disproportionate operational and regulatory burden. The consequences would be very serious for the circulation – and therefore the development – of euro *stablecoins*.

The application of two different regimes also creates an uneven playing field compared to other crypto-assets or payment instruments. This could undermine the ease of use and long-term viability of EMT-related services. This would ultimately place an excessive burden on the EU market, particularly for smaller players, who represent the majority of the local EU ecosystem.

The EBA emphasised in its June 2025 no-action letter the need to avoid dual licensing under PSD2 and MiCA for the core activities of CASPs related to electronic money tokens (EMTs). As the EBA notes, "*any given financial activity should be regulated by a single financial services law*". [...] Dual licensing for the same activity "*should be avoided*" as it would impose a "*disproportionate*

compliance burden". Indeed, the application of a dual licensing regime is contrary to the fundamental principle of proportionality and creates an uneven playing field with respect to other crypto-assets.

The Adan therefore recommends the adoption of a streamlined authorisation system in PSD3 and, consequently, the implementation of the necessary adjustments to MiCA via PSD3/R, in order to allow entities to obtain PSP or PSAN authorisation under a simplified procedure, enabling them to operate under a unified authorisation framework. In addition, a distinction should be made between payment services using EMTs under PSD2 and crypto-asset services under MiCA.

This clarification is essential to ensure that EMTs are effectively regulated without being subject to redundant or inconsistent regulations. Adan also considers that a transitional period until 2027 is necessary to update their legal status and obtain the corresponding licence.

Finally, the necessary clarifications should be made in MiCA during its revision to clarify its framework for payments with EMTs, so that these operations can be governed by a regulatory framework involving a single licence.

Finally, from a political standpoint, clarifying the scope of MiCA is essential to lend credibility to the European regulatory framework vis-à-vis other jurisdictions. If the EU persists in imposing additional legal constraints not provided for in MiCA, it will send a negative signal to investors and the industry.

4. Revise the regime for significant issuers and make requirements more proportionate

The competitiveness of euro-pegged *stablecoins* depends directly on the quality and proportionality of the regulatory framework applied to them. In its current wording, MiCA introduces a distinction between "significant" and "non-significant" issuers, accompanied by rigid constraints that risk penalising European players and creating inconsistency with the regime applicable to electronic money.

Articles 43 to 47 of the MiCA Regulation introduce a distinction between issuers of so-called "significant" electronic money tokens and those considered non-significant. This classification is based on quantitative thresholds, linked in particular to the value of EMTs in circulation (> €5 billion) and a high daily transaction volume. Significant issuers are subject to enhanced prudential requirements, including an increase in capital requirements from 2% to 3% and stricter liquidity rules. Thus, once these thresholds are reached, issuers are required to apply additional requirements in terms of governance, risk management, liquidity and supervision by the EBA.

Adan considers this distinction to be problematic in several respects. First, it has no equivalent in the regime applicable to electronic money institutions. Electronic money institutions can exceed very large transaction volumes without being subject to a specific regulatory category triggering

additional obligations. This asymmetry creates a breach of equal treatment between two functionally similar instruments, without objective and proportionate justification, contrary to the established case law of the CJEU.

Secondly, the thresholds set by MiCA are arbitrary and unsuited to the dynamics of a market under construction. Setting quantitative limits *ex ante*, without any link to qualitative risk indicators or the possibility of immediate adaptation, amounts to imposing disproportionate burdens on European players in the midst of a growth phase. This mechanism risks hindering the emergence of intermediate issuers, precisely those that Europe needs to structure a competitive offering to rival dollar-pegged *stablecoins*. By comparison, the United States does not impose any equivalent category or enhanced prudential ratios.

Furthermore, the introduction of a significant category is redundant in view of Article 44 of MiCA, which already gives competent authorities and the EBA the power to impose additional requirements or safeguards on issuers where justified by financial stability or consumer protection considerations. In other words, the objective of prudential flexibility can be achieved without creating additional regulatory stratification.

Politically speaking, **the creation of a category of significant issuers sends a paradoxical signal.** The European Union claims to want to support innovation and the attractiveness of its market, but it is erecting additional barriers at precisely the moment when its own players are seeking to reach critical mass. This measure risks reinforcing the competitive disadvantage of European EMTs vis-à-vis their American competitors, who are not subject to such regulatory stratification and therefore benefit from greater agility. Ultimately, instead of protecting the European market, this rigidity risks penalising its own players and reinforcing the dominance of non-European competitors.

Adan recommends removing the category of significant issuers. This would restore consistency with the regime applicable to electronic money institutions and avoid unnecessary over-regulation that diverges from more permissive international frameworks. Failing that, it would be imperative for the thresholds to be defined and adjusted by means of a delegated act, so that they can be reviewed regularly and remain proportionate to market developments and risks.

5. Establish mutual recognition regimes and strengthen international cooperation

The effectiveness and attractiveness of euro-denominated *stablecoins* depends on their ability to circulate beyond the internal market. These instruments are global in nature and must be able to operate within an interoperable regulatory environment, with mutual recognition of regimes. However, MiCA does not provide for such a mechanism, creating a structural handicap for European players.

To promote the use of euro-denominated *stablecoins* globally, the European Union must develop mutual recognition agreements with key jurisdictions (United States, Singapore, etc.) in order to avoid redundant local requirements and ensure global interoperability. Adan believes that the European Union should prioritise reciprocity with these jurisdictions in order to ensure recognition of the MiCA regulation abroad. To this end, clear criteria for mutual recognition should be established to assess the extent to which a third-party regime can be considered "equivalent" or "partially equivalent" to the European framework. The aim is not to establish automatic recognition of foreign regimes and *stablecoins*, but to define objective and verifiable criteria for mutual recognition in order to avoid double compliance when the requirements pursue the same prudential and market protection objectives. Without such a mechanism, European issuers would be confined to the internal market alone, limiting their potential for adoption and reducing their competitiveness vis-à-vis dollar-denominated *stablecoins*, which already enjoy de facto international recognition.

Unlike other European legislative instruments in the field of financial services, such as MiFID II or on over-the-counter derivatives, central counterparties and trade repositories such as EMIR, the MiCA Regulation does not provide for any mechanism for the mutual recognition of foreign regimes. This absence constitutes a legal and economic anomaly, as the legislator has already recognised in other sectors that regulatory isolation weakens European competitiveness and the overall stability of the financial system.

By failing to provide for such mechanisms, MiCA places European issuers at a competitive disadvantage. On the one hand, they will have to comply with strict requirements within the European Union without benefiting from recognition abroad. On the other hand, their American or Asian counterparts will be able to offer their products internationally without encountering the same obstacles, accentuating the competitive asymmetry. This situation risks marginalising euro-denominated *stablecoins* and leading to a loss of strategic influence for the euro in the global digital economy.

From a legal perspective, this shortcoming undermines the consistency of EU law. Article 114 TFEU, which forms the basis for the MiCA regulation, aims to improve the functioning of the internal market by removing barriers to trade and ensuring fair competition. Depriving European issuers of a regulatory gateway to third jurisdictions amounts to creating a barrier that contradicts these objectives and undermines the competitiveness of the internal market.

Politically, the absence of mutual recognition regimes directly undermines the Union's ambition to strengthen the international role of the euro. While the United States is working to consolidate the use of the dollar in the digital economy, in particular through the recognition of *stablecoins* backed by its currency, Europe cannot afford to maintain a self-centred approach that would reduce its own instruments to a regional role. For the euro to become a benchmark currency for digital payments and settlements, it must enjoy international recognition and be able to circulate freely beyond the borders of the EU.

ADAN recommends that the European Commission quickly engage in bilateral and multilateral discussions with key jurisdictions in order to establish mechanisms for mutual legal recognition. This reflection could, as a first step and by way of example, be accompanied by a three-stage roadmap (1) identify priority jurisdictions (2) assess for each of them the adequacy and gaps in relation to the criteria for mutual recognition - in particular in the context of "partial MiCA compliance" and (3) set indicative deadlines for the negotiation and implementation of the corresponding agreements.

The Association considers these agreements essential to reduce regulatory duplication, ensure the interoperability of legal frameworks and support the global use of stablecoins, particularly those denominated in euros.

6. Adapt reserve and capital requirements to market realities

The reserve and capital requirements set out in MiCA need to be reviewed to ensure greater proportionality between the objectives of financial stability and the economic viability of issuers. As currently formulated, they are based on overly rigid constraints, in particular the requirement to maintain a minimum level of bank deposits, which is not necessarily the most appropriate means of achieving the desired objective. The threshold provided for in MiCA (30% of bank deposits for all issuers, increased to 60% for significant issuers) appears excessive and unsuited to market realities.

The purpose of this requirement, which is to guarantee the availability of reserves and the protection of holders, is clear. However, the exclusive use of bank deposits is not the only way to ensure this security. The standards for segregation of liquidity funds and transparency could be achieved *through* a combination of safe and liquid instruments, without imposing a systematic concentration in commercial banks' balance sheets. A reduction in the mandatory minimum level of bank deposits (or, at the very least, the introduction of exemptions for non-significant issuers) would help to preserve the stability of the system and support innovation and competitiveness. This flexibility seems all the more legitimate given that no similar constraints exist for traditional financial institutions managing riskier fiat currencies.

This rigidity has several negative effects. It increases compliance costs and operational complexity, which undermines the competitiveness of European players, particularly those in the growth phase. It also creates an unjustified asymmetry with the regime applicable to traditional EMEs, which benefit from more proportionate requirements.

Furthermore, the "double reserve" requirement imposed by MiCA leads issuers to maintain separate reserves or *smart contracts* depending on the jurisdiction, which fragments liquidity and prevents the creation of a critical mass comparable to that observed in US markets, where issuers can centralise their reserves. As a result, euro-denominated stablecoins risk seeing their

capitalisation plateau and remain structurally less competitive than their dollar-denominated counterparts, which are able to capture global volumes more easily.

While it is necessary to ensure that reserves remain fully backed by the euro and available at all times, it is essential to offer issuers a minimum of flexibility in the management of their assets.

In line with this approach, it should be possible for part of the reserves to be deposited with a foreign subsidiary of a European credit institution. Provided that this subsidiary is subject to equivalent prudential requirements and integrated into consolidated supervision, such an arrangement does not in any way reduce the level of protection for European users. On the contrary, it would support the international development of European issuers, while ensuring continuity of protection and supervision. Rejecting this option would amount to artificially limiting the ability of European players to operate on a global scale, giving their non-European competitors an unfair competitive advantage.

A review of reserve and capital requirements is therefore essential to reconcile prudential rigour and monetary sovereignty. By reducing minimum bank deposits, introducing exemptions tailored to non-significant players and correcting the fragmentation caused by "double reserves", the European Union would strengthen both the attractiveness of the MiCA regime and the competitiveness of its issuers vis-à-vis their foreign competitors.

This development would in no way undermine the guarantees offered to users, but would instead consolidate an integrated, liquid and secure European market capable of supporting the development of a benchmark euro stablecoin.

7. Reflections on the wider use of *stablecoins* in financial transactions

Today, the use of euro-denominated *stablecoins* remains largely confined to the crypto ecosystem: liquidity transfers between platforms, temporary hedging of positions and intra-crypto payments. This situation is reductive. In their economic function, these instruments can be likened to deposits or cash funds and should be able to play a structuring role in traditional European finance.

Several elements of positive law currently impose limits on the automatic recognition of *stablecoins* as eligible margin assets or collateral. European prudential rules (CRR), market infrastructure standards (EMIR) and central bank lists of eligible assets set firm criteria – stability, liquidity and security – which currently exclude most crypto-assets. However, since *stablecoins* are based on a reserve that is fully backed by the euro, strictly segregated and managed transparently, they meet these criteria. Therefore, from a technological neutrality perspective, it would be consistent for them to be recognised in the same way as cash funds or other safe assets.

Such recognition would open the way to several practical uses. In banks' asset-liability management, fiat reserves associated with *stablecoins* could be treated as retail bank deposits. In the financing of the economy, euro *stablecoins* could be accepted as collateral for lending, in the same way as deposits or sovereign securities. In market infrastructures, particularly under EMIR, their acceptance as margin collateral would broaden sources of liquidity and streamline transactions. They could also encourage the emergence of new instant settlement solutions, reducing delays and operational costs in financial markets.

Beyond these aspects, the integration of euro *stablecoins* into prudential and market frameworks represents a major strategic and political challenge. It would send a clear signal in favour of innovation and technological neutrality, while consolidating the euro's position in global digital markets. Conversely, refusing to integrate them would marginalise the euro in relation to dollar-denominated *stablecoins*, which are already widely used as settlement instruments, both in decentralised finance and in certain segments of traditional financial markets.

Consequently, Adan recommends that a market-wide discussion be initiated, led by the Banque de France and involving all stakeholders, to examine the practical conditions for integrating euro-denominated stablecoins into the CRR, EMIR and, more broadly, the relevant financial regulations. This approach would make it possible to remove technical obstacles, define shared governance and liquidity standards, and ensure the gradual, secure and competitive adoption of these instruments in Europe.

8. **Conclusion**

The development of euro-denominated *stablecoins* is no longer a matter of opportunity but of strategic necessity. In a context where nearly 96.2% of *stablecoins* in circulation are backed by the dollar, Europe must act quickly to avoid monetary marginalisation in the global digital economy.

In summary, Adan recommends:

- allowing intermediaries to pay interest on *stablecoins* to enhance their competitiveness;
- guaranteeing direct (but limited) access for issuers to central bank accounts;
- avoiding the requirement for dual MiCA/PSD licensing by clarifying the respective scopes of the texts;
- removing the concept of a "significant" issuer to ensure real proportionality between the level of risk and the prudential requirements imposed;
- introduce mutual recognition regimes to support the international circulation of euro-denominated *stablecoins*;
- relax reserve and capital requirements to enhance Europe's attractiveness;
- encourage their integration into traditional finance, particularly as settlement and collateral instruments within European infrastructures.



These adjustments are essential for building a competitive, secure and sovereign European framework. The European Union has the necessary assets to make euro *stablecoins* a global benchmark for stability and innovation – provided it acts without delay.

Adan is available to work with national and European regulatory authorities to further develop these ideas as part of the MiCA report.

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