

Legal Update

Ireland's Markets in Crypto Assets law

The European Markets in Crypto Assets Regulation (“MiCAR”) has been signed into law in Ireland. The Irish Minister of Finance signed the European Union (Markets in Crypto Assets) Regulations (2024-01986), Statutory Instrument 607 of 2024, (the “MiCA SI”) on 8th November and they were published officially in Iris Offiguil on Tuesday, November 12th. Ireland is expected to become a hub for related business due to its existing tech, finance and payment services industries.

Background

MiCAR extends the European financial services regulatory framework to the crypto world. Its formal citation is Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No. 1093/2010 and (EU) No. 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937. It aims to protect consumers and investors and mitigate risks to financial stability.

It regulates token issuers including asset referenced tokens (“ARTs”), electronic money tokens (“EMTs”) as well as utility tokens and a broad range of crypto asset service providers (“CASPs”), including those providing custody and administration services relating to crypto assets.

Key Provisions

The MiCA SI designates the Central Bank of Ireland (the “CBI”) as the National Competent Authority (“NCA”) to regulate this sector in Ireland. Given its scope, the role of the NCA is vitally important for market participants under MiCAR. This formal designation will facilitate applications for

authorisation under MiCAR for entities wishing to establish in Ireland and provide services across the EU.

The CBI already operates a dedicated part of its website to MiCAR and some of its senior personnel have given speeches on their plans for the operational application of this legislation. These are available on its website.

Existing firms will be grandfathered for a transitional period to facilitate their authorisation where they provided crypto services before 30 December 2024

The MiCA SI also outlines the administrative penalties and measures for Regulated and non-Regulated Financial Service Providers under this legislation.

How Clerkin Lynch Can Help

The regulatory team in Clerkin Lynch advise on all aspects of the establishment and ongoing regulation of entities to be authorised in Ireland. Feel free to contact us for more information or with related queries.



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