Athens Journal of Law - Volume 11, Issue 3, July 2025 – Pages 323-336

Impact of Regulation 2023/1114 on the Maturity of the Crypto-assets Market in the European Union

By Roxana-Elena Lazăr[*]

Starting from the saying "money makes the world go round", we asked ourselves to what extent this is applicable to digital financial assets known as crypto-assets (cryptocurrencies, tokens or stablecoins). The evolution of the last period makes us wonder how much regulation we need in the field of crypto-assets and whether the vision that determines the legal regulation of these assets in the European Union (pro-regulation) and/or in the US (anti-regulation) is so different, i.e. what will be the consequences for the economic growth of these two powers. However, we believe that the legislation in this field must keep pace with the continuous innovation that characterises the crypto-assets market, which has the ability to evolve rapidly, because even at this very moment when we are talking, reading, thinking, existing, many new crypto-assets and implicitly professional traders are emerging, who have the necessary auspices to obtain income that - most of the time - escape the rigours of the law due to the lack of legal provisions or insufficient regulation. The analysis of recent years establishes that insufficient regulation of this area has made it particularly attractive to speculators in this new market and, consequently, unreliable for bona fide investors (traditional or new entrants).

Keywords: *Cryptoassets market; European Regulation; Distributed ledger technology*

Introduction

In a rapidly changing world, where the political, economic and legal worlds are trying to keep up with the pace of innovation and artificial intelligence, cryptoassets have the ability to remain old and new at the same time.

At the international level, we note diametrically opposed positions to the reality of cryptoassets. Thus, in China, the argument delivered to the mainstream economy emphasises the extreme volatility of these assets and thus the associated risks, while institutional investors and the government[1] accumulate cryptoassets, especially bitcoin, with the Chinese state ranking second worldwide among the states with the largest amount of bitcoin in possession. At the antipode, we find El Salvador, a Central American state with an approximate population of 6 million citizens, which has chosen to adopt Bitcoin as a legal method of payment as early as 2021, alongside the US dollar, and has since they managed to solve its financial problems with this

[*]Ph.D., Associate Professor, Faculty of Law, Petre Andrei University of Iasi, Romania. Email: rxn_ele@yahoo.com

[1]*Countries with the highest Bitcoin holdings in 2024*. https://www.binance.com/en/square/post/6278953960969

https://doi.org/10.30958/ajl.11-3-9 doi=10.30958/ajl.11-3-9

economic artifice, through measures to combat inflation and increase the purchasing power of its citizens.

While in the United States, President Donald Trump is advocating for the U.S. as a "bitcoin superpower" (as in March 2025 he signed an executive order to set up a government reserve in bitcoin, sending a signal to the world that cryptocurrencies are a trusted crypto-asset), with regulation of cryptoassets in America being minor, in the European Union, it is moving to the opposite pole, as they want clear regulation of everything that has to do with the cryptoasset market.

The aim of this article is to establish to what extent we can currently speak of a maturation of the crypto-assets market; therefore, we aim to answer the following questions: who are the participants in this market? What are cryptoassets and which are the most important? Whether distributed ledger technology has found its best regulation in EU legislation? Whether and why the European Union has assumed the role, as a promoter of cryptoassets market legislation at international level? Finally, whether there is a maturation of the cryptoassets market?

The present article is organised in two parts: the first part deals with efforts at the EU level to reach the regulation represented by the EU Regulation 2023/1114[2] and the second part - in which we proposed that, taking into account the defining elements for the existence of the cryptoassets market, we focus on: the participants in this market (which materialize the supply and demand and define this market as a free market); in this context we also consider the authorities that supervise the cryptoassets market; their presence underlines the legal character of the operations in the market, the supply and demand being achieved under their umbrella. We will also consider the technology of distributed ledgers, which, by being regulated, reinforces the legal recognition of this type of asset. The subject of European regulation is crypto-assets, which is why we have chosen to focus on the two most important crypto-assets at the moment: Bitcoin and Ethereum, considering the type of blockchain each of them uses, and we conclude by stating the reasons why we believe that the crypto-asset market is maturing.

From a literature review perspective, the offer is still in its infancy. However, it is worth noting the work of Fouad Sabri[3], who focuses on the crypto-assets market from the perspective of the European Regulation on the regulation of the crypto-assets market, and of Joseph Lee[4], who emphasises the role of legislation in the development of the digital assets market; the analysis of platforms and webographies remain the main sources of information.

In terms of the methodological aspects of the proposed approach, we highlight the fact that, *overall*, we used a mix of research strategies: deductive, inductive, more precisely, observational, and comparative, respectively comparative historical, the analysis undertaken being predominantly qualitative.

---

[2]EU Regulation 2023/1114.https://eur-lex.europa.eu/eli/reg/2023/1114/oj?locale=ro

[3]Fouad Sabri, *European Union Cryptocurrencies: Legal Frameworks and Regullatory challenges in the evolving digital currency landscape,* 2025. (https://www.google.ro/books/edition/European_Union_Cryptocurrencies/QalZEQAAQBAJ?hl=ro&gbpv=0)

[4]Joseph Lee, *Crypto-finance, Law andRegulation*, Routledge, 2022. https://www.google.ro/books/edition/Crypto_Finance_Law_and_Regulation/caxVEAAAQBAJ?hl=ro&gbpv=1&dq=crypto+market+eu+regulation&pg=PA3&printsec=frontcover)

Ante-Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on crypto-asset markets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937

For a more complete overview of the cryptoassets domain, we focus on the period before the adoption of EU Regulation 2023/1114.

In 2013, the European Banking Authority (EBA) warned consumers of the risks associated with trading crypto-assets, only to publicise over seventy dangers associated with the spread of this category of currencies a year later (2014). Repositioning itself in 2016, the European Central Bank identifies the advantages of using cryptocurrencies. The European Securities and Markets Authority (ESMA) was drawing attention to the initial tender offers that are launched on the market when a new cryptocurrency emerges (so-called ICOs[5]), raising the question of whether or not European legislation at the time had any application on the crypto-asset market.

The European Parliament starts to address the issue in 2018.The G7 summit from 2019 raises the crypto-assets issue, and in 2020 the European Commission adopts the digital finance package. In 2021, the European Central Bank launches a pilot project for a so-called "digital euro".

This is the context in which Regulation 2023/114 on the crypto-assets market came into being in 2023, in the context of the need to prevent money laundering through crypto-assets, to protect European consumers (the European legislator's concern for the weaker party in contracts - the consumer being well-known) and to protect the personal data of those who trade crypto-assets on the European market.

Regulation (EU) No 2023/1114 of the European Parliament and of the Council of 31 May 2023 on cryptoasset markets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937

The Regulation was approved in April 2023 by the European Parliament and takes full legal effect from December 2024. The above-mentioned European regulatory act covers all crypto-asset market participants - larger, smaller, as the case may be - such as CEXs and DEXs[6] , professional traders (operators/agents investing

[5]*InitialCoinOffering (ICO)* is defined as a business that issues tokens to investors who represent demand, in return for which they can obtain cash, crypto assets or a combination there of, according to Joseph Lee, Crypto-finance, Law andRegulation, Routledge, 2022, https://www.google.ro/books/edition/Crypto_Finance_Law_and_Regulation/caxVEAAAQBAJ?hl=ro&gbpv=1&dq=crypto+market+eu+regulation&pg=PA3&printsec=frontcover.

[6]*CentralisedCryptocurrency Exchange (CEX)* is a regulated operator, which operates in a legal, professional capacity, providing the necessary intermediation and framework for Trading crypto currencies listed on their trading platform, for all those interested in trading cryptoassets, being possible to exchange the official currencies of the states in crypto assets, but also to exchange different crypto assets between them (examples: Binance, Kraken, Coinbase, Robinhood, Gemini), unlike the *Decentralised Crypto currency Exchange* (DEX) which are unregulated, operate in the market

in crypto-assets in a professional capacity, who, in order to avoid the risks of extreme volatility, daily for crypto-assets invest for the long term) and retail investors (in other words, investors for themselves, who invest for the short term, want quick gains, which is why they are the main losers in the crypto-assets market, with risk and the desire for immediate wealth being their main characteristics). As in traditional markets, any investor is directly responsible for his or her actions, and has to take decisions based on his or her own informed analyses.

***The advantages of European regulation of the crypto-assets market*, in terms of the European development of the crypto-assets market, are the following:**

- exact regulation of issuers of crypto-assets and crypto-asset service providers;
- regulating trading venues;
- regulating the providers of wallets in which cryptoassets are stored in order to secure the cryptocurrency market and minimise the risk of fraud;
- setting conditions for obtaining business licences for cryptocurrency exchanges (including the existence of a business licence as well as of a sufficient reserve capital of at least €50,000, €125,000 or €150,000 depending on the type of service offered);
- clear regulation of stablecoin issuers, given the less than happy experience with some stablecoins, such as the cryptocurrency Luna[7] (which we call the crypto tulip, because it recalls the tulip crisis of 1637 in the Netherlands);
- the establishment of rules and conditions applicable to marketing communications by which a public offer of crypto-assets (which must be clear and not misleading to consumers) is made and which must be consistent with the content of the crypto-asset's White Paper, the fulfilment of which is to be verified by the authorities of the Member State where the offer is disseminated. The publication will be made within a reasonable time prior to the admission to trading of the cryptoassets concerned. The Regulation is precise in specifying what is meant by reasonable time, leaving it to be judged on a case-by-case basis;
- imposing conditions for the preparation of a cryptoasset's white paper, which must be in existence at the achievement of the public offer for trading of that cryptoasset. In accordance with Article 6 of the Regulation, the white paper must contain a series of mandatory disclosures, including information about the offeror and the issuer (if the latter is different from the offeror), as well as

---

and allow the exchange of one crypto asset only for another crypto asset according to https://www.investopedia.com/tech/what-are-centralised-cryptocurrency-exchanges/, accessed 06.05.2025. Basically, the CEX is, in the meaning of EU Regulation 2023/1114, the provider of cryptoactive services (Art. 3(1)(15)), while the DEX provides a cryptoactive service, within the meaning of Art. 1 point 16 of the Regulation.

[7]The case of the accelerated depreciation in the value of the cryptoasset LUNA/Terra (the stablecoin created by Terraform Labs) is one of the most publicised to date. Specifically, UST, the algorithmic stablecoin created by Terraform Labs, lost parity with the US dollar, and the coding principle behind LUNA/Terra was that if UST fell, LUNA would be issued exponentially; as a result, the market was effectively flooded with the newly created currency; at the same time, a chain of orders for futures-based trades was triggered, which in just a few days brought the price to almost zero dollars.

the person who drafted the White Paper if it is not the same as the offeror or the issuer, the cryptoasset itself and the rights and obligations arising from it, the technology used, the trading platform, the risks that may arise, and the possible environmental/climatic effects. The EU consumer is expressly informed in the White Paper that the cryptocurrency may lose all or part of its value and that its purchase is not guaranteed by deposit guarantee schemes in the same way as bank deposits. In order to protect the ordinary consumer, the summary of the public offer as contained in the White Paper is written in a clear, non-technical manner in a language customary in the sphere of finance or in the language of the host/ in which the acquisition of crypto assets is made on the basis of a prospectus. Any material errors in the cryptoasset White Paper may be subject to the necessary changes within this document. All documents labelled as White Papers will remain published for at least 10 years; if they have undergone changes it will be noted that they are old, non-applicable versions;

- the cancellation from trading of a cryptoasset is regulated in Article 14 of the Regulation, with the identification of a remedy for holders or potential holders of such cryptoassets, with the funds collected on behalf of the cancelled transaction to be returned within 25 days;
- express conditions for the authorisation of issuers of crypto-assets, which vary according to the value thresholds reached (€100,000,000/200,000,000) and the conditions for withdrawing an issued authorisation (in case of passivity or lack of activity of the issuer, fraud in obtaining authorisation);
- the obligation for issuers of crypto-assets to hold a reserve of assets to cover liquidity and related risks;
- acquisitions involving the providers themselves of cryptoactive services, where the capital held or voting rights are changed in terms of the acquired one in a proportion between 20% and 50%, are covered by Article 83 of the Regulation and require notification to and approval by the competent authority of the service provider concerned;
- significant providers of cryptoactive services have a special status. Categorisation as a significant cryptoasset service provider is based on 15 million active users on average in a year, across the European Union;
- market manipulation and market abuse in the crypto-assets field are prohibited, as follows from Articles 91 and 92 of the Regulation;
- The European authorities (ECB and ESMA), together with national authorities in the Member States, will be able to undertake oversight of the cryptocurrency market in the same way as traditional capital markets, identifying potential suspicious activities and thereby preventing risks that could affect other crypto-asset market participants;
- the breach of the provisions of the Regulation is likely to incur administrative sanctions (from a public statement disclosing the offence and the name of the person responsible for the breach of the provisions of the Regulation to administrative fines of 700,000 euro or equivalent - in the case of states that have not adopted the euro - for natural persons, respectively from 5,000,000 euro up to 12.5% of the total annual turnover for legal persons, to which the

prohibition to hold a position similar to the one used in the offencemay be added).

The European Union has focused on four main areas, contributing to the regulatory maturation of a young market: pre-trade advertising of cryptoassets, cybersecurity in the sensitive area of cryptoassets, licensing and authorisation of cryptoasset service providers –through all of which the EU aims to prevent fraud through cryptoasset trading, thereby protecting holders of cryptoassets.

Crypto-asset Market Participants

The Regulation has legal effects for all participants in the crypto-assets market: issuers of crypto-assets, exchanges, investment funds holding custody of crypto-assets on behalf of clients, investors and competent authorities in Member States:

1. Issuers of cryptocurrencies (altcoins[8] or stablecoins[9]) will have to obtain a business licence from the competent economic authorities, and will be subject to audits and controls by the authorities of the Member States where they operate. The regulation imposes a minimum threshold for the financial resources of the company issuing the cryptoassets. Issuers of cryptoassets will be obliged to publish the white paper of the cryptoasset in question, which will make available to investors any technical and economic information about the company that will operate on the blockchain and their plans for the development of the issued cryptoasset. The Member States' authorities' supervisory activity does not stop there, as cryptoasset issuers will be obliged to submit reports to the competent authorities in each Member State on a regular basis at certain intervals.

Exchanges are another category of cryptoasset market participants. Examples include Coinbase, Kraken, Binance, or Bybit. An important difference in exchanges is between CEXs and DEXs; trading on DEXs, as opposed to CEXs[10], has the advantage that decentralised exchanges - so called DEXs - are not controlled by a single entity exercising full control over the platform, and the funds invested are safe. Regardless of the type of exchange, they offer both spot and futures contracts trading services; and they will be obliged to obtain a business licence from the competent authorities in the Member States. The obligation to implement know-your-customer measures will enable exchanges to detect and thus prevent economic and financial offences such as money laundering or the financing of terrorist or extremist groups. In practice, when creating a trading account, the new user will go through a "know-your-customer" process: they will be required to submit front and back photos of their identity card or other document allowing identification, such as a passport or driving licence. This will then be followed by a facial scan in order to retrieve biometric data. The user will then wait for the validation of the

[8]Altcoins, available at https://dictionary.cambridge.org/dictionary/english/altcoin.
[9]Stablecoins, available at https://www.coinbase.com/en-gb/learn/crypto-basics/what-is-a-stablecoin.
[10]*What is a Centralised Cryptocurrency Exchange*, available at https://www.ledger.com/academy/topics/crypto/what-is-a-centralized-cryptocurrency-exchange-cex

aforementioned data, which can take up to 48 hours, but there is no time limit, as each exchange has its own rules and deadlines. Once approved, the new user can benefit from all the advantages of opening a trading account, including the transfer of funds to a bank account.

2. Custodians are natural or legal persons who will wish to offer cryptocurrency custody services to cryptocurrency consumers/crypto asset enthusiasts; and this capacity is subject to the Regulation, in the sense that they will have to obtain a special licence to attest their rights, as they manage large amounts of money on behalf of their clients.

3. Investors are directly protected by the Regulation; protection is provided against fraudulent market manipulation and insider trading, but also against criminal activities (fraud etc).

The European legislator regulated precisely to ensure that investors have at their fingertips all the information they need to make informed decisions about the cryptocurrency market.

The European regulation creates the necessary legal framework whereby investors in crypto-assets are the direct beneficiaries of protective measures similar to those existing in traditional capital markets, such as: prohibition of abusive trading practices which can be achieved through the use of inside information, market manipulation, automatic orders known as stop losses (designed to limit losses on a transaction) and margin positions.

4. Crypto market supervisors are also covered by the Regulation. Although we are still a few months away from the entry into force of the Regulation, we do not yet have competent authorities designated by Member States. In all likelihood, the existing financial supervisory authorities in each Member State, which are competent in the classical financial field in the 27 Member States, will take over the specific tasks related to the crypto-asset market. These authorities will not be limited to specific market supervision, but will have powers to investigate suspicious activities and, as a consequence, depending on the infringement of the rules in this area, will apply enforcement measures alone or together with other Member States' authorities. The Regulation does not lay down how these different authorities in the Member States will work together in such a way that the Regulation will be enforceable not only in theory, but also in practice.

Enhanced Protection by regulating distributed Ledger Technology and Blockchain

In essence, the Regulation aims to regulate the crypto-assets market at EU level through the implementation of distributed ledgers and blockchain technology in order to protect market participants.

At the core of crypto-asset trading as regulated at the EU level is the distributed ledger technology (known as DTL[11]); we note here the link between EU Regulation 2023/1114 and EU Regulation 2022/858 of the European Parliament and of the

[11]*Distributed ledger technology (DTL)* is a decentralised database that allows transactions to be recorded and distributed over a network of multiple computers, which is the antithesis of centralised distributed ledgers that can be accessed and controlled by a single entity.

Council on the pilot scheme for market infrastructures based on distributed ledger technology and amending EU Regulations 600/2014 and 909/2014 and Directive 2014/65/EU.

Distributed ledger technology, from an EU regulatory perspective, is now more than 10 years old and is the underlying technology behind blockchain[12] , which in turn underpins the creation of cryptoassets. This type of technology, from the perspective of Regulation (EU) 2023/1114, has a number of relevant characteristics:

a. security (as all data that is recorded on the blockchain can no longer be modified or deleted);
b. transparency (because the data recorded on the blockchain is visible to everyone, with any interested person being able to find out when and how much was transferred from one address to another, this data being individualised by pseudonyms). This transparency is limited, however, because the blockchain is 100% transparent in terms of the transactions between two addresses, the times at which they were carried out, the amounts, but all this is done under a pseudonym in order to protect the real identity of the two entities. This pseudonym is likely to limit the aforementioned transparency. However, in comparison with the situation where transactions are carried out directly in fiat cash (completely untraceable, cryptocurrencies nevertheless retain traces of the transfers made);
c. decentralisation (no central authority is in control, the registers are distributed within an international network of computers called nodes, each of which has a copy of the entire register and the last transaction recorded).

Cryptoassets are - according to Art. 3 letter 5 of the Regulation - those digital representations of values or rights that can be transferred and stored electronically by means of distributed ledger or similar technologies. From Article 3 of the Regulation we can also list the existence of the following forms of value utilising distributed ledger technology: asset-backed tokens, electronic money tokens, official coins and utility tokens.

According to Art. 3(6) asset-backed tokens are those cryptoassets which are not electronic money tokens and which have been created for the purpose of maintaining their stable value once they are related to another security or right, or a combination of the two. In order to have a clearer picture of tokens reported to assets we should mention that there are cryptoassets reported to gold, cryptoassets reported to real estate and cryptoassets reported to other cryptoassets.

According to Art.3(7), electronic money tokens are those cryptocurrencies that aim to maintain a stable value in relation to traditional currencies. Specifically, e-currency tokens also called stable coins maintain parity with fiat currencies issued

[12]*The blockchain* works on the principle of storing transactions in blocks of data that are linked to previously verified and recorded blocks, which creates a secure chain of data distributed across multiple computers, making the network more resilient to exploitation threats.

by states (for example: USDT e-currency tokens, issued by the company Tether and USDC which was created by Coinbase).

Utility tokens are defined in Art. 3(9) of Regulation (EU) 2023/1114 as those types of cryptoassets that have the exclusive purpose of providing access to a good or service provided by its creator (e.g. Ethereum).

The difference between the E.U. and the U.S. in the field of crypto-assets also lies in the fact that if in the U.S. bitcoin was declared by the U.S. Security and Exchange Commission as having *commodity* status, followed by the approval within the institution of a series of Bitcoin Spot ETFs that now allows large financial institutions to trade BTC on their own behalf or for interested clients, the same is not happening in the European Union, more reserved in such decisions and more tributary to traditional currencies (fiat).

At the level of the two major global players, mainly the US and the EU, but also at the global level, there is a need for an integrated approach, a common vision. Crypto-asset participants trade globally, touching multiple jurisdictions.

Bicoin vs Ethereum –The Queens of the Crypto-assets Market

In the context of the exponential progress of computer networks, the internet, consumer confidence in them, and the continuous and growing connection between them, cryptoassets have emerged, which are now - in our opinion - sophisticated financial products with high investment potential risk.

Cryptoassets (digital currencies, stablecoins, utility tokens, governance tokens) are the result of thinking of computer scientists, mathematicians and engineers who developed the distributed ledger technology that led to the emergence of cryptocurrencies; through them financial globalisation has taken a step further into the future, their key features being their cosmopolitan nature and extraordinary mobility. Unlike transactions with fiat currencies, which are tied to banks' opening hours (the fact that they do not work on weekends), cryptocurrency transactions are not conditioned by institutions and/or their opening hours, they are possible 24 hours a day, and the fees for cryptocurrency transactions are minor, independent of the amount of cryptocurrency traded, unlike the situation with traditional banks; moreover, cryptocurrency transactions escape money laundering controls as is the case with banking institutions.

If we were to consider a winning crypto-asset portfolio, it is currently composed of Bitcoin and Ethereum, due to the lower risks of loss of invested capital, the market capitalisation for the two crypto-assets being: about 64% for Bitcoin and about 10% for Ethereum at the moment[13] , the latter decreasing from last year.

Bitcoin (BTC)was conceived *ab initio* in such a way that it has a set of peculiarities that cannot be replicated by any other existing or future cryptocurrency. Temporarily placed after the global financial crisis of 2008, Bitcoin[14] was intended

[13]Data provided by Trading View. https://www.tradingview.com/markets/cryptocurrencies/dominance/

[14]At the end of 2008, Satoshi Nakamoto's Bitcoin whitepaper was published under the famous title "Bitcoin: A Peer-to-Peer Electronic Cash System". The paper proposed as a solution to the current financial system a currency called Bitcoin using blockchain technology, which ensures

(and succeeded) to gain the trust of those who felt they were being cheated by governments and central banks, which as it happened in the U.S. in the case of the failure of the (privately owned) investment bank Lehman Brothers, got involved in the private banking market with public finance in order not to create strong distortions in the banking market. In contrast to the situation where a central bank can issue a larger (infinite) amount of currency as needed, this is not the case with BTC issued from the outset in a finite number of units. The fact that the algorithm by which Bitcoin was designed has made the currency increasingly scarce every four years has led to its price appreciating in cycles. Bitcoin's consensus mechanism that aims to preserve the safety and integrity that this cryptoasset's blockchain has is called Proof of Work (PoW).[15] If a person interested in bringing about a change in the way the Bitcoin blockchain operates would act to do so, although theoretically possible, practically it would be extremely difficult (even impossible) because the consensus mechanism would have to take place among more than 50% of the miners who do not know each other and who are aware that a major change would be to the detriment of each of them.[16] BTC miners are users on the Bitcoin network who compete against each other to solve complex mathematical formulae called hashes, and thus the first to find an answer is rewarded with a certain amount of Bitcoin (halved every four years through the mining - halving).

Ethereum (short ETH)[17] was launched in 2014, when investors bought the new cryptocurrency (Ethereum) and exchanged it for Bitcoin.[18] The Ethereum Foundation is the name of the founder of Ethereum, the second most popular cryptocurrency and also the second in terms of market capitalisation and traded volumes after Bitcoin.

A utility cryptocurrency such as Ethereum is used in several ways inside the related blockchain. The network charges a fee called *gas*[19] - which has no fixed character, and is variable and higher when the ethernet is overloaded - in exchange for which users can use the blockchain to be allowed to trade. Ethereum has the feature of another innovation in cryptoassets: it is the company in the cryptoassets industry that came up with the idea of implementing the so-called *smart contracts*[20] which is revolutionary both economically and, more importantly, from a legal perspective. Smart contracts are based on distributed ledger technology and are, in fact, programmes/software stored in the blockchain, which operate according to the "if, then, else" logic scheme, guaranteeing their execution according to the rule

---

that no government, institution or third party can interfere in any way in the operation of a transfer of value between two individuals or organisations. Bitcoin was issued in a limited number of 21,000,000, with each BTC coin having a subdivision of 100,000,000 Satoshi (SAT), a quantity that is written into the source code of its operating algorithm and cannot be altered. This gives rise to one of the most important attributes of Bitcoin, in addition to decentralisation, namely scarcity, since any scarce good is an expensive good.

[15] *What is proof of work*, available at https://blockworks.co/news/what-is-proof-of-work

[16] *What is crypto mining*, available at https://www.fidelity.com/learning-center/trading-investing/crypto/what-is-mining

[17] *What is an ICO?* available at https://www.coindesk.com/learn/what-is-an-ico/

[18] Available at https://cointelegraph.com/news/ethereum-ico-boom-history-crypto

[19] *What is gas (Ethereum)?* available at https://www.investopedia.com/terms/g/gas-ethereum.asp#:~:text=Investopedia%20%2F%20Madelyn%20Goodnight-,What%20Is%20Gas%20(Ethereum)%3F,(10%2D9%20ETH).

[20] *Introduction to smart contracts*, available at https://ethereum.org/en/smart-contracts/

contained in the writing code ("if, then, else") and which is immutable; in practice, if the conditions contained in the writing code of the software are met, then they entail, as a consequence, immediate fulfilment of the contract, otherwise - if the conditions are not met, the contract does not take effect (e.g. banking applications which allow immediate money transfers). From a legal perspective it is more than the imperative of the given word that underpins the performance of traditional civil contracts (sale-purchase of real estate, leases, etc.), personal data is perfectly protected given that the Ethereum blockchain uses pseudonyms for users. In addition, they do not presuppose the fulfilment of any fomation conditions. However, the need for a market in which cryptoassets can be traded honestly has made it necessary for cryptoasset exchanges to require customers to register with an ID, passport or driving licence, which shows real personal data.

The principles on which Ethereum was built are similar to those of Bitcoin, both cryptocurrencies being based on distributed ledger technology.

Unlike Bitcoin, Ethereum uses an EVM technology and stores in each of its network blocks the source code of the decentralised applications (dApps) that are built on its blockchain. Similar to Bitcoin, Ethereum has used a Proof of Work consensus mechanism since its launch, which was primarily aimed at making the blockchain secure by miners competing to solve complex crypto mathematical problems in order to earn a reward in ETH.

Gradually, with the advent of Ethereum 2.0 aimed at network scalability and greater security and even lower power consumption, the complete transition from Proof of Work (PoW) to Proof of Stake (PoS) was achieved. [21]

Another Ethereum innovation is the emergence of decentralised finance - called DeFi[22], which has the advantage of allowing users to access financial services without the need for a bank or non-bank financial institution.

Why are we talking about Cryptoassets Market Maturing?

The crypto-assets market is a young market, but has high potential to mature.

We note first of all that it is a strong market by value and is getting stronger every day, and which in December 2024 reached a market capitalisation of 3.7 trillion US dollars [23] and is estimated to peak at 10 trillion US dollars by the end of 2025[24]. However, we cannot fail to note that the crypto-assets market has low liquidity compared to other traditional capital markets, with some having trillions of US dollars traded daily, which is not the case in the crypto-assets market; practically

[21]*Proof of Stake*, available at https://ethereum.org/en/developers/docs/consensus-mechanisms/pos PoWshort for power - implieshighenergyconsumption, andPoSshort for positive–implieslowerenergyconsumption, more affordable for ordinaryconsumers.

[22]*What is decentralised finance*, available at https://www.fidelity.com/learning-center/trading-investing/crypto/decentralized-finance-defined

[23]*2024 Annual Crypto Industry Report*, available at https://www.coingecko.com/research/publications/2024-annual-crypto-report.

[24]*Crypto Market has potential to hit 10 trillion dollars this cycle*, available at https://www.binance.com/en/square/post/4804701046058

in the traditional Forex market there are trading volumes averaging 6 million US dollars daily[25] (this much is traded in the crypto-assets market in a year).

The increase in market capitalisation is the effect of market experience, as distributed ledger technology has grown continuously, exponentially over more than a decade, increasing the confidence of retail and institutional investors.

One characteristic of this market, regardless of its degree of maturity, derives from the high volatility of cryptoassets. Increases, but also decreases, have the potential to be exaggerated at times, in percentage terms, and consequently in value. Volatility is negative for retail investors (who can lose massively or gain considerably in a very short time); for professional traders - volatility is an asset, which has the potential to boost their gains.

Investors' confidence in the crypto-asset market is directly linked to the development of legislation in this area, at least at the level of the 27 EU Member States. Entrepreneurs invest too little in an unregulated field, and the regulation brought by the MiCA Regulation was necessary and created the necessary support for the development and maturation of this market. We believe that the absence of mirror regulation in the U.S. is a strength for the European Union, which will thus be able to attract investors to this market. The absence of a legal framework in the US is a risk factor for investors, which stems from the risk of fraud or money laundering, as well as the lack of predictability. Investors in start-ups, institutional, public or private equity funds have the legal framework to invest.

Conclusions

With the MiCA Regulation, the European Union is a visionary example in the field, illustrating the courage of legislative initiative in this area, and setting a precedent through specific legislation.

Regulation (EU) 2023/1114 fills a legal gap and provides legal protection for investors in cryptoassets, investing legally in ensuring market stability and transparency, but at the same time it protects investors in cryptoassets and, as a consequence, enables innovation in digitisation, protecting investors without hindering the innovation inherent in this new and volatile field, given the unrestricted possibilities for blockchain development. The European legislator's desire not to restrict - through excessive regulation - a developing market, stems from the implementation of distributed ledger technology and interoperability between blockchains, thus making transactions in the cryptoassets market much more accessible.

Regulation (EU) 2023/1114 itself - through the technical elements inherent to the crypto-assets industry, captured in the specific legal framework of aEuropean regulatory act binding on Member States - could represent the beginning of an absolutely necessary, coherent and effective international regulation in the still niche field of crypto-assets; This is because we believe that it has been designed as a genuine support mechanism for the development of distributed ledger technology, blockchains, for encouraging research in this area so that the cryptoassets market can develop and

[25] *What is Forex and how does it work?* https://www.ig.com/en/forex/what-is-forex-and-how-does-it-work

be a secure environment for transactions, without investors' fear of fraud, leaving only the risk inherent in any financial transaction, without which it is impossible to make a profit.

A net benefit of European regulation is the increased level of confidence in the cryptoassets market as a whole, and so investment funds that were once loyal to traditional markets are beginning to invest increasing percentages of their portfolios in cryptocurrencies; traditional investors are adapting and entering the cryptoassets market. By increasing market capitalisation and trading volumes, the crypto-assets market is beginning to show the characteristics of the traditional market, becoming more stable than in previous years; this is the effect of the regulation of this type of market. Therefore, we believe that the crypto-assets market is becoming not stable but mature; stability is a difficult concept to define even for traditional financial markets, which are deeply interconnected, with traditional or non-traditional capital having the ability to migrate quickly.

The combination of all the legal measures regulated by the European Regulation has the necessary potential to ensure a high degree of protection for potential investors in this type of assets, while at the same time imposing a legal conduct of business that leads to greater transparency and increased market stability, legally shielding the market from the possibilities of market manipulation and thus contributing to the maturing of this market.

Regulation (EU) 2023/1114 has the potential - at least in theory - to reducecriminal activity in this area by excluding price manipulation (i.e. financial engineering to the detriment of investors, as was often practised during the ICO era) in the crypto-assets market. Distributed ledger technology - on which cryptoassets are based - is fully transparent, which makes transactions between parties perfectly traceable, compared to the situation of traditional economic and financial offences committed with fiat money/traditional cash, because their traceability is extremely low.

The purpose of the European regulation is to establish (in a subsidiary way) a new taxable source for the EU Member States, producing effects in an area of law that belongs to the branch of public law - tax law; the new taxable source is represented by the transactions with cryptoassetstaking place in the Member States of the European Union.

The functioning of blockchain has led to innovations in more and more industries, creating new business models that have the potential to create new jobs in the future.

One element to be mentioned from the perspective of legal regulation of the cryptocurrency sector relates to one of the counterarguments traditionally made, related to high energy consumption. Here, E.U. must have the role to condition the mining process (as in the case of Bitcoin) on the even partial consumption of renewable energy resurgence.

We end with an advice from crypto-asset traders in the *Did You Know That…* tone: the safest way to store crypto-assets is on a cold wallet. Thus, after trades (finalised with a profit) it is recommended that the funds are placed on a so-called cold wallet that cannot be accessed by hackers as it is not connected to an internet source, as it is known that cyber attacks that have led to the loss of cryptoassets have targeted those stored on hot wallets or directly on exchanges.

References

Lee, J. (2022). *Crypto-finance, Law and Regulation*, Routledge. (https://www.google.ro/books/edition/Crypto_Finance_Law_and_Regulation/caxVEAAAQBAJ?hl=ro&gbpv=1&dq=crypto+market+eu+regulation&pg=PA3&printsec=frontcover)

Sabri, F. (2025). *European Union Cryptocurrencies. Legal Frameworks and Regullatory challenges in the evolving digital currency landscape.* (https://www.google.ro/books/edition/European_Union_Cryptocurrencies/QalZEQAAQBAJ?hl=ro&gbpv=0)

Webography

2024 Annual Crypto Industry Report
https://www.coingecko.com/research/publications/2024-annual-crypto-report

Altcoins
https://dictionary.cambridge.org/dictionary/english/altcoin

Countries with the highest Bitcoin holdings in 2024
https://www.binance.com/en/square/post/6278953960969

***Crypto Market** has potential to hit 10 trillion dollars this cycle*
https://www.binance.com/en/square/post/4804701046058

Introduction to smart contracts
https://ethereum.org/en/smart-contracts

Proof of Stake
https://ethereum.org/en/developers/docs/consensus-mechanisms/pos/

EU Regulation 2023/1114
https://eur-lex.europa.eu/eli/reg/2023/1114/oj?locale=ro

***Stablecoin**s*
https://www.coinbase.com/en-gb/learn/crypto-basics/what-is-a-_stablecoin

Trading View
https://www.tradingview.com/markets/cryptocurrencies/dominance/

*What is **a Centralised Cryptocurrency Exchange***
https://www.ledger.com/academy/topics/crypto/what-is-a-centralized-cryptocurrency-exchange-cex

*What is **crypto mining***
https://www.fidelity.com/learning-center/trading-investing/crypto/what-is-mining

*What is **decentralised finance***
https://www.fidelity.com/learning-center/trading-investing/crypto/decentralized-finance-defined

*What is **Forex** and how does it work*
https://www.ig.com/en/forex/what-is-forex-and-how-does-it-work

*What is **gas (Ethereum)***
https://www.investopedia.com/terms/g/gas-ethereum.asp#:~:text=Investopedia%20%2F%20Madelyn%20Goodnight-,What%20Is%20Gas%20(Ethereum)%3F,(10%2D9%20ETH)

*What is an **ICO***
https://www.coindesk.com/learn/what-is-an-ico/

*What is **proof of work***
https://blockworks.co/news/what-is-proof-of-work