



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Amendment to Minimum Competency Regulations

Costs and benefits assessment

June 2026

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1. Introduction and legal basis

The Central Bank of Ireland (Central Bank) is introducing new regulations under Section 48(1) of the Central Bank (Supervision and Enforcement) Act 2013 (the 2013 Act) (the Regulations), to amend the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Minimum Competency Regulations 2017 (MCR)¹.

The amendments are being made as a result of the European Securities and Markets Authority (ESMA) Guidelines “For the criteria on the assessment of knowledge and competence under the Markets in Crypto Assets Regulation (MiCA)”² (the ESMA Guidelines). The ESMA Guidelines are intended to promote consistent supervisory practices and a high standard of investor protection across Member States.

Section 50A(1) of the 2013 Act requires the Central Bank, before making regulations under section 48, to carry out an assessment of the costs and benefits of the proposed regulations, including the potential impacts on customers and on fair competition in financial markets in the State. The Central Bank is also required to publish any assessment carried out under Section 50A(1) not later than the date of the making the regulations under Section 48.

As the proposed amendments to the MCR will be effected through regulations made under section 48 of the 2013 Act, a costs and benefits assessment is required. In making such regulations, the Central Bank must also have regard, under section 50 of the 2013 Act, to the need to ensure that the requirements imposed are effective and proportionate, having regard to the nature, scale and complexity of the firms concerned.

As required, the Central Bank has undertaken an assessment of the costs and benefits of the proposed changes to the MCR, and the following sections set out our conclusions.

¹ <https://www.centralbank.ie/regulation/how-we-regulate/authorisation/minimum-competency>.

² https://www.esma.europa.eu/sites/default/files/2026-01/ESMA35-24871704-2922_Guidelines_for_the_criteria_on_the_assessment_of_knowledge_and_competence_under_MiCA.pdf

2. Problem definition

The Markets in Crypto-Assets Regulation (MiCA)³ introduces a harmonised EU framework for crypto-asset service providers (CASPs), including requirements relating to knowledge and competence.

The Central Bank is proposing to recognise MiCA knowledge and competence requirements, as set out in the ESMA Guidelines, within the MCR.⁴ Absent this change, there would be a lack of alignment between the MCR and the MiCA framework, potentially resulting in regulatory inconsistency and reduced clarity for firms operating across both regimes.

3. Baseline and options

Baseline scenario:

The MCR remains unchanged and does not reflect the ESMA Guidelines, resulting in misalignment between domestic requirements and the EU framework.

Options considered:

- **Option 1:**

Do not amend the MCR to reflect the ESMA Guidelines.

- **Option 2 (preferred):**

Amend the MCR to recognise the ESMA Guidelines, aligning the domestic framework with the ESMA Guidelines.

³ <https://www.irishstatutebook.ie/eli/2024/si/607/made/en/print?q=S.I.+No.+607/2024>

⁴ They have also been reflected in amendments to the Minimum Competency Code 2017 – see Section 4.4 below.

The Central Bank has limited discretion in this area, as under the ESMA Regulation⁵ competent authorities are required to make every effort to comply with guidelines issued by ESMA.

Should the Central Bank not incorporate the ESMA Guidelines into our existing national framework, we would be required to publish criteria to be used to assess the knowledge and competence of staff providing advice and information on crypto assets under Article 81(7) of MiCA. In that scenario, the Central Bank would be required to develop an additional framework to assess this knowledge and competence. This would be costly and impose additional regulatory burdens on firms.

4. Assessment of impacts

This assessment focuses on the incremental impacts of the preferred option relative to the baseline and is undertaken on a qualitative basis, reflecting the technical nature of the proposed changes and the existence of an ESMA-level cost-benefit analysis which was undertaken prior to the introduction of the ESMA Guidelines and published in Annex I of the Final Report: Guidelines for the criteria on the assessment of knowledge and competence under the Markets in Crypto Assets Regulation (MiCA) (11 July 2025)⁶.

While acknowledging costs associated with implementing the ESMA Guidelines (including one-off implementation costs, for example, organisation arrangements necessary for the implementation of the guidelines, and on-going costs, for example, in relation to Continuing Professional Development (CPD) measures and the annual review of requirements), ESMA is of the view that the Guidelines provide sufficient flexibility for CASPs to implement them without incurring unreasonable costs. ESMA considers that CASPs' and national competent authorities' compliance with these Guidelines will result in an improved quality of crypto-asset services to clients, a higher degree of investor protection and a reduced risk of investor detriment. Overall, ESMA is of the view that these benefits will outweigh the costs related to these Guidelines. The Central Bank is also of this view.

⁵ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority.

⁶ https://www.esma.europa.eu/sites/default/files/2025-07/ESMA35-1872330276-2380_Final_Report_on_MiCA_Guidelines_on_knowledge_and_competence.pdf

4.1 Benefits

The principal benefits of the preferred option (Option 2) are as follows:

- **Regulatory alignment and legal clarity:**

Aligning the MCR with the ESMA Guidelines ensures consistency between domestic and EU frameworks, providing clarity for firms operating across both regimes.

- **Support for fair competition:**

Alignment with the ESMA Guidelines promotes a level playing field across Member States by ensuring that firms are subject to equivalent standards to their EU peers.

- **Enhanced investor protection and confidence:**

As identified in ESMA's cost-benefit analysis, consistent knowledge and competence requirements support improved quality of service, reduce the risk of mis-selling, and enhance investor confidence in crypto-asset markets.

- **Reduction in conduct risk for firms:**

Improved staff competence, supported by a framework (the MCR) to assess knowledge and competence, reduces the likelihood of mis-selling and associated financial and reputational risks for CASPs.

4.2 Costs

Any incremental costs associated with the preferred option are expected to be limited. The choice to reflect the guidelines in the MCR provides clarity for them on how they can comply with the ESMA Guidelines.

- **Implementation costs:**

CASPs may incur initial costs associated with aligning internal processes and training frameworks with the ESMA Guidelines.

- **Ongoing costs:**

Firms will incur ongoing costs relating to the training, costs relating to CPD requirements, and the annual review to assess staff members' development and experience needs, regulatory developments and take any actions necessary to comply with applicable requirements.

These costs are expected to be proportionate and are consistent with ESMA's assessment that the ESMA Guidelines provide sufficient flexibility to avoid unreasonable burden.

4.3 Impact on customers

The impact on customers is expected to be positive.

The application of consistent knowledge and competence requirements is expected to improve the quality of advice and services provided to clients, reduce the risk of mis-selling, and enhance consumer confidence in crypto-asset markets.

These findings are consistent with ESMA's cost-benefit analysis.

4.4 Impact on fair competition

The impact on fair competition is expected to be positive.

Aligning the MCR with the ESMA Guidelines ensures that Irish firms operate under the same standards as firms in other Member States, supporting a level playing field and reducing the risk of regulatory arbitrage or competitive distortion.

CASPs will be required to ensure that in-scope staff comply with the ESMA Guidelines, which set out minimum levels of knowledge and competence of staff providing advice and information on crypto-assets, or crypto-asset services, for clients. This will ensure a level playing field for all CASPs. The knowledge and competence requirements in the ESMA Guidelines will also be imposed directly on relevant staff in CASPs, via changes to be made to the Minimum Competency Code⁷. These changes were flagged in a Notice of Intention⁸, published on 18 March 2026.

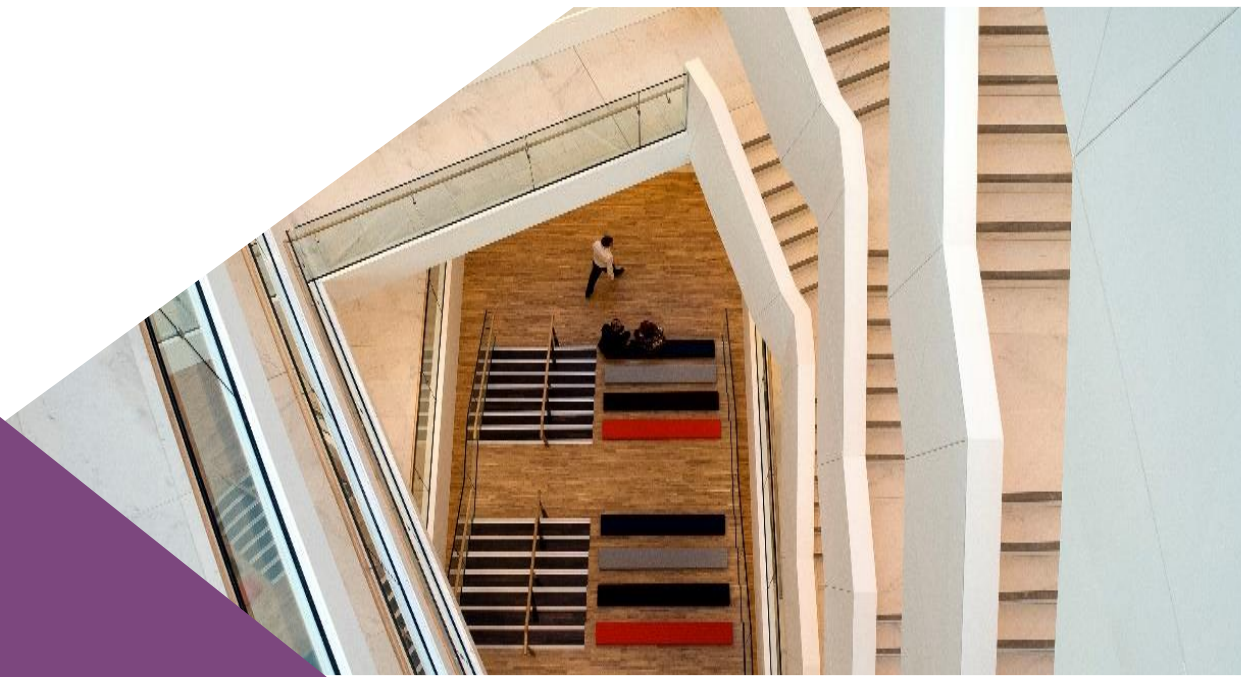
⁷ <https://www.centralbank.ie/regulation/how-we-regulate/authorisation/minimum-competency>

⁸ https://www.centralbank.ie/docs/default-source/regulation/how-we-regulate/authorisation/minimum-competency/notice-of-intention---application-of-crypto-asset-knowledge.pdf?sfvrsn=6947731a_5.

5. Overall assessment and conclusion

The Central Bank has considered the costs and benefits of the proposed amendments to the MCR, taking into account ESMA’s cost-benefit analysis and the limited national discretion in this area.

The preferred option, aligning the MCR with the ESMA Guidelines, represents the most effective and proportionate approach. It ensures consistency with the EU framework, supports fair competition, and enhances investor protection, while giving rise to only limited and proportionate costs for firms.



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