



New regime for cryptoassets regulation – Authorisations introductory webinar January 2026 – Responses to questions from firms

Growth, innovation & competitive positioning

1. How will the UK’s evolving cryptoasset regime balance innovation and global competitiveness with the FCA operational objectives?

We are developing a domestic regulatory framework that is in line with international standards and balances our statutory objectives. The FCA’s approach to cryptoassets reflects our growth and international competitiveness objectives. While we want to support the right environment for firms to innovate, we must strike a balance to ensure consumers are protected and markets function well.

Through our cryptoasset roadmap and recent publications, the FCA is taking a structured, forward-looking approach to developing a competitive and consumer-protective cryptoasset regime. We are engaging with the Government, industry, consumer groups, and our regulatory partners to help get future rules right.

A regulated cryptoasset market has potential to deliver growth. In the FCA’s letter to the Prime Minister on 9th December 2025 we set out how we have delivered on the 47 growth commitments we set out at the start of the 2025. This included our work to accelerate digital innovation, through lifting the ban on retail cryptoasset exchange traded notes (cETNs) and making it easier for firms to start up and grow through expanding pre-application-support (with 58 wholesale, cryptoasset and payments firms applying since April 2025).

Our research shows 8% of UK adults now own cryptoassets, with 26% of non-users indicating they would be more likely to invest if the market were regulated—highlighting the influence of regulation on consumer confidence.

International alignment

2. How does the UK regime align with the EU’s MiCA and other frameworks?

The UK’s approach to cryptoasset regulation is closely aligned with international standards. We closely monitor global developments, including the EU’s MiCA

framework and the proposed US stablecoin legislation (e.g. the 'Genius' Act), and we contribute to shaping international standards through our work with IOSCO, the FSB, and FATF.

The FCA also lead the publication of two milestone reports published in October 2025, the IOSCO Thematic Review on the Implementation of its Crypto and Digital Asset Recommendations and the FSB Thematic Peer Review on the implementation of its Global Regulatory Framework for Crypto-asset Activities. These reports reflect an ongoing effort to ensure the UK's cryptoasset regime is consistent with international standards and reflects the UK cryptoasset market.

Consultations, roadmaps & guidance

3. How will firms access FCA updates, consultations, and guidance on the evolving cryptoasset regime?

The FCA is posting all cryptoasset-related updates, consultations, and other publications on our dedicated webpage: [A new regime for cryptoasset regulation | FCA](#). This page will remain the main source for updates as we move toward the new regime starting on 25 October 2027.

Scope & applicability

4. How will the new cryptoasset regime be defined?

The UK Government (HM Treasury) decides which cryptoasset activities should be regulated. They do this through a legal document called the [Regulated Activities Order](#) (RAO) which will be amended to include new cryptoasset activities.

The [Financial Services and Markets Act 2000 \(Cryptoassets\) Regulations 2025](#), which came into law in February 2026, set out the cryptoasset activities that are to be brought into regulation.

Once the new regime commences on 25 October 2027, the new cryptoasset activities will come under the FCA's regulatory remit. The activities set out in the legislation are as follows:

- Issuing qualifying stablecoin in the United Kingdom.
- Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets.
- Arranging for another person to safeguard qualifying cryptoassets or relevant specified investment cryptoassets.
- Operating a qualifying cryptoassets trading platform.
- Dealing in qualifying cryptoassets as principal.
- Dealing in qualifying cryptoassets as agent.
- Arranging (bringing about) deals in qualifying cryptoassets.

- Making arrangements with a view to transactions in qualifying cryptoassets.
- Qualifying cryptoasset staking.

Firms will need to determine whether they are in scope of the new regime. They should consider obtaining legal or compliance advice to assist them in understanding if and how their business model falls within the regulatory perimeter.

5. Which types of firms are in scope?

Firms undertaking any of the new cryptoasset regulated activities will need to be authorised by the FCA.

Details on the geographic scope of the regulatory perimeter is set out in the [legislation](#) and related [policy note](#) (section 2.12.1 – 2.12.4), but the cryptoasset regime will likely impact the following types of firms:

- UK-based cryptoasset firms, including custodians and staking providers
- Overseas cryptoasset firms that are targeting UK retail customers
- Stablecoin issuers conducting the issuance activity from an establishment in the UK, or via a group entity in the UK

We have been consulting on our proposed rules and guidance for these new cryptoasset activities, which can be found on our dedicated webpage: [A new regime for cryptoasset regulation | FCA](#).

6. What is the FCA's role?

Once the Government sets the activities that will be regulated, the FCA make detailed rules that firms must follow.

7. How does the FCA approach regulation?

The FCA uses a simple principle: "same risk, same regulatory outcome." This means firms doing similar types of activities face similar expectations, whether they involve cryptoassets or traditional financial products/ arrangements.

The FCA will publish policy statements in summer 2026 providing clarity on the rules that apply to firms within the new cryptoasset regulatory regime. This will be supported by perimeter guidance, in an upcoming consultation, to help firms clearly and practically understand if they are within scope of the new regime.

Group structures & cross-border issues

8. How will the FCA apply the new cryptoasset regime to overseas groups and cross-border models, including branch vs subsidiary expectations, local presence requirements, territorial scope, and the treatment of foreign-authorized firms such as MiCA CASPs?

Due to the global nature of cryptoassets we acknowledge the UK's cryptoasset regime will be of interest to firms and groups established overseas or holding authorisation by international regulators. We are currently consulting on our approach to international cryptoasset firms (AICF) as part of [CP26/4](#).

Our baseline expectation is that firms seeking FCA authorisation for cryptoasset activities will have a presence in the UK and conduct their regulated cryptoasset activities from a UK legal entity. However, in certain circumstances we propose permitting UK CATP operators to combine their UK entity with authorisation of an overseas CAPT via a UK branch. In all circumstances we will assess a cryptoasset firm's intended legal form at the gateway to ensure they meet threshold conditions.

We encourage interested parties to engage in the consultation by its deadline of 12 March 2026 as we formalise our approach.

Existing registered or authorised firms

9. How will existing firms transition into the new FSMA cryptoasset regime, including timelines, varying permissions, and whether any fast-track or conversion options will apply?

Firms wishing to undertake any of the new cryptoasset regulated activities will need to be authorised by us under the [Financial Services and Markets Act 2000](#) (FSMA) with permission to undertake those activities.

This will include firms that are registered with us under the [Money Laundering, Terrorist Financing, and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) (MLRs) and/or firms that are registered with or authorised by us under [The Payment Services Regulations 2017](#) or [The Electronic Money Regulations 2011](#).

Firms that are registered with us under the MLRs should note that there will be no automatic conversion and that they will need to secure authorisation by us under FSMA prior to the commencement of the new regime.

Firms that are already authorised under FSMA by us to undertake other regulated activities will need to have varied their existing permissions before the commencement of the new regime via a VoP application.

In addition, cryptoasset firms that are currently using the services of another FCA-authorised firm to approve their financial promotions (referred to as a [s.21 approver](#)) will no longer be able to do this and will need to be authorised by us if they wish to continue to market to UK customers.

Considerations for SMEs

10. How will the new cryptoasset regime apply to small businesses?

FSMA provides for a proportionate regulatory approach through the FCA's statutory principles of good regulation, which require the FCA to impose proportionate regulatory burdens and to take account of differences in regulated businesses. Therefore, the new regulatory framework aims to set proportionate standards based on the risks and harms observed in cryptoasset markets.

However, we aim to tailor regulations based on the size, complexity, and risk of harm a firm poses to consumers and markets. It is important that the information provided in a firm's business plan accurately reflects the trajectory of growth that it thinks the business will take. This information will be key in informing the level of business that we assess a firm's risk and controls against.

Applications for authorisation

11. How will the FCA manage timelines, prioritisation, and expectations for cryptoasset authorisation applications, and what should firms do now to prepare for a successful application under the new regime?

Key dates:

- Application period: 30 September 2026 – 28 February 2027
- New regime goes live: 25 October 2027

If a firm applies during the application period:

- The FCA expects to determine applications that are submitted during the application window before the new regime goes live. We will review applications in the order they are submitted.
- However, if an application is still being assessed by the time the new regime goes live, firms already providing cryptoasset services in the UK would be able to make use of the [saving provision](#). This would enable such firms to continue operating and take on new business until the FCA makes its decision.
- Newly established cryptoasset firms will only be able to provide cryptoasset services in the UK once the regime goes live and their application is approved.

If a firm applies after the application period:

- All firms, whether firms already providing cryptoasset services in the UK or newly created cryptoasset firms, can choose to apply for authorisation

outside of the application period. However, we will not expedite our assessment to compensate for applications received after the application period.

- If an application from a firm currently providing cryptoasset services in the UK, is submitted outside of the application window, but has not been determined by the time the regime goes live, the firm will enter the transitional provision until it is determined. While in the transitional provision, existing cryptoasset firms cannot take on new UK customers or undertake new business with existing customers until authorised.

If a firm does not intend to apply:

- Firms already providing cryptoasset services in the UK must wind down their UK cryptoasset activities before the new regime starts. Firms that fail to run-off their UK business prior to the commencement of the new regime could be at risk of conducting unauthorised business or acting without permission.

Our expectations of applicants/applications:

- As a full FSMA regime, cryptoasset firms will be subject to a broader set of regulatory standards than they currently are under the MLR's. This includes expectations around operational resilience, consumer protection, and governance.
- At a minimum, we expect firms to be 'willing and organised', with a credible plan for how they will be 'ready' for regulation when the cryptoasset regime takes effect on 25 October 2027. We recognise firms will be at various stages in their journey and will be pragmatic in our assessments where there is a credible plan that demonstrates readiness for when the regime goes live.

Poor quality submissions

- Firms should be aware that we will reject poor quality submissions without assessing them if they do not provide the minimum information, we require to undertake our assessment. We will also refund the application fee.
- Under these circumstances firms will be considered as having not applied for the purposes of access to the saving or transitional provision. Firms can submit another application before the regime goes live but under these circumstances, access to the saving or transitional provision will be dictated by the date the latter application was submitted regardless of when the first submission was made.

12. What firms should do now?

Firms should start to plan for the new regime:

- Consider the threshold conditions which set out the minimum standards firms will be expected to meet at authorisation and on an ongoing basis.

- Review our published [cryptoasset regime consultation papers](#) to start assessing how the firm's business model fits against the proposed rules for the various regulated activities.
- Cryptoasset firms will be required to hold regulatory capital. Familiarise themselves with the proposed levels for their business activities. Consider how they will ensure they have the right capital and liquidity management system for its business model.
- Identify the people in the firm that will undertake key roles. The senior managers regime requires clear allocation of responsibilities, and we expect those people to meet our fit and proper requirements.
- Stay up to date with our FCA cryptoasset regime [webpages](#) and consider whether they would like to request a pre-application meeting with us via our pre-application support service (PASS). Pre-application meetings will be available from July 2026.
- They may want to consider seeking professional advice or support as part of preparing an application, however, please note it is the firm we will be assessing not the professional advisor

Use of s.21 approvers

13. Do firms currently operating under the Section 21 regime need to apply in the application period if they do not have a currently registered entity in the UK?

To support firms seeking clarity on how the Section 21 financial promotion regime interacts with the new Cryptoasset regime, we have created a [dedicated webpage](#) bringing together all information relevant to cryptoasset firms using s.21 approvers. This page consolidates the key requirements, explains the permitted routes for making financial promotions, and responds to common queries received following the webinar.

Supporting applicants

14. How will the FCA support firms through authorisation?

The FCA recognises that many firms are new to regulation, we will provide support that includes:

- Online guidance and explainer materials
- Webinars
- Engagement sessions to discuss requirements
- Pre-application meetings from July 2026
- Continued support for firms already registered under the MLRs
- Access to FCA Innovation Services:
 - Regulatory Sandbox – Stablecoins Cohort launched in November 2025.
 - Innovation Pathways
 - Digital Sandbox
 - AI Lab

This will help firms understand regulatory expectations while designing or refining their services in preparation for their application. Furthermore, the Stablecoins Cohort within the Regulatory Sandbox enables firms to test their propositions against the CP25/14 proposals ahead of finalising our policy proposals.

We appreciate all feedback provided to the webinar proposing topics of interest for further engagement sessions. We are taking these suggestions into account as we continue to build out our engagement package.

Pre-application support service (PASS)

15. How can firms best prepare for a PASS meeting, what does the FCA expect to see during the meeting, and can firms attend multiple meetings?

The Pre-application support service (PASS) allows firms that are planning to apply for authorisation to discuss their prospective applications with an FCA case officer and receive early steer ahead of applying.

Firms can attend a PASS meeting at any stage of their business, whether a new start-up or already established firm, as the meeting is an opportunity to discuss the impact that cryptoasset regulation may have on the firm's business.

The best way for firms to prepare for a PASS meeting is by focusing on the desired outcome from the meeting, which should be for the firm to better understand our expectations and be in the best position to submit an authorisation application.

Firms should have already considered which permissions they may need to apply for ahead of the PASS meeting. As outlined at the start of this document, the perimeter is determined by HMT through the [SI](#), alongside an accompanying [policy note](#). Those thinking about applying for authorisation are encouraged to review these documents now. It is important that firms undertake this initial assessment themselves and consider seeking professional advice if required.

Ahead of the PASS meeting we ask firms to share a version of their business plan to facilitate a productive and meaningful discussion. The plan does not need to be a final version, but it should demonstrate a good understanding of what the firm wants to do, its target market and some of its key personnel. This enables us to discuss any key areas the firm may need to focus on as they build their application.

There isn't a limit on the amount of PASS meetings a firm can attend, and firms may attend a series of PASS meetings. However, we would not expect firms to rely solely on PASS to prepare an application and reserve the right to decline multiple meeting requests if we determine it is reasonable to do so.

FCA resourcing

16. How is the FCA resourcing and organising its authorisations function ready for the new cryptoasset regime, including staffing levels, expected application volumes and whether firms will have a single case officer throughout the process?

We have conducted firm research to estimate the number of potential applications and are recruiting and training case officers to assess them. The new regime brings with it additional responsibilities for us, and we are allocating internal resources to be ready for its commencement.

As much as possible, we will endeavour to have a single case officer as the point of contact on each application.

The FCA's use of AI

17. How does the FCA plan to use AI within the authorisation process?

As part of the FCA's 5-year strategy, it is our mission to be a 'Smarter Regulator', and innovation is key to our plans to support economic growth. This means building better data systems and digital tools for reviewing applications. This may include using AI tools to process and triage applications more effectively, but the judgement and decision making will continue to rest with human decision makers possibly supported by AI tools.

Stablecoin-specific regulatory treatment

18. What are the authorisation, in particular the prudential requirements, for fully backed stablecoin issuers and intermediaries?

Stablecoin issuers issuing qualifying stablecoin from an establishment in the UK or arranging for them to be undertaken on their behalf, would need to be authorised by us as their activity would fall within the scope of the new cryptoasset regime. The prudential rules and requirements for all regulated cryptoasset firms were consulted on in [CP25/15](#) and [CP25/42](#).

The position on systematic stablecoins and how they will operate in practice is currently still being developed and was the subject of a recent [consultation](#) by the BoE.

Applying prudential standards

19. Will there be new, specific prudential rules for cryptoasset firms and how will these rules be applied?

We have consulted on prudential rules that will apply to regulated cryptoasset activities in [CP25/42](#) (for all cryptoasset regulated activities besides the custody and stablecoin activities) and [CP25/14](#) (for the custody and stablecoin activities).

The aim of these prudential rules is to ensure that firms have sufficient financial resources and robust risk management procedures to protect consumers, uphold market integrity, and support competition, while recognising the volatility of cryptoasset markets.

Potential applicants should note that they will need to demonstrate that they are meeting (and will continue to meet) their prudential requirements at the point the new regime formally goes live and not at the point their application is submitted.

[CP25/42](#) closed on 12 February 2026.

Custody & safeguarding

20. How will the FCA approach custody and safeguarding requirements and how will this apply to self-custody, non-custodial tech providers and firms holding cryptoasset on behalf of clients?

The new cryptoasset regime will cover firms whose existing or proposed business model involves the control and safeguarding of qualifying cryptoassets or specified investment cryptoassets on behalf of another.

Our proposed rules on cryptoasset safeguarding are detailed in consultation papers [CP25/14](#) and [CP26/4](#).

Firms conducting the above activity by way of business in or to the UK (guidance for determining whether an activity is carried on “by way of business” is found in [PERG 14.5](#)) or arranging for one or more persons to carry on that activity will need to apply for FCA authorisation when doing so, subject to specific exclusions set out in articles 9O to 9R of the Government’s [legislation](#).

In summary, we propose that cryptoasset firms conducting the safeguarding activity would need to follow the rules set out in the cryptoasset safeguarding rules for firms that safeguard qualifying cryptoassets, CASS 17. These rules cover key areas such as private key management and security, record keeping, appointment of third parties, and the requirement to hold client cryptoassets via a non-statutory trust.

Where cryptoasset firms will be offering safeguarding alongside other regulated cryptoasset services, we have proposed some exceptions to the safeguarding requirements dependent on the intricacies of the business model. This includes

CASS 17 not applying to cryptoasset, permitting co-mingling of firm and client cryptoassets where necessary to deliver additional services and limited exceptions to the requirement to hold client cryptoassets on trust.

As our approach in this area is being finalised, we welcome interested participants to review the consultation papers and engage with the open consultation [CP26/4](#) by 12 March 2026.

Consumer Duty and vulnerable consumers

21. How should firms evidence Consumer Duty outcomes in cryptoasset, especially identification and support of vulnerable customers?

Consultation paper [CP26/4](#) and guidance consultation [GC26/2](#) offer guidance on the application of the Consumer Duty to cryptoasset firms, so that firms understand our expectations around delivering good outcomes for retail customers.

These papers should be read alongside our final non-handbook [guidance](#) for firms on the Consumer Duty and the FCA guidance for firms on [fair treatment of vulnerable customers](#).

We welcome interested participants to review the consultation papers and engage with consultation [CP26/4](#) by 12 March 2026.

Reporting obligations

22. What changes are expected to reporting obligations for Cryptoasset firms?

We are expanding our compliance and reporting mandates for cryptoasset businesses in the UK, as we move from an anti-money laundering focus to a wider regulatory regime.

Firms that apply for FSMA authorisation under the new cryptoasset regime will need to be aware of their reporting obligations. We are currently consulting on our reporting proposals in [CP26/4](#). We would encourage all interested parties to engage with the consultation before it closes on 12 March 2026.

Insurance

23. What insurance requirements will apply under the new cryptoasset regime?

Under our current proposals there is no specific requirement for cryptoasset firms to have specific types of insurance in place, but we have set out detailed proposals around areas such as regulation of stablecoin backing assets, the safeguarding of cryptoassets, operational resilience and sufficient financial

resources. All of which is to ensure UK customers served by authorised cryptoasset firms receive an appropriate level of protection.

Outsourcing

24. How will outsourcing rules apply to firms seeking to perform cryptoasset regulated activities?

The application of the FCA Handbook for cryptoasset regulated activities was the subject of [CP25/25](#). Included within this consultation was our expectations on outsourcing arrangements, particularly how firms should assess the adequacy of their arrangements against our requirements. These proposals sit alongside our broader framework for managing outsourcing and other third-party dependencies within [chapter 8](#) of the SYSC rules in the FCA handbook. [SYSC 8](#).

In summary, we propose that our existing expectations on outsourcing arrangements will apply in full to firms seeking authorisation under the new cryptoasset regime. This includes assessing whether firm's arrangements meet our requirements.

[CP25/25](#) closed in November 2025. However, we are still consulting on our final rules in this area within [CP26/4](#), and encourage interested parties wishing to engage with our developing policy to respond by 12 March 2026.