**ALTERNATIVE COMPROMISE A** **Subject matter and scope (Articles 1 to 2a)**

**Articles 1-2**: *final text as circulated on the 7th of March by the Secretariat, with the following addition to the Article 2a:*

**Article 2a:**

1. ***Crypto-assets shall be subject to minimum environmental sustainability standards with respect to their consensus mechanism used for validating transactions, before being issued, offered or admitted to trading in the Union.***

***Crypto-assets that are issued, offered or admitted to trading in the Union before [please insert the date of entry into force of this Regulation] shall set up and maintain a phased rollout plan to ensure compliance with such requirements, in accordance with the conditions and criteria referred to in paragraph 3.***

1. ***By way of derogation from paragraph 1, crypto-assets issued, offered or admitted to trading in the Union shall not be required to comply with the minimum sustainability standards, where the consensus mechanism is operated on a small scale.***
2. ***By ... [please insert 6 months after the entry into force of this Regulation], the Commission shall adopt delegated acts in accordance with Article 121 to supplement this Article by establishing the following:***
3. ***minimum environmental sustainability standards for consensus mechanisms used for validating crypto-assets transactions;***
4. ***the criteria for the phased rollout plan for crypto-assets to comply with the environmental sustainability standards;***
5. ***the date or the dates from which the requirement to comply with the minimum environmental sustainability standards takes effect, including a phase-in period;***
6. ***the conditions under which a consensus mechanism shall be deemed operated on a small scale;***
7. ***the criteria and the date or the dates for the phasing out plan to be set up by crypto-assets service providers in accordance with Article 68.1a.***

***Before adopting the delegated acts, the Commission shall consult the Platform on Sustainable Finance established under Article 20 of Regulation 2019/2088, ESMA and international partners.***

1. ***When drawing up the delegated acts, the Commission shall take into account in particular the following characteristics of the DLT network:***
2. ***the intensive consumption of energy;***
3. ***the use of real resources;***
4. ***carbon emissions;***
5. ***electronic waste;***
6. ***the specificities of the incentive design;***
7. ***the scale of operation of the crypto-asset.***
8. By 1 January 2025, the Commission shall include crypto asset mining activities that contribute substantially to climate change mitigation and adaptation in the EU Sustainable Finance Taxonomy, in accordance with the EU Sustainable Finance Taxonomy (Regulation (EU) 2020/852)[[1]](#footnote-1)[1].

**ALTERNATIVE COMPROMISE G TITLE V: Authorisation and operating conditions for Crypto-Asset Service providers (Articles 53- 75)**

**Articles 53-75:** *final text as circulated on the 7th of March by the Secretariat, except for the additions to the following Article 68 (Operation of a trading platform for crypto-assets):*

**Article 68 – paragraph 1, subparagraph 3 (addition)**

Before admitting a crypto-asset to trading, crypto-asset service providers that are authorised for the operation of a trading platform for crypto-assets shall ensure that the crypto-asset complies the operating rules of the trading platform ***and the requirements for crypto-assets set out in this Regulation*** and assess the quality of the crypto-asset concerned. When assessing the quality of a crypto-asset, the trading platform shall take into account the experience, track record and reputation of the issuer and its development team. The trading platform shall also assess the quality of the crypto-assets benefiting from the exemption set out in Articles 4(2).

**Article 68 – paragraph 1a (new)**

***1a. (new) Crypto-asset service providers shall have in place a plan that is appropriate to support an orderly phase-out of their activities with respect to the crypto-assets that do not comply with the standards referred to in Article 2a, without causing undue economic harm to the holders of crypto-assets or to the stability of the markets, within the date or dates set out by Commission delegated acts referred to in Article 2a paragraph 3.***

1. [1] COMMISSION DELEGATED REGULATION (EU) …/... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

   C/2021/2800 final [↑](#footnote-ref-1)