

## **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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