

The European Parliament Paves the Way for Crypto Legislation

The European Parliament has voted to regulate cryptocurrencies, but the legislation has been postponed to April 2023 due to the technical complexities. According to a Reuters report, the Economic Affairs Committee of the Parliament has approved the Basel-III law (post-financial crisis rules of the global bank) to take effect in January 2025. The [European Union](#) has divided [cryptocurrencies](#) into two categories. The first category includes tokenized assets pegged to physical collateral, or their stability is maintained by a reliable mechanism. The second group involves volatile crypto projects, including Bitcoin and Ethereum. The second group requires banks to apply a 'risk weight' of 1,250%. This means that banks should keep one euro for every euro spent on cryptocurrencies. In Addition, The European Parliament has allowed banks to save 2% of their capital in the second group of cryptocurrencies, given that the required criteria are met.

Source: [The Pipsafe Team](#) - **The European Parliament Paves the Way for Crypto Legislation**

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