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Additional Information

Level 1 Regulation
MiCA

Topic
Crypto-Asset Service Provider (CASP)

Subject Matter
Proprietary trading under MICA

Question
Do firms dealing on own account with regards to crypto-assets require a CASP license?

ESMA Answer

06-06-2025

Original language

Answer provided by the European Commission

According to Article 3(1)(15) of MiCA, a legal person or other undertaking is defined as a CASP if its occupation or business is the provision of one or more crypto-asset services to clients and if its acts on a professional basis.

Dealing on own account is defined under Article 4(6) MiFID as trading against proprietary capital resulting in the conclusion of transactions in or more financial investments. Similarly, for crypto-assets, dealing on own account is the trading against capital resulting in the conclusion of transactions in one or more crypto-assets.

Dealing on own account generally does not involve a client relationship as the service provider is not acting on behalf of its clients but its own name, e.g., proprietary trading on crypto-asset trading platforms. In those cases, a CASP license is not required.

In respect to proprietary trading on crypto-asset trading platforms, MiCA explicitly prohibits CASPs operating a trading platform from dealing on their own account on the same platform (Article 76(5)). However, in some cases, proprietary trading activities using proprietary capital may consist in the execution of crypto-assets services that involve a client relationship. This concerns in particular the services of exchange of crypto-assets for funds defined in Article 3(19) MiCA and the services of exchange of crypto-assets for other crypto-assets defined in Article 3(20) MiCA, which cover the conclusion of purchase or sale contracts concerning crypto-assets with clients for other crypto-assets or funds by using proprietary capital. Therefore firms engaging in these activities (crypto-asset exchange services) must obtain a CASP license.

In this respect, recital 87 clarifies that “the exchange of crypto-assets for funds or other crypto-assets when made by the issuer or offeror should not be a crypto-asset service”.

Also, if the firm is engaged in market making on a trading platform, no client relationship is implied and a CASP authorisation or notification is not applicable.

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