

## F Updates to DLT regulatory directory

ICMA continues to monitor international and EU developments relating to regulations and legislation on the use of DLT in capital markets in its [DLT Regulatory Directory](#). Selected examples include:

The German Cabinet [passed](#) the introduction of a new law on electronic securities (“eWpG”) on 16 December 2020. This follows the [draft bill](#) in August 2020 aimed at addressing topics included within the German Government’s Blockchain strategy published in September 2019. The new law allows for electronic bonds (“Schuldverschreibungen”), where an electronic securities register may be utilised instead of issuing a paper securities certificate. The law also defines electronic securities registers as both central registers (CSDs, custodians) and crypto securities registers. The initial scope of the bill is only in relation to bearer bonds (“Inhaberschuldverschreibungen”). The new law noted that it should not await an EU-wide harmonised approach for regulation on DLT and blockchain technologies given other jurisdictions have already issued national legislative initiatives.

HM Government of Gibraltar [announced](#) on 12 January 2021 the progress made by a working group on the addition of a 10th core principle to Gibraltar Financial Services Commission’s current [DLT Regulatory Framework](#). The working group is responsible for defining the appropriate market standards for exchanges operating in the digital asset space, taking into account other recently defined standards across the EU and internationally.

Luxembourg’s [Bill of Law 7637](#) (“Law of 22 January 2021”) [came into effect](#) on 26 January 2021, following its [publication](#) in the Luxembourg Official Journal. The bill includes amendments of (i) law of 5 April 1993 on the financial sector, and (ii) law of 6 April 2013 on dematerialised securities, recognising the possibility of using electronic recording systems (including DLT) for issuance or conversion of dematerialised securities.

The Swiss Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (“DLT bill”) entered into force on 1 February 2021, following Federal Council [adoption](#) on 11 December 2020. The DLT bill enables the introduction of ledger-based securities that are represented on a blockchain with adjustments to the Code of Obligations, the Federal Intermediated Securities Act and the Federal Act on International Private Law. The remaining provisions of the DLT bill are expected to enter into force on 1 August 2021.

The European Parliament’s Economic and Monetary Affairs (ECON) Committee has published its draft reports on the proposals set out in the European Commission’s [Digital Finance Package](#). The [draft report](#) (25 February 2021) on the proposal for a regulation on markets in crypto-assets and amending Directive (“MiCA”) includes the addition of giving the ECB appropriate decision-making power on the authorisation of e-money tokens. The [draft report](#) (9 March 2021) on the proposal for a regulation on a pilot regime for market infrastructures based on DLT highlights the need to clarify whether the proposal only applies to “native” security tokens and notes the described liquidity thresholds should be modified to issuance/market cap size for clarity. The ECON Committee noted in an editorial addition that the success of a token-based system will depend on how well it interacts with the traditional account-based systems.

Additional information is available from [ICMA’s DLT Regulatory Directory](#).



Contact: Rowan Varrall  
[rowan.varrall@icmagroup.org](mailto:rowan.varrall@icmagroup.org)