

# **MiCAR**

**The MiCAR Directive (Markets in Crypto-Assets Regulation) came into force across EU on 30 December 2024**

AI Tokenomics Ltd takes its responsibilities to its investors and to the Crypto community at large very seriously

The following is our considered position:

We launched the IMPT Utility Token in Dec 2022 under a VASP license

The VASP license will soon disappear and will convert to a CASP under the MiCAR Directive.

We have engaged a firm which specialises in MiCAR and related regulations and, under their guidance, we have conducted a full risk assessment of all our commercial activities to establish whether we are mandated to apply for any *authorisations* or licenses.

We will not raise any further ICO, therefore we will cease our VASP and are not required to apply for a CASP.

We have evaluated all our other current or planned activities and there are currently no transactions which will require any other licensing or authorisations under MiCAR

However, we will adhere strictly to the spirit and non-licensing requirements of MiCAR

To this end, we have evaluated our existing KYC software screening, already implemented under VASP, and internal review procedures for elevated transactions. Though we are not subject to the AML regulations, as a matter of best practice we run all commercial transactions through that system and hope to identify any transactions which would breach Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) under The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended by Part 2 of the Criminal Justice Act 2013 and by the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018 if we were in a regulated industry. For the most part this will be as it always has been and will not be obtrusive.

We are building internal procedures to guide our officers and staff through our responsibilities to avoid market abuse under MiCAR, as defined below :

*MiCAR also introduces new rules that prohibit market abuse related to any type of crypto-asset transaction or service, including unlawful disclosure of inside information, insider trading and actions that are likely to lead to disruption or manipulation of crypto-assets.*

We are obligated to do this under MiCAR but we would wish to be compliant at the highest level with the spirit as well as to the letter of the Regulation

As this is an evolving area, we will continue to review the Regulation for updates and will endeavour to remain compliant

### **DORA**

Though unrelated to MiCAR, a further EU financial markets regulation comes into force on 1 January 2025

We are not caught under the definition of financial institutions which must implement **Digital Operational Resilience Act (DORA)**

We take our responsibilities with regard to securing our systems against Cybercrime very seriously and already have all recommended firewalls, digital protections in place and regularly have our systems audited by leading cybercrime experts.

We will use DORA, and any updates to it, to monitor any further refinements we can implement to keep our systems safe

*We operate in a number of EU countries. The legislation quoted here is the Irish version but a similar version is being implemented in each EU state and passports across all EU countries. The legislation may be named slightly different in each country but the impact is the same.*

*AI Tokenomics Ltd*

*30 December 2024*