GBBC EMEA Working Group:

ESMA Consultation on the Guidelines for the criteria on the assessment of knowledge and competence under MiCA

About us:

Global Blockchain Business Council (GBBC) is the trusted non-profit association for the blockchain, digital assets, and emerging technology community. Founded in 2017 in Davos, Switzerland, GBBC comprises more than 500 institutional members and 284 Ambassadors across 124 jurisdictions and disciplines.

GBBC furthers adoption of blockchain and emerging technologies by engaging regulators, business leaders, and global changemakers to harness these transformative tools for more secure and functional societies.

GBBC industry verticals: Financial Services, Global Commerce/Supply Chain, and Commodities, underpinned by AI, digital identity, governance, hardware, infrastructure, policy, regulation, and security.

GBBC initiatives: BITA Standards Council (BITA), Food for Crisis, Global Standards Mapping Initiative (GSMI), International Journal of Blockchain Law (IJBL), InterWork Alliance (IWA), and U.S. Blockchain Coalition (USBC).

Introduction

We commend ESMA for its efforts to implement a consistent, harmonised framework for assessing knowledge and competence under MiCA. We welcome the intention to raise standards across the crypto-asset sector, improve investor protection, and support market integrity.

At the same time, we believe it is essential that these guidelines remain proportionate, practical, and future-proof, especially given the diversity of roles across the industry and the fast-evolving nature of digital assets. Our response aims to support ESMA's objectives while highlighting areas that require greater clarity, flexibility, or refinement. In particular, we emphasise the need for:

- Clear definitions of roles and responsibilities, especially regarding "information provision";
- Modular and role-specific certification to reflect varied knowledge needs across functions;
- A phased, market-led approach to training providers and professional formation;
- Event-driven competence updates to ensure training remains aligned with real market changes.

The GBBC EMEA Working Group brings together a diverse community of stakeholders from across the blockchain and digital assets ecosystem. Our collective goal is to contribute constructively to the development of balanced and effective regulatory frameworks under MiCA.
One of the key messages emerging from our Working Group discussions is the need for proportionality and contextualisation in how knowledge and competence are assessed under MiCA.
Proportionality and consistency with MiFID standards

We fully support ESMA's goal of ensuring well-trained professionals in the crypto-asset space to protect consumers and uphold market integrity. However, it is essential that competence requirements under MiCA do not exceed those applied in the traditional financial sector, particularly under MiFID II or IDD. We must avoid a situation where crypto professionals are expected to hold advanced certifications or complete excessive training programmes, while individuals advising on complex financial products in traditional markets operate under more flexible, outcome-based models.
Given that many of these guidelines draw directly from MiFID II precedents, we urge ESMA to treat those as the maximum benchmark, not a starting point to be exceeded. Proportionality must apply from the outset: the standards for crypto-assets cannot be stricter than those for systemically more significant instruments.

Professionals working in the crypto-asset space should not be expected to master the full breadth of financial theory in the way that a traditional bank advisor might. Nor should they be siloed into narrow, technology-only expertise that disconnects them from broader regulatory, ethical, or consumer-facing issues. Instead, the approach must reflect the unique, interdisciplinary nature of roles in the digital asset ecosystem.

In our Working Group, there was broad agreement that competence frameworks should incubate in the market first. Therefore, we encourage ESMA to publish principles-based expectations, monitor emerging practice, and resist codifying any single academy, provider list or study-hour quota before the landscape stabilises. In other words, ESMA must avoid "codifying" a single view of what constitutes valid or legitimate understanding in such a diverse and fast-evolving space. Certification standards should therefore be developed in dialogue with practitioners, be modular and role-specific, and remain open to adaptation as the market matures.

Question 1

Do you agree with the minimum requirements regarding qualification, experience and continuous professional development of staff giving information on crypto-assets and crypto-asset services to clients included in paragraphs 19 to 21 of draft Guideline 2? If not, what would, in your view, be adequate minimum requirements? Please state the reasons for your answer.

Supportive Points:

• The inclusion of crypto-specific knowledge areas (e.g., DLT characteristics, cyber risks, volatility) is crucial for adequately informing retail investors and supporting investor protection.

• Practical recognition by ESMA allowing experienced staff (minimum one year providing crypto-asset information) to continue activities without immediate further certification is reasonable and reduces disruption.

Concerns & Suggestions:

Definition of provision of information – clarity

We urge ESMA to retain competence standards for those involved in providing information on crypto-assets and services—but to substantially refine and narrow the scope of these guidelines.

The Working Group strongly agrees that not all staff involved in the publication or handling of information should be subject to the same regulatory burden. The current framing of "giving information" is overly broad, vague, and risks capturing a wide array of roles that do not involve direct client interaction, recommendation, or inducement.

For example, under the current draft, a marketing employee uploading a pre-approved white paper, or a junior analyst compiling asset information for a blog post, may be considered as needing full certification. These risks creating excessive compliance requirements for low-risk, non-advisory roles and goes beyond MiCA's proportionality principles.

We strongly advocate for ESMA to clarify and limit the guideline's scope. Specifically, ESMA should:

• Provide a clear definition of "giving information," including a test for whether the activity is client-targeted or generic. This is essential to avoid overbroad interpretations. For example, uploading a white paper to a public-facing website, sharing an asset summary on social media, or publishing investor FAQs through automated channels may not involve client inducement or real-time communication. To ensure clarity and proportionality, ESMA should consider the presence of direct communication, inducement, or personalised recommendation as key factors in triggering certification requirements. Without clear thresholds, there is a risk of overextending obligations to roles that present minimal regulatory risk.

• Exclude purely static, generic, or indirect content roles (e.g., web management, basic educational content, issuer white paper uploads) from full certification;

• Introduce a tiered or modular training approach, in which staff engaged in lower-risk informational provision may only need baseline crypto and compliance literacy—not deep financial product knowledge;

• Clarify the status of outsourced content contributors or externally generated information. For example, it is unclear whether third-party vendors who prepare white papers or communication materials fall under the same competence expectations as internal staff. To ensure accountability and legal certainty, ESMA should confirm that ultimate responsibility rests with the CASP, who must ensure that any third parties involved in regulated disclosures meet equivalent competence thresholds or are properly overseen.

Without these changes, there is a risk that ESMA's guidelines could generate regulatory overreach, compliance confusion, and inconsistency across Member States. The group also expressed concern that this ambiguity may encourage regulatory arbitrage or lead to fragmentation in staff certification standards across the EU.

In addition, our group discussed how staff knowledge must remain current in a highly dynamic market. One key concern raised was that ESMA's current approach lacks any clear event-driven triggers or timelines for when competence should be re-evaluated. In the context of fast-moving crypto markets, timely and event-based reassessments (rather than fixed annual reviews only) were considered more appropriate — especially after major protocol upgrades, emerging asset classes, regulatory shifts, or the appearance of novel market abuse patterns. This would better align training frequency with market realities and support more agile and risk-responsive compliance.

Finally, ESMA's draft imports an explicit 80 hour figure that has no analogue under MiFID II or IDD. In traditional finance, competence is demonstrated through outcomes (supervised experience, accredited assessments, CPD logs) rather than seat time.

• We therefore oppose a hard wired hour count. Instead, ESMA should specify the skills and knowledge outcomes staff must evidence, leaving firms free to design programmes of a length commensurate with the risk profile, product complexity and client type involved.

• A custodian handling fiat backed stablecoins or a team uploading pre approved white papers should not complete the same classroom hours as staff advising on leveraged derivatives or novel DeFi structures.

• Where firms or providers nonetheless choose to use an hour based model, that choice should remain entirely voluntary. ESMA's role should be to publish principles and learning outcome matrices, not clock the minutes.

• Aligning MiCA with MiFID II's outcome based philosophy preserves proportionality, avoids unnecessary compliance cost, and keeps the regulatory playing field level between crypto asset specialists and advisers on far more systemically important instruments.

Proportionality and feasibility:

• The extensive technical detail required (e.g., deep knowledge of protocol governance or consensus mechanisms) may not be proportionate or necessary for all roles or functional categories. Our members agreed that certification should be based on broad categories of activity—similar to established frameworks in traditional finance (e.g., CFA, FRM, CAIA). A modular structure should allow staff to demonstrate competence appropriate to their function and exposure, not the particular asset class they work with.

• ESMA should explicitly allow proportional scaling of training complexity (set thresholds) based on the asset/service offered.

• Moreover, ESMA should explicitly acknowledge the differences in knowledge and competence needed by staff servicing predominantly wholesale clients compared to retail investors. Such differentiation ensures a balanced and proportionate approach reflecting the actual risk and complexity faced by different categories of staff.

• We stress the importance of optional hour counts, not ESMA mandates. Where industry elects to use a time based framework (e.g., an 80 hour programme), that structure should remain voluntary. ESMA itself should set outcome based competence targets only, mirroring the approach under MiFID II.

Standardisation of Qualifications and Certification:

• We recommend ESMA provide explicit clarity on the definition of 'appropriate qualification,' specifying educational credentials, equivalencies, and acceptable forms of training or professional experience.

• We do not support an immediate, centralised list of "approved" providers. Consistent with MiFID II precedent, ESMA should first publish principles based criteria and monitor how the market responds before deciding whether a registry is warranted.

• ESMA should expressly acknowledge that MiFID II does not specify training hours. The MiCA guidelines must therefore adopt an equally flexible, risk based schema that lets firms tailor depth, duration and delivery to the actual complexity of the role.

• Additionally, ESMA should require mandatory inclusion of training modules specifically addressing crypto-specific market abuse, anti-money laundering (AML), terrorist financing, fraud, scams, and smart contract-related risks, reflecting the rapidly evolving nature of crypto-assets and associated threats.

More specifically, the qualification should also include modules on risks associated with crypto-specific market abuse and manipulation risks such as DEX (decentralized exchanges)-based insider trading, smart contracts scams, and stablecoins ecosystem risks. We would also like to stress that most current training offerings in the market focus almost exclusively on anti-money laundering (AML) and counter-terrorist financing (CFT) obligations. As crypto markets continue to evolve, new manipulation typologies emerge that differ substantially from those in traditional markets and instruments. We strongly encourage ESMA to mandate dedicated training modules on crypto-specific market abuse and manipulation risks — including insider

dealing, wash trading, spoofing, and manipulation on decentralized venues — to close this gap and ensure staff are properly equipped to protect investors.

• Without standardisation, compliance could become fragmented and burdensome, especially for smaller or regionally-focused CASPs.

• To maintain relevance and practicality, ESMA should adopt a flexible, modular CPD framework, allowing staff to engage in targeted professional development that directly reflects evolving market conditions and the complexity of roles they occupy. Such an approach is essential for maintaining high competence standards without imposing unnecessary burdens.

Automated and Outsourced Information Provision:

• We seek explicit ESMA clarification regarding accountability and knowledge requirements where the content of informational materials is externally developed or outsourced. Specifically, ESMA should clarify whether, and to what extent, CASPs must ensure external providers' personnel comply with MiCA competence guidelines when they directly author informational content (e.g., white papers, prospectuses, educational materials). Without explicit guidelines, outsourced content production could create ambiguity, potentially diluting accountability and undermining investor protection objectives. We propose ESMA requires clear contractual accountability provisions ensuring outsourced content creators adhere to appropriate MiCA competence standards.

• Clear guidance needed on responsibilities and expectations for staff who develop, configure, or oversee automated disclosures or informational tools.

• Clearer guidelines where is the delineation between someone who provides information – i.e., staff that trains automated disclosure models etc., people who contribute to white papers about assets. This is not sufficiently addressed by the supervisory guidelines established in the CP.

Question 2

Do you agree with the minimum requirements regarding qualification, experience and continuous professional development of staff giving advice on crypto-assets and crypto-asset services to clients included in paragraphs 24 to 26 of draft Guideline 3? If not, what would, in your view, be adequate minimum requirements? Please state the reasons for your answer.

Supportive Points:

• We strongly support differentiated higher qualification standards for advisory roles due to increased investor reliance and regulatory suitability obligations.

• We agree with ESMA's pragmatic allowance for previous MiFID II and IDD experience to qualify as relevant experience under MiCA (para 24d, Guideline 3).

Concerns & Suggestions:

Definition and Clarity on Professional Formation:

• We strongly recommend ESMA clarifies explicitly what constitutes "appropriate professional formation," but caution against overly rigid academic frameworks at this stage. While some members initially proposed alignment with the European Credit Transfer and Accumulation System (ECTS), the group ultimately agreed that such academic structures are not yet suitable for the evolving needs of the crypto-asset industry.

During the discussion, members—including educators and industry veterans—emphasised that even experienced professionals currently struggle to define a comprehensive syllabus. The risk of prematurely formalising "appropriate" education is that it may embed flawed, outdated, or narrowly biased perspectives—especially given crypto's rapid pace of change. Instead of defining the education ecosystem top-down, ESMA should:

• Mirror MiFID II's outcome based philosophy by avoiding any hard floor on study hours for advisory staff. A portfolio manager in traditional finance is not subject to a mandatory hour count; likewise, a crypto asset adviser should demonstrate applied competence—documented casework, validated simulations, successful supervisory sign off—rather than accumulate an arbitrary quota of classroom time.

• Focus on outlining minimum competence outcomes (e.g., understanding of risk, suitability, ethics)

• Allow the market and professional bodies to organically evolve educational models that meet those outcomes

• Support iterative consultations and benchmarking as educational offerings mature

• While the group was open to the eventual idea of a harmonised professional designation (e.g., "Crypto Investment Advisor"), there was a strong consensus that such labels should emerge only after a more stable ecosystem of education providers and practice standards develops. Until then, ESMA should not enshrine specific degrees, course hours, or titles, but rather allow a modular, function-based system to take shape—driven by practitioner experience, CPD, and demonstrable skills.

Automated or Semi-automated Advisory Services:

• We believe it is important that ESMA explicitly clarifies applicability of advisory guidelines to automated or algorithm-driven advisory platforms.

• Clear standards are needed for assessing competence of technical personnel who design, configure, or oversee algorithm-based investment advice.

While these individuals influence investor outcomes, their core competencies lie in algorithm design, fairness, cybersecurity, explainability, and auditability—not investment suitability or product-specific advice. Requiring developers of advisory algorithms to undergo full financial advice training dilutes both effectiveness and regulatory clarity. These professionals need competence in transparency, bias control, and cybersecurity—not client suitability. Conflating the two tracks creates compliance ambiguity and could delay innovation without improving investor protection.

ESMA should explicitly recognize this distinction and establish a parallel set of competence requirements tailored for technical contributors to automated systems. Requiring them to complete general advisory training would be both disproportionate and counterproductive.

Moreover, we think that ESMA's guidelines insufficiently distinguish between fully automated or semi-automated advisory systems (with suitability obligations) and purely informational automated platforms. ESMA should explicitly delineate these two categories, outlining clear criteria to differentiate automated information provision from automated advisory services. Clear delineation is critical for CASPs to ensure appropriate compliance obligations—particularly competence requirements—are accurately applied, avoiding regulatory uncertainty or inadvertent misclassification.

AML/CFT Training:

• GBBC strongly support the inclusion of mandatory training modules in anti-money laundering and counter-terrorist financing (AML/CFT), market abuse, and blockchain forensics for all individuals in advisory and supervisory roles under MiCA.

These functions involve high-impact responsibilities related to client protection, product suitability, and internal oversight, requiring tailored knowledge beyond traditional finance. A recent case analysed by one of our members—where sanctioned exchange Garantex re-emerged as Grinex—exemplifies the sophisticated laundering and evasion tactics being used in the ecosystem. Our analysis uncovered the use of novel stablecoins such as A7A5 and complex on-chain obfuscation strategies designed to bypass sanctions and AML controls.

Such developments highlight the urgent need for advisory and supervisory personnel to be equipped with specialized skills in identifying and mitigating crypto-native risks. AML/CFT training should address mixer typologies, cross-chain laundering, and sanctions evasion. Market abuse modules must cover manipulation on decentralized platforms, and blockchain forensic training should enable professionals to analyse wallet interactions and transactional patterns.

We recommend ESMA mandate these modules, define learning outcomes, and ensure CPD mechanisms include real-world typologies and event-driven updates to remain responsive to evolving threats. Embedding these competencies is essential to deliver MiCA's investor protection and market integrity objectives.

Proportionality for Smaller CASPs and Technology-driven Services:

• We call for ESMA to explicitly integrate proportionality in CPD requirements, taking into account CASPs' size, resources, and reliance on technology (automation).

• Proportional application can mitigate unnecessary administrative burden and support market innovation.

Harmonised Transitional Regime and Regulatory Overlaps:

• ESMA could explicitly outline a harmonised transitional regime facilitating the entry of experienced professionals from traditional financial services into crypto-asset advisory roles, clearly mapping equivalence between MiFID II or IDD experience and MiCA standards. Moreover, ESMA should clarify potential regulatory overlaps or duplication for professionals already regulated under MiFID II or IDD frameworks, to prevent unnecessary dual compliance burdens.

Question 3

Do you agree with the proposed draft guidelines? Please state the reasons for your answer.

Supportive Points:

• We welcome ESMA's proportionality principle, differentiating expectations clearly between informational and advisory staff.

• We support the annual review requirement by management bodies, reinforcing the internal compliance culture and facilitating the periodical updates to staff expertise reflecting changes in the digital asset markets and assets, as well as its underlying technology and participant's behaviour.

Concerns & Suggestions:

Standardisation of qualifications:

To avoid fragmented implementation, potential regulatory arbitrage, and "regulatory shopping," we strongly recommend that ESMA introduces standardized EU-wide certifications clearly defining minimum content standards and criteria for training and competence assessment. This is critical for ensuring uniform competency standards and consistent investor protection across all EU Member States.

Currently, the CP acknowledges the importance of ensuring a minimum level of knowledge and competence (CP, para 8, page 7) and emphasizes supervisory convergence through minimum requirements regarding professional qualifications, experience, and continuous professional development (CP, para 21, page 19). However, the guidelines leave substantial discretion to individual Member States and CASPs in deciding specific curricula, training methods, and certification processes, creating significant risk of inconsistency. Such divergence could lead CASPs or training providers to strategically seek jurisdictions or supervisory frameworks with less stringent criteria, undermining the effectiveness of MiCA's harmonisation objectives and weakening investor protection.

Moreover, paragraph 20 of Guideline 2 (CP, pages 19-20) introduces transitional arrangements allowing CASPs to assess staff knowledge based on previous experience without clear EU-wide assessment criteria. Without standardisation, this flexibility could exacerbate disparities in staff competence assessments, potentially diluting the regulatory intent of MiCA.

Therefore, ESMA should explicitly establish a harmonised framework at the EU level, setting out minimum standards for the content of training, clearly defined qualification requirements, and robust exam criteria applicable uniformly across all Member States. Such standardisation should encompass:

· **Clear content specifications:** Including baseline understanding of crypto-assets, underlying technologies, risk factors (such as cybersecurity and smart contract vulnerabilities), market manipulation, AML/CFT risks, and regulatory obligations under MiCA.

· **Standardised assessment and examinations**: Establishing consistent examination standards to objectively measure competence across jurisdictions, thereby eliminating discrepancies in how knowledge is evaluated.

· **Phased, market led pathway toward recognition:** While a harmonised framework is desirable in the long run, any formal list of providers must be postponed until quality, neutrality and technical accuracy are demonstrably mature across diverse education channels. Rather than immediately endorsing a centralised registry of recognised providers, ESMA should first publish principles-based criteria for acceptable training programmes and allow the market to organically identify high-quality offerings. Once maturity and convergence emerge, ESMA could consider publishing formal recognition lists — but only where quality, neutrality, and technical accuracy can be demonstrated across diverse provider types. This aligns with the Consultation Paper's references to potential registries (paragraph 21 of Guideline 2 and paragraph 26 of Guideline 3) while ensuring a proportionate and innovation-friendly approach. See Question 4 for further elaboration of this theme.

A further concern raised was whether NCAs themselves are currently prepared to supervise the proposed training and certification systems. To avoid inconsistent enforcement and interpretation of MiCA guidelines, ESMA should consider supporting training and capacity building for NCAs, possibly through shared materials, reference modules, or central guidance to promote uniform supervisory competence across Member States.

Indirectly Client-Facing Staff Clarification:

We highlight the necessity for ESMA to clarify explicitly the applicability of guidelines to indirectly client-facing roles (e.g., junior staff preparing prospectuses or online content, staff setting the parameters for automated disclosure/advice models—see footnote 11 to paragraph 17, Guideline 1, page 16 of the CP).

ESMA should explicitly clarify and develop differentiated criteria for assessing competence specifically for technical staff responsible for creating, configuring, and maintaining algorithm-driven advisory systems and automated recommendation platforms, given their significant indirect impact on investor outcomes.

The current draft guidelines (specifically Guideline 1, paragraph 17, page 16, CP) broadly indicate that technical personnel who design or set parameters for automated systems should meet the same knowledge and competence standards as client-facing advisory staff. However, this approach does not sufficiently recognise the unique role and required competencies of these individuals. Technical experts developing and maintaining automated advisory models typically require in-depth competencies in areas significantly different from those emphasised

for client-facing advisory roles, such as detailed economic market knowledge, investment suitability, and client interaction standards.

Specifically, the direct market knowledge competencies outlined under Guidelines 2 and 3—such as understanding general tax implications, market sentiment effects on pricing, or granular economic impacts (Guideline 2, paragraph 18, pages 17–19)—are less directly relevant for the technical roles involved in creating and managing algorithmic systems. The primary responsibility of these technical roles is typically focused on ensuring technical robustness, accuracy, integrity, reliability, and transparency of the underlying algorithms, rather than direct interpretation of economic or financial market conditions.

Several members expressed concern that applying the same training requirements to technical and advisory roles risks conflating fundamentally different competencies. For example, a developer designing disclosure algorithms is unlikely to need training in financial product suitability or client profiling. Conversely, financial advisors do not need deep knowledge of distributed consensus protocols. Our Working Group participants agreed that forcing all staff through the same knowledge pathway would be inefficient and potentially counterproductive. Instead, ESMA should formally recognise parallel certification tracks or modules, tailored by function.

Hence, requiring technical staff to achieve full competence in general financial or economic knowledge could impose disproportionate burdens, potentially reducing the effectiveness and clarity of their primary responsibilities, as well as creating unnecessary compliance and training complexities for CASPs.

Alternative Competence Requirements for Technical Staff:

Instead, ESMA should set explicit alternative competence requirements specifically tailored to the critical tasks performed by technical staff. These alternative competencies should focus on areas directly related to their responsibilities, including:

- **Algorithmic Transparency and Auditability:**

Competencies should include thorough understanding and ability to implement mechanisms for algorithm transparency, traceability, audit trails, and clear documentation, enabling oversight and supervisory review of decision-making logic.

- **Algorithmic Fairness and Bias Mitigation:**

Technical staff should be trained to understand, identify, monitor, and mitigate risks of algorithmic bias, unfair client treatment, or inadvertent market discrimination caused by automated advisory systems.

- **Robustness and Cybersecurity:**

Knowledge of cybersecurity best practices, resilience testing, and contingency measures to ensure reliability, protection of client data, and business continuity in the case of technical failures, cybersecurity incidents, or data breaches.

• Data Governance and Quality Assurance:

Technical staff should demonstrate competencies in ensuring high-quality data inputs, effective data governance, data management practices, and consistent data quality monitoring, as algorithmic advisory systems' performance and accuracy heavily rely on data integrity.

• Ethics and Regulatory Awareness for Automated Systems:

Although broader economic market knowledge might not be directly relevant, technical personnel must have a clear understanding of ethical standards, investor protection principles, and regulatory obligations specifically related to automated investment decision-making systems, algorithm-driven disclosures, and suitability assessments as mandated by MiCA.

• Explainability and Client Outcomes:

Competencies in designing systems that are transparent and comprehensible enough for supervisors, compliance teams, and indirectly, clients. This is crucial to ensuring investor protection by enabling stakeholders to understand the rationale behind automated recommendations and facilitating effective oversight.

In summary, technical staff should be subject to specific, alternative competence standards explicitly focused on the technical, ethical, regulatory, cybersecurity, and transparency-related aspects of their role. Such targeted standards will achieve ESMA's regulatory objectives more effectively by directly addressing the core responsibilities of technical personnel, while avoiding unnecessary compliance burdens associated with less relevant, general financial market knowledge.

Outsourcing and certifications:

Furthermore, specific guidance is needed regarding scenarios where CASPs outsource certain client-facing or indirectly client-facing functions (e.g., preparation of disclosure materials, configuration of automated platforms, training programmes). ESMA should explicitly define the extent of CASPs' responsibilities in such outsourcing arrangements, clarifying accountability requirements, expected oversight mechanisms, and criteria for ensuring outsourced providers adhere to the relevant MiCA guidelines on knowledge and competence.

ESMA should clearly outline expectations regarding how internal supervision arrangements must be documented, disclosed, and operationalised. Specifically, there is a concern regarding potential supervisory structures that rely excessively on hierarchical 'compliance pyramids,' where only senior supervisors hold formal certifications or qualifications, while junior staff operate with minimal direct supervision or engagement. Such arrangements risk undermining effective oversight and could compromise compliance standards. ESMA guidance should

explicitly require appropriate and proportionate supervisory depth and clearly documented accountability mechanisms across all supervisory layers within CASPs. ESMA should additionally cap supervisory span of control (e.g., one certified individual to a maximum of ten higher risk supervisees) and require a log recording scope, frequency and outputs of supervision.

Automated Platforms Clarification:

• Call for explicit ESMA clarification on how automated information and advisory systems fit within the guidelines.

• Clarify responsibilities, training, and qualifications expected from staff designing and overseeing automated client-facing systems.

Question 4

Are there any additional comments that you would like to raise and/or information that you would like to provide?

Additional Recommendations:

MiFID II ceiling:

ESMA should confirm that no MiCA knowledge and competence obligation—whether initial formation, CPD, supervisory ratio or certification cost—will exceed the corresponding expectation already established for investment firms under MiFID II.

Hybrid roles clarity:

We strongly encourage ESMA to provide early regulatory clarity on roles that blend advisory functions with technical responsibilities (e.g., compliance technology developers or staff configuring automated advice algorithms). Clear delineation of expectations would prevent future uncertainties.

EU-Wide Certification and Training Providers Registry:

While we support the long-term goal of harmonised certification standards across the EU, we strongly caution against ESMA immediately publishing a formal list of recognised training providers or certification bodies at this early stage.

GBBC's members expressed strong reservations about rushing into centralised approval mechanisms, particularly given the nascent and still-fragmented state of crypto education across Europe. Several participants — including experienced educators — highlighted the difficulty in even defining what a "correct" crypto curriculum looks like today, given the rapid pace of technological change, divergent market practices, and lack of consensus even among industry veterans.

As one participant from the education sector highlighted, even professionals with over a decade of experience in the sector often struggle to design a complete and relevant syllabus, and many institutions producing crypto education today still lack the depth, balance, or neutrality required for high-stakes regulatory endorsement. There is a legitimate concern that early state-approved certifications could embed flawed assumptions, outdated content, or misaligned incentives — potentially causing more harm than good.

There was also agreement that any early registry of "approved providers" must not entrench specific ideologies, pedagogies, or early institutional entrants. The group highlighted that crypto's educational landscape is still fragmented and highly politicised in some quarters. Premature formalisation may reward incumbents or providers with proximity to regulators, rather than those offering relevant, dynamic, and technically accurate training. Any future

registry must be based on demonstrated outcomes, neutrality, and ability to evolve content in line with technological developments and market innovation.

Our group also raised concern about who would be evaluating these providers. Without a clear and trusted mechanism for validation, premature endorsement risks privileging certain organisations or educational philosophies, and could unintentionally suppress innovation or favour legacy actors. There is also a real danger of market distortion if only a few providers are recognised early, effectively granting them a quasi-monopoly.

Instead, we recommend a phased, market-led approach:

• ESMA should start by publishing clear, principles-based criteria for training providers — defining minimum content areas, competence outcomes, transparency obligations, and CPD structures.

• This would allow education providers — including academic institutions, industry bodies, and emerging digital training platforms — to align voluntarily with ESMA's expectations.

• Over time, ESMA (potentially in collaboration with national competent authorities and public-private advisory forums) could conduct iterative assessments of providers that demonstrate quality, scalability, and neutrality.

Only once the ecosystem has organically matured and a baseline of trusted providers has emerged should ESMA consider publishing a formal registry of recognised training bodies. This process should be inclusive, transparent, and based on proven effectiveness, rather than early preferences or institutional affiliation.

A consultative, gradual recognition framework, supported by outcome-driven standards and real-world performance monitoring, would better reflect current realities and safeguard the credibility and legitimacy of MiCA's certification ecosystem. We recommend that standardised certifications and educational content evolve through a market-led process, rather than being fixed in advance through prescriptive regulation. While minimum content and competence criteria should be set at the EU level, flexibility in delivery and provider selection is essential to foster innovation and inclusivity.

Modular and Flexible Certification Frameworks:

We suggest ESMA explicitly encourages flexible, modular "micro-certifications" to adapt quickly to rapid market innovation and new developments (e.g., DeFi, NFTs, emerging protocols).

Proposed Modular and Flexible Certification Framework for MiCA Guidelines

To effectively implement MiCA's knowledge and competence standards, ESMA should adopt a modular certification and testing framework similar to successful structures used in related financial sectors (e.g., MiFID II, CISI, CFA Institute, ICA, FCA Certification Regime). A

modular approach offers clear advantages for crypto-assets due to the inherent dynamism and varying complexity across this sector.

As a starting point, we propose the below structure:

• Informational Level (Level 1):

General crypto-asset knowledge (e.g., blockchain basics, asset taxonomy, cybersecurity fundamentals, Travel Rule basics, AML basics, market abuse risks).

• Advisory Level (Level 2):

Comprehensive understanding of suitability requirements, investment analysis, portfolio management, ethical considerations, and deeper risk management principles.

• Supervisory and Specialist Level (Level 3):

Advanced oversight, managerial responsibilities, strategic compliance expertise, and supervisory governance of automated systems.

Each higher certification level builds cumulatively on lower levels, enabling clear professional progression while maintaining foundational consistency.

Flexible CPD:

• We see a need for a flexible, modular CPD model, adaptable to evolving market dynamics, mirroring CFA and CISI approaches. Professionals could select CPD modules relevant to their role, emerging asset classes, technological developments, or specific market risks (e.g., DeFi, stablecoins, smart contract risks).

• CPD obligations should not only be flexible in delivery but also scaled to the risk level and complexity of staff roles. For instance, individuals advising on volatile or leveraged products may require more frequent or extensive training updates than those involved in low-risk services such as stablecoin custody or account onboarding. A risk-weighted CPD structure, grounded in actual exposure and consumer impact, would better match MiCA's objectives than a uniform, time-based requirement.

• Introduce periodic reassessments for advisory and supervisory roles to ensure competencies reflect market realities.

• In addition to periodic reassessments, the working group recommends that ESMA develop clear "trigger points" that would prompt mandatory CPD or upskilling alongside any periodic CPD cycle. Mandatory refresh can occur:

– after a major protocol or network upgrade;

– on the listing of a novel asset class (e.g., RWAs, modular DeFi tokens);

– after an ESMA/FATF or EBA policy change that affects the risk profile;

– following any systemic market abuse or cyber resilience incident.

A CPD model that includes event-driven updates would ensure ongoing relevance without becoming excessively burdensome.

Specialist Modules:

• ESMA could encourage and develop specialised, clearly defined modules (such as smart contract risk, emerging AML typologies, crypto-specific market abuse scenarios, and ethics). This approach is proven effective by ICA and CISI, allowing deeper dives into critical and emerging issues while not burdening professionals whose roles might not require such depth.

Why Modular Flexibility is Essential for Crypto-Assets:

Unlike traditional finance, crypto-assets evolve continuously and rapidly—technologically, regulatorily, and commercially. A modular, flexible framework ensures:

• Responsiveness to market innovation, enabling quick integration of new assets and technologies into professional training.

• Proportionality and role-specific granularity, avoiding unnecessary training burdens and associated costs.

• Clear, progressive professional pathways, encouraging continuous learning, and sustained competence at all staff levels.

• Consistent baseline standards EU-wide, reducing regulatory fragmentation and arbitrage risks.

A flexible yet structured modular certification model, backed by clear yet adaptable CPD and transitional standards, provides the most balanced approach. The advantage of this model is that it is enhancing investor protection, and at the same time fosters market trust, and accommodates crypto-assets' inherent dynamism.

Public-Private Collaboration:

ESMA should promote public-private partnerships (academic institutions, blockchain centres, industry bodies, Digital Assets) to scale and efficiently deliver training programmes aligned with MiCA guidelines.

ESMA should proactively leverage existing expertise and collaborative efforts already underway within the digital finance ecosystem to ensure practical and timely implementation of training and certification standards under MiCA. Specifically, collaboration with blockchain analytics providers and established digital finance education platforms could significantly enhance ESMA's ability to set precise, relevant, and regularly updated criteria for continuous

professional development. Such providers possess up-to-date insights on emerging technology developments, evolving consumer behaviour in crypto-asset trading, the emergence of new asset classes, and evolving risks (e.g., market manipulation typologies, cybersecurity threats, and DeFi-specific vulnerabilities). Leveraging these existing industry capabilities would not only ensure training relevance but also support rapid adaptation to market innovations, thereby strengthening investor protection and market integrity.

Additionally, given ESMA's intention to establish clear principles regarding how frequently employees should update their competencies and knowledge in this rapidly evolving sector, it would be highly beneficial to define specific benchmarks, indicators, or authoritative sources that identify events or market developments necessitating additional training or updates. These benchmarks might include technological breakthroughs, significant regulatory shifts, the emergence of new asset classes (e.g., DeFi, stablecoins, tokenised securities), notable changes in market structure or consumer trading patterns, or new and evolving cybersecurity threats. Clearly defined triggers or reference points would help CASPs systematically ensure their staff remain sufficiently informed and competent, ultimately leading to more accurate information provision and reliable advisory services in the crypto-asset markets.

At the same time, it is crucial to avoid over-regulation or overly prescriptive standardisation of professional updates. Professionals active in digital assets are naturally inclined to stay informed due to the market's competitive and dynamic nature. Thus, our recommendation focuses primarily on the necessity for ESMA to establish transparent thresholds or clear, authoritative reference points to guide CASPs in determining precisely when additional staff training or competence updates become essential. These reference points could involve defined triggers, such as major technological breakthroughs, significant regulatory developments, notable shifts in market structure or consumer trading behaviours, or substantial changes in asset classes and associated risks. Alternatively, ESMA may consider integrating these considerations explicitly into CASPs' annual managerial evaluations of staff competence, where any necessary updates to training or expertise could be systematically identified and addressed.

Such public-private collaboration must remain open and competitive; any future registry should be merit based, with no early mover advantage for incumbents with regulatory proximity.

Transitional Regime and Cross-Regulation Equivalence:

We recommend ESMA clearly maps equivalencies between MiCA and existing EU financial frameworks (MiFID II, IDD) to streamline dual regulatory compliance and ease the transition of financial professionals into crypto-assets advisory roles. ESMA should provide clear transitional guidance, setting proportionate and realistic timelines for existing staff to comply with new requirements, especially considering the current lack of approved training providers.

Reconsideration of Supervisory Period Limits:

We recommend that ESMA reconsider not only the proposed four-year maximum supervisory period for uncertified staff, but also the underlying assumptions of the supervisory model itself.

Our Working Group's members expressed concern that the current drafting may inadvertently enable weak or purely formalistic supervision structures, where a small number of "experienced" staff members effectively rubber-stamp the work of large teams of uncertified employees.

This creates the risk of "compliance pyramids" supervisory chains, where nominal oversight replaces real accountability. Such arrangements could undermine investor protection objectives, especially if supervisors are stretched thin or lack meaningful engagement with junior staff.

Our group emphasised that supervision should not be viewed as a blanket workaround to delay certification. Instead, we propose that:

Supervision should be competence-based, not just time-bound. Progression out of supervised status should be tied to demonstrable skills acquisition and applied performance.

ESMA should define what effective supervision entails, including expectations for:

- Frequency of review
- Proximity of oversight
- Span of control (e.g., appropriate supervisor-to-staff ratios)
- Documentation and escalation processes

Members also stressed the importance of detailed documentation obligations. ESMA should explicitly require that CASPs maintain supervisory logs that record:

- Who is supervised by whom,
- The scope and frequency of supervision,
- Any supervisory interventions or performance reviews.

This would allow for better auditability and oversight of supervisory effectiveness, especially in cases where certification is deferred.

ESMA should also consider requiring CASPs to maintain clear records of supervisory arrangements and staff progression — including how competence is monitored and when transition to full autonomy occurs. This would preserve proportional flexibility, while reinforcing supervisory integrity and auditability. In addition, ESMA should specify a reasonable span of control benchmark (e.g., no supervisor may oversee more than 10

uncertified staff performing higher risk functions) to avoid the “oversight pyramid” problem highlighted in our working group discussions.