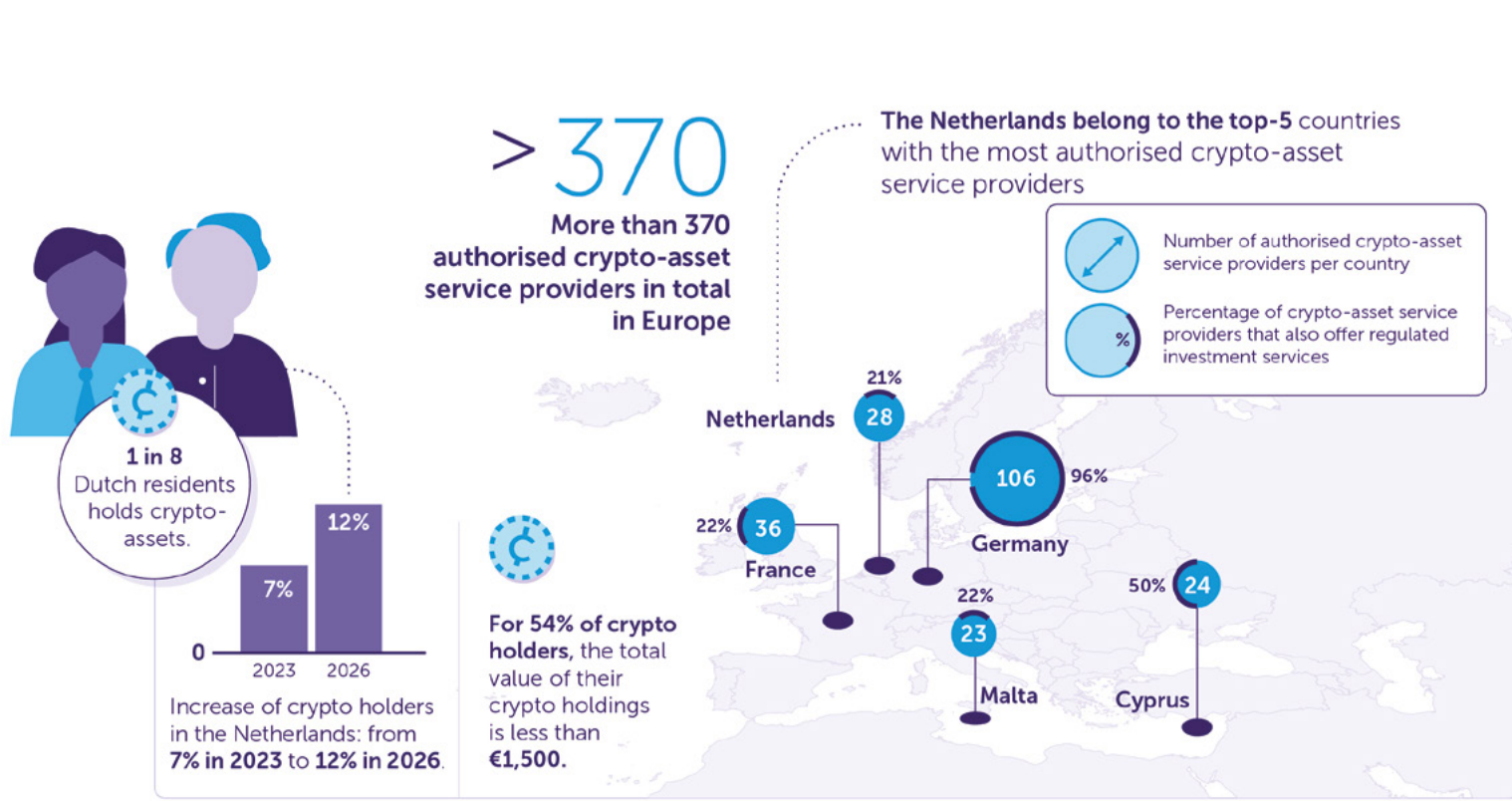
ANALYSIS REPORT

Ongoing challenges for consumers in the crypto market

In short - MiCAR has laid an important foundation for the regulation of the European crypto market through a harmonised framework for crypto-asset service providers. At the same time, the market is developing rapidly and an increasing number of consumers hold cryptoassets. Fraud, misleading practices and other forms of consumer harm remain a real risk. In addition, the boundaries between crypto and traditional financial services are becoming increasingly blurred, which may create uncertainty regarding the applicable level of consumer protection. Clear disclosures and effective supervision of marketing practices therefore remain essential. Furthermore, services such as staking, lending and DeFi remain (at least partly) outside the scope of MiCAR. Further regulatory harmonisation, explicit regulation of these services and stronger, more centralised European supervision are needed to ensure effective consumer protection.



AFM

Executive summary

MiCAR has laid the foundation for the regulation of the European crypto market, but important consumer protection challenges remain. For the first time, uniform requirements apply to crypto-asset service providers across the European Union, contributing to a more professional market and improved consumer protection. At the same time, the evolution of the crypto sector is outpacing the current supervisory and regulatory framework..

The growing adoption of crypto-assets increases the importance of effective consumer protection. Around one in eight Dutch citizens now hold crypto-assets. While most consumers invest relatively small amounts, the risks remain significant. Crypto-assets are often highly volatile and many consumers struggle to fully understand the risks associated with complex products and services. It is therefore important that consumers only invest money they can afford to lose.

Fraud and misleading practices remain key risks in the crypto market. Consumers are regularly exposed to fraudulent or misleading crypto-assets, including pump-and-dump schemes. The vast number of crypto-assets available and the ease with which new tokens can be created further increase these risks. At the same time, the cross-border nature of the market and opaque corporate structures make supervision and enforcement more challenging.

The integration of traditional financial services and crypto services is also accelerating. Traditional financial institutions are increasingly expanding into crypto-assets and blockchain-based applications, while crypto service providers are evolving into providers of a broad range of financial services. As a result, consumers can, within a single digital environment, not only trade crypto-assets but also invest in equities, use payment services or trade derivatives. This may create confusion, as consumers do not always recognise the differences in supervision, conduct requirements and protection mechanisms that apply to these products.

MiCAR does not include product governance requirements to ensure that products are distributed to consumers for whom they are appropriate. Many crypto-assets and crypto services are difficult for consumers to assess and are not always suitable. Crypto service providers may offer hundreds of different crypto-assets, a substantial proportion of which are purely speculative and provide no underlying economic value or utility.

Clear disclosures and effective oversight of marketing practices therefore remain essential. In a highly competitive market, there is a risk that commercial objectives will take precedence over the interests of consumers. Consumers should receive a balanced view of potential returns as well as the associated costs and risks to enable informed investment decisions.

The current regulatory framework still provides insufficient safeguards for a number of widely used crypto services. Staking, lending and certain decentralised finance (DeFi) services have become commonplace within the crypto sector but remain wholly or partly outside the scope of MiCAR. As a result, specific requirements relating to areas such as liquidity management, risk management and the use of collateral are absent, while consumers do not always understand which protections apply and which do not.

Stronger and more centralised European supervision is needed to provide sustainable consumer protection. The cross-border nature of the crypto market calls for further regulatory and supervisory harmonisation, a greater role for ESMA and a consistent application of MiCAR across the European Union. There is a strong case for bringing staking, lending and certain DeFi activities explicitly within the scope of a suitable regulatory framework. Only forward-looking and centralised European supervision can ensure that innovation develops alongside a high level of consumer protection.

ANALYSIS REPORT

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AFM

1. Introduction of MiCAR

The Markets in Crypto-Assets Regulation (MiCAR) brings crypto-asset service providers within the scope of financial supervision. Since 30 December 2024, MiCAR has been applicable across the European Union. The regulation pursues two main objectives: enhancing the protection of crypto-asset holders and increasing the integrity and reliability of the crypto market. At the same time, MiCAR seeks to foster innovation and fair competition within the sector.

MiCAR also establishes crypto-assets as a new and distinct asset class. Whereas there was previously uncertainty as to whether crypto-assets should be treated, for example, as electronic money or financial instruments, MiCAR recognises them as a separate class of financial assets. As such, they exist alongside financial instruments such as equities, bonds and derivatives.

To enable the supervision of this new market, crypto-asset service providers must comply with a range of authorisation requirements. They are required to establish sound organisational arrangements, ensure that members of the management body are fit and proper and provide clients with clear, fair and non-misleading information. MiCAR also introduces rules aimed at preventing market abuse, managing cyber risks and safeguarding crypto-assets held on behalf of clients. While MiCAR provides a comprehensive regulatory framework, it is less extensive than, for example, MiFID II, which contains more detailed requirements in areas such as product governance.

The introduction of MiCAR has significantly strengthened and harmonised the requirements applicable to crypto-asset service providers. Prior to MiCAR, providers were generally required to obtain a registration in order to offer their services. These registration regimes were established at national level and applied separately within each Member State. The requirements were relatively limited and focused primarily on anti-money laundering obligations. In addition, some Member States introduced supplementary supervisory frameworks, resulting in considerable differences across jurisdictions.

By 1 July 2026, all crypto-asset service providers operating within the European Union must hold a MiCAR authorisation. Authorisations may cover a range of services, including the custody of crypto-assets, the operation of trading platforms, the execution of transactions and portfolio management. Where a provider offers services in the European Union without holding the required authorisation for those activities, it is engaging in unauthorised and therefore unlawful activity.

A MiCAR authorisation subsequently provides access to the entire European market. As MiCAR is an EU regulation and therefore directly applicable in all Member States, authorised crypto-asset service providers may offer their services throughout the European Union after completing a simple passporting notification procedure.

Meeting the requirements of MiCAR is not straightforward for all crypto-asset service providers. At the end of 2024, 42 crypto-asset service providers were registered in the Netherlands. Of these, 25 have since obtained a MiCAR authorisation, including 14 authorised by the AFM and 11 authorised in another EU Member State. The remaining 43% do not yet hold an authorisation. This is due, among other factors, to firms having ceased or restructured their activities, having been involved in mergers or acquisitions or still awaiting a decision on their application.

2. The European crypto landscape

More than 370 crypto-asset service providers have now been authorised across Europe. The five countries with the largest number of authorised providers are Germany, France, the Netherlands, Cyprus and Malta. Approximately six in ten firms (58%) are established in these jurisdictions.

The European crypto landscape consists primarily of crypto brokers, complemented by a limited number of trading platforms. The most common authorised service is the custody of crypto-assets. Many providers combine this service with the execution of orders. In such cases, a client instructs the provider to buy or sell crypto-assets, while the transaction itself is executed through a trading platform. Trading platforms bring together buyers and sellers by matching supply and demand for crypto-assets

The limited number of crypto trading platforms may give rise to concentration risks. There are currently only 22 authorised crypto trading platforms operating in Europe, three of which are located in the Netherlands. By comparison, the traditional investment sector includes more than 450 trading venues across Europe. Operating a crypto trading platform is the most heavily regulated activity under MiCAR.

The limited number of trading platforms can create vulnerabilities, particularly where a significant share of market liquidity is concentrated in a small number of large cross-border providers. Disruptions to a major platform may therefore affect a relatively large number of users. Operational incidents may also have a more immediate market-wide impact.

In addition to custody services, the exchange of crypto-assets is a widely offered activity. For example, clients may exchange fiat currency for crypto-assets or convert one crypto-asset into another. In such cases, the provider supplies the crypto-assets from its own inventory. The placement of crypto-assets and the provision of advice on crypto-assets are among the least frequently offered services in the European crypto market. These activities represent relatively small niches within the broader crypto sector.

Authorised financial institutions, such as banks and investment firms, benefit from a simplified notification procedure for obtaining a MiCAR authorisation. Elements that have already been assessed as part of their existing banking or investment firm authorisation do not need to be reassessed. This includes, for example, the fit-and-proper assessment of members of the management body.

More than four in ten authorised crypto-asset service providers in Europe (46%) also provide traditional investment services. Germany has the highest proportion (96%), with more than half of these firms being banks of varying size. In the Netherlands, this share is considerably lower, at approximately one in five crypto-asset service providers (21%).

The Netherlands has a relatively high number of native crypto firms. These are firms that focus exclusively on crypto-assets or that started in crypto-related activities before expanding into other financial services.

The integration of traditional financial services and crypto-asset services continues to accelerate. While this trend has been evident for several years, it appears to have gained significant momentum over the past year. On the one hand, traditional financial institutions are expanding into crypto-assets and blockchain-based applications. On the other hand, crypto platforms are increasingly evolving into broader providers of financial services.

European banks are showing growing interest in crypto-assets. Major Dutch banks such as ING and ABN AMRO are integrating tokenisation and blockchain solutions into their services. Other European insti-

tutions, including BBVA, KBC, Société Générale, Santander, Standard Chartered, Revolut and Deutsche Bank, already hold MiCAR authorisations directly or indirectly or have announced plans to offer crypto services. In doing so, they are responding to increasing client demand for crypto-assets, protecting their competitive position and pursuing new sources of revenue.

Crypto-asset service providers are increasingly developing into one-stop shops for financial services. To enhance convenience for their clients, crypto platforms are expanding their offerings to include a broad range of financial services within a single digital environment. Clients can often not only buy and sell crypto-assets but also trade equities and crypto derivatives and make payments using crypto-assets.

Nearly all of the five largest international crypto platforms operating in Europe hold licences or conduct activities related to investment services.[1] In addition, they offer crypto payment services or payment cards. Three of these platforms also provide access to tokenised equities.

The combined offering of multiple financial services may create confusion for consumers. Where different financial products and services are offered within the same digital environment, clients may incorrectly assume that identical supervisory requirements, conduct standards and investor protection mechanisms apply across all products. This may lead to uncertainty regarding the extent to which crypto-assets, crypto derivatives and other digital assets are protected compared with traditional savings and investment products.

The increasing integration of traditional finance and crypto services is also accompanied by intense competition for market share. The European crypto market is characterised by strong competitive pressures. These have been reinforced by MiCAR's passporting regime, which allows firms to operate across the European Union under a single authorisation. Crypto platforms employ a wide range of marketing campaigns and commercial incentives to attract clients. Such activity was particularly visible in the run-up to the end of the transition period for obtaining a MiCAR authorisation on 1 July 2026.

In a highly competitive environment, commercial objectives may take precedence over consumer interests. This creates a risk that customer interests may not be given sufficient weight in decision-making processes. In the past, the AFM has identified shortcomings in marketing communications issued by crypto firms, including instances where risks to clients were insufficiently explained.[2]

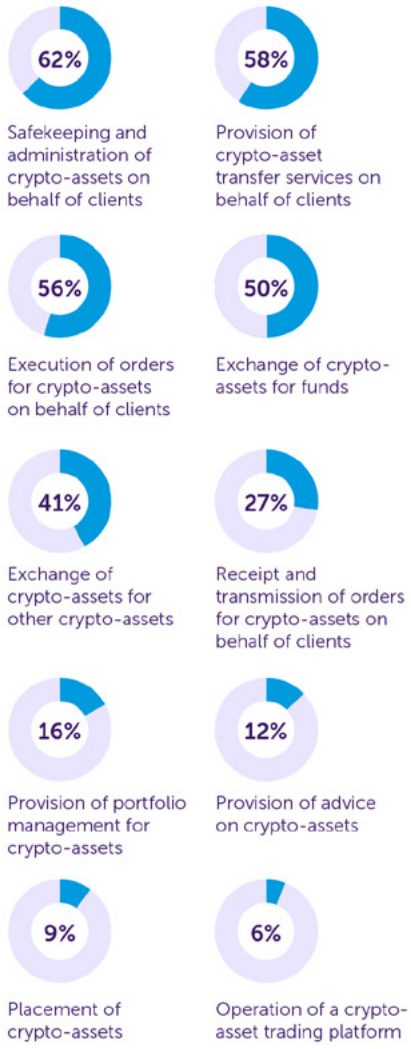
In addition, European crypto-asset service providers offer services that are on the edge of, or fall outside, the scope of MiCAR. Examples include staking, lending and decentralised finance (DeFi) services. These activities may expose consumers to additional risks.

1 Kraken, OKX, Coinbase, Crypto.com and Bybit.

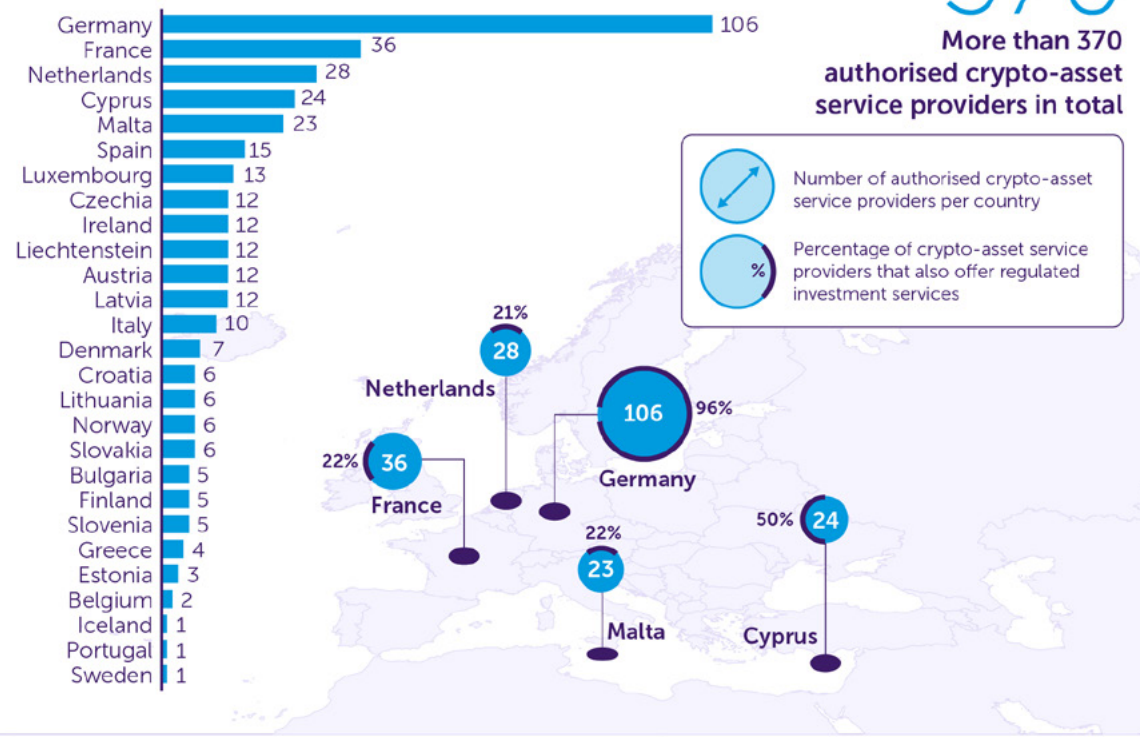
2 Shortcomings in advertising and cost information for crypto parties.

The European crypto landscape at a glance

Crypto-asset services under MiCAR

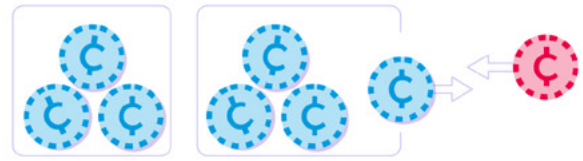


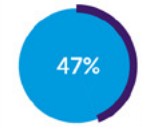
Number of authorised crypto-asset service providers by country



Common crypto-asset services

Many providers offer custodial services and the ability to exchange crypto-assets.





More than four out of ten authorised crypto-asset service providers in Europe also offer **regulated investment services**

Note: The figures in this chart were updated as of 16 October 2026

2.1 Staking

Staking involves locking up crypto-assets for a period of time to support the operation and security of a blockchain network. In return, clients receive a reward, typically paid in the same crypto-asset that is staked. In general, the longer the assets remain locked, the higher the reward.

Staking is only possible for crypto-assets that operate on a blockchain network using a proof-of-stake (PoS) consensus mechanism. A well-known example is Ethereum. Staked crypto-assets serve as collateral for validators, which verify transactions and add new blocks to the blockchain. Validators are rewarded in crypto-assets for carrying out these activities.

Another consensus mechanism is proof-of-work (PoW), in which transactions are validated using computational power. Bitcoin is the most prominent example. Crypto-assets that rely on a proof-of-work mechanism cannot be staked.

A number of crypto-asset service providers offer staking services to their clients. In these arrangements, clients delegate the operational aspects of staking to the service provider and receive a share of the staking rewards. In practice, many crypto-asset service providers themselves rely on specialised third parties, known as staking service providers, to perform the technical aspects of staking and to manage and maintain validator nodes.

While staking may generate returns, it also involves a range of risks. For example, the value of staked crypto-assets may decline during the period in which they are locked up, known as the lock-up period. In addition, technical or operational failures may occur at the validator level. Some blockchain networks also expose participants to slashing risk, whereby a portion of the staked assets may be forfeited if a validator breaches the network's rules.

Prior to the introduction of MiCAR, a number of crypto-asset service providers used clients' crypto-assets to carry out staking for their own benefit. Providers could retain the rewards while the associated risks remained with the clients. Before MiCAR, no specific rules governed the use of clients' crypto-assets in this context. Although clients could already participate in staking, some providers, both large platforms and smaller firms, staked client assets for their own account. In certain cases, this occurred with the client's consent, for example through provisions in the terms and conditions. In other cases, it took place without explicit consent.

There were also instances where clients were presented with a particular set of stakeable crypto-assets, while the provider simultaneously staked additional crypto-assets behind the scenes for its own benefit.

With the introduction of MiCAR, the use of clients' crypto-assets for a provider's own account is prohibited. In addition, clients must explicitly consent to participation in staking services offered by a crypto-asset service provider.

Crypto-assets used for staking remain part of the custody service. Consequently, the custody safeguards set out in MiCAR continue to apply. For example, these assets must be segregated from the provider's own crypto-assets and financial resources.

The level of transparency provided by crypto-asset service providers regarding their staking services varies considerably. This applies both to information on staking-related risks and to information on fees. Transparency regarding fees is important to enable clients to make informed decisions. In some cases, providers may retain up to 75% of the staking rewards as compensation.

In addition, the reward presented to clients may differ from the reward ultimately received. This may occur where a portion of the available crypto-assets is not staked, for example to accommodate client withdrawal requests. Other providers instead offer a guaranteed reward.

Providing staking services also requires careful liquidity management by crypto-asset service providers. Providers must manage different staking periods and reward structures while continuing to meet client withdrawal and transaction requests. For example, lock-up periods for the same crypto-asset may vary depending on the client. To ensure sufficient liquidity for withdrawals, providers often choose not to stake all available assets. Furthermore, cooperation between crypto-asset service providers and staking service providers requires robust due diligence and clearly documented contractual arrangements.

The design and operation of staking services fall outside the scope of MiCAR. As a result, no specific MiCAR safeguards apply to these activities that supervisors can assess directly. Consequently, risks remain for clients who participate in staking services.

Many crypto-asset holders who use staking services do not fully understand what staking entails. According to the AFM Consumer Monitor Crypto (see Annex), four in ten Dutch crypto-asset holders (42%) state that they know or roughly know what crypto-asset staking is. More than a quarter of Dutch crypto-asset holders (26%) report participating in staking. At the same time, many of these respondents indicate that they stake crypto-assets that cannot in fact be staked. For example, 43% report staking Bitcoin (BTC) and 25% report staking XRP. This suggests that many clients do not fully understand what staking is or the risks associated with it.

This may partly be explained by the fact that some providers market services as "off-chain staking" or as part of an "Earn" programme. In such cases, however, the activity often does not constitute staking but rather the lending of crypto-assets. Lending involves a different set of risks from staking.

2.2 Lending

Lending involves temporarily lending crypto-assets in exchange for a return, with clients making their crypto-assets available through a crypto-asset service provider. Lending services are primarily offered by larger crypto platforms. As in the case of staking, clients make their crypto-assets available for use. In many cases, these assets are transferred to an affiliated but unregulated entity. Participation requires the client's explicit consent. The unregulated entity subsequently uses the crypto-assets to generate returns, a portion of which is paid to clients through the crypto-asset service provider.

For clients, it is often unclear how returns on lent crypto-assets are generated. Once clients have lent out their crypto-assets, the assets may be used in a variety of ways to generate yield. For example, they may be re-lent to other parties, used for trading activities or pledged as collateral for loans. Part of the resulting income is then paid to the clients who provided the assets. However, what ultimately happens to the lent crypto-assets often remains a black box. For retail clients, obtaining meaningful insight into these arrangements is typically difficult or impossible.

Lending crypto-assets involves additional risks, as clients transfer control of their crypto-assets to a third party for the duration of the lending arrangement. Whereas crypto-assets used for staking generally remain in custody with the crypto-asset service provider, this is not the case with lending. Once lent, the crypto-assets become part of the service provider's assets, while the client receives a claim against the provider. As a result, the custody safeguards established under MiCAR no longer apply. If the crypto-assets are lost or the service provider experiences financial difficulties, clients may suffer direct losses.

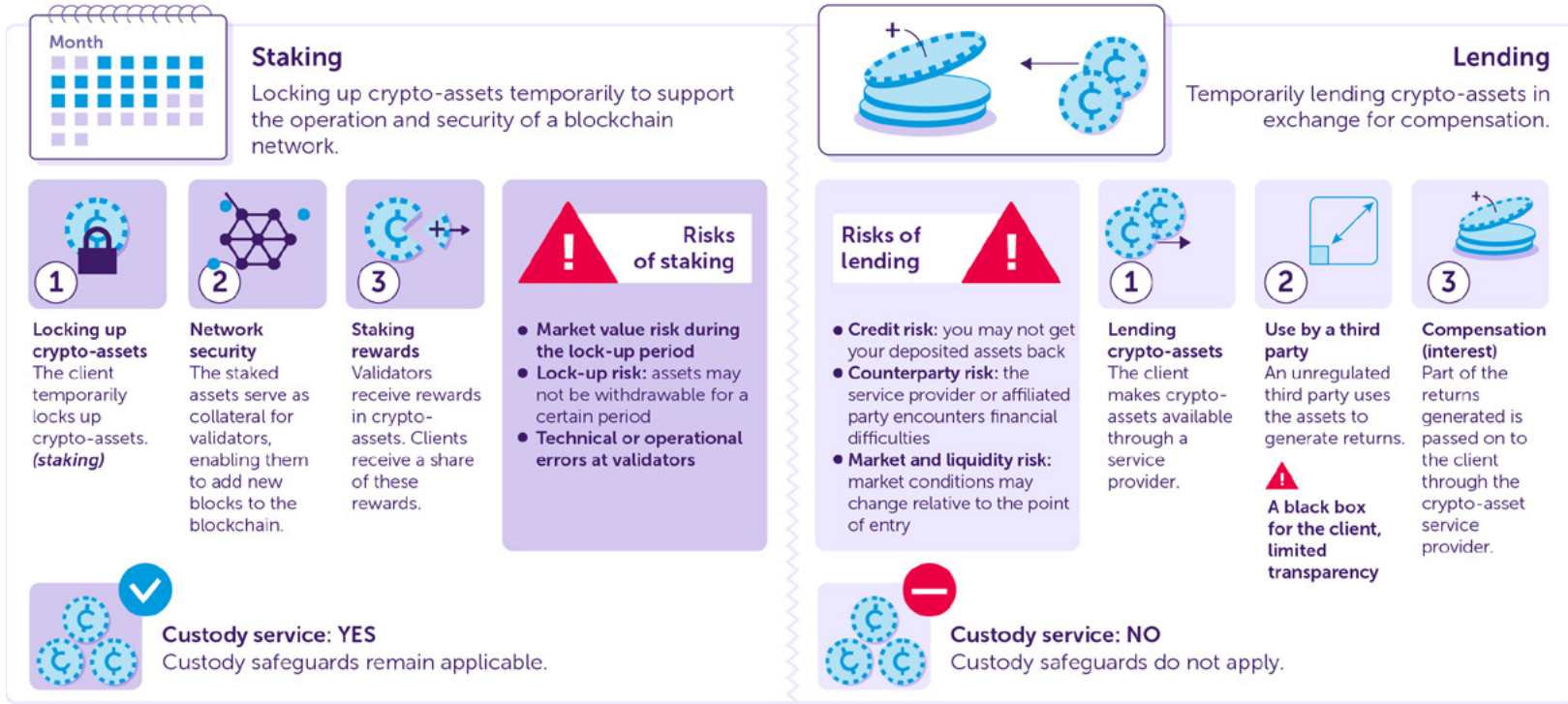
Robust collateral management is therefore essential to mitigate the risks associated with crypto-asset lending. Lending arrangements generally rely on collateral to protect the lender against the risk of the borrower failing to meet its repayment obligations. In crypto lending, assets are often re-lent to third parties, making collateral the primary risk-mitigation mechanism. Without sufficient liquid collateral, lenders

may incur substantial losses during periods of market stress. This was illustrated by the collapse of the Genesis crypto lending platform in late 2022, which was used by a number of crypto-asset service providers, including Dutch firms.

Particularly where fixed returns are promised for a certain period, changing market conditions may create additional risks. A change in market conditions may make it impossible to generate the promised return through the original strategy. This can create incentives to take on additional risk, for example by lending to riskier counterparties, accepting less or lower-quality collateral or increasing leverage.

Like the provision of staking services, crypto-asset lending is not a regulated service under MiCAR. Consequently, there are no specific regulatory requirements regarding the due diligence that must be performed, the structure of lending arrangements or the quality and amount of collateral that should be maintained. At the same time, clients may lose their crypto-assets if losses occur. By contrast, securities lending involving shares or bonds, which has certain similarities to crypto-asset lending, is subject to regulatory requirements in these areas.

What is the difference between staking and lending?



2.3 Decentralised finance

Traditionally, crypto-asset services are provided by a crypto-asset service provider acting as a central intermediary for its clients. Such providers safeguard clients' crypto-assets, execute transactions on their behalf and facilitate the purchase and sale of crypto-assets. In Europe, these are authorised entities subject to regulatory oversight, with personnel, management and a physical presence.

Crypto-asset holders can, however, also use decentralised finance (DeFi) services, which operate without a central intermediary. Rather than relying on a central entity, users interact directly with one another on a peer-to-peer basis, for example when exchanging crypto-assets. This is made possible through smart contracts, software applications in which predefined rules and agreements are embedded and executed automatically. As a result, these services rely on software and automated transaction execution rather than the actions of an intermediary or crypto-asset service provider.

To use decentralised services, users generally retain control over their own crypto-assets. This can be done through a hardware wallet or an online wallet. Users are responsible for securely storing their wallets and access credentials. If these are lost or compromised, they may lose access to their crypto-assets. Nearly a quarter of Dutch crypto-asset holders (23%) report self-custodying their crypto-assets.

Just as centralised crypto platforms exist, there are also decentralised platforms that provide access to a range of services. Well-known examples include Uniswap and PancakeSwap, which enable users to exchange crypto-assets and participate in staking and yield farming. Aave is another prominent decentralised platform, through which users can lend and borrow crypto-assets.

The use of decentralised services has grown significantly worldwide. Over the past three years, the share of global spot trading volume conducted through decentralised platforms relative to centralised platforms has increased from approximately 7% to around 24%.[3] During the same period, the total value of crypto-assets locked in decentralised protocols for activities such as staking and lending more than doubled from around USD 40 billion to over $94 billion, reaching a peak of $171 billion in October 2025.[4]

Several regulated European crypto-asset service providers offer access to decentralised services or use them themselves. For example, some regulated crypto platforms allow clients not only to custody crypto-assets but also to manage them independently through a Web3 or DeFi wallet. This enables clients to access decentralised services directly. In addition, some regulated crypto-asset service providers use decentralised services as part of their own operations, for example by exchanging crypto-assets through decentralised rather than centralised trading platforms.

The use of decentralised services may offer several advantages over centralised services. Transactions are executed through smart contracts, reducing the need to rely on the actions of a central intermediary. The absence of an intermediary may also lower costs. In addition, price formation can be more efficient, as liquidity from multiple sources is aggregated, particularly for smaller or newly issued crypto-assets. Prices and fees may also be more transparent, as they are often predetermined in smart contracts and executed automatically.
Where clients lend crypto-assets through a crypto-asset service provider, it can be difficult to determine how those assets are used and what safeguards are in place, such as collateral requirements. In DeFi lending arrangements, by contrast, users can generally obtain greater visibility on how the service operates, which terms apply and what conditions govern the arrangement. It is also common for borrowers to provide collateral worth at least 150% of the loan value.

3 25.78% in September 2026, The Block and DefiLlama.

4 Total locked value in DeFi, reference date 1 October 2026, DefiLlama.

These benefits, however, are accompanied by specific risks for users of decentralised services. Users are fully responsible for their own actions and must therefore understand how these services operate and what consequences their decisions may have. This requires a level of knowledge and experience that not all crypto-asset holders possess.

If centralised services can be compared to driving a car equipped with safety and assistance systems such as ABS, airbags and navigation, decentralised services are more akin to driving a car without many of these safeguards. Users remain in control, may benefit from lower costs and are free to determine their own course, but they must also manage more risks independently and generally cannot rely on insurance or compensation mechanisms if something goes wrong.

A key risk is that decentralised services remain vulnerable to hacks and technical exploits. Although DeFi-related hacks as a proportion of total value locked declined in 2024 and 2025, there were still a number of major incidents during the past year. Drift Protocol and Kelp DAO were among the most prominent examples, with combined losses reported at $577 million.

In the event of a DeFi hack, there is generally no central entity to which users can turn for support, let alone a customer service desk.

Additionally, it is not always clear to users when they are using a decentralised service. Where a crypto-asset service provider offers unregulated services, this should be clearly communicated to clients. In practice, however, the manner and extent of such disclosures vary. Furthermore, the use of a single user interface can blur the distinction between services such as custodied crypto-assets held by a provider and assets held by clients in a self-hosted Web3 wallet. As a result, users may not always understand which service they are using.

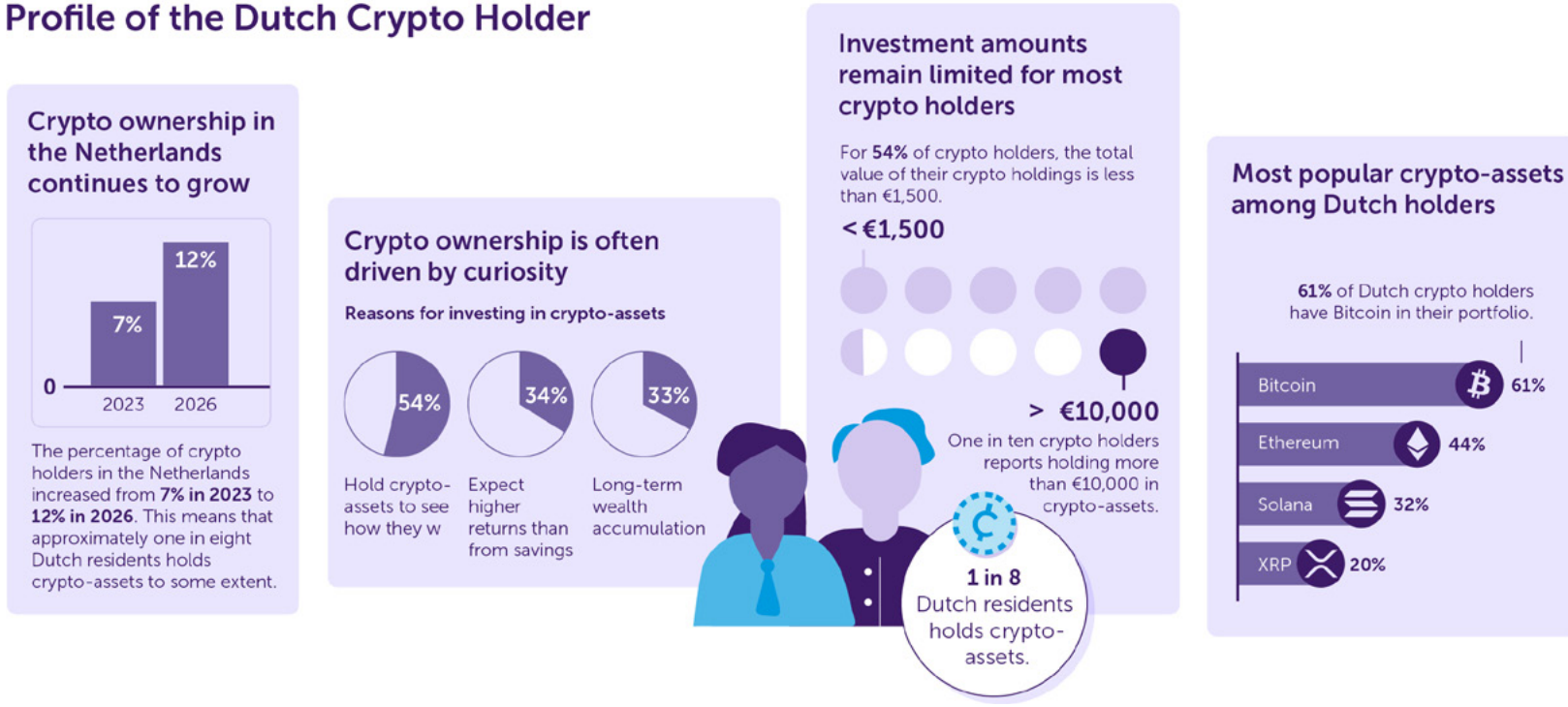
More than half of Dutch crypto-asset holders (55%) report that they do not know the difference between centralised and decentralised crypto-asset service providers. While improved user interfaces may make decentralised services more accessible, they do not necessarily eliminate the underlying risks.

The regulatory framework also provides limited clarity regarding the extent to which decentralised services are subject to regulation. Where crypto-asset services are provided in a fully decentralised manner and without intermediaries, they fall outside the scope of MiCAR. However, what constitutes “fully decentralised” remains unclear. For example, a decentralised platform may operate through token-holder governance, with a single large token holder exercising effective control. Moreover, certain elements of a decentralised service may still fall within the scope of regulation, such as the user interface providing access to decentralised services or the receipt and transmission of orders.

This regulatory uncertainty means that supervisory authorities can exercise only limited oversight in practice. As a result, risks for users of decentralised services remain.

3. Profile of Dutch crypto-asset holders

Profile of the Dutch Crypto Holder



Crypto ownership in the Netherlands continues to grow steadily. The proportion of Dutch consumers holding crypto-assets increased from 7% in 2023 to 12% in 2026. This means that approximately one in eight Dutch citizens now own crypto-assets to some extent (see Annex).[5] In addition, 6% of Dutch consumers report having owned crypto-assets in the past. These figures relate exclusively to the direct ownership of crypto-assets. Crypto-related financial products, such as ETFs or derivatives with crypto-assets as the underlying asset, are excluded, as they do not involve direct ownership of crypto-assets.

Within this growing group of crypto holders, Bitcoin remains by far the most popular crypto-asset. Among crypto-asset holders, 61% hold Bitcoin (BTC). This is followed by Ethereum (ETH) at 44%, Ripple (XRP) at 32% and Solana (SOL) at 20%. The sharp decline in crypto-asset prices since October 2025 does not appear to have slowed the growth in crypto ownership.

5 AFM Consumer Monitor Crypto, conducted by Centerdata. The survey was conducted between 6 April and 20 May 2026 among a sample of Dutch crypto-asset holders aged 18 and over.

Despite growing interest in crypto-assets, the amounts invested remain relatively modest for most holders. More than half of crypto-asset holders (54%) report that the total value of their crypto-assets is less than €1,500. One in ten hold more than €10,000 in crypto-assets. This picture has remained largely unchanged in recent years. In addition, the vast majority of crypto-asset holders (88%) indicate that they are not financially dependent on their crypto investments and can afford to lose the amount invested.

For a significant proportion of crypto-asset holders, crypto forms part of a broader investment portfolio. Approximately four in ten crypto-asset holders (42%) also hold other investments. Conversely, one in five retail investors also own crypto-assets. Among female crypto-asset holders, only a quarter (26%) hold other investments in addition to crypto-assets, compared with 48% of male crypto-asset holders. As a result, female crypto-asset holders tend to have less diversified investment portfolios.

In addition to direct ownership of crypto-assets, financial products that provide exposure to crypto-assets have grown rapidly in recent years. In January 2024, the first spot Bitcoin ETF was approved in the United States, followed by Ethereum and Solana ETFs. Large traditional asset managers such as BlackRock, Fidelity and VanEck now offer these products. The total market capitalisation of spot Bitcoin ETFs has grown to approximately $100 billion, reaching a peak of around $160 billion in October 2025.

In 2026, Dutch banks including ING, Rabobank and ABN AMRO also introduced products that allow investors to gain indirect exposure to cryptocurrencies without directly holding them. These products include crypto ETPs and ETNs. The total market value of European crypto ETPs reached a peak of approximately €20 billion in October 2025.[6]

Nevertheless, Dutch retail investors appear to prefer direct ownership of crypto-assets. While around 8% of investors reported investing in financial products with crypto-assets as the underlying asset during the previous two years, this figure declined to 3% in 2026. Although the range of crypto ETPs has expanded, Dutch investors more often choose to hold crypto-assets directly.[7] Possible explanations include the absence of management fees, which are commonly charged for ETPs, as well as increased confidence in crypto-asset services and the secure custody of crypto-assets following the introduction of MiCAR.

Ownership of crypto-assets is often driven by curiosity. More than half of crypto-asset holders (54%) report owning crypto-assets because they want to understand how they work. Other commonly cited reasons include the expectation of achieving higher returns than through savings (34%) and building wealth over the long term (33%).

The volatile nature of crypto-assets calls for caution and underlines the importance of investing only money that investors can afford to lose. Nevertheless, one in seven crypto-asset holders (13%) report owning crypto-assets with the objective of making money in the short term. This suggests a potential mismatch between expectations and reality. Retail investors often enter the market after strong price increases have already occurred, driven by fear of missing out (FOMO). The largest gains tend to accrue to a relatively small group of early investors, whereas a larger group of retail investors achieve limited profits or incur losses.[8]

Although crypto-assets are often promoted as a means of payment, they are primarily used by crypto holders as an investment and a means of wealth accumulation. A key feature of crypto-assets is that transactions can take place directly between users, without the involvement of a central intermediary and often at relatively low cost. This is made possible by underlying blockchain technology. At the same time, only 6% of crypto-asset holders report actually using crypto-assets for payments.

6 Morningstar, Crypto ETPs in Europe, April 2026.

7 One in five investors (20%) report holding crypto-assets, whereas only 3% report investing in financial instruments with crypto-assets as the underlying asset.

8 BIS, Crypto shocks and retail losses, 20 February 2023.

Within Europe, and particularly in the Netherlands, a well-functioning payment infrastructure and a stable currency already exist. As a result, the added value of crypto-assets as a means of payment is limited for many consumers. In addition, the high volatility of many crypto-assets makes them less suitable for everyday payments. Consequently, retail investors primarily hold crypto-assets as an investment or as part of a diversified investment portfolio. The situation is different for stablecoins, however.

Box: Stablecoins

A stablecoin is a crypto-asset whose value is linked to a fiat currency, such as the euro or the US dollar. Following the introduction of MiCAR, only authorised stablecoins may be offered by crypto-asset service providers within the European Union. In the Netherlands, stablecoin issuers are supervised by De Nederlandsche Bank.

One example of an authorised stablecoin in Europe is USDC, issued by Circle. With a market capitalisation of approximately $74 billion, it is the world's second-largest stablecoin. The largest stablecoin is USDT, issued by Tether, with a market capitalisation of approximately $184 billion.[9] This stablecoin does not currently hold the required authorisation to be offered within the European Union.

As part of the authorisation process, supervisors assess, among other things, whether sufficient reserves are maintained and how those reserves are structured. Holders must be able to redeem their stablecoins at any time on a one-to-one basis for the underlying currency. Another key requirement is that the value of the stablecoin remains aligned with that of the referenced currency. In addition, stablecoins must not pay interest to holders.

Having doubled in market value since 2023, stablecoins have experienced significant growth. Their ability to facilitate permissionless, near-instant and low-cost transactions makes them attractive not only for trading crypto-assets but also for domestic and cross-border payments.

An increasing number of firms are exploring the use of stablecoins, and various industry initiatives have emerged. One example is Open Standard USD, which has attracted more than 200 partners globally. Closer to home, Qivalis is an initiative involving 37 European banks, including ING, ABN AMRO and Rabobank, centred around an authorised euro-denominated stablecoin.

The use of stablecoins is expected to continue growing and to play an increasingly important role in international payments. Visa, for example, has given stablecoins a prominent place in its strategy, while Samsung has announced that its Samsung Wallet will support stablecoins.[10] Another example is Base, a blockchain network developed by Coinbase. The network enables AI agents to independently create wallets and execute transactions, capabilities that are not currently available within the traditional financial system. Stablecoins may also facilitate AI-driven use cases involving microtransactions, particularly where no conversion into fiat currency is required and associated conversion costs can therefore be avoided.

Although stablecoins can technically be used across borders and represent the same digital asset globally, differences between jurisdictions may limit the benefits of this global interoperability. Further regulatory harmonisation, combined with internationally equivalent safeguards, could help address these challenges. This may reduce the risk of differences in regulation and supervision undermining financial stability in Europe, particularly where the same stablecoin is issued both inside and outside the European Union.

Where issuers outside the European Union maintain insufficient reserves, a loss of confidence could occur. This, in turn, may trigger large-scale redemptions by non-European holders through European issuance arrangements, placing pressure on both the stability of the stablecoin and the availability of reserves held by the European issuer.

9 Reference date 1 October 2026, Coingecko.

10 Galaxy Unpacked, London, 22 July 2026.

4. Consumer protection challenges

4.1 Unsuitable products

Crypto-assets constitute a highly diverse and heterogeneous asset class. While MiCAR provides legal certainty by establishing crypto-assets as a separate asset class alongside existing financial instruments, the Regulation makes relatively little distinction between different types of crypto-assets.

This includes more established crypto-assets such as Bitcoin, Ethereum and Solana, each with its own underlying technology, level of adoption and use cases. Bitcoin is often regarded as a store of value and as the foundation for second-layer solutions that enable fast and low-cost payments.[11] Ethereum, by contrast, serves as the basis for a wide range of financial applications, including stablecoins and the tokenisation of assets such as equities and money market funds. Although the use cases of these crypto-assets continue to expand, they remain highly volatile.

At the other end of the spectrum are so-called memecoins, such as dogwifhat and fartcoin, which serve a purely speculative purpose. Token launch platforms such as Pump.fun make it easy for users to create their own crypto-assets. More than 60 million crypto-assets have now been created.[12] The vast majority have a very short lifespan and little or no intrinsic value.

Most European crypto-asset service providers offer a broad range of crypto-assets. In some cases, providers offer more than 400 different crypto-assets. Following the introduction of MiCAR, a crypto-asset white paper must be available for each crypto-asset. These documents provide information on the characteristics of the crypto-asset, how it functions and who is responsible for its issuance.

However, not all crypto-assets offered are suitable for consumers. Smaller crypto-assets in particular often follow a similar pattern: prices rise sharply following launch before subsequently declining. Over the long term, many of these crypto-assets retain little value. The European Supervisory Authorities (ESMA, EBA and EIOPA) have also warned that many crypto-assets are highly speculative and volatile.[13]

At the same time, MiCAR does not contain product governance requirements or safeguards designed to ensure that products are distributed to the consumers for whom they are appropriate. This includes requirements relating to target group identification, distribution strategies and product approval processes. Such requirements do apply to investment firms that offer financial instruments.

Although the current market share of memecoins remains limited, a renewed crypto market rally could change this picture. Depending on the definition used, memecoins account for approximately 1% to 2% of the overall crypto market and between 5% and 10% of daily trading volume.[14] Investor exposure to memecoins therefore remains relatively limited for the time being. However, a new period of rising crypto-asset prices could reignite fear of missing out (FOMO) among retail investors, potentially leading to new inflows of capital and increased trading activity. This also increases the scope for speculation.

11 For example, the Lightning Network is a second-layer solution on Bitcoin that enables near-instant and low-cost payments by processing transactions outside the Bitcoin blockchain and recording only the final outcome on-chain.

12 Reference date 1 October 2026, CoinMarketCap.

13 EU financial regulators warn consumers on the risks of crypto-assets.

14 Meme Coins by Market Cap, Coingecko.

4.2 Rapidly evolving crypto services

The crypto market continues to evolve at a rapid pace. While new products are regularly introduced in the traditional financial sector, these are often incremental developments of existing products and services. By contrast, the crypto market remains at a relatively early stage of development, with new products and services emerging in rapid succession.

Over the past year, products such as crypto payment cards, crypto-collateralised loans, margin trading and tokenised equities have been introduced to the European market. As a result, consumers may find it difficult to understand which service they are using, the risks associated with it and the regulatory framework that applies. Such products often operate at the boundaries of existing regulation or fall simultaneously within the scope of multiple regulatory regimes. In addition to MiCAR, rules governing payment services (PSD2), consumer credit (CCD) and financial instruments (MiFID II), for example, may also apply.

A further challenge is that the legal classification of crypto-assets may differ across Member States. Differences in how ownership rights and property rights relating to crypto-assets are recognised under national law may mean that certain services can be offered in one Member State but not in another. This can affect how market participants structure and provide their services and may complicate the harmonisation of supervision across Europe. It can also create uncertainty for consumers regarding their rights and the protections available to them.

The services offered by crypto-asset service providers continue to evolve even after authorisation has been granted. Providers regularly apply to extend their MiCAR authorisations to cover additional services and frequently introduce new products and functionalities. As a result, consumers may be exposed to services that differ significantly from those originally offered when they first became clients.

The continuous introduction of new products and services places significant demands on the adaptability of supervisory authorities. At the same time, it remains essential that supervisory decisions are taken carefully and, where necessary, aligned at the European level. This is particularly challenging in a highly competitive market, where commercial objectives do not always align with consumer interests. Effective supervision therefore requires both sufficient time and resources.

4.3 Inadequate information provision

Given the wide range of crypto-assets and crypto-related products available, adequate disclosures by crypto-asset service providers are essential. Clients must understand what they are investing in and the associated risks and costs. In practice, however, the way in which crypto-asset service providers inform clients about different types of crypto-assets varies considerably. The offering of multiple financial services within a single digital environment, and the confusion this may create for clients, further underscores the importance of clear information regarding the nature of the services provided.

Another important consideration is that crypto-asset service providers offer services that fall outside the scope of MiCAR. MiCAR provides a solid regulatory foundation for more traditional crypto services, such as the purchase and sale of crypto-assets, the custody of crypto-assets and portfolio management. At the same time, providers offer services which fall wholly or partly outside the scope of MiCAR or whose inclusion under MiCAR is unclear. These are often crypto-specific services with no direct equivalent in traditional finance, such as staking, crypto-asset lending and participation in decentralised finance (DeFi) activities.

Where crypto-asset service providers offer such unregulated services, it is particularly important that clients clearly understand that these activities do not fall within MiCAR's regulatory framework. Clients should be made aware of the relevant risks associated with these services. Providers should not create the impression that the same safeguards and protections apply as those available for services regulated under MiCAR.[15]

15 On 11 July 2025, ESMA published a statement providing guidance on the offering of unregulated activities by crypto-asset service providers.

4.4 Fraud and misleading practices

In addition to the risks associated with the speculative nature of crypto-assets, these assets are also used in fraudulent and misleading schemes. Examples include pump-and-dump schemes, where market participants artificially inflate the price of a crypto-asset before selling their holdings at a profit at the expense of other investors. Another common practice involves offering cloned tokens that mimic well-known crypto-assets in order to mislead investors.

The large number of available crypto-assets and the ease with which new tokens can be created increase the risk that consumers will encounter fraudulent or misleading products. A new crypto-asset can be launched quickly and with relatively limited technical effort. However, this does not mean that every token serves a legitimate purpose or is offered in a responsible manner. Where investors are misled or regulatory requirements, such as the obligation to publish a white paper, are not complied with, sanctions and enforcement measures may follow. In addition, crypto-assets must not be offered by private individuals.

Crypto-asset holders report encountering fraud more frequently than traditional investors. More than a quarter of crypto-asset holders (27%) indicate that they have received an offer or tip relating to crypto-assets that they suspected to be fraudulent. In addition, almost one in ten crypto-asset holders (8%) report having been the victim of fraud resulting in the loss of money or crypto-assets.

These figures are lower among traditional investors. Approximately one in seven Dutch investors (14%) report having suspected investment fraud at some point, while around one in fifty (2%) indicate that they have actually become a victim of investment fraud.

Fraudsters often exploit current trends and topics that attract significant public attention. The popularity of crypto-assets and the associated media coverage make the sector particularly attractive to fraudsters seeking to lure potential victims, even where no genuine crypto investment or crypto transaction is ultimately involved.

Opaque corporate structures, offshore arrangements and uncertainty regarding the location of activities and the nature of services create additional challenges. It is not always clear which entity is responsible for a particular service, from which jurisdiction it is offered or whether it falls within the scope of MiCAR. Furthermore, the cross-border nature of crypto markets, the ability to trade around the clock and the availability of the same crypto-assets across multiple centralised and decentralised platforms increase the complexity of supervision and enforcement. Illegal crypto-asset services continue to be offered. Effective combating of fraud therefore increasingly requires a coordinated European approach and close cooperation between supervisory authorities, as well as with law enforcement and other relevant public authorities.

5. Strengthening supervision

A future-proof consumer protection framework requires regulation that evolves alongside emerging risks. When MiCAR was developed in 2020, crypto-asset services primarily focused on the custody of crypto-assets and the execution of buy and sell transactions. While MiCAR has established a solid foundation as one of the world's first comprehensive regulatory frameworks for crypto-assets, the market has continued to evolve at a rapid pace. To ensure that consumers remain adequately protected in this changing environment, further development of the regulatory framework is necessary.

There is a strong case for bringing staking and lending services explicitly within the scope of MiCAR. These services have become commonplace within the crypto sector but currently lack a dedicated regulatory framework. As a result, specific requirements relating to liquidity management, risk management and the use of collateral are absent. Regulating these activities would contribute to greater legal certainty, enhanced investor protection and a more level playing field across Europe.

Greater international harmonisation is desirable so that crypto-asset holders in this inherently cross-border market can rely on comparable safeguards. This would also be consistent with developments in other jurisdictions, where staking and lending activities are increasingly being brought within the regulatory perimeter.[16] It is important that Europe maintains its leading position in the regulation of crypto-assets.

Further clarification of the regulatory framework is also desirable with regard to decentralised services. In practice, the boundary between regulated activities and fully decentralised activities is not always clear, creating uncertainty for market participants, supervisors and consumers alike. Additional clarification could contribute to more effective supervision and greater legal certainty. At the same time, it is important both to mitigate key risks through appropriate safeguards and to recognise the benefits that DeFi may offer.

The absence of product governance requirements under MiCAR further increases the importance of devoting supervisory attention to the distribution of crypto-assets. This includes the way crypto-assets are presented, the marketing practices used and the manner in which risks are explained to clients. Particularly for highly speculative products, it is essential that clients receive a balanced view of both the potential returns and the associated risks. Effective oversight of client communications helps prevent misleading messages and reduces the likelihood that consumers will make investment decisions that are not in their best interests.

The growing convergence of financial services and the cross-border nature of crypto markets also call for more centralised supervision. Consumers should be able to rely on comparable levels of protection throughout Europe, regardless of the Member State in which a crypto-asset service provider is established. A greater role for ESMA through centralised supervision could contribute to a more consistent application of MiCAR, more efficient knowledge sharing and more effective management of cross-border risks.

In addition, more forward-looking supervision is needed to identify emerging risks in the crypto market at an early stage. Alongside the supervision of individual firms, it is becoming increasingly important to detect emerging developments and vulnerabilities across the broader crypto ecosystem. A data-driven and ecosystem-based approach, grounded in risk indicators and probabilities, would enable European supervisory authorities to monitor trends more effectively, identify po-

16 Several jurisdictions, including Singapore, Japan, the United Kingdom and the United Arab Emirates, have already introduced regulatory frameworks for staking and/or lending services or are in the process of doing so.

tential issues at an early stage and adopt a more proactive supervisory approach. This also applies to technological threats, such as AI-driven cyberattacks and the potential impact of quantum computing.

Finally, the rapidly evolving crypto market requires an agile supervisor that continues to invest in knowledge and expertise. Innovations such as tokenisation, crypto-collateralised lending, staking arrangements and decentralised finance are developing rapidly. Continuous engagement with the market, ongoing knowledge development and specialised supervisory teams are therefore essential to identify new risks in a timely manner and supervise effectively in a market that differs fundamentally from traditional financial services.

Agility, however, should not come at the expense of careful supervision. New products frequently operate at the boundaries of existing regulation and require thorough analysis and legal assessment. Pressure from the market to provide rapid clarity should not undermine a balanced and well-founded supervisory approach.

Annex: AFM Crypto Consumer Monitor 2026

AFM Crypto Consumer Monitor 2026

This is an English translation of the original Dutch text, furnished for convenience only. In the event of any conflict between this translation and the original Dutch text, the latter will prevail.