

# Ireland 2026: Sanctions, Crypto and the New Architecture of Financial Crime



Author: Azahara Cots Marfil, Financial Crime & Compliance Senior Advisor and Consultant; Member of Compliance Institute's Membership and Diversity & Inclusion Committees.

**H**ow EU sanctions reform, crypto regulation and Irish supervision are turning sanctions into a central test of financial crime control.

By 2026, sanctions will no longer be a technical annex to AML in Ireland but a central pillar of financial crime risk. That shift is being driven from several directions at once: a new EU criminal-law framework for sanctions breaches, the roll-out of MiCA for crypto-asset service providers, tighter rules for information on transfers of funds and certain crypto-assets, and a supervisory agenda that treats financial crime as a system-wide risk.

First prediction: sanctions enforcement will become explicitly criminal-law driven. Directive (EU) 2024/1226 lays down EU-wide minimum rules on the criminalisation of serious violations and circumvention of Union restrictive measures, including certain cases of gross negligence, and requires Member States to provide for liability of legal persons and effective, proportionate and dissuasive penalties. Member States were required to transpose the Directive by 20 May 2025; however, the European Commission has opened infringement procedures against a significant number of Member States for failing to notify full transposition on time. In Ireland, the Department of Justice has published the *General Scheme of the Criminal Justice (Violation of EU Restrictive Measures) Bill 2025*, expressly intended to transpose the Directive, and the Joint Oireachtas Committee on Justice has already carried out pre-legislative scrutiny. The direction of travel is clear: failures to freeze, prevent or report sanctions breaches are moving from the realm of supervisory concern into the territory of potential criminal liability.

Second prediction: crypto and fintech will move from the margins to the centre of sanctions risk management. The Markets in Crypto-Assets Regulation (MiCA) will apply to crypto-asset service

providers (CASPs) from 30 December 2024; from that date, any firm wishing to offer CASP services from Ireland must be authorised by the Central Bank of Ireland (CBI), with only a 12-month transitional regime for firms already registered and operating as virtual asset service providers (VASPs). Ireland has chosen not to use the simplified authorisation option under Article 143(6) MiCA, precisely because the existing VASP registration is an AML/CFT-only regime and not equivalent to full prudential and conduct supervision. In practice, every existing VASP will have to pass a complete CASP authorisation process, in which governance, risk management and financial crime controls - including sanctions - will be scrutinised at a level comparable to more traditional financial institutions.

Regulation (EU) 2023/1113 on information accompanying transfers of funds and certain crypto-assets completes that picture. It extends "travel rule" obligations to crypto-asset transfers and requires specific information on originator and beneficiary to accompany such transfers, aligning the treatment of funds and crypto-assets for AML/CFT purposes. The European Banking Authority's Travel Rule Guidelines, applicable from 30 December 2024, further spell out what information must be collected, how firms should detect missing or incomplete data, and how to manage such transfers. For Irish fintechs and CASPs, this implies that by 2026 supervisors will expect sanctions-relevant risk to be assessed at transaction level, particularly where self-hosted addresses, higher-risk jurisdictions or complex payment chains are involved.

Third prediction: UK developments remain a key reference point. Since Brexit, the UK has operated an autonomous financial sanctions regime supported by comprehensive general guidance from the Office of Financial Sanctions Implementation and, more recently, a dedicated



threat assessment focused on crypto-assets. In parallel, the UK's National Crime Agency has led high-profile operations against large cash-to-crypto laundering networks with links to Russian sanctions evasion and cross-border organised crime, illustrating how traditional criminal cash, virtual assets and sanctions risk intersect in practice. For Irish institutions with UK linkages through group structures, correspondent relationships or client flows, these typologies are not abstract: they indicate the kinds of patterns boards and financial crime teams will be expected to recognise and escalate.

Fourth prediction: sanctions controls will be increasingly embedded within a broader financial crime framework. In its Regulatory and Supervisory Outlook reports, the CBI identifies financial crime: AML/CFT, financial sanctions, market abuse and fraud, as a key cross-sectoral risk and supervisory priority. In a 2025 speech on innovation and technology in financial crime, Deputy Governor Derville Rowland explained that the Central Bank is approaching AML, fraud and sanctions “through the lens of financial integrity of the system”, building a more integrated supervisory framework to look at risk holistically and to take a whole-of-sector, rather than piecemeal, approach. This domestic trajectory sits alongside the new EU AML package: the AML Regulation will apply from 10 July 2027, and the new Anti-Money Laundering Authority (AMLA) is expected to publish by 10 July 2026 a first set of regulatory technical standards and guidelines, including on business-wide risk assessments and group-wide controls, that will frame how obliged entities across the Union design their financial crime frameworks and address the risk of non-implementation or circumvention of targeted financial sanctions. In other words, the

way Irish firms think about AML risk will increasingly determine how robust their sanctions controls are.

Fifth prediction: expectations on boards and senior management will rise sharply. The Sanctions Directive requires Member States to ensure liability of legal persons for sanctions offences committed for their benefit and to provide for effective, proportionate and dissuasive penalties. MiCA, in turn, places explicit responsibility on the governing bodies of CASPs for setting risk appetite, approving policies and overseeing the effectiveness of their frameworks. Combined with the CBI's systemic focus on “financial integrity of the system” and the emerging role of AMLA, this points towards a 2026 landscape in which Irish boards that treat sanctions and AML as narrow compliance specialities, rather than as core strategic and conduct risks, are likely to face not only legal and supervisory consequences but also significant reputational and franchise damage.

For Ireland as a financial centre, the period between late 2024 and the end of 2026 is therefore more than a sequence of regulatory deadlines. It is the window in which traditional banking, payment firms, fintechs and CASPs can -and arguably must- redesign their financial crime frameworks, operationally and technologically, in the way they understand and manage risk.