

---

## FECIF's reply to ESMA's guidelines for the criteria on the assessment of knowledge and competence under the Markets in Crypto Assets Regulation

---

This response is submitted by FECIF in the context of the public consultation initiated by ESMA on guidelines for assessing the knowledge and competence of staff of *crypto-asset service providers* (CASP) who inform or advise.

We congratulate ESMA on taking the initiative to adopt these guidelines taking MiFID II as reference. This is a complementary **own-initiative** action to the mandate of Article 81.15 of MiCAR. Unlike the express mandate in Article 25.9 of MiFID II for ESMA to issue guidelines, MiCAR does not contain such a mandate. FECIF supports this initiative, given that crypto-assets are a new financial product, which is not always included among the financial instruments subject to MiFID II. We appreciate the opportunity to participate in this consultative procedure and express our positive assessment of the approach adopted by ESMA, which aims to guarantee a common and minimum standard of professional qualification in an industry characterised by high technological dynamism, increasing retail exposure and a regulatory framework in the process of consolidation. The ease of access and the growing interest of retail investors, especially younger ones, justify this. They can be accessed via smartphone with no minimum trading amount and can even be done on credit.

The principle of acting **in the best interests of the client**, enshrined in both MiCAR and MiFID II, requires that those advising on or reporting on crypto-assets not only have up-to-date knowledge of the product or service provided, but also sufficient technical competence to understand the implications for clients of the technological systems that facilitate their operation, such as distributed ledger technology (DLT), algorithmic decision automation, centralised or decentralised (DeFi) structures, or predictive models based on artificial intelligence.

A **taxonomy** of qualification requirements is strongly recommended. The knowledge and competence requirements of MiFID II and MiCAR should be based on a clear and common definition of key concepts such as 'knowledge', 'competence', 'qualification', 'training' or 'learning outcomes'. It is essential to clarify that meeting the knowledge and competence requirements means acquiring an appropriate qualification, and not just participating in a training programme.

### MiFID II as a reference

FECIF supports the approach used by ESMA to develop the MiCAR qualification guidelines, taking the MiFID II guidelines as a reference. The protection of financial clients requires staff

with the appropriate knowledge and competence to provide adequate information or advice. We also support the proposal that **existing national requirements** under MiFID II and IDD have been taken into account, in line with the following background: European Commission, Commission Staff Working Document 'Report on the current framework for qualification of financial advisors in the EU and assessment of potential ways forward', 2022; EIOPA, 'Report on the application of the Insurance Distribution Directive (IDD)', 2022; and Zunzunegui et al, 'Improving the qualification of financial advisors in the EU: policy proposals, 2023.

The essence of Article 81(7) of the MiCAR is that any natural person providing advice or information on behalf of a crypto-asset service provider must possess the necessary knowledge and competence to fulfil their obligations. This provision is directly related to Articles of MiCAR, which impose on Crypto-Asset Service Providers (CASPs), the obligation to act 'professionally in the best interests of the client' (Articles 66.1) and, on the other hand, the obligation to employ 'personnel with the knowledge, competence and experience necessary to carry out the responsibilities assigned to them' (Article 68.5). It is clear from this legal framework that the requirements of knowledge and competence are a **structural element** of the client protection regime under MiCAR, as they are in MiFID II. For this reason, FECIF shares ESMA's view that it is important to provide financial services providers with a harmonised framework for the qualification of staff providing information or advice.

### Where we are going: modular system with European labels

The harmonisation of qualification requirements should not be understood only as a technical necessity in terms of investor protection, but as a structural part of a broader strategy to transform the EU regulatory model, based on the harmonisation of curricula, mutual recognition of qualifications and the construction of a common architecture of technological and financial governance.

For this reason, staff qualification requirements are necessary not only in MiFID II and MiCAR, but also in the Insurance Distribution Directive (*IDD*), the Mortgage Credit Directive (*MCD*), the Consumer Credit Directive (*CCD*) and for staff using artificial intelligence systems in the provision of financial services under the AI Act.

Given the current simplification framework of the Communication on 'Better Regulation for Better Results', regulatory requirements should be reduced to the essentials in order to fulfil their function. This is certainly in line with ESMA's methodology of using the existing MiFID II qualification model, but an additional effort must be made to ensure consistency in the provision of all types of financial services, including the qualification required to provide them using artificial intelligence systems. Therefore, FECIF recommends that ESMA collaborate with the other financial authorities, in particular the EBA and EIOPA, to move towards harmonised professional qualification guidelines based on the same principles. It is up to the European Supervisory Authorities (ESAs), on their own initiative and based on existing mandates, to adopt **joint qualification guidelines** for information or advice on all types of financial products, including crypto-assets or those using artificial intelligence systems.

The issue of the professional qualifications required of advisors cannot be separated from the regulatory developments currently taking place in the European Union, marked by the progressive integration of the MiCAR, MiFID II, IDD MCD, CCD, and AI Act frameworks, into an **Open Finance** framework under Financial Data Access Regulation (FiDA), together with

the Omnibus Package adopted by the Commission on 26 February 2025. The latter is the clearest expression of a change in the regulatory paradigm: it is no longer just a question of reinforcing protection or transparency through formal obligations, but of rationalising regulatory frameworks, eliminating redundancies, simplifying procedures and, most importantly, constructing a common set of obligations, principles and professional competences that span the different regulated sectors.

In this context, the qualification of financial advisors should no longer be a disaggregated and fragmented process, but a harmonised system. The requirements proposed by ESMA for MiCAR qualification should be understood not only as a mere technical development, but also as an opportunity to activate this new harmonised model of professional qualification. Therefore, the requirements set out in the proposed MiCAR guidelines should be interpreted as the starting point for a **common curricular architecture** that allows for the articulation of shared qualification pathways between MiCAR, MiFID II, IDD, MCD and CCD.

What is proposed here is the configuration of a European infrastructure of minimum common competences, in which the qualification of an advisor is articulated in **blocks of content, with a core module, and another of complementary itineraries for the different sectors, with cross-validation**. This architecture makes complete legal, technical and institutional sense, taking into account the substantive overlap that exists between the MiCAR and MiFID II frameworks, as well as that derived from the IDD, MCD, and CCD..

In this sense, it is proposed that a central block of common technical subjects be established that could be required in both MiCAR and MiFID II, and that could be expanded, in the framework of the joint action of the ESAs, in insurance (IDD) and credit (MCD, CCD), including qualification requirements for personnel using artificial intelligence systems (AI Act). This block could include content on artificial intelligence, cybersecurity, algorithmic governance, model traceability, personal data protection, technological risk management and automated regulatory compliance (RegTech/SupTech).

The creation of this shared qualification core would enable progress towards a system of **mutual recognition** of certifications. This interoperability of qualifications would reduce compliance costs, improve professional mobility within the Union of Savings and Investments (SIU) and reinforce consistency between regulatory frameworks, in line with the objectives of the simplification package presented by the European Commission.

### Principles of proportionality and technical neutrality

In FECIF's opinion, the guidelines must comply with both the principle of proportionality, taking into account the complexity of crypto-assets, and the principle of technological neutrality, which requires that crypto-assets should not be discriminated against with an additional burden of qualification requirements, simply because they use DLT.

Professional qualification requirements respond to the need to preserve the protection of retail investors in a context of increasing technological sophistication, digitalisation of distribution and disintermediation of the traditional financial channel, particularly in the crypto-asset market. They are a necessary requirement for the orderly, transparent and secure functioning of crypto-asset markets. Their adoption does not represent a barrier to entry, but a technical standard of guarantee. In the current regulatory context, characterised by the convergence of

financial, technological and ethical issues, it is not possible to provide information on high-risk products without adequate training, verifiable experience and constant updating.

In practical terms, the existence of **digital channels**, the speed with which new crypto-assets are created and promoted, and the increasing sophistication of trading platforms have blurred the line between advice and information. In fact, many of the investment decisions made by retail users are based on information — such as automated messages, algorithmic interfaces, comparisons or rankings — that is not formally presented as advice but has a similar effect. This situation has been expressly recognised by ESMA and is also reflected in the justification for the Artificial Intelligence Act, which considers AI systems used to assess the solvency or financial profile of users to be high risk, including those that can generate financial exclusion through automated decisions.

Crypto-assets form part of a financial market that, by its very nature, is **complex and volatile**. It would be contrary to technological neutrality to require a qualification for crypto-assets with a rigour that is not required under MiFID II. Innovation in MiCAR undoubtedly requires additional knowledge and competence: understanding DLT, evaluating white papers, knowledge of the token economy, technological risk analysis and, increasingly, the ability to interact with artificial intelligence systems applied to advice. While it is true that crypto-assets are emerging with new technologies and it is desirable that staff who report or advise on them are familiar with them, these requirements should be limited to the fundamentals of this technology and the risks it creates for users and investors. There is also underlying technology to the financial instruments covered by MiFID II that staff should be aware of, for example the representation of book-entry securities and the dual-tier registration systems. Just as staff providing information and advice on MiFID II instruments are not required to have an in-depth technical knowledge of these registration systems, those providing information or advice on crypto-assets should not be required to have an in-depth technical knowledge of DLT. This approach is consistent with the one ESMA should apply when extending the MiFID II qualification model to crypto-assets. Requiring a high level of technical knowledge from staff who report or advise on crypto-assets is contrary to the principle of technological neutrality and could disproportionately increase the cost of implementing the qualification requirements. This cost should be evaluated in the **cost-benefit analysis** to be included in ESMA's final report.

## Comments on the guidelines that are not the specific subject of the questionnaire

The questionnaire accompanying the proposal only specifically asks about continuing professional development (CPD). Before answering these questions, let us comment on the rest of the proposal, starting with the general aspects set out in the first guideline

### General aspects [Guideline 1, paragraphs 13 to 17]

FECIF supports the proposal's emphasis on **business ethics** as an essential requirement for advisor qualification.

In turn, for reasons of proportionality, given the fiduciary nature of the advisory relationship, the proposal establishes the knowledge and competence requirements for the advisor as

opposed to the mere informant. This is a criterion of the MiFID II guidelines that extends to the MiCAR guidelines and which FECIF considers very appropriate.

The regulatory convergence promoted by the European Commission requires a coherent response from the field of professional qualification. As has been emphasised in previous contributions (for example, 'Improving Qualification for Financial Advisors in EU: Policy Proposals', Zunzunegui et al, 2023), there is still a lack of harmonisation in this area, which prevents supervisory convergence and increases compliance costs.

FECIF believes it is essential to move towards a European model of harmonised technical training, based on modular blocks of subjects, differentiated between common core content and specific content by sectors, which allows for the establishment of formal mechanisms for partial validation between the different regulatory frameworks, especially between MiFID II, MiCAR, IDD, MCD and CDD.

This model not only responds to a pedagogical and organisational logic, but is also fully justified in legal, economic and institutional terms. The **simplification** package establishes as a priority objective the reduction of compliance costs, the elimination of regulatory duplication and the rationalisation of sectoral regulatory procedures, especially in strategic sectors such as finance, technology and sustainability. This policy and institutional approach reinforces the need to avoid a situation in which the same professional has to be fully re-accredited in a second regulatory framework when they have already demonstrated their competence in the first, except in those areas that are specific and have not been subject to validation.

Guideline 1, on general issues, reproduces the regulatory compliance requirements of the MiFID II guidelines, adding as a requirement that the compliance report to the management body must be annual and that 'appropriate measures must be taken to remedy any deficiencies'. These requirements should be expressly included in the future revision of the MiFID II guidelines for reasons of consistency and neutrality.

Furthermore, paragraph 17 of the proposal extends the subjective scope of the proposal to staff who do not inform or advise clients, that is, to staff who set the parameters for informing or advising. This extension, which is not included in the MiFID II guidelines, is justified by the automation of advice or information. In fact, **robo-advice** is increasingly widespread. In this field, the provisions of Article 29 of AI Act should be taken into account, which imposes on those responsible for the deployment of high-risk systems the obligation to guarantee the technical and ethical competence of the personnel involved. In the case of CASPs that use algorithmic systems in critical processes such as the evaluation of issuance projects, identity verification, portfolio management or the automatic execution of orders, this requirement becomes relevant.

**Minimum knowledge and competence [Guideline 2, paragraph 18; Guideline 3, paragraphs 22 and 23].**

The proposal lists the professional qualification requirements for reporting (paragraph 18) or advice (paragraphs 22 and 23). Using a better technique than the MiFID II guidelines, the requirements for reporting are listed first and then, to avoid repetition, the additional requirements for advice are listed.

MiCAR training requirements should be aligned with the content of the MiFID II access system and the continuing education hours with their specialisations. For this reason, FECIF recommends an alignment of core subjects and a simplification of special subjects, especially in view of the changing nature of crypto assets and their technologies.

In this sense, according to the **modular model** proposed by FECIF, a harmonised common curriculum can be articulated structured around two types of subjects:

1. Common **core subjects**, which are compulsory for all professionals subject to MiFID II, MiCAR, IDD, MCD and CCD, and which could be automatically validated between the different regulatory frameworks. These include:

- Risks and volatility of financial products
- Tax and cost implications.
- Issuance and distribution of products, prospectuses and *white papers*
- Trading systems and platforms
- Impact of social media.
- Product governance and rules of conduct.
- Prevention of money laundering and terrorism.
- Cybersecurity and digital resilience.
- Technical foundations of artificial intelligence applied to financial services (obligation under Article 29 of the AI Regulation).
- Algorithmic traceability and model validation (art. 3.4 of the AI Regulation).
- Technology life cycle governance and institutional responsibility.
- Protection of personal and non-personal data in accordance with the GDPR and the FiDA Regulation.
- Algorithmic ethics, non-discrimination and fundamental rights (articles 5 and 10 of the AI Regulation).
- RegTech and automated compliance.
- Meaningful human oversight in automated systems.
- ESG, due diligence and sustainability reporting.
- Digital due diligence and supervision in the FiDA environment.

Ethics and good governance, from an ESG perspective, should be included as a core subject.

2. **Specific topics of MiCAR**, which should be taken as complementary knowledge by those who are already certified under core framework. These include:

- Functional analysis of white papers and tokenised projects (arts. 6 et seq. MiCAR).
- Token economics, governance structures and tokenomics.
- Governance of tokenised products and decentralised architectures (DeFi).
- Assessment of operational and liquidity risks in decentralised exchanges.
- Sustainability of crypto-assets, energy metrics and ESG disclosure (Art. 6.13 MiCAR).
- Impact of algorithmic design on the protection of crypto-asset clients.

This modular approach would allow, for example, a MiFID II certified advisor who has already completed the common core modules to operate under MiCAR by completing only the crypto-asset-specific modules, avoiding duplication of previously accredited content. Similarly, a technology professional whose competence has been accredited under the AI Act could receive partial recognition of their knowledge if they wish to work in MiFID II or MiCAR regulated environments, provided they complete training in core and specific financial areas. This model also complies with international standards. The US Senate Armed Services Committee report of July 2024 incorporated a specific module entitled “Artificial Intelligence Literacy for Members”, with the aim of ensuring that all institutional operators in sensitive sectors have a minimum base of technical and ethical competence. This precedent demonstrates that the harmonisation of competences in **AI-regulated environments** is already a global requirement, not a European option.

Another key principle presents in all regulations requiring the qualifications of personnel providing financial services is the requirement to prove qualifications or, as the IDD puts it more rigorously, the principle of **certification** of qualifications. Training can be provided internally by the entities or through external providers, but it must be certified by an independent third party, which certifies that it complies with regulatory requirements. These certifying bodies are the guarantors of the quality and adequacy of the training.

## Questionnaire response

**Q1: Do you agree with the minimum requirements relating to the qualification, experience and continuous professional development of staff who provide information on crypto assets and crypto asset services to clients included in paragraphs 19 to 21 of the draft *Guideline 2*? If not, what would be the appropriate minimum requirements in your opinion? Please indicate the reasons for your answer.**

FECIF strongly supports the inclusion of minimum qualification, experience and continuous professional development requirements for staff providing information on crypto assets or crypto asset services, as set out in paragraphs 19 to 21 of draft *Guideline 2*. These requirements are neither excessive nor disproportionate. On the contrary, they reflect the necessary balance between operational flexibility and supervisory convergence. Paragraph 19 allows for competence to be accredited by examination after an 80-hour professional qualification with 6 months of supervisory experience, or after one year of supervisory experience. The examination may be organised by the provider or by a third party. As proposed by the Retail Investments Strategy (RIS) and mentioned by IDD, FECIF proposes that the

exams and their results be certified by a certification body independent of providers and trainers. The separation of training and evaluation must be a key principle of the professional training system.

Regarding paragraph 20, the provision for the recognition of prior experience of existing staff is a logical transitional measure that respects the principle of legitimate expectations. The proposal contains a kind of grandfather clause for staff who were providing relevant services at the time of entry into force of the ESMA Guidelines, so that firms have the power to assess and document compliance with knowledge and competence requirements by demonstrating the ability to provide information under MiCAR 'and for a minimum period of one year'. This recognition should be accompanied by a **certified bridging exam**, which serves to demonstrate that staff have the knowledge and competence necessary to fulfil their obligations. For this transition to be effective, the guidelines should provide for a **one-year transition period** to allow those who, at the time the guidelines come into force, are engaged in providing information or advice, for at least one year, to continue to provide information or advice, before compliance.

**Regarding the hours of continuous training**, FECIF considers that they should be standardised in accordance with the proposal, with a minimum of 10 hours per year for information and 20 hours per year for advice. It is true that MiFID II does not specify the minimum number of training hours or that the RIS proposal, for both MiFID II and IDD, requires a minimum of 15 hours of continuous training for advisors. We understand that, in order to offer the best service to the client and to give coherence to the legal framework, both MiCAR and MiFID II should require a minimum of 10 hours per year for information and 20 hours per year for advice. This standard could also be adopted by EIOPA in relation to PRIIPs (packaged retail and insurance-based investment products).

FECIF considers that this requirement for minimum hours of continuous training should be established as a rule, regardless of the financial product on which the information or advice is provided. In accordance with the principle of regulatory simplification and supervisory convergence, ESMA could promote, in collaboration with the EIOPA and EBA, the establishment of this standard of continuous training hours for staff providing information or advice.

**Q2: Do you agree with the minimum requirements relating to the qualification, experience and continuous professional development of staff advising clients on crypto assets and crypto asset services included in paragraphs 24 to 26 of the draft Guideline 3? If not, what would be the appropriate minimum requirements in your opinion? Please justify your answer.**

FECIF considers it appropriate and essential to maintain and enforce minimum requirements for the qualification, experience and CPD of staff advising clients on crypto-assets or crypto-asset services, as set out in paragraphs 24 to 26 of draft Guideline 3.

In summary, the FECIF considers that maintaining the minimum requirements for qualification, experience and continuous training established in paragraphs 24 to 26 of draft Guideline 3 is absolutely necessary to guarantee an adequate level of customer protection, taking into account that its regulatory efficiency will increase if they are inserted in a harmonised and

technologically robust certification architecture, derived from the European strategy of regulatory simplification, regulatory convergence and digital transformation of the financial system. This model will ensure institutional consistency, reduce the administrative burden and truly professionalise the crypto-asset ecosystem, without sacrificing the principles of proportionality, quality and protection inherent in EU financial legislation.

**Q3: Do you agree with the draft *guidelines proposed*? Please justify your answer.**

FECIF considers that the guidelines proposed by ESMA are entirely correct, both in their design based on the MiFID II guidelines and in their structural value as an instrument of regulatory convergence and simplification. The guidelines should not be understood solely as a technical framework, but as a **safe harbour** in an environment of increasing automation, accelerated digital transformation and progressive loss of direct human intermediation, in which the differences between the various financial sectors are blurring.

The proposed guidelines play an essential role as an operational bridge between regulation and practice, which is especially relevant in a crypto-asset sector characterised by heterogeneity and a lack of maturity. Unlike the investment services regulated by MiFID II, the CASPs vary greatly in terms of business models, internal governance and compliance culture. Therefore, the Guidelines act as a common minimum regulatory framework, without which it would be very difficult to guarantee homogeneous supervision or a comparable expectation of professionalism in all Member States.

The proposed guidelines have a preventive and formative value that goes beyond the strictly formative level. The establishment of minimum criteria for qualification, experience and continuous training through the framework provided by MiFID II helps to prevent the solicitation of retail clients through aggressive marketing practices or algorithmic biases. In this sense, the guidelines reinforce a logic of ex ante institutional traceability that will allow supervisory authorities to build on a documentary basis, a map of competencies and internal responsibility by function, which is key in decentralised and automated environments.

Furthermore, these guidelines should be seen as the **first step towards the institutional professionalisation of the crypto ecosystem**, in parallel to the first MiFID rules of conduct at the time. In the crypto-asset market, institutional players and highly technical profiles coexist with other operators who lack organisational structure or specialised training. The guidelines introduce a 'regulatory floor' that begins to close this gap, forcing CASPs to implement more stable, transparent and auditable internal human resources structures. In the medium term, this will have a positive effect not only on the quality of the service, but also on the general reputation of the sector, which is essential for its development. The guidelines not only benefit the clients, but also the service providers themselves, since they reduce the legal uncertainty in terms of the minimum standards of competence that they must demand from their staff. In the absence of European guidelines, each Member State could have adopted divergent criteria, which would have multiplied the risks of regulatory arbitrage and fragmentation of the single market, justifying ESMA's initiative to formulate the guidelines that are the subject of this consultation. This initiative can resolve this problem without waiting for the creation of a harmonised professional licensing regime at European level (**EU label**), as proposed, for example, in 'Improving Qualification for Financial Advisors in EU: Policy Proposals',

Zunzunegui, Corbal et al, 2023, acting as an interim but effective solution. The adoption of a pan-European label would favour the autonomy and mobility of financial advisors and improve market confidence and investor protection by reducing the advice gap.

Another point that justifies its necessity is that the Guidelines must be designed to function within the logic of automated or semi-automated systems, something that was not covered by traditional frameworks. In many CASPs, the information or advice that reaches the client has been preloaded into the system by personnel who have no direct contact with the user, but whose decisions have a decisive impact on the investment experience. The clarification in *Guideline 1* that these people are also subject to qualification requirements is a significant regulatory advance. It represents the legal recognition of a digital reality that goes beyond the classic categories of client-intermediary relationship and closes one of the most dangerous gaps in the system: that of pre-configured or system-induced recommendations that lack qualified supervision.

At a broader institutional level, these Standards of Conduct also serve to improve reputation. Until now, one of the main criticisms of the crypto-asset environment has been its low level of professionalism compared to the rest of the regulated financial system. The adoption of minimum, revisable and transparent training standards will help to reduce this perception of opacity or technical amateurism that has hindered the general recognition of the sector. In this sense, the guidelines not only protect, but also strengthen the crypto-ecosystem, providing it with a professional infrastructure comparable to the rest of the European financial architecture.

Finally, its usefulness also extends to the level of supervision (SupTech). The existence of homogeneous standards in employee training requirements allows the competent authorities to carry out inspection, audit or ex-post verification tasks more easily, given that there will be common criteria for evaluating the sufficiency or insufficiency of staff training. This will facilitate supervisory convergence, reducing the administrative burden of CASPs in cross-supervisory processes and allowing supervisory efforts to be concentrated in areas where there is less implementation of the Guidelines or discrepancies in their implementation.

In short, the guidelines should not be understood as a simple additional obligation, but as a **strategic tool** to organise, stabilise and professionalise the crypto-asset services system in Europe. Their adoption and coordinated implementation will reduce regulatory asymmetries, improve the quality of advice, avoid misunderstandings on the part of retail clients and ensure that investment decisions are made on an informed, ethical and technically sound basis. Therefore, the FECIF strongly supports the proposed guidelines and recommends their adoption without substantial modifications, accompanied, where appropriate, by a European plan for technical implementation, harmonisation of training and supervision in the medium term, in cooperation with the EIOPA, EBA, the European Artificial Intelligence Office and the national authorities designated under the *AI Act*.

#### **Q4: Is there any additional comment you would like to make or information you would like to provide?**

Apart from the general support for the proposed guidelines, it is worth highlighting a regulatory paradox that has arisen with intensity since the development of MiCAR and its interaction with MiFID II, which may run counter to the principle of technological neutrality. We are referring to

the fact that the most recent regulatory framework, MiCAR, created to regulate a more volatile, disintermediated and technologically risk-prone market, imposes training and organisational requirements that in some respects exceed in intensity, detail and ex ante control those established by MiFID II for traditional financial markets.

This situation creates a reverse asymmetry, which is legally difficult to justify from the perspective of technological neutrality: higher requirements are demanded in terms of technical qualifications, continuous training, internal documentation and traceability of advisors or informants in crypto-assets than those required to operate in 'traditional' financial instruments, which may involve equivalent levels of risk. In terms of comparative regulation, this creates a regulatory dissonance that breaks the principle of proportionality and horizontal coherence of EU financial legislation, contrary to the principle of technological neutrality.

To avoid dissonance, the entry into force of the MiCAR guidelines should logically lead to the updating of the MiFID II guidelines to equalise standards in relation to training content and continuing education hours. It is inconsistent to require, for example, that a crypto-asset advisor has knowledge of DLT technologies or algorithmic traceability (according to *guidelines* 3 and 4), while a MiFID advisor can operate under criteria that do not yet reflect the real technological conditions of today's financial market. The fact that MiFID II is older does not justify the application of less stringent rules than those that the European legislator has already adopted for MiCAR. On the contrary, the principle of continuous improvement of the European regulatory framework requires that new reference points, such as MiCAR, AI Act or Open Finance (FiDA), serve as vectors for **regulatory upgrading**, and not as regulatory islands that consolidate unjustified inequalities. This reform should be based on principles rather than rules. This would give effect to the principle of regulatory simplification and efficiency.

Far from proposing a reduction in MiCAR requirements, what is proposed is to harmonise the training requirements of MiFID II, IDD, MCD and CCD with the new standard consolidated by MiCAR and the IAAct. This harmonisation would reinforce the professionalisation of the entire financial ecosystem, better protect the retail investor and consolidate the European market as a technologically advanced but legally demanding area. On this basis, ESMA can assume a **transformative role**, leading, in line with the proposals of the Draghi Report, the transformation of the European financial market to make it more competitive and simpler.

In short, it is suggested that the process initiated by the ESMA Guidelines should not be limited to the regulation of financial advisors, but should be projected as a technical and regulatory basis for a comprehensive review of qualification requirements in all financial frameworks, beyond MiFID II, including IDD, MCD and CCD, based on a logic of regulatory convergence, curriculum standardisation and interoperable certification, as required by the simplification strategy adopted in the European Union.

## Recommendations from FECIF

FECIF supports ESMA's initiative to formulate guidelines on the knowledge and competence of staff providing information or advice under MiCAR, taking MiFID II guidelines as a reference. We offer our **full collaboration** to bring coherence to financial qualification in the European Union under the same principles that bring coherence to the system and facilitate regulatory compliance in the best interest of the clients.

Accordingly, we make the following **recommendations** in light of ESMA's consultation:

- ✓ The content of knowledge requirements should distinguish between core subjects and specialised subjects. Core subjects would be those related to the risks and volatility of financial products, tax and cost implications, product issuance and distribution, prospectuses and *white papers*, trading systems and platforms, the impact of social networks, product governance, standards of business conduct, prevention of money laundering and terrorism, and cyber risk. The MiCAR special module would be covered by letter K of *Guideline 2*.
- ✓ Ethics and good governance, from an ESG perspective, should be included as a core subject.
- ✓ MiCAR's staff qualification guidelines should be used to update the MiFID II guidelines, under the same principles and rules.
- ✓ Qualification in the use of artificial intelligence systems should be incorporated as a core subject, both in the MiCAR guidelines and in the update of the MiFID II guidelines.
- ✓ The distinction between the requirements for informing or advising should be maintained, given the added value of advice. With additional issues for advice, including the suitability test qualification, and the use of intelligence systems in the suitability assessment.
- ✓ The duration of continuing professional development (CPD) should be standardised, requiring 10 hours per year for information and 20 hours per year for advice. These minimums should apply to both MiCAR and MiFID II.
- ✓ Qualification in both MiCAR and MiFID II should be certified by third parties, separating training from certification.

The rules thus formulated could serve as a **reference for the ESAs**, at the request of ESMA, to formulate joint guidelines on the knowledge and competence of staff who inform or advise on financial services, including the provision of investment services, crypto-assets, credit and insurance, in an open finance environment with increasing use of artificial intelligence systems.

The FECIF is at ESMA's disposal to comment on these recommendations and to collaborate in the development and application of the new guidelines.

### **About FECIF**

*FECIF is the European Federation of Financial Advisers and Financial Intermediaries. Chartered in June 1999, FECIF represents 450,000 European financial intermediaries through 24 national trade associations, operating across all EU member states, plus the UK and Switzerland. As such, it is the only European body representing European financial advisers and intermediaries. It works actively for the support and promotion of the role of financial advisers and intermediaries in Europe.*