

# **COMPREHENSIVE FINANCIAL LICENSING ANALYSIS**

Fintech, Web3 & Crypto Companies  
*European Union, United Kingdom & Switzerland*

## **EXPANDED EDITION**

Including: MiCA, DLT Pilot Regime, MiFID II, AIFMD & EMI Licenses

February 2026

# Executive Summary

This expanded analysis provides comprehensive coverage of all relevant financial licenses for Fintech, Web3, and Crypto companies operating in Europe. Beyond the core MiCA framework, this report details the EU DLT Pilot Regime for tokenized securities, MiFID II investment firm licenses for crypto derivatives, AIFMD fund management licenses for digital asset funds, and EMI/Payment Institution licenses for payment services.

The European regulatory landscape has matured significantly, with multiple complementary frameworks now operational. Companies must carefully assess which combination of licenses best serves their business model, as many activities require multiple authorizations across different regulatory regimes.

## License Framework Overview

License Type	Primary Use Case	Regulator	EU Passporting
MiCA CASP	Crypto exchange, custody, trading	National NCAs	Yes - Full EU
DLT Pilot Regime	Tokenized securities trading/settlement	NCAs + ESMA coordination	Yes - Full EU
MiFID II Investment Firm	Crypto derivatives, securities services	National NCAs	Yes - Full EU/EEA
AIFMD (Fund Manager)	Digital asset investment funds	National NCAs	Yes - Full EU
EMI License	E-money issuance, stablecoins	National NCAs	Yes - Full EU/EEA
UK FCA Crypto	UK market access	FCA	No (UK only)
Switzerland SRO/FINMA	Global operations, crypto services	FINMA / SROs	No (Swiss only)

# 1. EU DLT Pilot Regime - Tokenized Securities

## 1.1 Overview

The DLT Pilot Regime (Regulation EU 2022/858) became operational on March 23, 2023, creating a legal framework for trading and settlement of crypto-assets that qualify as financial instruments under MiFID II. Unlike MiCA, which covers utility tokens and payment tokens, the DLT Pilot Regime specifically addresses tokenized securities - shares, bonds, and fund units recorded on distributed ledgers.

### Three Types of DLT Market Infrastructures

**DLT MTF (Multilateral Trading Facility):** Operates a trading venue for DLT financial instruments. Requires authorization as investment firm or market operator under MiFID II.

**DLT SS (Settlement System):** Provides settlement services for DLT financial instruments. Requires authorization as a central securities depository (CSD) under CSDR.

**DLT TSS (Trading and Settlement System):** Combines both trading and settlement in a single infrastructure - a significant innovation not permitted under traditional regulations. Can be operated by either investment firms/market operators or CSDs.

## 1.2 Current Authorized DLT Market Infrastructures

As of February 2026, ESMA has authorized six DLT market infrastructures under the Pilot Regime:

Entity	Type	Country	Authorization Date	Key Features
CSD Prague	DLT SS	Czech Republic	Oct 11, 2024	Permissioned Corda; small-scale issuance focus
21X AG	DLT TSS	Germany	Dec 3, 2024	Public blockchain; EUR 500M debt issue completed
360X AG	DLT MTF	Germany	Apr 29, 2025	Tokenized securities, bonds, ETFs
UAB Axiology DLT	DLT TSS	Lithuania	H2 2025	Trading and settlement system
LISE SA	DLT TSS	France	H2 2025	Kriptown partnership
Securitize Europe	DLT TSS	Spain	H2 2025	Institutional tokenization platform

## 1.3 Eligible Assets and Thresholds

### Current Thresholds (2023-2025):

- Equities: Market cap < EUR 500 million
- Bonds: Issue size < EUR 1 billion
- UCITS: AUM < EUR 500 million

- Aggregate cap per DLT MI: EUR 6 billion

**Proposed Changes (December 2025):** The European Commission proposed major amendments:

- Remove EUR 500M market cap restriction for stocks
- Raise aggregate cap from EUR 6 billion to EUR 100 billion
- Allow all MiFID II securities, not just stocks, bonds, and funds
- Enable MiCA CASPs to operate DLT trading venues
- Simplified regime for platforms with < EUR 10 billion activity

## 1.4 Key Exemptions Available

The DLT Pilot allows temporary exemptions from MiFID II and CSDR requirements that would otherwise prevent or restrict DLT use:

- Direct retail investor access (bypassing investment firm intermediation)
- Settlement in e-money tokens rather than central bank money
- Atomic settlement (combined trading and settlement)
- Modified securities account requirements
- Relaxed MiFIR reporting obligations

## 1.5 Application Process and Timeline

**Processing Time:** 90 days from complete application (statutory limit)

**Pre-requisite:** Must be authorized as investment firm, market operator, or CSD (or apply simultaneously)

**Total Timeline:** 12-18 months (including underlying authorization)

**ESMA Role:** Coordination and convergence; may issue opinions on national authorizations

**Pilot Duration:** Originally 3 years (until March 2026); proposed to become permanent regime

## 2. MiFID II Investment Firm Licenses

### 2.1 Relevance for Crypto/Web3 Companies

MiFID II (Markets in Financial Instruments Directive II) applies to crypto companies in several key scenarios:

**Crypto Derivatives:** Following MiCA implementation, crypto derivatives (futures, options, CFDs on crypto) fall under MiFID II. Exchanges offering these products must hold MiFID II authorization.

**Security Tokens:** Tokenized shares, bonds, or derivatives are classified as financial instruments under MiFID II, not crypto-assets under MiCA.

**Investment Services on Crypto:** Investment advice, portfolio management, or dealing in crypto-related financial instruments requires MiFID II authorization.

### 2.2 Recent MiFID II Licenses by Crypto Exchanges

Since MiCA's implementation, major crypto exchanges have acquired MiFID II licenses:

Exchange	Jurisdiction	Date	Scope
Kraken	Cyprus (CySEC)	February 2025	Acquisition of CIF; crypto derivatives
Gemini	Malta (MFSA)	May 2025	Crypto derivatives, tokenized stocks
OKX	Malta (MFSA)	March 2025	Acquisition; futures and options
Crypto.com	Cyprus (CySEC)	May 2025	Acquired Allnew; securities & derivatives
Bybit	Austria (FMA)	Applied Sep 2025	Bybit X GmbH; futures and options

### 2.3 Capital Requirements by Service Type

Investment Services	Minimum Capital
Reception/transmission, advice, portfolio management (no client funds)	EUR 75,000
Same services + holding client funds/securities	EUR 150,000
Dealing on own account (market making), underwriting	EUR 750,000
Operating MTF/OTF	EUR 750,000

## 2.4 Cyprus (CySEC) - Popular for Crypto Derivatives

Cyprus has emerged as a preferred jurisdiction for crypto exchanges seeking MiFID II authorization:

**Processing Time:** 8-12 months

**Application Fees:** EUR 7,000-25,000 depending on services

**Annual Fees:** EUR 5,000-10,000 + variable charges

**Key Requirements:**

- Cyprus-registered company with local substance
- At least two executive directors (EU residents preferred)
- Compliance Officer resident in Cyprus
- Staff must pass CySEC certification exams
- Investor Compensation Fund contributions required

**MiCA Advantage:** CySEC-authorized investment firms can add MiCA crypto services via simple notification, avoiding separate CASP application.

### 3. AIFMD - Digital Asset Fund Management

#### 3.1 Overview

The Alternative Investment Fund Managers Directive (AIFMD) governs managers of alternative investment funds, including crypto and digital asset funds. An AIFM license enables fund managers to raise capital from professional investors across the EU and manage funds investing in crypto-assets.

#### 3.2 License Categories

**Full AIFM Authorization:** Required for managers with AUM > EUR 500 million (or EUR 100 million with leverage). Enables EU-wide marketing passport.

**Registered AIFM (Sub-threshold):** For managers with AUM < EUR 500 million. Simplified registration, limited to domestic marketing unless national private placement rules allow cross-border.

#### 3.3 Capital Requirements

AIFM Type	Capital Requirement
Internally managed AIF	EUR 300,000 initial capital
External AIFM	EUR 125,000 initial capital
Additional (both types)	+ 0.02% of AUM > EUR 250M (capped at EUR 10M)
Professional indemnity insurance	Alternative to additional capital requirement

#### 3.4 Luxembourg - Leading Crypto Fund Jurisdiction

Luxembourg has positioned itself as the EU's premier location for digital asset funds:

**CSSF Oversight:** The Commission de Surveillance du Secteur Financier (CSSF) supervises AIFMs and has issued specific guidance for crypto fund managers.

**Digital Asset Extension:** Authorized AIFMs must obtain a specific license extension to manage funds with digital asset exposure.

**Key Players:** 6M (first authorised AIFM for digital assets, March 2024), Nextblock Ventures (launched EUR 40-60M crypto fund in 2025).

**Fund Structures:**

- RAIF (Reserved Alternative Investment Fund): No CSSF approval required, managed by authorized AIFM
- SIF (Specialized Investment Fund): CSSF approval required, flexible structure
- SICAR: For venture capital and private equity in digital assets

### **3.5 AIFMD II Updates (April 2026)**

Member states must implement AIFMD II by April 16, 2026. Key changes affecting crypto fund managers:

- Enhanced delegation reporting to ESMA
- New liquidity management tools for open-ended funds
- Depositary passport (appointment from different Member State)
- New loan origination framework

## 4. Expanded EU Jurisdiction Analysis

### 4.1 Cyprus (CySEC)

Cyprus offers a dual advantage for crypto companies: efficient CASP licensing under MiCA and established MiFID II infrastructure for investment services.

#### **MiCA CASP License**

**Regulator:** CySEC (Cyprus Securities and Exchange Commission)

**Capital Requirements:** EUR 50,000-150,000 depending on services

**Application Fee:** EUR 10,000 (non-refundable)

**Processing Time:** 3-6 months

**Transitional Period:** Until July 1, 2026

**Corporate Tax:** 15% from January 1, 2026

**Crypto Gains Tax:** 8% flat rate under 2025 tax law amendments

#### **Key Requirements**

- Cyprus-registered company with local office and substance
- Minimum two executive directors
- Compliance Officer resident in Cyprus
- Comprehensive AML/KYC policies

**Notable Licensees:** eToro (MiCA), Kraken (MiFID via acquisition), Crypto.com (MiFID via Allnew acquisition)

### 4.2 Spain (CNMV)

Spain adopted the maximum 18-month MiCA transitional period. The CNMV has published detailed guidance and licensing procedures.

**Regulator:** CNMV (crypto services), Bank of Spain (stablecoin issuance)

**Transitional Period:** Until July 1, 2026

**Capital Requirements:** EUR 50,000-150,000 (MiCA standard)

**Application Fee:** EUR 15,000-20,000 (estimated)

**Processing Time:** 1-2 months (among fastest in EU)

#### **Key Features**

- Regulatory sandbox for innovative solutions
- Advertising pre-approval required for campaigns > 100,000 recipients
- DLT-based securities recognized under Securities Markets Law (Law 6/2023)

**First MiCA License:** BBVA (March 2025) - first bank in Spain to receive CASP authorization

**Other Licensees:** Openbank, Cecabank

### 4.3 Poland (KNF)

Poland attracted over 1,500 crypto entities under its previous VASP regime. The transition to MiCA is ongoing with the Crypto Asset Market Act (Bill 1424) passed in September 2025.

**Regulator:** KNF (Komisja Nadzoru Finansowego - Polish Financial Supervision Authority)

**Transitional Period:** Originally June 30, 2025; extended due to delayed legislation

**VASP Register Abolition:** October 1, 2025

**Capital Requirements:** EUR 50,000-150,000

**Application Fee:** EUR 4,500

**Annual Contribution:** From EUR 750 (scales with revenue)

**Corporate Tax:** 19% standard; 9% for new/small businesses (revenue < EUR 2M)

#### Advantages

- Lower operating costs than Western European hubs
- Large tech talent pool with strong English proficiency
- Founder-friendly regulator with consultative approach
- EU passporting to entire single market

**Penalties for Unauthorized Operation:** Up to EUR 2.5 million fines or 2 years imprisonment

### 4.4 Ireland (Central Bank of Ireland)

Ireland shortened MiCA's transitional period to 12 months (ending December 29, 2025), signaling rigorous enforcement expectations.

**Regulator:** Central Bank of Ireland (CBI)

**Transitional Period:** Until December 29, 2025 (12 months - shorter than EU maximum)

**Capital Requirements:** EUR 50,000-150,000

**Application Costs:** EUR 200,000+ including legal, audits, IT

#### CBI Regulatory Stance

The CBI applies a high authorization threshold with four key principles:

1. Utility and Customer Base: Skeptical of models marketing unbacked crypto to retail for speculation
2. Firm Failure: Assesses consumer protection beyond MiCA minimum standards
3. Substance: Requires genuine Irish operations, not shell presence
4. No simplified procedure: No fast-track for existing VASPs

**Notable Licensees:** Kraken (first major global platform with CBI MiCA license, June 2025), Coinbase (VASP status), Gemini (VASP status)

**Advantages:** English-speaking jurisdiction, strong fintech ecosystem, EU market access

## 5. MiCA Implementation Status by Country

### 5.1 CASP Licenses Issued (as of February 2026)

Country	Licenses	Transitional Period	Notable Licensees
Germany (BaFin)	27+	Until Dec 31, 2025	Commerzbank, N26, Trade Republic, BitGo, Tangany, Boerse Stuttgart
Netherlands (AFM/DNB)	14+	Ended mid-2025	Bitvavo, MoonPay, Amdax, Hidden Road, BitStaete
France (AMF/ACPR)	10+	Until July 1, 2026	Circle, Societe Generale-Forge, CACEIS, CoinShares AM
Malta (MFSA)	6+	Until July 1, 2026	OKX, Crypto.com, Gemini, Bitpanda
Austria (FMA)	6+	Until July 1, 2026	Bitpanda, Bybit
Luxembourg (CSSF)	3+	Until July 1, 2026	Coinbase, XRP (stablecoin), STOKR
Spain (CNMV)	3+	Until July 1, 2026	BBVA, Openbank, Cecabank
Ireland (CBI)	2+	Until Dec 29, 2025	Kraken
Lithuania (BoL)	2+	Until Jan 1, 2026	Robinhood, Axiology DLT
Cyprus (CySEC)	1+	Until July 1, 2026	eToro
Finland	1+	Varies	Coinmotion

**Total EU CASP Licenses:** Approximately 75+ as of February 2026 (projected 150-180 by mid-2026)

**Pre-MiCA VASPs:** ~3,000 registered across EU; expected 75% attrition

## 6. Comprehensive Cost Comparison

### 6.1 MiCA CASP Licensing Costs

Jurisdiction	Application Fee	Legal Costs	Min Capital	Year 1 Total	Timeline
Lithuania	EUR 5-15K	EUR 30-80K	EUR 125K	EUR 100-200K	3-6 months
Poland	EUR 4.5K	EUR 30-60K	EUR 125K	EUR 100-180K	2-4 months
Cyprus	EUR 10K	EUR 40-100K	EUR 125K	EUR 150-250K	3-6 months
Spain	EUR 15-20K	EUR 50-100K	EUR 125K	EUR 150-250K	1-2 months
Germany	EUR 10-50K	EUR 50-200K	EUR 125-150K	EUR 100-300K	6-12 months
Netherlands	EUR 15-40K	EUR 60-150K	EUR 125-150K	EUR 150-350K	4-9 months
France	EUR 15-35K	EUR 80-200K	EUR 125-150K	EUR 150-400K	6-12 months
Ireland	EUR 20-50K	EUR 100-200K	EUR 125-150K	EUR 200-400K	6-12 months
Malta	EUR 10-30K	EUR 80-250K	EUR 125-730K	EUR 200-500K+	6-9 months

### 6.2 MiFID II Investment Firm Costs

Jurisdiction	Min Capital	Legal/Setup	Year 1 Total	Timeline
Cyprus (CySEC CIF)	EUR 75-750K	EUR 50-150K	EUR 150-400K	8-12 months
Malta (MFSA)	EUR 125-730K	EUR 80-200K	EUR 250-500K	6-12 months
Germany (BaFin)	EUR 125-750K	EUR 100-300K	EUR 300-600K	9-18 months
Luxembourg (CSSF)	EUR 125-730K	EUR 100-250K	EUR 300-600K	6-12 months

### 6.3 DLT Pilot Regime Costs

Note: DLT Pilot applications require underlying MiFID II or CSDR authorization, making total costs significantly higher.

**DLT-Specific Application:** EUR 20,000-50,000

**Legal/Technical Documentation:** EUR 100,000-300,000

**Underlying Authorization:** MiFID II or CSD license costs (see above)

**Technology Infrastructure:** EUR 500,000-2,000,000+

**Total Estimated Investment:** EUR 1,000,000-5,000,000+

**Timeline:** 12-24 months (including underlying license)

## 7. Strategic Recommendations by Business Model

### 7.1 Crypto Exchange (Spot Trading)

**Primary Recommendation:** Lithuania or Poland for cost efficiency; Germany or Netherlands for credibility

**Required License:** MiCA CASP

**Capital:** EUR 125,000-150,000

**Rationale:** Lithuania offers fastest processing (3-6 months) and lowest total costs. Germany provides strongest banking relationships and regulatory reputation.

### 7.2 Crypto Derivatives Platform

**Primary Recommendation:** Cyprus (CySEC CIF) or Malta (MFSA)

**Required Licenses:** MiCA CASP + MiFID II Investment Firm

**Capital:** EUR 150,000-750,000

**Rationale:** Cyprus offers efficient CIF licensing with ability to add MiCA via notification. Malta has deep crypto expertise and English-language operations.

### 7.3 Tokenized Securities Platform

**Primary Recommendation:** Germany (BaFin) for DLT Pilot + underlying MiFID II

**Required Licenses:** MiFID II (MTF operator) + DLT Pilot Permission

**Capital:** EUR 750,000+

**Rationale:** Germany has two of three operational DLT MIs (21X, 360X). BaFin has developed significant expertise in tokenized securities oversight.

### 7.4 Digital Asset Investment Fund

**Primary Recommendation:** Luxembourg (CSSF)

**Required License:** AIFM authorization with digital asset extension

**Capital:** EUR 125,000-300,000 (+ 0.02% of AUM > EUR 250M)

**Rationale:** Luxembourg is the EU's fund hub with CSSF guidance for crypto funds. RAIF structure enables quick launch under authorized AIFM.

### 7.5 Stablecoin Issuer

**Primary Recommendation:** France (AMF/ACPR) or Germany (BaFin)

**Required License:** EMI License (for EMTs) or MiCA ART issuer authorization

**Capital:** EUR 350,000 (EMI) or EUR 350,000-1,000,000 (significant ART)

**Rationale:** Circle's EURC is issued in France. German and French regulators have developed deepest stablecoin oversight experience.

## **7.6 Custody-Focused Institution**

**Primary Recommendation:** Germany (BaFin) or Switzerland (FINMA)

**Required License:** MiCA CASP (custody) or German crypto custody license (KWG)

**Capital:** EUR 125,000 (MiCA); CHF 300,000-10M+ (Switzerland)

**Rationale:** Germany pioneered crypto custody licensing in 2020. Switzerland offers global reach outside EU. Both have strong institutional credibility.

## 8. Regulatory Outlook 2026-2027

### 8.1 EU Developments

- MiCA Review: ESMA interim reports due 2025; potential direct ESMA supervision of major CASPs
- DLT Pilot: Proposed permanent regime with raised thresholds (EUR 100B cap)
- AIFMD II: Implementation deadline April 16, 2026
- MiFID II/MiFIR: Pan-European Market Operator (PEMO) status under Savings and Investments Union
- DeFi/DAO Regulation: Under review; currently outside MiCA scope if fully decentralized

### 8.2 UK Framework

- Full FSMA Authorization: Expected October 2027
- 5 Regulated Activities: Trading platforms, dealing, custody, staking, arranging
- Capital Requirements: Proposed MiFID-style (EUR 150K for custodians, EUR 350K for stablecoin issuers)
- Current AML Registration: Remains in place until full regime

### 8.3 Switzerland Updates

- FinIA Amendments: Proposed Payment Institutions and Crypto Institutions licenses
- Consultation: Until February 6, 2026
- Regulated Stablecoins: Proposed exclusive FINMA authority

## 9. Conclusion

The European regulatory landscape for fintech and crypto has matured into a comprehensive multi-layered framework. Companies must strategically combine licenses across MiCA, MiFID II, DLT Pilot, AIFMD, and EMI regimes to fully address their business models.

Key success factors include: early regulator engagement, substantial local presence, robust compliance infrastructure, and experienced management teams. The market is consolidating, with an estimated 75% of pre-MiCA VASPs expected to exit. Companies that invest in proper licensing will gain significant competitive advantages.

The DLT Pilot Regime's potential permanence and expansion marks a significant step toward mainstream adoption of tokenized securities. Meanwhile, major crypto exchanges' acquisition of MiFID II licenses signals the convergence of crypto and traditional finance.

**Recommended Approach:** Begin with jurisdiction selection based on business model, engage regulators in pre-application discussions, build local teams with regulatory experience, and prepare for 6-18 month authorization timelines with adequate capital buffers.

*--- End of Report ---*

Information current as of February 2026