

REAT EUROPE COMPLIANCE OPINION

- **Subject:** Regulatory status of REAT Europe SRL’s rent-tokenisation ecosystem under Regulation (EU) 2023/1114 (MiCA) and the ongoing MiCA review (“MiCAh”); voluntary EU geoblocking as good corporate governance.¹
- **Issued by:** REAT Europe SRL — Legal & Compliance
- **Date:** June 21st
- **Classification:** Public — for corporate file

I. Executive Summary

I.1. On the basis of the facts made available to us and on the assumption that those facts are accurate and complete, REAT Europe SRL (“REAT”) does not appear to fall within the material scope of Regulation (EU) 2023/1114 (“MiCA”) in its current form. This is because the rent-tokenisation product operated within REAT’s closed real-estate ecosystem is structured to function as a utility token providing access to a closed network of services (rent-yield entitlements) and/or as a token representing a unique, non-fungible underlying physical asset (real estate), both of which are addressed by express carve-outs in MiCA (Recital 10, Articles 2(3) and 2(4), and Article 4(3)).

I.2. REAT does not, in its current configuration, perform any of the ten “crypto-asset services” enumerated in Article 3(1)(16) MiCA in respect of EU-based clients — the platform is geographically restricted so that REAT does not provide such services “in the Union” within the meaning of Article 2(1) and Article 59 MiCA. The reverse-solicitation channel of Article 61 is therefore not implicated.

I.3. Notwithstanding the above, the European Commission’s MiCA review (informally “MiCA 2.0”) is in active consultation (launched 20 May 2026, closing 31 August 2026), with a Commission report due by 30 June 2027 pursuant to Articles 140 and 142 MiCA. The review explicitly contemplates amendments covering, *inter alia*, the protection of minors, the DeFi perimeter, stablecoin reserve rules, tokenisation, and the CASP-as-gatekeeper model. Pending the adoption of those amendments and the first enforcement decisions and judgments by National Competent Authorities (NCAs), ESMA, EBA, and the Court of

¹ *This compliance opinion is issued for the internal corporate file of REAT Europe SRL. It reflects the legal framework as of the date of issue and is subject to revision in light of regulatory developments. It does not constitute a regulatory opinion within the meaning of MiCA Article 97(3) and does not bind any National Competent Authority, ESMA, or the Court of Justice of the European Union.*

Justice of the European Union, the regulatory perimeter of MiCA in respect of closed, non-public real-estate tokenisation systems is not yet judicially settled.

I.4. Against that background, REAT’s decision to voluntarily geoblock EU-based users at the access layer, while preserving ownership, rewards, and on-chain transferability of Blocks, is a proportionate, risk-mitigating, and good-corporate-governance measure. It eliminates regulatory exposure that could otherwise arise from any future re-interpretation of MiCA scope or from the entry into force of the MiCAh amendment, and it protects REAT’s users, ecosystem, and counterparties from the legal uncertainty inherent in awaiting the first binding precedents.

I.5. This opinion is given *prima facie* on the basis of the information made available to us as of the date hereof. It is not a substitute for a full regulatory audit and should be revisited upon (i) publication of the Commission’s MiCA review report, (ii) any material change to REAT’s business model, (iii) the entry into force of the MiCAh amendment, or (iv) the issuance of any NCA decision, ESMA opinion, or CJEU judgment bearing on the classification of real-estate tokenisation products.

II. Scope of MiCA — Statutory Framework

II.1 Material scope (Article 2(1) MiCA)

MiCA applies to natural and legal persons and certain other undertakings that are “engaged in the issuance, offer to the public and admission to trading of crypto-assets or that provide services related to crypto-assets in the Union”.

Therefore, two cumulative triggers are required for MiCA to apply: (a) one of the regulated activities (issuance, offer to the public, admission to trading, or provision of crypto-asset services), and (b) a territorial nexus with the Union (“in the Union”).

II.2 Express exclusions relevant to REAT

MiCA does not apply to:

PROVISION	EXCLUSION	RELEVANCE TO REAT
Recital 10	“crypto-assets representing services or physical assets that are unique and non-fungible, such as product guarantees or real estate”	Direct, on-point carve-out for tokenised real estate rental tokenization.

Article 2(3)	“crypto-assets that are unique and not fungible with other crypto-assets”	Tokenisation of a specific, identifiable right on rewards from a non-fungible token (NFT)
Article 2(4)(a)	crypto-assets qualifying as financial instruments under MiFID II	The token is not a financial instrument
Article 4(3)(c)	“the offer concerns a utility token providing access to a good or service that exists or is in operation”	REAT’s token grants access to rent backed ecosystem rewards within an existing operational network
Article 4(3)(d)	“the holder of the crypto-asset has the right to use it only in exchange for goods and services in a limited network of merchants with contractual arrangements with the offeror”	REAT’s “limited network” exemption applies to the closed rent-reward ecosystem

II.3 Territorial scope

MiCA’s authorisation requirement (Article 59) and the conduct rules in Title V attach only to the provision of crypto-asset services “in the Union”. Article 61 MiCA confirms that a third-country firm providing crypto-asset services to a Union-established client at the client’s own exclusive initiative is not subject to the Article 59 authorisation requirement, but the second subparagraph of Article 61(1) states that the exception does **not** apply where the third-country firm solicits, promotes, or advertises crypto-asset services or activities in the Union.

By geoblocking at the access layer, REAT (i) does not solicit, promote, or advertise crypto-asset services to EU users; (ii) does not offer crypto-assets to the public in the Union within the meaning of Article 4 MiCA; and (iii) does not seek admission to trading of any crypto-asset on a Union trading platform. The territorial trigger in Article 2(1) MiCA is therefore not met.

III. Analysis — Application of MiCA to REAT’s Rent-Tokenisation Ecosystem

III.1 Classification of the Blocks

On the facts as presented:

(a) Each Block represents a right to a reward that is backed by rental income generated by an identified, underlying real-estate asset; (b) the right is enforceable only against REAT, by design, within REAT’s contractual ecosystem; (c) the right is not freely transferable on a Union trading platform; (d) Blocks are not offered to EU-based users following the geoblocking decision; (e) a Block is a non-fungible-token (NFT); and (f) Blocks do not currently function as a means of payment within a broad acceptance network.

On those facts, the Blocks most naturally fall within:

- **Recital 10 MiCA** — tokens representing physical assets that are unique and non-fungible (real estate); and/or
- **Article 4(3)(c) MiCA** — utility tokens providing access to a service that is in operation; and/or
- **Article 4(3)(d) MiCA** — tokens usable only in a limited network of contractual counterparties (the rent-distribution network).

In any of these classifications, the offer of Blocks does not, in principle, require a MiCA white paper under Article 6 MiCA (the offer is exempt), an authorisation as an ART or EMT issuer under Titles III/IV, or an authorisation as a CASP under Title V. We note, however, that the limited-network exemption is subject to a EUR 1,000,000 aggregate ceiling per 12-month period (Article 4(3), third subparagraph) and to notification to the NCA above that threshold.

III.2 No CASP activity directed at the Union

The ten crypto-asset services listed in Article 3(1)(16) MiCA include, among others, custody and administration, operation of a trading platform, exchange of crypto-assets for funds or other crypto-assets, execution of orders, placing, advice, portfolio management, and transfer services. None of these services is, on the facts, offered to EU-based users following the geoblocking decision. REAT therefore does not perform any crypto-asset service “in the Union” within the meaning of Article 2(1) MiCA and is not required to seek authorisation under Article 59 MiCA or to notify under Article 60 MiCA.

III.3 No offer to the public in the Union

Following the geoblocking decision, REAT does not communicate any offer of Blocks to persons in the Union within the meaning of Article 3(1)(12) MiCA. The platform's online interface (Article 3(1)(38) MiCA) is not accessible to EU IP addresses, and REAT's marketing communications (Article 3(1)(38) and Article 7 MiCA) are not directed at EU-based prospective holders. The threshold for an "offer to the public" is therefore not engaged.

III.4 Reverse-solicitation

Article 61 MiCA, on its strict reading (ESMA Final Report on Guidelines on reverse solicitation, December 2024), permits a third-country firm to provide crypto-asset services to Union clients only where (i) the client initiates the service at its own exclusive initiative and (ii) the firm does not solicit, promote, or advertise such services in the Union. The current geoblocking fully avoids the reverse-solicitation regime; even if a residual inbound request were received from an EU user who circumvented the geoblock (e.g., via VPN), Article 61(1), second subparagraph, expressly provides that "any contractual clause or disclaimer purporting to state" that the service is at the client's exclusive initiative shall not be relied upon where solicitation has occurred. Geoblocking at the access layer eliminates the solicitation risk in its entirety.

IV. The MiCA Review ("MiCAh") and Pending Legal Uncertainty

IV.1 The Commission's review process

Article 140 MiCA requires the Commission to present a report on the application of MiCA by 30 June 2026, accompanied, where appropriate, by a legislative proposal. Article 142 MiCA requires a separate report on matters not addressed in MiCA (including DeFi, lending, NFTs, and on-chain assets). On 20 May 2026, the Commission launched a targeted public consultation on MiCA's functioning (closing 31 August 2026), explicitly raising topics that are likely to be addressed in the forthcoming "MiCA 2.0" legislative package.

IV.2 Items relevant to REAT's business model

Among the topics in the Commission's consultation that may affect the perimeter applicable to real-estate tokenisation systems, the following are of particular relevance:

- (a) **Protection of minors** — strengthened conduct and marketing rules, including gating, age-verification, and product-governance obligations;
- (b) **DeFi perimeter** — clarification of the “fully decentralised” carve-out (Article 2(1) MiCA), including indicator-based tests for the presence of intermediaries;
- (c) **Tokenisation and on-chain ownership** — clarification of property-law, custody, transfer-of-title, and insolvency-remoteness questions, particularly relevant for real-estate-backed tokens;
- (d) **Marketing and gamification restrictions**— possible prohibition or restriction on certain marketing techniques aimed at retail investors;
- (e) **CASP-as-gatekeeper model** — possible imposition of due-diligence obligations on regulated intermediaries in respect of front-end or protocol exposure, with potential liability spill-over;
- (f) **Sustainability / ESG disclosures** — extension of climate and environment-related disclosure requirements.

IV.3 Absence of binding precedent

As of the date of this opinion, no CJEU judgment has authoritatively construed the boundary between MiCA-in-scope crypto-assets and the Recital 10 / Article 4(3) carve-outs in respect of closed real-estate tokenisation systems. No NCA decision has been published classifying a real-estate-tokenisation product as either (i) an ART, (ii) an EMT, or (iii) a CASP-relevant activity for a closed utility token. ESMA’s register of non-compliant entities (Article 110 MiCA) does not, to our knowledge, currently list a comparable real-estate-tokenisation platform.

IV.4 The risk-management imperative

The above regulatory uncertainty creates a non-trivial risk that, by the time the first binding precedents issue, REAT could face:

- retrospective classification of its Blocks as ARTs or EMTs (with associated prudential, reserve, and own-funds requirements);
- classification of REAT as a CASP for past EU-user activity (with associated capital, governance, and conduct obligations);
- inclusion in ESMA’s non-compliant entities register;
- administrative pecuniary sanctions of up to 12.5 % of annual turnover under Article 111(3)(d) MiCA, or such other amount as the relevant NCA may determine.

V. The Decision to Geoblock — Good Corporate Governance

V.1 Legal characterisation of geoblocking

Geoblocking implemented at the access layer (IP-based geo-restriction of REAT's online interface within the meaning of Article 3(1)(38) MiCA, combined with contractual restrictions in REAT's terms of service) is a legitimate, proportionate, and reversible risk-management measure. It is not, in itself, an admission of MiCA applicability. On the contrary, it is a precautionary step that materially reduces, and in many scenarios eliminates, the territorial triggers for MiCA's application under Article 2(1) and Article 59.

V.2 Proportionality

Geoblocking is proportionate because it:

- (i) does not affect Block ownership, on-chain records, or accrued rewards;
- (ii) does not expropriate or extinguish any user right;
- (iii) does not restrict the user's ability to receive REAT tokens in self-custody at a future date, subject to applicable law;
- (iv) preserves all options the user had prior to the geoblocking decision (hold; convert to REAT tokens in self-custody; await restoration of access);
- (v) is reversible in whole or in part upon clarification of the applicable regulatory framework.

V.3 Good corporate governance standards

The decision is consistent with the European standard for prudent corporate governance:

- **Prudence:** avoids regulatory exposure that could materially affect the company and its users;
- **Transparency:** is communicated clearly and proactively to affected users;
- **Reversibility:** preserves all user options and does not foreclose any future business model;
- **Proportionality:** is the least restrictive measure capable of achieving the regulatory-risk objective;
- **Compliance-by-design:** anticipates, rather than reacts to, regulatory developments.

V.4 Alternative measures considered and rejected

The decision to geoblock has been taken in preference to:

- continued unrestricted access pending precedent (rejected: disproportionate regulatory and reputational risk);
- full MiCA CASP authorisation (rejected: disproportionate in the absence of a settled MiCA perimeter over REAT's product; economically and operationally disproportionate for the current user base);
- restructuring REAT's product as an ART or EMT (rejected: not legally required on the current facts; would impose material prudential and operational costs and would alter the product's utility character).

VI. Conclusion

6.1. On the prima facie regulatory position: Based on the facts as presented, REAT Europe SRL does not appear to fall within the material scope of Regulation (EU) 2023/1114 (MiCA) in its current form. The Blocks, as described, are most naturally classified outside MiCA's scope by virtue of Recital 10 and/or Articles 4(3)(c) and 4(3)(d) MiCA. REAT does not, in its current configuration, perform any crypto-asset service "in the Union" within the meaning of Article 2(1) MiCA, and is therefore not required to seek authorisation under Article 59 MiCA.

6.2. On regulatory uncertainty: Pending the adoption of the MiCAh amendment, the first CJEU judgments, and the first NCA and ESMA decisions on the classification of closed real-estate-tokenisation systems, the perimeter of MiCA in respect of REAT's business model is not yet judicially settled. Material regulatory risk exists.

6.3. On the geoblocking decision: The voluntary geoblocking of EU-based users at the access layer is a proportionate, reversible, and well-documented risk-management measure that is consistent with good corporate governance. It is not an admission of MiCA applicability. It materially reduces regulatory exposure and protects REAT's users and counterparties from the legal uncertainty inherent in the present regulatory transition.

6.4. On monitoring: This opinion should be revisited upon (i) publication of the Commission's MiCA review report (expected by 30 June 2027), (ii) any material change to REAT's business model or to the regulatory environment, (iii) the entry into force of the MiCAh amendment, or (iv) any NCA decision, ESMA opinion, or CJEU judgment bearing on the classification of real-estate-tokenisation products.

VII. Sources

1. Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (MiCA), OJ L 150, 9.6.2023.
2. ESMA, *Final Report — Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments*, 10 December 2024 (JC 2024 35).
3. ESMA, *Final Report — Guidelines on reverse solicitation under MiCA*, December 2024.
4. ESMA, *Statement on MiCA Transitional Measures*, 17 December 2024.
5. European Commission, *Targeted consultation on the functioning of MiCA*, launched 20 May 2026, closing 31 August 2026; Commission report expected by 30 June 2027 pursuant to Articles 140 and 142 MiCA.
6. Hogan Lovells, *MiCA — Level 2 and Level 3 texts: status update*, July 2025.
7. Latham & Watkins, *MiCA Review: European Commission Launches Consultation*, 1 June 2026.