

Handbook Notice No 132

August 2025

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1 Overview

Legislative changes

- 1.1 On 26 June 2025, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook and Technical Standards as set out below.

CP	Title of instrument	Instrument No	Changes effective
CP23/20	Non-Financial Misconduct Instrument 2025	FCA 2025/29	1/9/2026

- 1.2 On 30 June 2025, the Board of the FCA made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
CP25/7	Periodic Fees (2025/2026) and Other Fees Instrument 2025	FCA 2025/22	1/7/2025

- 1.3 On 10 July 2025, the Board of the FCA made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP24/12, CP25/2	Prospectus Instrument 2025	FCA 2025/30	19/1/2026
	Prospectus (Consequential Amendments) Instrument 2025	FCA 2025/31	19/1/2026
	UK Listing Rules (Further Issuance and Listing Particulars) Instrument 2025	FCA 2025/33	19/1/2026
CP24/13, CP 25/3	Public Offers of Relevant Securities (Operating an Electronic System) Instrument 2025	FCA 2025/32	19/1/2026

- 1.4 On 18 July 2025, the Board of the FCA made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
CP25/11	Mortgage Rule Review (Execution-Only, Affordability and Expired Terms) Instrument 2025	FCA 2025/34	22/7/2025

- 1.5 On 31 July 2025, the Board of the FCA made the relevant changes to the Handbook and Technical Standards as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP25/4	Banking: Conduct of Business Sourcebook (Disclosure by Non Ring-Fenced Bodies) (Amendment) Instrument 2025	FCA 2025/35	1/8/2026
CP25/16	Data Decommissioning (No 2) Instrument 2025	FCA 2025/39	1/8/2025
CP25/16	Conduct of Business (Cryptoasset Products) Instrument 2025	FCA 2025/37	8/10/2025

Summary of changes

- 1.6 The legislative changes referred to above are listed and briefly described in Chapter 2 of this notice.

Feedback on responses to consultations

- 1.7 Consultation feedback is published in Chapter 3 of this notice or in separate policy statements.

FCA Board dates for 2025

- 1.8 The table below lists forthcoming FCA board meetings. These dates are subject to change without prior notice.

FCA board meetings		
October	2	2025
October	30	2025
November	27	2025

FCA board meetings

December 18 2025

2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the FCA Board under their legislative and other statutory powers on 26 June, 30 June, 10 July, 18 July and 31 July 2025. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see www.bankofengland.co.uk/news/publications.

Non-Financial Misconduct Instrument 2025

- 2.2 Following consultation in [CP23/20](#), the FCA Board has made changes to the Handbook sections listed below:

COCON 1.1

- 2.3 In summary, this instrument makes changes to the FCA Handbook to update our rules to better capture non-financial misconduct (NFM) in non-banks.
- 2.4 This instrument comes into force on 1 September 2026. Feedback is published in a separate [policy statement](#).

Periodic Fees (2025/2026) and Other Fees Instrument 2025

- 2.5 Following consultation in [CP25/7](#), the FCA Board has made minor changes to the Handbook sections listed below:

Glossary

FEES 3.2, 3 Annex 1A, 3 Annex 12, 4.2, 4 Annex 1A, 4 Annex 2A, 4 Annex 4, 4 Annex 5, 4 Annex 11, 4 Annex 11B, 4 Annex 14, 4 Annex 15, 4 Annex 16, 4A Annex 1, 4A Annex 2, 5 Annex 1, 7A Annex 1, 7A Annex 2, 7A Annex 3, 7B Annex 1, 7C Annex 1, 7C Annex 2, 7C Annex 3, 7D Annex 1, 13 Annex 1, 13A Annex 1, App 2 Annex 2, App 3.1, App 4.2, App 4 Annex 2

- 2.6 The FCA Board also amended the following instrument:

Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8), as amended by the Application and Periodic Fees (2025/2026) and Other Fees Instrument 2025 (FCA 2025/10)

- 2.7 In summary, this instrument makes changes to the FCA Handbook to update the regulatory fees and levies for the 2025/26 period.
- 2.8 This instrument came into force on 1 July 2025. Feedback is published in a separate [policy statement](#).

Prospectus Instrument 2025

Prospectus (Consequential Amendments) Instrument 2025

UK Listing Rules (Further Issuance and Listing Particulars) Instrument 2025

- 2.9 Following consultation in [CP24/12](#) and [CP25/2](#), the FCA has made changes to the Handbook sections listed below:

Glossary
SYSC 18.6
GEN Sch 4
FEES 3.2, 3 Annex 12
COBS 4.3, 4.5, 4.6, 4.7, 4.9, 4.11, 10A.4, 11A.1, 14.3, 22.3, TP 2
MAR 5.3, 5.10
PROD 1.3, 3.1, 3.2, 3.3
DEPP 2.5, 2 Annex 1, 2 Annex 2, 6.1, 6.2, Sch 3, Sch 4,
FUND 3.2
RCB 1.1
SECN 2.6, 6.2, 6.3, 11.1, 12.1
REC 1.1
UKLR 1.1, 3.1, 3.2, 4.2, 5.1, 5.5, 6.2, 6.4, 7 Annex 2, 9.2, 9.4, 10.3, 10.5, 10 Annex 2, 11.2, 11.3, 11.6, 12.2, 12.3, 13.2, 13.3, 13.4, 14.2, 14.3, 15.2, 15.3, 16.2, 16.3, 17.2, 18.1, 18.2, 18.3, 19.2, 20.1, 20.2, 20.3, 20.4, 20.5, 21.5, 22.2, 24.2, 24.3, TP 1, TP 9, TP 10, TP 12
PRM 9.2
DTR 1B.1, 4.4, 8 Annex 2

- 2.10 The FCA Board has introduced the following new sections:

UKLR 1.6

- 2.11 The FCA Board has deleted the following sections:

UKLR 20.6

- 2.12 The FCA Board has introduced the following new chapters:

MAR 5-A
MAR TP 4
SECN TP 1
UKLR TP 13, TP 14, TP 15

- 2.13 The FCA Board has deleted the following chapters:

UKLR 23

- 2.14 The FCA Board has introduced the following new sourcebook:

Prospectus Rules: Admission to Trading on a Regulated Market (PRM)

- 2.15 The FCA Board has revoked the following sourcebook:

Prospectus Regulation Rules sourcebook (PRR)

- 2.16 The FCA Board also resolved to make changes to the following material outside the Handbook:

**ENFG App 2.1
PERG 8.21, 8.37, 9.10**

- 2.17 In summary, these instruments make changes to the FCA Handbook to implement the Public Offers and Admissions to Trading Regulations 2024 (POATRs), which make it easier for companies to raise capital in the UK and reduce costs when admitting securities to UK public markets. The changes will also promote wider participation in capital markets for smaller investors and improve the relative competitiveness of our regulation compared to other jurisdictions.
- 2.18 These instruments come into force on 19 January 2026. Feedback is published in a separate [policy statement](#).

Public Offers of Relevant Securities (Operating an Electronic System) Instrument 2025

- 2.19 Following consultation in [CP24/13](#) and [CP25/3](#), the FCA has made changes to the Handbook sections listed below:

**Glossary
FEES 4 Annex 1A, 6 Annex 3A
IPRU-INV 3-72, Appendix 1
COBS 1 Annex 1, 14.3
PROD 1.3
SUP 6A.1, 16.12, 16.23
DISP 2.5, 2 Annex 1
COMP 4.2**

- 2.20 The FCA Board has introduced the following new sections:

SYSC 19F.4

- 2.21 The FCA Board has introduced the following new chapters:

COBS 23

- 2.22 The FCA Board also resolved to make changes to the following material outside the Handbook:

PERG 2.7, 2.8, 2 Annex 2, 8.9

- 2.23 In summary, this instrument sets out rules for the new public offer platform (POP) regime, which is part of our wider reforms creating a new Public Offers and Admissions to Trading regime.
- 2.24 This instrument comes into force on 19 January 2026. Feedback is published in a separate [policy statement](#).

Mortgage Rule Review (Execution-Only, Affordability and Expired Terms) Instrument 2025

- 2.25 Following consultation in [CP25/11](#), the FCA Board has made changes to the Handbook sections listed below:

MCOB 4.1, 4.2, 4.4A, 4.7A, 4.8A, 8.6A, 11.6, 11.9, 13.2, 13.3

- 2.26 In summary, this instrument makes changes to the FCA Handbook to make it easier, faster and cheaper for consumers to speak to a mortgage provider about their mortgage needs, reduce their mortgage term and remortgage with a new lender.
- 2.27 This instrument came into force on 22 July 2025. Feedback is published in a separate [policy statement](#).

Banking: Conduct of Business Sourcebook (Disclosure by Non Ring-Fenced Bodies) (Amendment) Instrument 2025

- 2.28 Following consultation in chapter 3 of [CP25/4](#), the FCA Board has made minor changes to the Handbook sections listed below:

**Glossary
BCOBS 4.3**

- 2.29 In summary, this instrument makes changes to the FCA Handbook to re-align the disclosure requirements in BCOBS for non-ring-fenced bodies with the geographic scope of core deposits which must be ringfenced, following changes to legislation.
- 2.30 This instrument came into force on 1 August 2025. Feedback is published in Chapter 3 of this notice.

Data Decommissioning (No 2) Instrument 2025

- 2.31 Following consultation in chapter 3 of [CP25/16](#), the FCA Board has made minor changes to the Handbook sections listed below:

**SUP 15.11, 15 Annex 7R, 16.21, 16.28, 16 Annex 31A,
16 Annex 31B, 16 Annex 39AD, 16 Annex 39B
ICOBs 6B.2
DISP 1.10, 1 Annex 1CR**

- 2.32 In summary, this instrument makes changes to simplify the FCA Handbook by removing outdated reporting requirements and streamlining data submissions. These revisions are designed to ease the regulatory burden on firms, enhance operational efficiency, and ensure the Handbook accurately reflects current reporting expectations.

- 2.33 This instrument came into force on 1 August 2025. Feedback is published in Chapter 3 of this notice.

Conduct of Business (Cryptoasset Products) Instrument 2025

- 2.34 Following consultation in chapter 4 of [CP25/16](#), the FCA Board has made minor changes to the Handbook sections listed below:

Glossary

COBS 4.7, 4.8, 4.12A, 4 Annex 1, 4 Annex 5, 10.1, 10.2

10A.2, 22.6

COMP 5.5

- 2.35 The FCA Board has also introduced the following new section:

COBS 10 Annex 5

- 2.36 In summary, this instrument makes changes to the FCA handbook to enable the sale, distribution and marketing of cryptoasset exchange traded notes (cETNs) to retail clients where these cETNs are admitted to trading on a UK Recognised Investment Exchange (RIE). The changes also categorise UK RIE cETNs as Restricted Mass Market Investments (RMMIs) and apply marketing restrictions including risk warnings and appropriateness testing, and exclude access to the FSCS through the COMP sourcebook.
- 2.37 This instrument comes into force on 8 October 2025. Feedback is published in Chapter 3 of this notice.

3 Consultation feedback

- 3.1 This chapter provides feedback on consultations that will not have a separate policy statement published by the FCA.

CP25/4, Chapter 3: Amendments to BCOBS disclosure requirements for non-ring-fenced bodies

Background

- 3.2 The largest UK banks are subject to a ring-fencing regime which requires them to separate their retail and investment banking activities into a ring-fenced body (RFB) and a non-ring-fenced body (NRFB).
- 3.3 As part of the ring-fencing regime, the FCA is required by law to make rules about information that a NRFB must provide to individuals who hold an account with them, or apply to open an account. Only certain classes of individuals (eligible individuals) whose deposits would otherwise have to be ring-fenced are entitled to do so – broadly, those with financial assets of at least £250,000. The corresponding FCA Handbook requirements are set out in the Banking: Conduct of Business sourcebook (BCOBS) 4.3.
- 3.4 Until 4 February 2025, deposits held with UK-deposit takers in UK accounts or EEA (European Economic Area) accounts (accounts opened at a branch of the UK deposit taker located in an EEA state) were required to be ring-fenced, subject to certain exceptions set out in Article 2(2) of the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 (RFB Order 2014). The FCA was correspondingly required by Article 14 of the RFB Order 2014 to make rules specifying information NRFBs must provide to eligible individuals holding, or applying to open, both UK and EEA accounts. These rules are set out in BCOBS 4.3.4R(2).
- 3.5 The Financial Services and Markets Act 2000 (Ring-fenced Bodies, Core Activities, Excluded Activities and Prohibitions) (Amendment) Order 2025 amended the RFB Order 2014 so that the geographic scope of those deposits which are required to be ringfenced (core deposits) are those held in UK accounts only. To align with this change, it also amended the rule-making requirements on the FCA. We are now only required to make rules specifying information NRFBs must provide to holders, or prospective holders, of UK accounts with NRFBs.
- 3.6 We therefore consulted on proposals in [CP25/4](#) to re-align the disclosure requirements in BCOBS 4.3.4R(2) for NRFBs with the geographic scope of core deposits which must be ring-fenced.

- 3.7 We also consulted on some amendments to the FCA Handbook Glossary.
- 3.8 We proposed to remove the 'EEA account' definition from the FCA Handbook Glossary, which would no longer be used following the above amendments to BCOBS 4.3.
- 3.9 We also proposed to remove links to the RFB Order 2014 in 3 other FCA Handbook Glossary definitions used in BCOBS 4.3. This was intended to make it clear that the references to the RFB Order 2014 in these definitions stay in step with legislative developments as they occur, in line with standard FCA Handbook practice.

Summary of proposals

Amendments to disclosure requirements

- 3.10 As set out above, we proposed to amend the disclosure requirements in BCOBS 4.3.4R(2) and related guidance so that they only apply to UK accounts, instead of both UK and EEA accounts.
- 3.11 NRFBs were previously required by BCOBS 4.3.4R(2) to provide both UK and EEA account holders (or prospective account holders) with a summary of:
- the purpose of ring-fencing, and the key risks to which an NRFB may be exposed
 - any excluded activity the NRFB is carrying on or prohibited action the NRFB has taken (activities and actions a ring-fenced body cannot undertake, set out in legislation)
- 3.12 We proposed these disclosure requirements should only apply in respect of individuals who hold, or are applying to hold, UK accounts – with NRFBs no longer being required to make these disclosures to individuals opening or holding EEA accounts.
- 3.13 This was intended to ensure the scope of the disclosure requirements in BCOBS 4.2.4R(2) remain aligned with the geographic scope of the wider ring-fencing regime.

Amendments to Glossary definitions

- 3.14 We proposed to remove the 'EEA account' definition from the FCA Handbook Glossary, which would no longer be used following the above amendments to BCOBS 4.3.

- 3.15 We also proposed to remove links to the original (as made) RFB Order 2014 from the Glossary definitions of 'confirming statement', 'eligible individual' and 'non ring-fenced body'.
- 3.16 These changes were intended to ensure the references to the RFB Order 2014 in the definitions (which were not impacted by any of the recent changes to legislation) would be treated as ambulatory going forward. That is, to ensure the references to legislation are interpreted as references to the latest version of the legislation (as amended from time to time), not the version of the legislation that existed when it was first made.
- 3.17 These amendments bring these definitions in line with standard FCA Handbook practice, following updates last year which make all references to enactments in FCA Handbook rules, including Glossary definitions where they are used by rules, ambulatory in nature unless indicated otherwise (as set out in [Handbook Notice 116](#)).
- How this links to our objectives**
- 3.18 Making these amendments ensures our rules remain aligned with the wider ringfencing regime, following changes to legislation, and we are satisfied that doing so is compatible with our objectives and regulatory principles.
- 3.19 These amendments are compatible with our strategic objective of ensuring that the relevant markets function well, since they contribute to the efficient functioning of the ring-fencing regime.
- 3.20 They also advance our primary objective of securing an appropriate degree of protection for consumers, by ensuring the consumer protection requirements imposed on firms remain proportionate and appropriate in the context of the amended wider ring-fencing regime. Retaining the unamended disclosure requirements would have gone beyond what is required by legislation, and required firms to maintain separate procedures which do not correspond to the requirements of the wider ring-fencing regime, for relatively little consumer benefit.
- 3.21 Further, removing the disclosure requirements applying to firms' EEA customers is also compatible with advancing our secondary international competitiveness and growth objective, as it will make it less costly for firms to operate internationally, promoting the international competitiveness of firms in the UK financial sector.
- 3.22 These amendments are likewise compatible with our duty to promote effective competition in the interests of consumers, in that they also help maintain a level playing field in terms of cost when it comes to the provision of EEA accounts between firms subject to the ringfencing regime and those outside of it, which will also help advance UK competitiveness.

Feedback

- 3.23 We received no feedback on our proposed amendments.

Our response

- 3.24 As we received no feedback on our proposed amendments, we are making the changes as consulted.

Cost benefit analysis

- 3.25 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance.

- 3.26 In [CP25/4](#), we explained our view that no CBA was required for our proposals because the amendments would reduce the ongoing cost of regulation to firms, by simplifying the regulatory regime and reducing the scope of the disclosure requirements NRFBs are subject to. Our position remains unchanged.

Equality and diversity statement

- 3.27 As we set out in [CP25/4](#), we recognise that making these amendments may disproportionately impact EEA nationals – with nationality considered a component of the protected characteristic of race under the Equality Act 2010. This is because we judge that (prospective) EEA account holders, who will no longer be in scope of the disclosure requirements, are disproportionately likely to be EEA nationals.

- 3.28 However, we continue to believe any impacts will be minimal. The only amendments we are making are to the scope of the disclosure requirements, while changes to the scope of the ring-fencing requirements themselves have already been made in legislation. These disclosure requirements also only apply to UK deposit-takers (so do not protect individuals from equivalent risks they may be exposed to by non-UK deposit-takers operating in EEA states). NRFBs' current customers should also already have received the relevant disclosures under the previous rules at the time they were onboarded or the firm became a NRFB.

- 3.29 We therefore continue to believe these impacts are outweighed by our amendments' wider objectives. As set out above, these amendments will ensure our rules remain aligned with the wider ring-fencing regime, contributing to its efficient functioning and ensuring the consumer protection requirements imposed on firms remain proportionate and appropriate in the context of the amended wider ringfencing regime.

- 3.30 We also continue to believe that the rules we have made will not have a negative impact on any of the other groups with protected characteristics under the Equality Act 2010 (ie, age, disability, sex, marriage or civil partnership, pregnancy and maternity, religion and

belief, sexual orientation and gender reassignment). In Northern Ireland, the Equality Act is not enacted but other anti-discrimination legislation applies.

Environmental, social and governance considerations

- 3.31 We have considered the environmental, social and governance implications of our proposals and our duty to have regard to contributing towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) and section 5 of the Environment Act 2021 (environmental targets). We do not think there is any contribution our proposals can make to these targets.

Rule Review Framework

- 3.32 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

CP25/16, Chapter 3: Data Decommissioning

Background

- 3.33 The Transforming Data Collection (TDC) programme aims to streamline regulatory reporting by refining how data is collected and reducing unnecessary burdens on firms.
- 3.34 Following an earlier round of consultation which resulted in the removal of 3 regulatory returns, we have identified further returns that are no longer needed. In [CP25/16](#) we consulted on proposals to fully decommission 2 further returns, reduce the reporting frequency of a third, and remove the requirement to submit nil returns for a fourth. We also proposed to remove these collections from our Handbook ensuring it accurately reflects current reporting requirements and simplifying navigation.
- 3.35 This supports our commitment under our [Strategy](#) to make data collection more proportionate and targeted. It also aligns with the commitments set out in [Feedback Statement \(FS\) 25/2](#). This set out areas for action and further plans for reviewing our requirements following the introduction of the Consumer Duty.

Summary of proposals

- 3.36 We proposed to:
- decommission REP022 (General Insurance Pricing Attestation) and RIA Complaints;

- reduce the frequency of reporting for REP009 (Consumer Buy-To-Let Mortgage Aggregated Data);
- remove the requirement to submit nil returns for REP008 (Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers));
- remove the late return administration fee for REP008; and
- remove the form layout and instructions for the Prudential Valuation return.

3.37 We expect these changes to go live in RegData during August 2025.

Feedback and our response

3.38 We received 10 responses to our consultation.

The proposed decommission of REP022

3.39 We received 7 responses. All agreed with the proposal as REP022 is not necessary for monitoring compliance with the rules. They also noted that the Senior Managers & Certification Regime would ensure accountability and that there were other ways to notify us of any issues. Two respondents also provided feedback on the FSA021 group of returns. We are proceeding to amend the rules as consulted on and will consider the additional feedback in our future reviews.

The proposed decommission of RIA Complaints

3.40 We received 2 responses. Both agreed with the proposal. One respondent was concerned that removing this could lead to a delay in us becoming aware of a potential issue at a firm and being able to take action or that it would detract from efforts to make the polluter pay.

3.41 We recently consulted on complaints reporting in [CP25/13 \(Improving the complaints reporting process\)](#). This proposes improvements to the firm-level data we collect. This data should support the principle that the 'polluter pays'.

3.42 We are proceeding with the rules as consulted on.

The proposed changes to REP008

3.43 We received 9 responses. All agreed that removing the need to submit a nil return would eliminate unnecessary work for firms, especially those without employees, and reduce the regulator's costs. They also agreed that the late administration fee for REP008 should be removed permanently. Some respondents thought that a similar approach could be taken to other returns that allowed a nil return to be made.

- 3.44 However, 2 respondents had concerns about how the changes would be implemented in practice. One thought the form being scheduled in RegData acted as a prompt to firms to submit the data to us and that its removal could have unintended consequences. Both were concerned about the potential for 'empty' forms remaining in the firm's schedule in perpetuity and that late return admin fees would be levelled if nothing was submitted.
- 3.45 We are proceeding with the rules as consulted on.
- 3.46 REP008 will continue to be scheduled annually in RegData. It will only need to be completed and submitted if a firm has anything to report. If it is not completed and submitted, it will be removed from the firm's schedule and will not show as overdue.
- 3.47 We will communicate further with firms ahead of the October 2025 reporting deadline and monitor submission rates to review the nil returns approach if necessary.

The proposed changes to REP009

- 3.48 We received 1 response that agreed with our proposal. We are proceeding with the rules as consulted on.

The proposed removal of information related to the prudent valuation adjustment return.

- 3.49 We received 1 response that agreed with our proposal. We we are proceeding with the rules as consulted on.

Cost benefit analysis

- 3.50 The Financial Services and Markets Act (2000) requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.
- 3.51 Section 138L(3) FSMA gives an exemption from the requirement to produce a cost benefit analysis in cases where we consider there will be no significant increase in cost or an increase in cost that will be of 'minimal significance'.
- 3.52 Although, we consider there will be no increase in cost as a result of these changes and the exemption under S138L(3) applies, we have attempted to quantify the savings to industry of our proposals.
- 3.53 As we are proceeding with the changes as consulted on, there is no change to the CBA. And we estimate that savings to industry will be about £25 million per year.

Equality and diversity statement

- 3.54 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

Environmental, social and governance considerations

- 3.55 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

Rule Review Framework

- 3.56 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

CP25/16, Chapter 4: Lifting the ban on retail access to certain cryptoasset exchange traded notes (cETNs)

Background

- 3.57 On 6 January 2021, we [prohibited](#) the sale, marketing and distribution of derivatives and exchange traded notes (ETNs) referencing certain types of cryptoassets to retail consumers, in light of the risks posed by these products at the time.
- 3.58 In light of the evolving market and regulatory developments, we proposed in [CP25/16](#) to lift the ban on offering cryptoasset ETNs (cETNs) to retail consumers where these are traded on a UK Recognised Investment Exchange (RIE). This change would bring retail access more in line with other crypto-linked products and with retail access to cryptoasset exchange traded products (ETPs) in other jurisdictions.

Summary of proposals

- 3.59 In [CP25/16](#), we proposed to remove the ban on the sale, distribution and marketing of UK RIE cETNs to retail customers. These products would be subject to our Conduct of Business sourcebook (COBS) and related financial promotion rules (including marketing restrictions such as risk warning requirements).
- 3.60 Specifically, UK RIE cETNs would be categorised as restricted mass market investments (RMMIs), and as a result would be subject to the equivalent financial promotions rules as the underlying cryptoassets. Firms offering cETNs to retail consumers will also need to comply with the Consumer Duty.

- 3.61 To implement these proposals, we proposed to make the following changes to our Handbook:
- amend the prohibition on retail marketing of cETNs in COBS 22.6 to remove cETNs from the scope of our ban on marketing, sale or distribution to retail customers of certain products giving exposure to cryptoassets where these products are traded on UK RIE cETNs;
 - include UK RIE cETNs within the category of RMMIs to ensure application of the financial promotion rules under COBS 4.12A; and
 - include a new bespoke risk summary for UK RIE cETNs in COBS 4 Annex 1 and appropriate assessment considerations in COBS 10 to properly apply COBS 4.12A requirements on the promotion of RMMIs.

- 3.62 We assessed whether cETNs should benefit from access to the Financial Services Compensation Scheme (FSCS). In line with the [principles for the compensation framework](#), we considered the risk that compensation for consumers who have chosen to engage in higher risk services or products may lead to poor incentives among consumers and firms. We also noted that there is uncertainty on the risk to the wider market and potential exposure that could result for the Financial Services Compensation Scheme (FSCS) from firm failures involved in the UK RIE cETN market. We are therefore not extending FSCS cover for corresponding losses whether the claim arises from UK RIE cETNs or non-UK RIE cETNs. Firms will be required to inform consumers of the risks of these products and have in place specific warnings so that consumers are aware that FSCS compensation is not available.

How this links to our objectives

- 3.63 The amendments advance our operational objectives of securing an appropriate degree of consumer protection and promoting effective competition in the interests of consumers. We considered that the requirements applicable to firms offering UK RIE cETNs to retail consumers, including under financial promotions rules and the Consumer Duty, will promote an appropriate degree of consumer protection. The proposals will promote effective competition in the interests of consumers by allowing firms to compete in retail markets offering cETNs and providing greater investor choice.
- 3.64 The proposed amendments are compatible with the FCA's secondary international competitiveness and growth objective, as the proposals align with regulatory and market developments in other jurisdictions and include regulatory safeguards to ensure growth is sustainable in the medium and long term.

Feedback

- 3.65 We received 80 responses to our consultation, with a wide range of responses from firms, trade associations, consumer groups to

individual investors and consumers. Also, we engaged both firms and trade associations in the traditional financial and cryptoasset sectors, including through a webinar and bilateral meetings, reaching out to around 75 firms across both the traditional financial and cryptoasset sectors.

- 3.66 Overall, stakeholders are broadly supportive of the proposals to lift the retail ban on certain cETNs (95%). Firms in both the traditional financial and cryptoasset sectors generally consider the proposals to be the right direction, and in line with our secondary international competitiveness and growth objective.
- 3.67 More than half of the respondents would like to see a broader lift of the ban to also allow access to other cryptoasset based products. About two thirds of respondents supported allowing cryptoasset exchange traded funds (ETFs) whilst smaller proportions supported allowing cryptoasset derivatives and all cETNs (i.e. not just those traded on a UK RIE).
- 3.68 55% of respondents who answered the relevant question agreed with our proposal to apply equivalent financial promotions rules to UK RIE cETNs as to cryptoassets themselves and to classify these cETNs as Restricted Mass Market Investments (RMMIs). Respondents to this proposal disagreed most strongly with classifying cETNs as RMMIs, arguing this is disproportionate both for cETNs and cryptoassets themselves as regulation is being introduced.
- 3.69 Two respondents suggested that cETNs should have FSCS protection, as they are concerned it makes cETNs less attractive to customers than other investment products and it will limit consumer protection. As highlighted in paragraph 3.62, we continue to believe this would not be appropriate.

Our response

- 3.70 Having considered the views received, we will lift the ban on retail access to UK RIE cETNs. Currently, cETNs are only admitted to specialist segments of Regulated Markets. As operators of UK RIEs respond by admitting cETNs to market segments for all investors, this change will make retail access more consistent with access to other higher risk investments, other crypto-linked products and access to cryptoasset ETPs in other jurisdictions. In light of this, we will start accepting draft prospectuses for review ahead of the implementation on 8 October 2025, once UK RIEs admit cETNs to markets available to retail investors.
- 3.71 Firms are reminded that in offering cETNs to retail consumers they will also need to comply with the Consumer Duty. This includes obligations to act to deliver good outcomes for retail consumers (Principle 12) and to avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R).

Among other requirements, manufacturer firms will need to specify a target market and ensure that the design of the products and services meets the needs, characteristics and objectives of the target market. Manufacturer firms must also take all reasonable steps to ensure the product is distributed to the target market.

3.72 We propose to lift the ban on UK RIE cETNs only because:

- a. Other cETNs and cryptoasset derivatives may not be subject to the same regulatory protections as UK RIE cETNs, such as the UK Prospectus Regulation and the Listing Regime.
- b. Derivatives may pose higher risks where leverage is used.
- c. While several respondents called for retail access to cryptoasset ETFs, ETFs marketed to UK retail investors are unable to invest directly into cryptoassets under our current regulatory framework for funds. This framework would need to be updated before retail investors could access cryptoasset ETFs.

3.73 We will keep our position on retail access to cryptoasset derivatives, ETNs and ETFs under review as we assess market developments and as part of our work on high-risk investments. For example, we are looking holistically at how retail investors can access exposure to cryptoassets, including considering approaches in other jurisdictions.

3.74 In line with our [Crypto Roadmap](#), we are progressing work on the wider cryptoasset regime. Any potential change to the classification of cryptoassets or cryptoasset-linked products as RMMIs would be considered as part of this broader work. Currently, qualifying cryptoassets are classified as RMMIs, and we consider that UK RIE cETNs linked to these should have the same classification as RMMIs. Whilst we think it is now appropriate to lift the ban on retail access to certain cETNs, this is subject to safeguards like risk warnings provided through classification as RMMIs. This will make regulation across different crypto-linked products more consistent and widen consumer choice to include this product structure.

Cost benefit analysis

3.75 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In [CP25/16](#), we explained our view that no CBA was required for our proposals because the amendments would not lead to an increase in costs or the increase would be of minimal significance. Our position remains unchanged.

Equality and diversity statement

- 3.76 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010, and no concerns were raised during consultation.

Environmental, social and governance considerations

- 3.77 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

Rule Review Framework

- 3.78 The FCA's Rule Review Framework states that while we will generally monitor key metrics of new rules, this is not a requirement where it would be disproportionate or where the new rule relates to a minor policy or rule change with minimal impact. Due to the nature of our proposed changes, we are satisfied that the proposed amendments are exempt from the requirement to be monitored under the Framework.

4 Additional information

Making corrections

- 4.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

- 4.2 This notice is published on the FCA website and is available in hardcopy.
- 4.3 The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at www.handbook.fca.org.uk/instrument. The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 4.4 The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5 The consolidated text of the Handbook can be found on the FCA's website at www.handbook.fca.org.uk/. A print version of the Handbook is available from The Stationery Office's shop at www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/.
- 4.6 Copies of the FCA's consultation papers referred to in this notice are available on the FCA's website.

Obligation to publish feedback

- 4.7 This notice, and the feedback to which paragraph 1.7 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit analysis and a statement under section 138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

- 4.8 We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to handbook.feedback@fca.org.uk (or see contact details at the end of this notice).

Annex

List of non-confidential respondents

We are required by section 138I(4A) of the Act to include a list of the names of respondents to rules consultations where the respondent has consented to the publication of their name. This annex lists the names of consenting respondents for consultations where those names are not otherwise listed in a separate consultation response document.

CP25/16, Chapter 3: Data Decommissioning

British Insurance Brokers' Association

Plus500UK Ltd

SimplyBiz Services Limited

CP25/16: Chapter 4 - Lifting the ban on retail access to certain cryptoasset exchange traded notes (cETNs)

Crypto UK

Interactive Investor

Jerry Casey

London Stock Exchange Group (LSEG)

McKay Research

Midshore Consulting Limited

MoneyFarm

Nicholas Bell

Sean Ryan

Swan FS

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This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under their legislative and other statutory powers on 26 June, 30 June, 10 July, 18 July and 31 July 2025.

It also may contain information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant consultation papers and policy statements referred to in this notice.

General comments and queries on the Handbook can be addressed to:

Michelle Scott-Ashcroft

Tel: 020 7066 1038

Email: michelle.scott-ashcroft@fca.org.uk

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597

Fax: 0207 066 0991

Email: firm.queries@fca.org.uk

Post: Contact Centre
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 0790 or email publications_graphics@fca.org.uk or write to Editorial and Digital Department, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.