



Brussels, 27.2.2025
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COMMISSION DELEGATED REGULATION (EU) .../...

of 27.2.2025

supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council as regards regulatory technical standards specifying the requirements for policies and procedures on conflicts of interest for issuers of asset-referenced tokens

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Article 32(5) of Regulation (EU) No 2023/1114 on Markets in Crypto-assets ('the MiCAR') empowers the Commission to adopt, following submission of draft standards by the European Banking Authority (EBA), and in accordance with Articles 10 to 14 of Regulation No (EU) 1093/2010, delegated acts specifying the requirements for the policies and procedures on conflicts of interest for issuers of asset-referenced tokens under Article 32(5) MiCAR. In accordance with Article 10(1) of Regulation No (EU) 1093/2010 establishing the EBA, the Commission shall decide within three months of receipt of the draft standards whether to endorse the drafts submitted. The Commission may also endorse the draft standards in part only, or with amendments, where the Union's interests so require, having regard to the specific procedure laid down in those Articles.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In accordance with the third subparagraph of Article 10 (1) of Regulation No (EU) 1093/2010, the EBA has carried out a public consultation on the draft technical standards submitted to the Commission in accordance with Article 32(5) of Regulation (EU) No 2023/1114 on Markets in Crypto-assets ('the MiCAR'). A consultation paper was published on the EBA internet site on 7 December 2023, and the consultation closed on 7 March 2024. Three responses were received from private sector associations, and one was received from a university. Respondents have expressed support to the provisions of the draft RTS, stressing that the draft RTS represents a significant step toward enhancing transparency, integrity and investor protection in the evolving landscape of digital finance. Most respondents underlined that the provisions are clear and coherent with the requirements for traditional finance. The provisions of Article 1 (Definitions), 4 (Prevention and Mitigation measures) and Article 10 (Disclosure) have been assessed positively by most respondents who explained they did not have any comments on those Articles. With regard to Article 9 (Adequate resources), most respondents have called for more proportionality mainly with regard to the appointment of a person solely responsible for the management of conflicts of interest and the draft has been adjusted to address that concern. Some respondents have also requested more guidance on certain aspects of the draft or have underlined that certain provisions could create challenges. The EBA has carefully considered all the responses and revised the draft RTS where appropriate. Moreover, the EBA worked in close cooperation with the European Securities and Markets Authority who is mandated to develop a similar RTS for crypto-asset service providers (CASPs) under Article 72(5) of MiCAR and also requested the Banking Stakeholder Group set up in accordance with Article 37 of Regulation No (EU) 1093/2010 to provide advice on them. Together with the draft technical standards, the EBA has submitted an explanation on how the outcome of these consultations has been considered in the development of the final draft technical standards submitted to the Commission.

Together with the draft technical standards, and in accordance with the third subparagraph of Article 10 (1) of Regulation No (EU) 1093/2010, the EBA has submitted its impact assessment, including its analysis of the costs and benefits, related to the draft technical

standards submitted to the Commission. This analysis is available at pages 22 – 26 of the Final Report on the technical draft technical standards¹.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The final regulatory technical standards ('RTS') set out the requirements for policies and procedures on conflicts of interest for issuers of asset-referenced tokens (ARTs) under the Markets in Crypto-Assets Regulation (MiCAR) as well as the details and methodology for the content of the disclosure of the general nature and sources of conflicts of interest and the steps taken to mitigate them.

The RTS contains also specific provisions related to personal transactions and provisions related to the remuneration procedures, policies and arrangements.

The RTS includes requirements for the arrangements with third parties providing one of the functions as referred in Article 34(5), point (h) of MiCAR as well as for the resources dedicated to the management of conflicts of interest.

¹ <https://www.eba.europa.eu/activities/single-rulebook/regulatory-activities/asset-referenced-and-e-money-tokens-micar>

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(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937², and in particular Article 32(5), third subparagraph, thereof,

Whereas:

- (1) Pursuant to Article 32(1) of Regulation (EU) 2023/1114, issuers of asset-referenced tokens are to implement and maintain effective policies and procedures to identify, prevent, manage and disclose conflicts of interest between themselves and certain categories of persons. Where implementing and maintaining the policies and procedures required pursuant to Article 32(1) of Regulation (EU) 2023/1114, issuers of asset-referenced tokens should take into account the principle of proportionality with a view to ensuring that the policies and procedures take into account their size, internal organisation, business model, nature, scale and complexity of their activities, are consistent with, where applicable, group policies and sufficient to effectively achieve the objectives of that Article.
- (2) Conflicts of interest come from a broad range of situations, relationships and affiliations as the interests of the issuer of asset-referenced tokens, its owners, its staff, management body, stakeholders, entities belonging to the same group as the issuer of asset-referenced tokens and other stakeholders may differ when issuing asset-referenced tokens, making them available to the public and managing them. When deciding what kind of situations and circumstances should be covered by their conflicts of interest policies and procedures, issuers of asset-referenced tokens should take into consideration all situations which may influence or affect or may be perceived to influence or affect, the ability of the issuer of asset-referenced tokens or any person connected to the issuer of asset-referenced tokens to take impartial and objective decisions.
- (3) Ensuring the sound governance and management of issuers of asset-referenced tokens is fundamental for their functioning and to ensure trust in this segment of the financial market. For those reasons, the conflict of interest policies and procedures should specifically cover those conflicts that may impede the ability of members of the management body to take objective and impartial decisions that aim to be in the best

² OJ L 150, 9.6.2023, p. 40, ELI: <http://data.europa.eu/eli/reg/2023/1114/oj>.

interests of the issuer of asset-referenced tokens, but also in the interests of the holders of asset-referenced tokens.

- (4) The reserve of assets is a key element of asset-referenced tokens, and its sound management contributes to the protection of holders of asset-referenced tokens. When identifying, preventing, managing and disclosing conflicts of interest, issuers of asset-referenced tokens should take into account the potential conflicts of interest arising from the management and investment of the reserve of assets referred to in Article 36 of Regulation (EU) 2023/1114 and the policies and procedures of the issuers of asset-referenced tokens should cover those aspects. Similarly, issuers of asset-referenced tokens should take into account the potential conflicts of interest with third parties that provide services related to the operating, the investment or the custody of the reserve assets and, where applicable, the distribution of the asset-referenced tokens to the public. For the same reason, issuers of asset-referenced tokens should establish, implement and maintain arrangements to ensure that the third party, that provides one of the functions as referred in Article 34(5), point (h) of Regulation (EU) 2023/1114 acts in a manner consistent with their conflicts of interest policies and procedures.
- (5) In their conflict of interest policies and procedures under Article 32(1) of Regulation (EU) 2023/1114, issuers of asset-referenced tokens should take into consideration the actual and potential conflicts of interest which affect or potentially affect the interests of holders of asset-referenced tokens as well as the interests of the issuer of asset-referenced tokens, including conflicts of interest which may affect its performance and situation and thus, indirectly, also the interests of holders and prospective holders of asset-referenced tokens.
- (6) In order to ensure that the interests of the holders, prospective holders and issuers of asset-referenced tokens are sufficiently protected, the issuer of asset-referenced tokens should assess and evaluate any actual and potential conflicts of interests and establish and implement appropriate measures to prevent or mitigate them at the earliest stage possible.
- (7) Transactions that are exchanges of asset-referenced tokens for funds or other crypto assets including redemption of asset-referenced tokens where the issuer of the asset-referenced token is one of the parties of the transaction, carry a heightened risk of conflicts of interest and therefore should be carefully assessed as to whether they can be detrimental to the issuer of the asset-referenced token, where the transactions are carried out on behalf of persons directly or indirectly connected to the issuer of the asset-referenced token itself.
- (8) Similarly, as the incentives foreseen in the remuneration procedures, policies and arrangements may give rise to conflicts of interest, they should be monitored to prevent any distortive application, which would be detrimental to the issuer or the holders of asset-referenced tokens.
- (9) In order to prevent conflict of interests detrimental to the issuer of asset-referenced tokens, the policies and procedures under Article 32(1) of Regulation (EU) 2023/1114 should ensure the careful monitoring of situations where persons connected to issuers of asset-referenced tokens have a personal, professional or political relationship with another person that has interests conflicting with those of the issuer. Such relationships have the potential to influence objectivity or judgement of issuers of asset-referenced tokens and their connected persons. Personal relationships should include those between relatives by blood or marriage, or social relationships not limited to a formal partnership or marriage. Political relationships should include memberships of

political parties, or relationships with government or other public officials. Professional relationships should consist in relationships in a professional setting, such as at work or in a business context.

- (10) To ensure trust in the issuer of asset-referenced token as well as to protect that issuer from reputational damage or legal risks, in circumstances where risks of conflicts of interest are particularly significant and cannot be appropriately prevented or managed through the adopted policies and procedures including internal systems and controls, other additional specific measures should be decided on and put in place to prevent or manage the relevant conflicts of interest.
- (11) For the purpose of ensuring at all time their appropriate implementation, maintenance and review, the conflict of interest policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114, should ensure that there are sufficient resources available for the management of the conflicts of interest and that human resources managing the conflicts of interest at the issuer of asset referenced tokens are independent from the business functions of the issuer. Such dedicated human resources should also have the necessary skills, knowledge and expertise. The person responsible for the management of conflicts of interest should be able to access and report directly to the management body in its management function and, where applicable, in its supervisory function. To ensure efficient allocation and management of resources dedicated to the management of conflicts of interest, the policies and procedures should foresee that the person responsible for the management of conflicts of interest is able to commit sufficient time to this role and that the person has available sufficient resources at all times for an appropriate implementation, application, monitoring and review of those policies and procedures.
- (12) To ensure that holders and prospective holders of asset-referenced tokens can take an informed decision about the asset-referenced-tokens, issuers of asset-referenced tokens should keep the information disclosed to the holder of asset-referenced tokens in accordance with Article 32(3) of Regulation (EU) 2023/1114 up to date and provide a description of the identified conflicts of interest and the measures taken to manage or prevent conflicts of interest.
- (13) In order to make clear to holders of asset-referenced tokens in what capacity or capacities the issuer of asset-referenced tokens is acting, especially as it may often be operating in close cooperation with affiliated entities or entities of the same group, the information referred to in Article 32(3) of Regulation (EU) 2023/1114 should include a sufficiently detailed, specific and clear description of the situations which give or may give rise to conflicts of interest, including the role and capacity in which the issuer of asset-referenced tokens is acting and whether the issuer of asset-referenced tokens is part of a group comprising also crypto asset service providers.
- (14) For the same reason, as well as to ensure appropriate investor protection, holders and prospective holders of asset-referenced tokens should have access to the information referred to in Article 32(3) of Regulation (EU) 2023/1114 in a language with which they are familiar. Therefore, issuers of asset-referenced tokens should make such information available in an official language of the home Member State as defined in Article 3(33), point (d), of Regulation (EU) 2023/1114 and in a language which is customary in the sphere of international finance. At the time of adoption of this Regulation, English is the customary language in the sphere of international finance but that could evolve in the future.

- (15) The processing of personal data, including information collected for the purposes of the conflict of interest policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114, by issuers of asset-referenced tokens should be carried out in compliance with the right to protection of personal data of the persons concerned, as set out in Articles 7 and 8 of the Charter of Fundamental Rights of the European Union and must comply with Regulation (EU) 2016/679 of the European Parliament and of the Council³.
- (16) The conflict of interest policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 as further specified in the regulatory technical standards set out in this Regulation should provide for the communication of personal data when necessary and proportionate to ensure the adequate identification, prevention, management and disclosure of conflicts of interest potentially detrimental to the holders of asset-referenced tokens or to the issuers of asset-referenced tokens, taking into account the fundamental rights to privacy and to the protection of personal data of the connected persons. In line with the principle of data minimisation as laid down in Regulation (EU) 2016/679, the issuers of asset-referenced tokens should specify which categories of personal data they will process to identify, prevent and manage conflicts of interest in their policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114, in a way appropriate to their size and internal organisation, to the group where applicable, their business model, suitable for the nature, scale and complexity of their activities. The regulatory technical standards set out in this Regulation specify the criteria to identify categories of personal data that are necessary and proportionate to ensure the adequate identification, prevention, management and disclosure of conflicts of interest potentially detrimental to the holders or issuers of asset-referenced tokens, having regard to the risks to the fundamental rights to privacy and to the protection of personal data of the persons referred to in Article 32(1), points (a) to (d) and point (f), of Regulation (EU) 2023/1114.
- (17) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority.
- (18) The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁴,
- (19) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁵ and delivered an opinion on 17 July 2024.

³ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

⁴ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: <http://data.europa.eu/eli/reg/2010/1093/oj>).

⁵ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>).

HAS ADOPTED THIS REGULATION:

Article 1
Definitions

For the purposes of this Regulation, the following definitions apply:

- (a) ‘connected person’ means any of the persons referred to in Article 32(1), points (a) to (d) and point (f), of Regulation (EU) 2023/1114;
- (b) ‘group’ means a group as defined in Article 2(11) of Directive 2013/34/EU of the European Parliament and of the Council⁶.

Article 2

Conflicts of interest potentially detrimental to the issuer of asset-referenced tokens

1. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 to identify, prevent, manage and disclose conflicts of interests potentially detrimental to the issuer of asset-referenced tokens shall specify the circumstances which are capable of directly or indirectly affecting the objectivity and impartiality of the connected persons in exercising their duties and responsibilities. Such policies and procedures shall take into account situations or relationships where a connected person:
 - (a) has an economic interest in a person, body or entity with interests conflicting with those of the issuer of asset-referenced tokens;
 - (b) holds responsibilities within a person, body or entity with interests conflicting with those of the issuer of asset-referenced tokens;
 - (c) is hierarchically supervised by a person with interests conflicting with those of the issuer or the holders of asset-referenced tokens;
 - (d) has a relationship of a personal, professional or political nature with a person, body or entity that has interests conflicting with those of the issuer of asset-referenced tokens or has had such a relationship within the last 3 years from when the assessment is made;
 - (e) carries out activities in competition with those of the issuer of asset-referenced tokens, including those as a consultant, adviser, delegatee, outsourcee, third party service provider, subcontractor or other supplier of a person, body or entity conducting the same business as the issuer of asset-referenced tokens.
2. With regard to the scenarios set out in paragraph 1, issuers of asset-referenced tokens shall take into account whether those persons, bodies or entities:
 - (a) are likely to make a financial gain, or avoid a financial loss, at the expense of the issuer of asset-referenced tokens;
 - (b) have an interest in the outcome of an activity carried out or the effect resulting from a decision taken by the issuer of asset-referenced tokens and that interest is conflicting with those of the issuer of asset-referenced token.

⁶ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>).

3. With regard to the identification of the economic interest referred in paragraph 1, point (a), issuers of asset-referenced tokens shall take into account situations where the connected person who is a member of the management body or an employee of the issuer:
 - (a) holds ownership rights and tokens (including governance tokens), or membership in that person, body or entity;
 - (b) holds any type of debt with that person, body or entity;
 - (c) has any form of contractual arrangements related to the activities regulated under Regulation (EU) 2023/1114 with that person, body or entity.
4. Conflict of interests policies and procedures shall ensure that transactions consisting in the exchange of asset-referenced tokens issued by the issuer of asset-referenced tokens for funds or other crypto assets, including redemption of asset-referenced tokens, are subject to close scrutiny and monitoring with regard to the conditions in which they are concluded where the issuer is one of the parties of the transaction and the transaction is carried out on behalf of any of the following persons:
 - (a) a member of the management body of the issuer or an employee who can negotiate or sign contracts on behalf of the issuer ;
 - (b) a party related to a person referred to in point (a) as follows:
 - (i) a spouse, registered partner, child or parent;
 - (ii) any relative who has shared the same household with that person for at least a cumulative time period of one year within the previous 5 years from the date of the transaction;
 - (iii) a commercial entity, in which a person referred to in point (a) or points (b)(i) and (b)(ii) has a qualifying holding of 10 % or more of capital or of voting rights, or in which those persons are key function holders as defined in Article 3 (1) (9) of Directive (EU) 2013/36/EU, hold senior management positions or are members of the management body;
 - (c) a person in respect of whom the persons referred to in points (a) or (b) have direct or indirect material interest as regards the outcome or the conditions of the transaction, other than obtaining a fee or commission for the execution of the transaction.

Article 3

Conflicts of interest potentially detrimental to the holders of asset-referenced tokens

1. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 to identify, prevent, manage and disclose conflicts of interest potentially detrimental to the holders of asset-referenced tokens shall address conflicts of interest that arise in the course of issuing, processing and redeeming asset-referenced tokens or of investing or managing the reserve of assets referred to in Article 36 of Regulation (EU) 2023/1114, and shall cover any of the following situations:
 - (a) a connected person is likely to make a financial gain, avoid a financial loss, or receive another kind of benefit, to the detriment of the holder of asset-referenced tokens;
 - (b) a connected person has an interest in the outcome of an activity carried out to the benefit of the holder of asset-referenced tokens, including the redemption

of the token, which is distinct from the interest of the holder of asset-referenced tokens.

2. When identifying the types of conflicts of interest that arise in the course of the activities referred to in paragraph 1, issuers of asset-referenced tokens shall assess whether they or a member of their management body or one of their employees receive or will receive from a person other than the holder of asset-referenced tokens an inducement in relation to that activity in the form of monetary or non-monetary benefit or services in a way that may damage the interest of the holder of asset-referenced tokens.

Article 4 *Policies and procedures*

1. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall be set out in writing and shall reflect the size, complexity and nature of the asset-referenced token and the range of activities carried out by the issuer of asset-referenced tokens and the group to which it belongs.
2. The management body of the issuer of asset-referenced tokens shall be responsible for the definition, adoption and implementation of these policies and procedures. It shall periodically identify and address any deficiencies in the effectiveness of those policies and procedures.
3. Issuers of asset-referenced tokens shall establish effective internal communication channels to inform and provide ongoing access to employees and members of the management body of their conflict of interest policies and procedures and provide appropriate updated trainings on those conflict of interest policies and procedures.
Issuers of assets-referenced tokens shall establish effective external communication channels to inform third parties of their conflict of interest policies and procedures.
4. Where the issuer of asset-referenced tokens is a member of a group, the policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall cover conflicts of interest between the issuer and other group entities.
5. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall include:
 - (a) a description of the circumstances which may give rise to a conflict of interest in accordance with Articles 2 and 3;
 - (b) the processes to be applied in order to identify, prevent, manage, and disclose the conflicts of interest referred to in Articles 2 and 3.
6. The processes referred to in paragraph 5 shall differentiate between conflicts of interest that persist and need to be managed permanently and those that occur occasionally and need to be mitigated by a case-specific measure.
7. The processes referred to in paragraph 5 shall include a description of the following:
 - (a) effective processes to promptly report and communicate through appropriate internal reporting channels of any matter that may result, or has resulted, in a conflict of interest;
 - (b) effective processes to prevent and control the exchange of information between connected persons engaged in activities where a conflict of interest may arise, where the exchange of that information may harm the interests of the holder of

asset-referenced tokens or may affect the performance of such connected person's duties and responsibilities;

- (c) measures to ensure that conflicting activities or transactions are entrusted, where possible, to different persons within the same issuer of asset-referenced tokens or otherwise subject to targeted monitoring and measures that achieve the same effect;
 - (d) measures to ensure that connected persons who perform outside business activities related to the issuer of asset-referenced tokens are prevented from having inappropriate influence within the issuer of asset-referenced tokens regarding those activities;
 - (e) measures to ensure that the risk of conflicts of interest is addressed at the level of the management body or by its responsible committee. Those measures shall ensure that the members of the committee or members of the management body do not have a conflict of interest and shall provide sufficient guidance on the identification and management of conflicts of interest that may affect the members of the management body to take objective and impartial decisions in the best interests of the issuer of asset-referenced tokens;
 - (f) measures to ensure the conferral of the responsibility to the members of the management body to inform other members of and abstain from voting on any matter where the members have or may have a conflict of interest or where the objectivity of those members or ability to properly fulfil their duties towards the issuer of asset-referenced tokens may be otherwise compromised;
 - (g) measures to ensure that members of the management body are prevented from being a member of the management body in the management or supervisory function in competing issuers of asset-referenced tokens.
8. Where the conflicts of interest policies and procedures are insufficient to prevent or mitigate the risks of damage to holders of asset-referenced tokens or the issuer of asset-referenced tokens', the issuer shall amend the policies and procedures to address any deficiencies.
9. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall require issuers of asset-referenced tokens to keep records and document the types of activities or situations giving rise or which may give rise to the conflicts of interest referred to in Article 2(1) and Article 3(1) and, for each type of activity or situation, the measures taken to prevent or mitigate such conflicts. The records shall be kept for a retention period of 5 years.
10. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall ensure that the transactions referred to in Article 2(4) are identified by or notified to the issuer of asset-referenced tokens before a decision on the execution of the transaction and its conditions is taken. Those policies and procedures shall also ensure that decisions to enter into such transactions are taken objectively, in the interest of each party, and that the conditions for the transaction are the same as the conditions that apply between independent parties for the same transactions in the absence of a conflict of interest.
11. In relation to the transactions referred to in Article 2(4), the policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall ensure that:

- (a) decision-making processes for entering into those transactions are set out and that thresholds, expressed as the volume of the transaction, above which such a transaction requires the approval by the management body are established;
- (b) employees and members of the management body are made aware of the rules applied on those transactions, and of the measures established by the issuer of asset-referenced tokens in relation to them;
- (c) the issuer of asset-referenced tokens is informed promptly of any of those transactions;
- (d) a record is kept of the transaction notified to or identified by the issuer of asset-referenced tokens, documenting the date and time of the transaction, the conditions, its volume, the counterparty and any authorisation or prohibition in connection with that transaction.

Article 5

Policies and procedures in the context of remuneration

Issuers of asset-referenced tokens shall, within the policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114, ensure that remuneration procedures, policies and arrangements:

- (a) do not create a conflict of interest or provide for incentives in the short, medium or long term for the employees or members of the management body to favour their own interests or the interests of the issuer of asset-referenced tokens to the detriment of any holder of asset-referenced tokens or shareholders or members of the issuer of asset-referenced tokens;
- (b) identify and mitigate any potential conflicts of interest which may be caused by the award of variable remuneration, underlying key performance indicators and risk alignment mechanisms, including the pay out of instruments to employees or management body as part of the variable or fixed remuneration.

Article 6

Policies and procedures on arrangements with third party service providers

Issuers of asset-referenced tokens shall within the policies and procedures under this Regulation ensure that no written arrangement with a third party service provider is concluded unless:

- (a) the written arrangement obliges the third party to act in a manner consistent with those policies and procedures;
- (b) the written arrangement ensures that when the services referred to in Article 34(5), point (h), of Regulation (EU) 2023/1114 are provided by a third party that is part of the same group as the issuer of asset-referenced tokens, decisions related to the provision of third party services are taken objectively, in the interest of each party and under the same conditions that would apply if the agreement to provide services had been entered into by independent parties.
- (c) Issuers of asset-referenced tokens ensure that the fees offered to provide one of the services referred to in Article 34(5) point (h) of Regulation (EU) 2023/1114 do not promote the interests of the issuer of asset-referenced tokens or the third party in a way that may conflict with the interests of a holder of asset-referenced tokens.

Article 7

Policies and procedures on resources for the management of conflicts of interest

1. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall ensure that resources necessary to manage conflicts of interest are allocated and managed effectively.
2. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall ensure that the issuer of asset-referenced tokens appoints a person responsible for the identification, prevention, management and disclosure of conflicts of interest. That person shall have the authority necessary to discharge its responsibilities appropriately and independently and shall report directly to the management body. Those policies and procedures shall ensure that any other task or function that that person may also be responsible for, does not compromise that person's ability to perform, independently the identification, prevention, management and disclosure of conflicts of interest .
3. The policies and procedures referred to in Article 32(1) of Regulation (EU) 2023/1114 shall define the minimum skills and knowledge necessary for employees to identify, prevent, manage and disclose conflicts of interest under this Regulation.

Article 8

Disclosures of the general nature and source of conflicts of interest and the steps taken to mitigate them

1. Issuers of asset-referenced tokens shall keep the content of the disclosure referred to in Article 32(3) of Regulation (EU) 2023/1114 updated at all times.
2. The disclosure made in accordance with Article 32(3) of Regulation (EU) 2023/1114 shall provide information on:
 - (a) the circumstances and situations giving rise or which may give rise to conflicts of interest referred to in Article 2(1) and Article 3(1), including the role and capacity in which the issuer of asset-referenced tokens is acting in relation to the holder of asset-referenced tokens;
 - (b) whether the issuer of asset-referenced tokens is also a crypto asset-service provider;
 - (c) the risks identified in relation to the conflicts of interest referred to in point (a);
 - (d) the steps and measures taken to prevent or mitigate the identified conflicts of interest.
3. The disclosure of information in accordance with paragraph 2 shall not be considered as a sufficient way to manage and mitigate conflicts of interest.
4. The information referred to in paragraph 2 shall be made accessible to holders and prospective holders of asset-referenced tokens on the website of the issuer of asset-referenced tokens at all times. If the issuer of asset-referenced tokens offers asset-referenced tokens to the public or seeks admission to trading on a trading platform the issuer of asset-referenced tokens shall make the information available on that trading platform.
5. The information referred to in paragraph 2 shall be made available by the issuer of asset-referenced tokens in an official language of the home Member State and in a language which is customary in the sphere of international finance.

Article 9
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 27.2.2025

For the Commission
The President
Ursula VON DER LEYEN