ESMA_QA_2463

Submission Date
12/03/2025

Status: Answer Published

Additional Information

Level 1 Regulation
MiCA

Topic
Crypto-Asset Service Provider (CASP)

Subject Matter
Autotrading

Question
Do “copy trading services” (also referred as “auto trading services”) related to crypto-assets fall within the scope of portfolio management or any other crypto-asset services as listed in Article?3(1)(16) of MiCA?

ESMA Answer

07-04-2025

Original language

Since “auto trading services” or “copy trading services” are not defined by MiCA, it is important to determine and qualify the crypto-asset service(s) being provided by the crypto-asset service provider (CASP) in question. Such qualification is of importance to determine which authorisation the CASP should obtain as well as other relevant MiCA requirements that are applicable.

ESMA already considered the issue of “copy trading services” (and their variations) in an extensive manner in relation to financial instruments[1] under the MiFID II[2] framework. Extensive guidance is thus available in relation to copy trading services in relation to financial instruments here:

- MiFID Questions and Answers, Investor Protection & Intermediaries, 2012, Question?9: Article 4(1)(9) of MiFID - Automatic execution of trade signals: https://www.esma.europa.eu/sites/default/files/library/2015/11/2012-382.pdf (page 15)

- Supervisory Briefing on supervisory expectations in relation to firms offering copy trading services, 2023: https://www.esma.europa.eu/sites/default/files/2023-03/ESMA35-42-1428_Supervisory_Briefing_on_Copy_Trading.pdf

The definitions and scope of the investment services of “investment advice”[3] and “portfolio management”[4] under MiFID II and of the crypto-asset services of “providing advice on crypto-assets”[5] and “providing portfolio management of crypto-assets”[6] under MiCA are similar and should be interpreted in a consistent way.

ESMA considers that the guidance provided under MiFID II in the Q&A and the supervisory briefing referenced above applies, *mutatis mutandis*, to copy trading services under MiCA but regarding only the qualification of what type of crypto-asset service(s) are provided. Therefore, Q&A9 (in its entirety) and sub-sections 2.1 and 2.2 of the supervisory briefing would be relevant. Relying on this guidance, CASPs should assess, on a case-by-case basis, what type of crypto-asset service(s) is(are) triggered when providing copy trading services in relation to crypto-assets according to different models.