

ANALYSIS | REPORT

Study into advertisements and information disclosure on costs by CASPs

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Crypto-Asset Service Providers (CASPs) advertise the trade in cryptos via various media. The AFM cautions that trading in cryptos is very risky, which is why it considers it important that CASPs' information disclosure on this is in order. The Markets in Crypto-Assets Regulation (MiCAR), which entered into force on 30 December 2024, requires CASPs to comply with different requirements in the area of information disclosure, including advertising.

What action has the AFM taken?

The AFM closely monitors the activities and developments in the area of cryptos. We see CASPs advertising the trade in crypto-assets via different media. We consider it important that marketing and marketing-related activities are in the best interests of clients and that they enable clients to make well-informed decisions. In order to gain insight into CASPs' information disclosure, we performed exploratory studies into CASPs' advertisements in 2023 and 2024. In addition, we performed an exploratory study in 2023 into the information disclosure of costs on CASPs' websites. After all, not only advertising, but also costs can be an important factor for clients when considering a particular service provider. In these studies, the AFM came across several examples of potentially unfair, unclear and misleading information disclosures.

This publication serves as a brief explanation of the study, and it offers practical tools for the sector as well as insight into AFM activities. The publication has the following structure:

- What do the advertisements of CASPs have to comply with?
- Outcomes of the study into CASPs' advertisements
- What does the information about costs on CASPs' websites have to comply with?
- Outcomes of the study into cost information on the websites of CASPs
- What does this study mean for the future?
- The AFM's supervision of information disclosure
- What else does the AFM do in respect of cryptos?

What do the advertisements of CASPs have to comply with?

In accordance with Article 66(2) MiCAR, CASPs provide their clients with information that is fair, clear and not misleading, including in advertisements,¹ which have to be identified as such. CASPs will not, deliberately or negligently, mislead their clients in relation to the real or perceived advantages of any crypto-assets. Moreover, it follows from Article 66(3) MiCAR that CASPs must warn clients of the risks associated with transactions in crypto-assets.

This standard from MiCAR bears similarities to comparable standards from the Markets in Financial Instruments Directive (MiFID II) and the Financial Supervision Act (Wft).² While these are separate standards, we will also consider the similarities where relevant and appropriate. Among other things, we assess whether the information does not mislead clients. We thus expect for the information in all cases to be easy to find, understandable and balanced for the target market.

¹ Also, Articles 7, 29 and 53 MiCAR list requirements for advertisements relating to an offer to the public of a crypto-asset or to the admission to trading of such crypto-asset. The study conducted by the AFM does not pertain to these specific requirements, but focuses instead on the generic standard of being fair, clear and non-misleading.

² With reference to Article 24(3) MiFID II and Section 4:19(2) of the Financial Supervision Act (Wft).

Outcomes of the study into CASPs' advertisements

For our study, we focused on the advertisements of different CASPs, via different media. Below, we highlight some of the findings from the study. These findings should be regarded as practical tools for CASPs that give insight into the ways in which CASPs can meet the requirements set out in MiCAR.

Warning of risks associated with transactions in crypto-assets

We saw various advertisements that do not warn of risks associated with transactions in crypto-asset. The standard³ stipulates that CASPs must warn clients of the risks associated with transactions in crypto-assets. We see good examples in practice, warning of these risks at least when (potential) advantages of crypto-assets and/or crypto-asset services are also highlighted. This contributes towards a clear and balanced disclosure of information.

We also saw a number of advertisements in which we do not find the warning that was provided to be clear. The AFM considers the inclusion of a passage such as *'investing/trading in crypto-assets has/involves risks'* to be too generic to indicate the risks associated with transactions in crypto-assets. According to the AFM, one of the ways in which to comply with the standard⁴ would be to make clear what the relevant risk is, for example that you could lose your investment. For the sake of completeness, we stress that we consider it important that the warning is proportionate to the advertisement's context. Whether a warning is fair, clear and not misleading depends on the context, both in terms of content and presentation, and may differ per advertisement.

Presentation of historical returns

We saw a number of advertisements that show historical returns. In some cases, the advertisements did not use a representative period because of the shortness of the period. If advertisements outline historical or actual returns, we expect them to be based on a period that is representative.

Presentation of staking rewards

We came across a number of advertisements summing up the advantages of staking services, in the form of a reward per crypto-asset, for example. The standard⁵ stipulates that CASPs will not, deliberately or negligently, mislead their clients in relation to the real or perceived advantages of any crypto-assets. The AFM considers it important that such advertisements mentioning the (possible) advantages of crypto-assets should also mention the associated risks and possible limitations. An important limitation in this context, for example, is that the suggested rewards from staking services may be variable, such as is the case if a CASP can adjust these rewards at any given time. We also deem it important for CASPs to mention whether eligibility for such rewards is subject to certain conditions.

Presentation of promotions

We encountered advertisements offering to waive transaction fees for clients who trade above a certain volume. These promotions usually featured a limited period. We deem it important that promotional ads show the timespan in a clear and fair manner. After all, given the restricted validity period, clients may not be able to take full advantage of the promotion unless they complete enough, and sufficiently large, transactions. In addition, some advertisements refer to 'transaction credit'⁶ in relation to these promotions. In using this term, we consider it important that the impression is not unfairly created that these are credits that can be used to purchase crypto-assets.

Saving or trading safely in cryptos

Some of the advertisements examined by the AFM talk about trading 'safely' in cryptos, or 'savings' in crypto-assets. The AFM stresses that fair, clear and non-misleading information disclosure means that risks should not be trivialised, especially given the volatility of crypto-assets. If advertisements talk about trading 'safely' in crypto-assets, it is essential to provide further explanation or context to the meaning

³ Article 66(3) MiCAR.

⁴ Article 66(2) MiCAR.

⁵ Article 66(2) MiCAR.

⁶ The Dutch term used is 'transactietegoed'.

thereof. In addition, clients may be misled by the term ‘savings’. In the Netherlands, the term ‘savings’⁷ has a strong connotation with holding funds in a bank, by virtue of the deposit-guarantee scheme.

What does the information about costs on CASPs’ websites have to comply with?

Pursuant to MiCAR, CASPs will make their policies on pricing, costs and fees publicly available, in a prominent place on their website. See Article 66(4) MiCAR. Moreover, pursuant to Article 66(2) of MiCAR, we assess whether information disclosure on costs is fair, clear and not misleading.

Outcomes of the study into cost information on the websites of CASPs

For our study, we examined the information on costs of different CASPs that was listed on their public websites. We came across several cases where this information is not made publicly available in a prominent place on their website. We also observed a few examples of information that may not be fair, clear and/or information that may be misleading. We explain some of the findings below so they can serve as practical guidance for CASPs by providing insight into how they can best comply with the requirements set by MiCAR.

No policies on pricing, costs and fees on the public website

We came across a few cases that did not show any policies on pricing, costs and/or fees on the public website. In order to comply with this standard,⁸ we deem it important that CASPs not only mention the general fact that pricing, costs and/or fees may apply. They should also give clients actual insight into the specific pricing, costs and/or fees charged by a CASP. In general, we consider the use of a cost schedule and/or cost calculator to be good practice.

No prominent place given to policies on pricing, costs and fees

There were several cases in which the cost information was spread across the website as opposed to being posted on one single page. For example, on the landing page, on specific pages about costs, under so-called knowledge academies, under ‘frequently asked questions’ (FAQs) or support centres and/or in the General Terms and Conditions (GT&C). We note that we generally do not consider knowledge academies, FAQs, support centres and/or the GT&C to be a prominent place for making the policies on pricing, costs and fees publicly available. We note that information posted in these locations is difficult for clients to find, as these descriptions do not suggest that there is cost information on these pages. Furthermore, we do not believe that clients can adequately find the information if all the information belonging to a particular topic is not made available on or via one page. One way of ensuring that the information is in a prominent place is to locate it one click away from the homepage, or two clicks if using a drop-down menu.

No plausible components of cost in policies on pricing, costs and fees

We observed that different websites of CASPs lack one or more plausible cost components. By plausible cost components, we mean in any case usual costs such as deposit and/or withdrawal fees, transaction fees and current costs. We consider it important that CASPs are comprehensive in their communication towards clients in order to ensure a fair, clear and non-misleading information disclosure. Failing to mention such costs, while clients do pay them, could suggest CASPs to be misleading their clients.

⁷ The Dutch term used is ‘sparen’

⁸ Article 66(4) MiCAR.

What does this study mean for the future?

MiCAR fully entered into force on 30 December 2024, and we expect CASPs to ensure that their information disclosure, including advertisements, meets the applicable standards.⁹ We note that the previously mentioned findings under MiCAR could qualify as breaches, which is why we urge CASPs to apply the guidance provided. We will be supervising advertisements and in doing so, we also consider it important how parties define their policies on this.

AFM supervision of information disclosure

The AFM exerts risk-driven supervision, both in terms of our regular supervision as in thematic studies. Given the trend in trading in cryptos and the significant risks associated with this, we ensure a thorough supervision approach to proper compliance with requirements on information disclosure as laid down in MiCAR. We will keep you up to date on current developments and will conduct further studies. At the beginning of 2024, for example, we published the study [Crypto apps are not yet tailored to customers' interests](#). Previously, we also published an [exploratory study into finfluencers](#).

What else does the AFM do in respect of cryptos?

Among other things, we are currently processing licence applications from CASPs, supervising crypto-asset white papers for asset-referenced tokens (ARTs) and e-money tokens (EMTs), and advertisements relating to an offer to the public of ARTs and EMTs or to the admission to trading of such ARTs and EMTs. CASPs have been able to submit [licence applications or notifications](#) to the AFM since 22 April 2024. Furthermore, we are keeping a close eye on current developments involving cryptos and continue to be committed to protecting clients, for example by sharing good practices in Q&As and press releases. Finally, we are committed to additional European legislation and regulations and a European level playing field.

⁹ A transition period applies to CASPs already operating under the national regime before 30 December 2024. If they wish to continue providing crypto-asset services, they must have a MiCAR licence or notification by 30 June 2025.



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