FINANCIAL CONDUCT AUTHORITY

Policy Statement

PS26/9

Crypto Regime:

Admissions & Disclosures and Market Abuse Regime for Cryptoassets

June 2026

This relates to

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Glossary

Term	Definition
CRYPTO	Cryptoassets Sourcebook.
Cryptoassets Regulations	The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.
Inside information	Inside information as defined in regulation 18 of the Cryptoassets Regulations.
Issuer	A relevant issuer, as defined in regulation 17(1) of the Cryptoassets Regulations.
Market abuse	Behaviour that falls under one of the following provisions of the Cryptoassets Regulations: regulation 22 (prohibited use of inside information (insider dealing)); regulation 24 (prohibition on the disclosure of inside information); regulation 28 (prohibition of market manipulation).
Offeror	The person responsible for the offer, as defined in regulation 17(1) and 17(5) of the Cryptoassets Regulations.
QCDD	A document which is a qualifying cryptoasset disclosure document for the purposes of Chapter 1 of Part 2 of the Cryptoassets Regulations.
Qualifying cryptoasset	As defined in article 88F of the RAO (qualifying cryptoassets).
Qualifying stablecoin	The specified investment defined in article 88G of the RAO (qualifying stablecoin).
RAO	The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 as amended by the Cryptoassets Regulations.
Relevant qualifying cryptoasset	A qualifying cryptoasset that has been admitted to trading or is subject to an application seeking admission to trading on a UK QCATP.
SDD	A document which is a supplementary disclosure document for the purposes of Chapter 1 of Part 2 of the Cryptoassets Regulations.
UK-issued qualifying stablecoin	A qualifying stablecoin issued by a person authorised under Part 4A FSMA for the activity specified in article 9M of the RAO (issuing qualifying stablecoin).

Term	Definition
UK QCATP	A UK qualifying cryptoasset trading platform, as defined in article 3(1) of the RAO (interpretation); or, as the context requires, the operator of the same who has a Part 4A permission for the regulated activity as specified in article 9S of the RAO (operating a qualifying cryptoasset trading platform). When referring to the final rules in CRYPTO 3, this term relates to a retail UK QCATP, which is a UK QCATP whose rules do not preclude retail investors from trading on the UK QCATP directly or through intermediaries.

Chapter 1

Summary

1.1 In this policy statement, we set out our final rules for the Admissions & Disclosures (A&D) and the Market Abuse Regime for Cryptoassets (MARC) under the Designated Activities Regime (DAR). Together, these rules are intended to promote market integrity, improve transparency and strengthen consumer protection, while reflecting the particular structure and risks of cryptoasset markets. This policy statement forms part of a wider package. For information on other crypto-related policy statements and documents, please refer to the Policy Statements Summary: Cryptoasset Regime.

1.2 For A&D, cryptoasset trading platforms (UK QCATPs) play an important gatekeeper role in the admission process. Before a qualifying cryptoasset (other than a UK-issued qualifying stablecoin) is admitted to trading, retail UK QCATPs will be required to undertake due diligence, and ensure that a qualifying cryptoasset disclosure document (QCDD) is published and uploaded to the FCA-owned centralised repository for cryptoasset disclosures, subject to limited exceptions. This is intended to improve transparency for investors at the point of admission and support more informed investment decisions.

1.3 MARC will prohibit insider dealing, unlawful disclosure of inside information and market manipulation, supported by proportionate systems and controls requirements for UK QCATPs and intermediaries, with additional obligations for large UK QCATPs, including on-chain monitoring and cross-platform information sharing. This reflects the important role that firms play in preventing, detecting and disrupting market abuse in cryptoasset markets.

1.4 Consultation feedback was broadly supportive of the overall framework consulted on in CP25/41. Respondents nevertheless challenged aspects of the Day 1 design, particularly the industry-led approach under MARC and the threshold for additional obligations on large UK QCATPs. Having considered the feedback, we have concluded that the core framework and overall approach remain appropriate and proportionate at this stage of market development.

1.5 We have therefore largely maintained the approach consulted on, while making targeted refinements to improve proportionality, clarity and operability. For A&D, these include clarifying requirements relating to due diligence, admission criteria and the trigger for supplementary disclosure documents (SDDs), specifying a digital token identifier standard (applicable across A&D and MARC), strengthening withdrawal rights notifications, and removing an exception that allowed qualifying cryptoassets to be admitted to trading without a QCDD if they were fungible with those already admitted to trading on the same platform.

1.6 For MARC, we have retained the industry-led framework and the threshold for large UK QCATP obligations, while narrowing the on-chain monitoring requirement for large UK QCATPs, clarifying key requirements relating to inside information disclosure and intermediary notifications to UK QCATPs, refining legitimate market practices and adding examples of inside information.

1.7 We also intend to consult in September 2026 on proposed deferral arrangements under the A&D regime for cryptoassets already in circulation at the point the wider crypto regime comes into force. This is likely to include a 6-month deferral period for such cryptoassets that would defer the application of relevant A&D requirements, to help reduce cliff-edge effects and mitigate potential operational and market disruption. However, work is still ongoing on this deferral proposal, so it remains subject to change.

Chapter 2

Admissions & Disclosures

2.1 In this chapter, we summarise feedback to Chapter 2 of CP25/41, which outlined our proposed rules for Admissions & Disclosures (A&D rules). This chapter also describes any significant changes that have been made in the final rules.

2.2 The A&D regime will operate as a gateway for admissions to trading on UK QCATPs. Our A&D rules will improve the quality and accessibility of information for investors when a qualifying cryptoasset is admitted to trading on a UK QCATP. These requirements will strengthen UK QCATPs' admission arrangements and support fair and orderly markets.

2.3 The A&D rules will apply to:

- The admission to trading of qualifying cryptoassets on UK QCATPs that allow retail participation. In our final rules, this type of UK QCATP is defined as a 'retail UK QCATP'.
- Public offers to retail investors made in reliance on the exceptions in paragraph 6 of Part 1 of Schedule 1 to the Cryptoassets Regulations. These exceptions allow offers that are conditional on an admission to trading or where the qualifying cryptoasset is, at the time of the offer, admitted to trading on a UK QCATP.
- Advertisements relating to the admission to trading of qualifying cryptoassets on UK QCATPs.

2.4 Under the Cryptoassets Regulations, qualifying stablecoins (including those issued overseas) are a subset of qualifying cryptoassets. The disclosure framework for UK-issued qualifying stablecoins is addressed separately in PS26/10, which covers the final rules in respect of UK-issued qualifying stablecoins in CRYPTO 2, CRYPTO 3.8 and CRYPTO 3.9. Except for the relevant record-keeping requirements for a UK QCATP, the final A&D rules described in this chapter do not apply to offers of UK-issued qualifying stablecoins to the public or to the admission to trading of UK-issued qualifying stablecoins on a UK QCATP.

Background

Purpose and features of the A&D rules

2.5 Our A&D rules operate as a gateway for admissions to trading on UK QCATPs. Any continuing disclosure obligations after admission fall under the Market Abuse Regime for Cryptoassets (MARC) disclosure framework described in Chapter 3.

2.6 The objectives of the A&D rules are to ensure that:

- Qualifying cryptoassets admitted to UK QCATPs have been subject to robust admission processes and meet baseline standards.

- Retail investors have access to material information which they can understand to support informed investment decisions.
- The persons responsible for QCDDs and SDDs are clearly specified to enable investors who rely on these documents to seek compensation under the Cryptoassets Regulations in the event they suffer losses caused by untrue or misleading statements, or by the omission of required information.

2.7 The A&D regime will provide consumer protection at the point of admission. But it will not remove all risk. Fraudulent behaviour may still occur, and scam tokens could still enter the UK market. Consumers should therefore continue to consider carefully whether purchasing a particular qualifying cryptoasset is consistent with their own risk appetite and tolerance.

Admission processes

2.8 UK QCATPs play an important gatekeeper role in the admission process. They will be responsible for deciding which qualifying cryptoassets may be admitted to trading on UK platforms that allow retail participation. In addition, under the rules described in PS26/11, UK QCATPs will be required to ensure that UK retail investors can only trade directly in qualifying cryptoassets that have been admitted to trading in accordance with the A&D rules in CRYPTO 3.

2.9 Under our rules, UK QCATPs may not admit a qualifying cryptoasset to trading unless reasonably satisfied that the admission is not likely to be detrimental to the interests of retail investors. A UK QCATP's decision on whether to admit a qualifying cryptoasset to trading will be based on its due diligence assessment. UK QCATPs must put in place and use admission criteria to support that assessment.

2.10 UK QCATPs' admission processes must also manage conflicts of interest and ensure appropriate record keeping. This will ensure that admission decisions are made in a structured and objective way.

Disclosure of information

2.11 Where a UK QCATP approves the admission to trading of a qualifying cryptoasset, the A&D regime requires that potential investors have access to material information prior to admission so they can make informed decisions about whether to purchase the qualifying cryptoasset.

2.12 Persons who seek to admit a qualifying cryptoasset to trading on a UK QCATP will be required to prepare a QCDD unless retail investors will not be able to trade in that particular qualifying cryptoasset. In accordance with regulation 13 of the Cryptoassets Regulations, a QCDD must contain the information which is material to a person considering buying or subscribing for the qualifying cryptoasset to enable that person to make an informed assessment of the qualifying cryptoasset.

2.13 UK QCATPs must assess, approve, and publish QCDDs. They must also ensure that any QCDDs they approve are uploaded to the FCA-owned centralised repository for cryptoasset disclosures.

2.14 Where a QCDD is used for an offer of a qualifying cryptoasset to the public, a person who agrees to purchase the offered cryptoasset may have withdrawal rights if new information is published in an SDD before admission. This helps to ensure that a decision to participate in an offer is based on the most up-to-date material information.

Right to seek compensation

2.15 An investor who relies on a QCDD or SDD when buying or subscribing for a qualifying cryptoasset will have the right under the Cryptoassets Regulations to seek compensation from the person responsible for the QCDD. This applies where the investor suffers loss in relation to the qualifying cryptoasset because the QCDD or SDD contains an untrue or misleading statement, or because it omits information that is required by regulation 13 of the Cryptoassets Regulations.

Structure and application of the A&D regime

2.16 Our rules will operate in conjunction with the legal framework established by the Cryptoassets Regulations, which, among other things:

- bans public offers of qualifying cryptoassets in the UK, subject to certain exceptions including exceptions for offers connected with admissions to trading
- creates a 'material information' requirement for QCDDs and SDDs, and
- creates a statutory compensation regime for QCDDs and SDDs in relation to losses suffered as a result of untrue or misleading statements or omissions of material information.

2.17 As set out in CP25/41, the majority of the A&D rules will apply directly to the operators of UK QCATPs. Some of these rules will require UK QCATPs to create their own rules that will apply directly to the persons seeking admission.

2.18 Some of our rules will apply directly to persons other than UK QCATPs, including the rules relating to withdrawal rights and the rules specifying who is responsible for a QCDD, while the separate intermediary rules in PS26/11 require intermediaries to ensure an A&D-compliant QCDD is in place and to make available the relevant QCDD and any SDDs to UK retail investors.

What we are changing through our final A&D rules

2.19 We maintain the core A&D framework consulted on in CP25/41. The policy outcomes remain largely unchanged, with targeted amendments to our rules to improve operability and to address feedback. Key changes include specifying a Digital Token Identifier (DTI) standard, refining the limited exception to preparing a QCDD, strengthening withdrawal rights notifications, and clarifying areas such as admission criteria, due diligence requirements and the trigger for an SDD.

2.20 The rules have also been restructured to simplify the drafting and to bring the regime's core principles to the fore. This includes limiting the application of most A&D rules to UK

QCATPs that allow retail investors to trade. The broad exemptions for qualified investor-only trading are hence no longer needed, except where a UK QCATP limits trading in a specific asset to non-retail investors. CRYPTO 3.2 and 3.3 now state the core principles upfront: a UK QCATP may only admit a qualifying cryptoasset if reasonably satisfied that it is not likely to be detrimental to the interests of retail investors and that the QCDD meets the relevant conditions. The final rules contain non-substantive consequential amendments as a result. This includes changes to CRYPTO 3.10.

2.21 Further simplifications have also been made to reduce repetition, consolidate non-verification rules and clarify the requirements where UK QCATPs admit qualifying cryptoassets on their own behalf. These include adding new rules to CRYPTO 3.4, 3.5 and 3.12 to clarify how references to QCDDs in those sections are to be read and clarifying which requirements in a UK QCATP's rulebook apply to QCDDs produced by UK QCATPs admitting qualifying cryptoassets on their own behalf. We have also added guidance to remind firms that the FCA has a general power under section 138A FSMA to waive or modify its rules, including the rules in CRYPTO 3.

A&D rules and guidance on admission to trading

Admission criteria

2.22 In CP25/41, we proposed that UK QCATPs should:

- establish risk-based and objective admission criteria, taking into account the non-exhaustive factors listed in CRYPTO 3.2, to assess whether admitting a qualifying cryptoasset (other than UK-issued qualifying stablecoins) to trading is likely to be detrimental to the interests of retail investors;
- reject an application for admission where, applying those criteria and their due diligence assessment, they consider that admission would likely be detrimental to the interests of retail investors; and
- have those criteria approved by their governing body, publish them on their website, and review and update them where appropriate.

2.23 Our proposed approach was intended to strike a balance between protecting consumers and avoiding unnecessary prescriptiveness. It was also intended to reinforce the expectation that UK QCATPs act as responsible gatekeepers by applying admission criteria that can be tailored to different business models and different qualifying cryptoassets.

2.24 In CP25/41, we asked:

Question 1: **Do you agree with our proposal to require CATPs to establish and publish admission criteria, and to take into account the non-exhaustive factors listed in CRYPTO 3.2? If not, which elements do you think should be changed? Please provide detailed rationale.**

CP25/41 feedback and our response

2.25 Most respondents (87%) who addressed this question either supported our proposal to require UK QCATPs to establish and publish admission criteria or were neutral. Respondents generally agreed that clear, published criteria would promote a more structured and transparent admissions process, help protect retail investors and support market integrity.

2.26 At the same time, several respondents sought greater clarity on how the requirement for criteria to be risk-based and objective should operate in practice. Some questioned whether the retail investor detriment test could be too subjective or applied inconsistently across UK QCATPs.

2.27 Several respondents emphasised the importance of maintaining an outcomes-based approach that gives UK QCATPs sufficient flexibility to apply the criteria proportionately, including by calibrating the admission criteria to the characteristics and risk profiles of different qualifying cryptoassets, rather than applying a uniform approach in all cases. By contrast, some respondents considered that clearer minimum standards, further FCA guidance, or more specific factors should be reflected in the criteria to support more consistent application.

2.28 Respondents also questioned how much detail UK QCATPs should be required to publish about their admission criteria on their websites. Several sought clarity on what should be made public and the extent to which UK QCATPs should explain the basis on which they assess admissions. Some cautioned against a more prescriptive approach, while some were against requiring firms to publish highly detailed admission criteria or methodologies.

Our response

We have made final rules that are consistent with the approach consulted on. Requiring UK QCATPs to establish and publish admission criteria is an important part of the A&D regime. It supports a more structured and transparent admissions process, and reinforces the role of UK QCATPs as gatekeepers.

Our rules require UK QCATPs to establish criteria for assessing whether a proposed admission to trading is likely to be detrimental to the interests of retail investors. At a minimum, the criteria should take into account the non-exhaustive factors in CRYPTO 3.2, which provide the basis for the retail investor detriment test.

We have carefully considered feedback on whether the admission criteria should be risk-based and objective, and concerns that the retail investor detriment assessment could be too subjective or applied inconsistently in practice. We consider that the framework should be outcomes-based rather than overly prescriptive. UK QCATPs will be able to apply their admission criteria in a risk-based and proportionate way. We do not consider that prescribing a single methodology would be appropriate, and we have not changed the underlying policy.

However, in response to feedback, we have made targeted changes to clarify how the rules apply in practice. We have replaced 'fitness and propriety' with 'integrity and reputation', clarified whose integrity and reputation should be considered, and added guidance on relevant matters, including legal proceedings, regulatory action and adverse public information. We have also clarified the minimum factors that UK QCATPs must take into account in their admission criteria, including replacing the reference to 'sustainability' with 'continuing viability' as it has other connotations in a regulatory context. We have also clarified how UK QCATPs should consider information that cannot be verified when assessing the risk of detriment to retail investors.

Additionally, we have clarified that the criteria should be based on the potential risks to the interests of retail investors, so that firms assess the investor risks presented by different qualifying cryptoassets when setting and applying their admission criteria. We have also removed the obligation for admission criteria to take into account the 'quality' of QCDDs. Instead, we clarified how UK QCATPs should take into account information that cannot be obtained or verified when applying those criteria, and how records should be kept where that affects the due diligence assessment. These targeted changes support more consistent application without changing the policy outcome.

To support transparency, UK QCATPs must publish their admission criteria. This is consistent with Recommendation 6 of the International Organization of Securities Commissions (IOSCO)'s Crypto and Digital Assets (CDA) Recommendations. However, we do not require firms to publish highly detailed methodologies or individual rejection decisions. We consider that the final approach strikes an appropriate balance between transparency, consistency and flexibility.

Due diligence, verification of information and record keeping

2.29 In CP25/41, we proposed requiring UK QCATPs to conduct due diligence before admitting a qualifying cryptoasset to trading and to keep records. The proposal was intended to support UK QCATPs' assessment of whether admission would be likely to be detrimental to the interests of retail investors, and their review of whether any QCDD met the relevant requirements and contained information that was true and not misleading.

2.30 In CP25/41, we proposed that UK QCATPs should:

- Conduct due diligence by reference to the UK QCATP's admission criteria, including a review of any QCDD, before admitting a qualifying cryptoasset to trading.
- Consider whether any information they were unable to verify means that admitting the qualifying cryptoasset to trading is likely to be detrimental to the interests of retail investors, in line with the UK QCATP's admission criteria.
- Where admission proceeds, prepare an investor detriment assessment report on any information they were unable to verify and provide it to the person requesting

admission to trading, and ensure that the QCDD includes a statement about the information that could not be verified.
- Review any QCDD before admission and not admit the relevant qualifying cryptoasset to trading unless reasonably satisfied that the QCDD met the relevant requirements, including whether it contained the required information and whether the information was true and not misleading.
- Where they were unable to verify information for the purposes of the QCDD review, prepare a QCDD assessment report summarising that information and provide it to the person producing the QCDD.
- Make and keep appropriate records, including, for example, their due diligence processes and the rationale for admission or rejection decisions for at least 5 years, or at least 7 years if requested by the FCA.

2.31 We also set out non-exhaustive examples of the kinds of checks we expected UK QCATPs to perform. These included checks relating to the identity of key persons, the purpose and functionality of the qualifying cryptoasset, tokenomics and supply arrangements, project development status, and risk disclosures. We further explained that, where a QCDD is not required because the qualifying cryptoasset falls within an exception, the due diligence requirement still applies.

2.32 In CP25/41, we asked:

Question 2: **Do you agree with our proposal to require CATPs to conduct due diligence before admitting a qualifying cryptoasset to trading? If not, which elements should be amended, and why?**

Question 3: **Do you agree with our proposal to require CATP operators to keep records of their due diligence processes and the rationale for admission or rejection decisions for at least 5 years (or at least 7 years where requested by the FCA)? If not, what alternative approach to record retention would be more appropriate?**

Question 4: **Do you agree with our proposed approach for cases where CATPs cannot fully verify certain information during due diligence? If not, what alternative approach would you suggest?**

2.33 We have grouped the feedback to these questions and our response in accordance with the themes below.

CP25/41 feedback and our response

Proportionality of due diligence

2.34 Most respondents (92%) supported requiring UK QCATPs to conduct due diligence before admission. Some emphasised that the obligation should be applied

proportionately. They said due diligence should be risk-based and operationally feasible, and should not require UK QCATPs to carry out forensic, audit-like or open-ended investigations in every case. Some also said the framework should be capable of operating across different asset types and business models.

Our response

UK QCATPs should apply their admission criteria in a way that is proportionate, risk-based and objective when assessing whether admission is likely to be detrimental to the interests of retail investors. The framework is not intended to require UK QCATPs to guarantee the future performance of a qualifying cryptoasset or that retail investors will not suffer losses.

We have made targeted amendments to our final rules to support more proportionate due diligence. In particular, we clarified that UK QCATPs are subject to a reasonableness standard when assessing whether admission is likely to be detrimental to the interests of retail investors. These final rules also make it clear that they apply only to UK QCATPs that are accessible to retail investors.

To ensure further clarity, we have also simplified the structure of the rules so that the core pre-admission test is set out first, followed by the supporting requirements on information gathering, assessment criteria and record keeping.

For the purposes of the investor detriment assessment, we have introduced a new rule to clarify that UK QCATPs must take reasonable steps to identify and obtain sufficient information to enable them to make the assessment. Where relevant information cannot be obtained, UK QCATPs should take that into account in assessing whether they can be reasonably satisfied that admission is not likely to be detrimental to the interests of retail investors.

We have also added guidance on how we will assess compliance with the pre-admission test. When judging whether a UK QCATP has complied with CRYPTO 3.2.1R, we will consider whether it has followed a robust and documented process. However, following such a process will not, by itself, be determinative. A UK QCATP should also be able to demonstrate, in each case, the basis on which it was reasonably satisfied that admission is not likely to be detrimental to the interests of retail investors.

These targeted clarifications provide a clearer and more operable standard for pre-admission due diligence.

Scope of due diligence verification

2.35 Respondents generally agreed that admission should still be possible where some information cannot be verified, provided any limitations are identified clearly and the UK QCATP can conclude that the resulting uncertainty is not likely to be detrimental

to the interests of retail investors. A handful of respondents also emphasised that the framework should not be read as requiring UK QCATPs to eliminate all uncertainty.

2.36 Several respondents asked us to clarify what reasonable verification means in practice. They were concerned that 'verification' could imply audit-like assurance, particularly where information is inherently unavailable. They asked for clearer boundaries on what is proportionate and what UK QCATPs are expected to do. They also sought more clarity on the role of publicly available and other accessible information, and on how information that cannot be obtained or verified should be reported or disclosed.

Our response

Having considered the feedback, we are not changing our underlying approach. Admission may still be possible where some information cannot be verified. This is provided that the UK QCATP has taken reasonable steps, proportionate to the risk of detriment to the interests of retail investors, and can reasonably conclude that the resulting uncertainty does not mean admission is likely to be detrimental to the interests of retail investors. The framework is not intended to require UK QCATPs to eliminate all uncertainty.

UK QCATPs should consider the information available to them, including information they already hold or can reasonably obtain through their business activities or other sources. Where appropriate, we expect UK QCATPs to make reasonable enquiries of the person requesting admission. At the same time, we do not expect UK QCATPs to verify every matter independently or to provide assurance as to matters that cannot reasonably be verified in the circumstances.

We have clarified how retail UK QCATPs should approach verification. Where a person requesting admission to trading provides information, we expect the UK QCATPs to take reasonable steps to check it. The level of scrutiny should be proportionate to the risk of harm to retail investors. UK QCATPs should check the information against publicly available or reasonably accessible sources, and take into account any relevant information they already hold or can reasonably obtain through their business activities or other means.

Where relevant information cannot be obtained or verified for the investor detriment assessment, UK QCATPs will be required to keep records of that information. We are therefore not proceeding with a separate investor detriment assessment report proposed in the CP as QCDD disclosure already covers verification gaps.

We have also simplified the treatment of information that cannot be obtained or verified when assessing a QCDD or SDD. The CP draft explicitly allowed a UK QCATP to proceed where it could not verify information, if it had made reasonable efforts to verify the information and this was adequately disclosed in the QCDD. This was an alternative to being reasonably satisfied that the information in the QCDD is true and not misleading. The final rules remove this alternative (leaving only the

true and not misleading test). We explain in guidance, however, that the UK QCATP may still be reasonably satisfied that the relevant information in the QCDD or SDD is not misleading. This is provided that the QCDD or SDD states clearly and prominently that the UK QCATP could not obtain or verify the information concerned.

Responsibility and liability

2.37 A number of respondents were concerned that the due diligence obligation could expose UK QCATPs to open-ended private liability. Several also sought clearer boundaries around UK QCATP responsibility. They emphasised that the due diligence framework should not result in UK QCATPs assuming issuer-like, auditor-like or suitability-gatekeeper responsibilities beyond what is appropriate to their role in the admission process.

2.38 Respondents also cautioned that the obligation should not be read as requiring UK QCATPs to guarantee the quality of a qualifying cryptoasset, endorse the asset, or assume liability for matters beyond their reasonable control. Several said that, where a UK QCATP has acted on a reasonable or best-efforts basis and has clearly identified information it could not verify, that should not, of itself, increase the UK QCATP's responsibility or liability, particularly for decentralised or issuer-less cryptoassets.

Our response

We have considered these concerns carefully. The targeted changes to the final due diligence rules, described above, address the scope of the obligation on UK QCATPs. The final rules require UK QCATPs to take reasonable steps to identify and obtain sufficient information for their pre-admission assessment, and to be reasonably satisfied that admission is not likely to be detrimental to the interests of retail investors. UK QCATPs should also be able to demonstrate the basis for their assessment.

These rules require a risk-based, reasonable and documented assessment. They are separate from the statutory liability regime for QCDDs and SDDs under the Cryptoassets Regulations, which applies to statements in those documents and not to due diligence decisions.

The final A&D rules make it clear that they are made under designated activities rule-making powers. Breaches of the relevant designated activity rules do not give rise to a right to claim damages under section 138D of FSMA.

Record keeping

2.39 Most respondents (88%) who addressed this question supported our proposal. They generally agreed that retaining records of due diligence processes and admission or rejection decisions would support transparency, accountability and effective

supervisory oversight. Several respondents also considered that the proposed retention period was broadly consistent with record-keeping practice in financial services.

2.40 A smaller number of respondents were unsupportive of the proposal. They either suggested alternative retention periods or argued that the proposed requirements were overly onerous or too prescriptive.

Our response

We have made targeted changes to align the record-keeping requirements with the final due diligence and QCDD assessment requirements, including a requirement to keep records of information that could not be obtained or verified for the purposes of the investor detriment assessment.

We have also made minor changes to align the CRYPTO 3 record-keeping requirements with those in CRYPTO 5 and 6. This means we can require UK QCATPs to retain relevant CRYPTO 3 records for up to 7 years where requested, including records relating to due diligence, admission decisions, QCDD and SDD assessments, and publication decisions.

We do not consider that the concerns raised outweigh the case for proceeding with a 5-year retention period. This supports transparency, accountability, and provides an appropriate audit trail for supervisory purposes.

A&D rules and guidance on QCDDs and SDDs

Requirement for a QCDD

2.41 In CP25/41, we proposed rules for when a QCDD is required and the disclosure requirements that UK QCATPs must include in their own rules. UK QCATPs may only admit a qualifying cryptoasset to trading where a QCDD has been prepared and published, subject to limited exceptions. This was intended as a gateway safeguard to support informed decision-making by retail investors and to ensure that admission decisions are anchored in a disclosure document meeting the statutory material information requirement and our rules.

2.42 Our proposed rules apply to UK QCATPs, and the disclosure requirements set by UK QCATPs apply to the persons requesting admission to trading and the persons responsible for the QCDD. The specific content requirements set by UK QCATPs, in line with our high-level requirements, are intended to ensure a consistent and proportionate approach to complying with the 'material information' requirement.

2.43 The QCDD is a point-in-time disclosure document published before admission, rather than a document updated on an ongoing basis after admission. In particular:

- The QCDD is intended to give retail investors access, before the admission to trading, to the material information relevant to their understanding and assessment of the qualifying cryptoasset in a clear, accessible format.
- An SDD is required if a significant new factor arises, or a material mistake or a material inaccuracy is noted in relation to the information in the QCDD after the QCDD is published but before admission and this new information may be material to a person considering buying or subscribing for the qualifying cryptoasset.
- After admission, ongoing transparency is addressed through the wider framework, including relevant MARC disclosure obligations, rather than by updating the QCDD itself.

2.44 We proposed limited exceptions to the requirement to prepare a new QCDD, including:

- Where the qualifying cryptoasset is a UK-issued qualifying stablecoin.
- Where only qualified investors will be able to trade in the cryptoasset.
- Where the cryptoasset is 'fungible' with a cryptoasset already admitted to trading on the same UK QCATP and a QCDD was published for that before admission (with due diligence obligations continuing to apply).

2.45 In CP25/41, we asked:

Question 5: **Do you agree with our proposal that CATPs should only admit a qualifying cryptoasset where a QCDD has been prepared and published, subject to the exceptions we set out? If not, please provide detailed alternative suggestions.**

CP25/41 feedback and our response

2.46 Most respondents (90%) supported our proposal that a QCDD should be prepared and published before admission. However, some wanted a more tailored approach, while some preferred reliance on the Consumer Duty rather than mandating the exact form and content of the QCDD. A few others asked for additional exemptions for well-established assets with extensive public information.

2.47 Some respondents urged greater cross-border alignment. They suggested that firms should be able to draw on overseas disclosure materials, such as disclosure documents made under the EU regime, supplemented where necessary for the UK. Others asked for clearer articulation of responsibility where there is no identifiable issuer, or where the UK QCATP is not best placed to substantiate the underlying information. They said liability should align more closely with authorship and access to information, rather than placing issuer-style responsibility on UK QCATPs by default.

2.48 Respondents expressed mixed views on the proposed limited exception for cryptoassets that are fungible with cryptoassets already admitted to trading on the same UK QCATP. While some respondents supported the exception in principle, there was also feedback opposing it. In particular, respondents raised concerns that the concept of 'fungibility' was not sufficiently clear and that further clarifications were needed to operate consistently in practice. Respondents also highlighted that

this exception should not be extended to tokens that are not the same in substance, such as those with different issuers, underlying technology, blockchain, or cross-chain arrangements, where such differences could give rise to different risk profiles, even if the tokens may appear equivalent at a high level. Some raised concerns about expedited admission on the basis of 'fungibility' without stricter criteria.

2.49 A few respondents stressed the importance of introducing transitional or deferral arrangements for the A&D regime, particularly for cryptoassets already in circulation. They argued that immediate application of the new A&D requirements could create operational and market disruption. They suggested a defined transition or deferral period to give UK QCATPs and persons applying for admission time to prepare for the new requirements.

Our response

Our final rules are broadly consistent with our proposed approach, except that we have removed the 'fungibility' exception from the final rules. We continue to consider that requiring a QCDD before admission remains an essential gateway safeguard for retail investors.

We carefully analysed the feedback on responsibility and liability for the QCDD. We remain of the view that clear assignment of responsibility for the QCDD is fundamental to the operation of the liability and compensation framework. The regime is structured so that every QCDD has a responsible person who can be held liable for its content, which we consider essential for investor protection.

We have also considered requests for wider reuse of overseas disclosure materials, including documents produced under the EU regime. Preparers may draw on such materials where this helps avoid unnecessary duplication, provided the QCDD or any SDD used for UK admission complies with the Cryptoassets Regulations, the UK QCATP's rulebook and our rules.

To address feedback, we have decided not to proceed with the proposed 'fungibility' exception in our final rules. We consider that retaining the exception could lead to inconsistent application across UK QCATPs and create a risk that cryptoassets with materially different features or risks are admitted without a QCDD.

Removing the exception better supports the purpose of the A&D regime. Subject to other applicable exceptions in our rules, requiring a QCDD for each qualifying cryptoasset admitted to trading ensures that retail investors have access to asset-specific information before trading begins. It also provides greater clarity to firms and investors about the QCDD to which the statutory liability framework attaches.

We recognise that this may require a QCDD to be prepared in some cases where its content may be similar to a QCDD already published for another cryptoasset trading on the same UK QCATP. However, where relevant information overlaps, firms may draw on existing information or other QCDDs, provided the QCDD for that admission complies with

the Cryptoassets Regulations, the UK QCATP's rulebook and our rules. We consider this approach better supports clearer disclosure, consumer protection and consistency at the admission gateway.

In response to requests for greater clarity, we have simplified the structure of the QCDD rules so that firms can more easily understand how the requirements fit together. The final rules set out the core requirement first, followed by supporting requirements on SDDs, content and presentation.

Lastly, we have noted the requests for transitional or deferral arrangements for the A&D regime. We intend to consult in September 2026 on proposed deferral arrangements under the A&D regime for cryptoassets already in circulation at the point the wider crypto regime comes into force. This is likely to include a 6-month deferral period for such cryptoassets that would defer the application of relevant A&D requirements to help reduce cliff-edge effects and mitigate potential operational and market disruption. However, work is still ongoing on this deferral proposal, so it remains subject to change.

Supplementary Disclosure Document

2.50 In CP25/41, we proposed a targeted pre-admission mechanism for SDDs and required that UK QCATPs not admit a cryptoasset unless an SDD required under our rules has been published. The mechanism was intended to apply only where a significant new factor, material mistake or material inaccuracy arose after publication of a QCDD and before admission to trading. It was not intended to create an ongoing requirement to update disclosures after admission.

2.51 As QCDDs are point-in-time disclosures, we also proposed that the QCDD and any SDD should clarify that they would not be updated after publication. Any subsequent change or correction arising before admission would instead be published in an SDD, which is read alongside the QCDD.

2.52 We further proposed rules requiring a UK QCATP's rulebook to require persons requesting admission to produce an SDD for publication and assessment in specific circumstances. These rules apply if, after publication of the QCDD and before admission to trading, the person requesting admission to trading becomes aware of new information or a mistake or inaccuracy, which may be material to a person considering purchasing the qualifying cryptoasset in relation to information included in the QCDD.

2.53 In CP25/41, we asked:

Question 6: **Do you agree with our proposal relating to SDDs? If not, please explain what changes you would suggest and why.**

CP25/41 feedback and our response

2.54 Most respondents (95%) were either supportive of or neutral about our proposal to require an SDD but sought greater clarity on how the mechanism would operate in practice.

2.55 Specifically, they wanted clarity on what constitutes 'a significant new factor, a material mistake or material inaccuracy', and on the circumstances in which an SDD would be required.

2.56 Some respondents also highlighted practical and proportionality concerns where UK QCATPs are not the issuer and may need to rely on third-party or publicly available information. They asked us to make clear that firms may take a proportionate approach. This includes relying on reasonably accessible information and not taking responsibility for matters outside their reasonable control.

2.57 A small number of respondents were unclear whether the SDD mechanism was intended to create an ongoing obligation to update disclosures after admission.

Our response

We have made final rules consistent with our proposed approach. In response to feedback, we have refined the drafting and added guidance to clarify how the SDD trigger is intended to operate in practice.

We have kept the same materiality threshold, but revised the trigger wording to make it clearer. An SDD is required where, after a QCDD is published but before admission to trading, the person who produced the QCDD becomes aware of new information or a mistake or inaccuracy relating to the information included in the QCDD or any SDD, and the relevant matter may be material to a person considering buying or subscribing for the qualifying cryptoasset.

We have provided non-exhaustive guidance to support consistent application. This clarifies that new information, a mistake or an inaccuracy is likely to be 'material' where it may affect a person's ability to make an informed assessment of the matters mentioned in regulation 13(1)(a) to (f) of the Cryptoassets Regulations. This may include features and risks, including any features designed to maintain a stable value, relevant persons connected with the cryptoasset, control arrangements that may affect its price or value, and any underlying assets. We also clarify that this is a pre-admission mechanism and does not create an ongoing obligation to update disclosures after admission to trading. We have also required the summary of key information to state clearly that an SDD may be published only before admission.

Where the person who produced the QCDD or SDD is not the issuer, that person may draw on information that is publicly available or otherwise reasonably accessible when preparing the QCDD or SDD. This does not alter the responsibility framework. A person responsible for the QCDD or SDD remains responsible for it in accordance with the rules and regulation 14 of the Cryptoassets Regulations, and should consider whether it can obtain and assess the information needed to meet its obligations under the A&D regime and regulation 13 of the Cryptoassets Regulations.

Content requirements

2.58 In CP25/41, we proposed a layered approach to the content requirements for QCDDs and SDDs. This comprised the statutory material information requirement in regulation 13(1) of the Cryptoassets Regulations, supported by FCA rules and guidance, together with additional disclosure requirements set by UK QCATPs in their own rulebooks. Regulation 13(1) applies across different types of qualifying cryptoassets being admitted to trading and requires disclosures to reflect their specific features and risks, including, where relevant, liquid staking tokens.

2.59 We proposed outcomes-based requirements rather than a fully prescriptive template. This gives UK QCATPs the flexibility to tailor disclosures to the characteristics of the qualifying cryptoasset and the intended investor audience while still meeting the statutory standard. In this context, we proposed to:

- set high-level requirements on the format, presentation and content of QCDDs and SDDs;
- require certain additional specific information to be included in QCDDs; and
- make key information prominent and easy to identify.

2.60 We proposed broad standards for QCDDs and SDDs so they are informative and accessible to retail investors. This included requirements for them to be in English, to meet retail investors' information needs, to be likely to be understood by retail investors, and to communicate information to them in a way that is clear, fair and not misleading. We also proposed guidance on the main categories of information they should cover.

2.61 We also proposed some specific additional content requirements. These included:

- identifiers and information about the person seeking or obtaining admission to trading;
- prominent statements on responsibility and withdrawal rights;
- disclosures about the possible publication of an SDD;
- disclosures of certain conflicts of interest; and
- a clear and prominent statement of the information the UK QCATP was unable to verify.

2.62 In CP25/41, we asked:

Question 7: **Do you agree with our proposal to introduce high-level, outcomes-based disclosure rules and guidance for what we expect CATPs to require in their rules for QCDDs, while allowing CATPs flexibility to determine additional disclosures where appropriate? If not, how should this approach be amended?**

CP25/41 feedback and our response

2.63 Most respondents (85%) supported our proposed high-level, outcomes-based approach to QCDD requirements, including flexibility for UK QCATPs to require additional disclosures where appropriate.

2.64 While supportive overall, some respondents wanted clearer minimum expectations and limits on UK QCATP-specific additions, alongside specific types of information QCDDs should address.

2.65 Some respondents also emphasised that the framework should remain proportionate and avoid becoming overly prescriptive or granular. They warned that rigid requirements could increase burden, reduce flexibility and become outdated quickly.

2.66 A small number raised specific points on disclosure mechanics, including the potential role of standardised DTIs.

Our response

We have maintained a high-level, outcomes-based framework to support the statutory requirement that a QCDD must contain the information that is material to a person considering buying or subscribing for the qualifying cryptoasset. This enables disclosures to remain proportionate, adaptable and capable of evolving with a fast-moving market.

We have considered feedback seeking clearer minimum expectations, tighter limits on UK QCATP-specific additions and more prescriptive disclosure categories.

We have included guidance on the main categories of information we expect QCDDs and SDDs to cover, including governance mechanisms, the characteristics and methods of using the cryptoasset, operational resilience, protocols and technology, ownership, trading performance and major events or technology changes affecting the cryptoasset or its value.

We do not think a more prescriptive or granular disclosure framework is appropriate or practical given that many of the key disclosure requirements are covered by regulation 13 of the Cryptoassets Regulations. In any case, more rigid requirements could increase burden, reduce flexibility and risk becoming outdated quickly in a fast-moving market. We consider the final approach gives UK QCATPs enough flexibility to tailor disclosures to the relevant cryptoasset, while maintaining clear expectations on the information needed to support retail investors' informed assessment.

However, in response to feedback seeking clearer minimum expectations, we have clarified the scope and structure of the QCDD and SDD requirements in CRYPTO 3.4. This includes clarifying that the consumer understanding requirements relate to the presentation of information

and helping firms understand how the requirements apply while preserving an outcomes-based approach.

That said, we recognise the value of standardisation where this supports comparability and usability. In light of feedback on disclosure mechanics and operational consistency, our final rules specify the use of a particular DTI standard and introduce a definition of 'digital token identifier'. Our expectation is that firms should use the specified DTI standard, as this is likely to support consistency, comparability and high-quality data across the regime. This targeted requirement is intended to improve consistency and data quality while preserving the outcomes-based nature of the framework.

However, we have also included the option of an alternative identifier as part of the definition where the specified DTI standard is not available, provided the relevant conditions are met and its inclusion in the QCDD remains consistent with the wider CRYPTO 3 requirements.

Summary of key information

2.67 In CP25/41, we proposed that each QCDD, other than one relating to a UK-issued qualifying stablecoin, should include a short summary of key information. We explained this would form part of the QCDD and would provide a clear and concise overview of the key features and risks of the qualifying cryptoasset, while making clear that any investment decision should be based on the QCDD as a whole.

2.68 We proposed that the summary should act as an introduction to the QCDD, and be true and not misleading, consistent with the rest of the QCDD, written in plain English and limited to no more than 2 pages of A4. It should also:

- include clear warnings that the summary should not be relied on alone, that it will not be updated if an SDD is published; and
- direct readers to the relevant statements in the QCDD on SDDs, conflicts of interest and, where relevant, non-UK-issued qualifying stablecoin status.

2.69 We also explained that we would expect the summary to include certain core information. This includes the name and DTI of the qualifying cryptoasset, the person responsible for preparing the QCDD, and cross-references to further detail in the full QCDD.

2.70 In CP25/41, we asked:

Question 8: **Do you agree with our proposal to require a short summary of key information to be included in each QCDD? If not, please explain your reasons.**

CP25/41 feedback and our response

2.71 All respondents were supportive of our proposal to require a short summary of key information in each QCDD. They noted that this should improve accessibility and help retail investors understand the key features and risks of a qualifying cryptoasset more easily.

2.72 There were some comments on how the summary should be presented. Some respondents supported requirements for the summary to be short, prominent and written in plain English, while others also suggested that a more consistent or standardised format could improve usability and comparability across firms and platforms.

2.73 Respondents expressed different views on the appropriate level of prescription. While some respondents favoured greater specificity on content, others emphasised the importance of maintaining a proportionate approach and cautioned against overly prescriptive requirements on content, format or ordering.

Our response

We are proceeding with the approach consulted on, with targeted changes to clarify the role of SDDs and the information expected to be included in the summary (see the section above 'Supplementary Disclosure Document').

We considered suggestions for a more standardised format and greater specificity about the information in the summary. We have added targeted content requirements but have not prescribed a standardised format, order or template, as we consider a proportionate, outcomes-based approach is right. More detailed requirements on content, format or ordering could reduce flexibility and risk the summary becoming a box-ticking exercise rather than serving its purpose.

Industry standards and market practice

2.74 In CP25/41, we recognised support for an industry-led approach to developing more standardised disclosure templates for QCDDs. We explained that, while UK QCATPs would retain flexibility under the proposed framework, industry-led initiatives could support greater consistency in the content, production and presentation of disclosures.

2.75 We noted that such an approach could draw on existing good practice and relevant international standards. This would make it easier for market participants to compare cryptoassets, and over time help support a more consistent standard of disclosure across firms and platforms.

2.76 We also observed that industry-led solutions were beginning to emerge, including work being explored in our Regulatory Sandbox, and that these developments could inform the evolution of market practice.

2.77 In CP25/41, we asked:

Question 9: **Do you consider that industry-led initiatives could play a useful role in developing standardised disclosure templates for QCDDs? If not, what alternative approaches should be considered to facilitate the creation of industry-led solutions?**

CP25/41 feedback and our response

2.78 Most respondents (89%) supported our view that industry-led initiatives could play a useful role in developing standardised disclosure templates for QCDDs. This could support greater consistency and comparability across disclosures, without requiring a prescriptive FCA-mandated template.

2.79 Respondents also said industry-led templates could improve the practical usability of disclosures and reduce unnecessary duplication, cost and complexity for firms, particularly where templates are developed collaboratively and informed by market practice.

2.80 Several respondents said industry-led work would be most effective if it operated within a clear FCA framework. They suggested that we should provide a clearer baseline for the core information or outcomes templates should cover, and that we should retain oversight of the overall approach. Some also stressed that industry initiatives should complement regulatory requirements rather than replace them.

2.81 A smaller number of respondents raised questions about how responsibility and liability should apply where templates or pooled disclosure documents are developed collaboratively. This included whether responsibility for the content of a QCDD should remain with the person producing it, and whether liability could be allocated to third parties involved in preparing disclosure documents.

Our response

We continue to support industry-led initiatives being developed within the framework we consulted on.

We agree that collaborative, industry-led work can help promote greater consistency, usability and comparability in QCDD disclosures. We consider that our outcomes-based framework already provides a clear baseline, within which any industry-developed templates or tools should sit and complement regulatory requirements. Engagement through existing channels, including the FCA Regulatory Sandbox, can support the development and testing of such approaches where appropriate.

Industry-developed templates or pooled disclosure solutions are only supporting tools and do not displace responsibility or any associated liability under the Cryptoassets Regulations. Under the CRYPTO 3.6 framework, responsibility and any associated liability continue to rest

with the person identified as responsible under those rules. This includes the person requesting admission, the platform where it admits the cryptoasset of its own motion, or any person otherwise accepting responsibility who accepts, and is stated in the QCDD as accepting, responsibility for it.

Managing conflicts of interest

2.82 In CP25/41, we proposed measures to address conflicts of interest where a UK QCATP is admitting a qualifying cryptoasset of its own motion, or where an affiliated entity is seeking admission to trading. We explained that, in these circumstances, the due diligence assessment would need to satisfy the same requirements as if a third party were applying.

2.83 We noted that conflicts of interest may arise where the UK QCATP or any affiliates have a financial interest in the qualifying cryptoasset or are involved in its creation, offering or admission, or where the UK QCATP prepares and approves its own QCDD. We explained that such conflicts could affect disclosure quality and undermine consumer protection.

2.84 In these situations, the proposal was that UK QCATPs should disclose the conflict prominently in the QCDD, including in the summary of key information, and retain records demonstrating that appropriate safeguards were in place to ensure admission criteria were applied objectively.

2.85 In CP25/41, we asked:

Question 10: **Do you agree with our proposal to require CATPs to disclose conflicts of interest in QCDDs, retain evidence of equivalent due diligence undertaken and implement enhanced governance measures? If not, what alternative measures would you suggest to address conflicts of interest in the admission process? Please provide details.**

CP25/41 feedback and our response

2.86 Most respondents (91%) supported our proposal to require UK QCATPs to disclose conflicts of interest in QCDDs and to apply additional controls where the UK QCATP, or a group entity, has an interest in the qualifying cryptoasset being admitted. Several respondents also supported retaining evidence of equivalent due diligence in those cases. One respondent was unsupportive of permitting admission where a UK QCATP has a financial interest in the qualifying cryptoasset but accepted that enhanced controls should apply where such admissions are permitted.

2.87 Some respondents said disclosures should focus on conflicts specifically relevant to admission or trading and avoid duplicating broader conflicts frameworks or other existing requirements. They also called for greater clarity on the scope and presentation of such disclosures.

2.88 Some respondents emphasised that the requirements should operate proportionately, reflecting the nature and significance of the conflict. A small number asked for more guidance or examples on equivalent due diligence, conflict scenarios, mitigants and the interaction with existing requirements.

2.89 Several also stressed that, where a UK QCATP admits a qualifying cryptoasset in which it, or a group entity, has an interest, the same or equivalent due diligence standards should apply and be evidenced. Some called for stronger governance measures, including auditable decision trails, independent review, peer review or external assurance.

Our response

We have made the rules broadly as consulted on.

We have considered suggestions to limit disclosure to 'material' conflicts only, or to prescribe categories, headings or minimum content. We do not consider it appropriate to limit disclosure in this way. Our final rules specify the financial interests that must be disclosed and require the disclosure to be clear and prominent.

We have also considered requests for more detailed requirements or guidance on equivalent due diligence, governance and assurance, but are not making further changes in response to those requests. The framework already requires admission criteria to be applied consistently, with measures to ensure they are not applied less rigorously or objectively where a retail UK QCATP admits a qualifying cryptoasset of its own motion or where a group member requests admission. It also requires records to be kept of conflict-mitigation measures, assessments, decisions and reasons. Where appropriate, UK QCATPs may include more detail in their own rulebooks or admission processes, provided this is consistent with our rules.

Publication and filing

2.90 In CP25/41, we proposed requiring UK QCATPs to file approved QCDDs, and any SDDs where published, with an FCA-owned centralised repository before trading starts. We said that, as UK QCATPs are the authorised persons responsible for approving admissions under the A&D regime, it was appropriate for them to take on this obligation.

2.91 Additionally, we proposed that UK QCATPs should publish approved QCDDs, and any SDDs, on their websites, to ensure that consumers and market participants could access disclosures in a consistent and reliable location. This included publishing the QCDD by the time an offer starts where the offer is conditional on the qualifying cryptoasset being admitted to trading, and in all other cases before admission to trading. We also proposed that UK QCATPs should maintain and publish an up-to-date list of QCDDs and any SDDs for qualifying cryptoassets admitted to trading on their platform.

2.92 We further proposed that UK QCATPs would need to obtain and maintain a legal entity identifier (LEI), where eligible, with an 'issued' registration status on the GLEIF Global LEI Index to use the FCA-owned centralised repository. We noted that registration and submission activities would need to be conducted (potentially through the Electronic Submission System (ESS)).

2.93 In CP25/41, we asked:

Question 11: **Do you agree with our proposal to require CATPs to file approved QCDDs (and SDDs, if any) with an FCA-owned centralised repository before trading starts, and to publish them on their websites alongside an up-to-date list of QCDDs and any SDDs for admitted qualifying cryptoassets? If not, how should these requirements be amended?**

CP25/41 feedback and our response

2.94 Most respondents (91%) supported our proposal to require UK QCATPs to file approved QCDDs, and any SDDs, with an FCA-owned centralised repository before trading starts and to publish them on their websites alongside an up-to-date list of disclosures for admitted qualifying cryptoassets.

2.95 Some commented on accessibility and repository design, including public access, searchability, machine-readable or other structured formats. By contrast, two respondents welcomed our decision not to mandate a specific machine-readable format at this stage. One individual also asked for clear disclaimers to avoid any implication that inclusion in an FCA-owned centralised repository amounts to regulatory approval.

2.96 Some raised practical questions about timing and process, including submission workflows, how updates would be handled where an SDD is published, and whether intermediaries should be able to submit disclosures. Others raised concerns about the requirement to file before trading, or immediately when updates are made, in all cases.

2.97 Several respondents also raised questions about version control and consistency of disclosures. This included timestamps, historical access, consistent identifiers, clear change histories, an authoritative source of record, and controls to support reuse of the same disclosure across venues.

Our response

We are not changing our overall approach. QCDDs and any SDDs must be uploaded to an FCA-owned centralised repository for cryptoasset disclosures and published on UK QCATP websites before trading starts so that disclosures are accessible through a central repository as well as the relevant UK QCATP's website. We recognise questions about the practicalities of filing information but expect this to be straightforward.

We have considered suggestions for additional repository features, including searchability, structured functionality and consistent identifiers. We are not mandating a broader machine-readable format at this stage. However, we have decided to require use of a specified DTI standard. This will support searchability and more consistent identification of qualifying cryptoassets across disclosures and repository metadata (see our response in the above section 'Content requirements').

To address concerns about regulatory signalling, we have required a clear disclaimer to make explicit that QCDDs and SDDs do not require FCA approval and have not been approved by the FCA.

We are not introducing further prescriptive requirements on timing, updates or version control. A QCDD is a point-in-time disclosure document used at admission (except for UK-issued qualifying stablecoins). Any new information, mistake or inaccuracy relating to information in the QCDD, identified after the QCDD is published but before admission, should be addressed through an SDD if it could be material to investors. After admission, ongoing disclosure is addressed through MARC rather than continued updates to the QCDD.

A&D rules and guidance on liability for QCDDs, SDDs and withdrawal rights

Responsibility for QCDDs and SDDs

2.98 In CP25/41, we proposed rules to specify who would be responsible for QCDDs or SDDs in different scenarios. We explained that the person responsible for a QCDD or SDD may be liable for its content and may be required under regulation 14 of the Cryptoassets Regulations to pay compensation where a person bought or subscribed for a qualifying cryptoasset in reliance on that document, and suffered loss as a result of an untrue or misleading statement or an omission of a matter required to be included under the Cryptoassets Regulations' material information requirement.

2.99 This approach was intended to ensure clear accountability where the person seeking admission:

- Prepared its own QCDD or SDD, in which case that person would be responsible for the document, together with each person who accepted responsibility and was stated in the document as doing so.
- Used a QCDD or SDD prepared by a third party, in which case the person seeking admission would be responsible for the document for the purposes of the admission, together with any third party which accepted responsibility and was stated as doing so in the document.

2.100 We proposed that the persons responsible for the document should be clearly and prominently stated in the QCDD and any SDD. For example, where a UK QCATP admits

a qualifying cryptoasset on its own behalf and prepares the QCDD, the document needs to make clear that the UK QCATP is responsible for its content.

2.101 Where an intermediary prepares a QCDD, it will be responsible for its content. Where a QCDD is prepared by another party, such as a UK QCATP, that party will be responsible for the QCDD.

2.102 We made clear that a person would not become responsible for a QCDD or SDD merely by reason of providing advice in a professional capacity on its contents. Overall, we wanted to make sure there would always be a clearly identifiable party responsible for the QCDDs and SDDs, and a clear line of recourse where a consumer suffered loss because of an untrue or misleading statement, or the omission of required information.

2.103 In CP25/41, we asked:

Question 12: **Do you agree with our proposed approach to allocating responsibility and liability for QCDDs and SDDs (if any)? If not, how should this framework be amended?**

CP25/41 feedback and our response

2.104 Most respondents (87%) were either supportive of, or neutral about, our proposed approach to allocating responsibility and liability for QCDDs and SDDs. Several noted that the framework would help ensure there is a clearly identifiable person responsible for the document and a clear line of recourse for consumers.

2.105 Some respondents said the framework should be calibrated more carefully where there is no identifiable issuer, or where access to information is limited. They suggested that liability in such cases should be aligned more closely with control over the information disclosed, or limited to what could reasonably be sourced, assessed and disclosed.

2.106 Some respondents questioned how responsibility should operate where a QCDD or SDD prepared by one party is used by another, or reused across admissions. This included ownership of reused documents, multiple responsible persons, and the position of an initial preparer.

2.107 A small number of respondents suggested alternative liability structures. This included split responsibility models, reimbursement by UK QCATPs followed by recourse against issuers or applicants, and a separate regulated disclosure vehicle.

Our response

In light of the overall supportive feedback, we are not changing our approach. The framework is designed to ensure there is a clearly identifiable person responsible for a QCDD or SDD, and a clear line of recourse where a consumer suffers loss because of an untrue or misleading statement, or the omission of required information.

Responsibility rests with the person requesting admission, the retail UK QCATP where it has, of its own motion, admitted the qualifying

cryptoasset to trading, and each person who accepts responsibility and is stated in the QCDD or SDD as accepting responsibility for it. This applies even where there is no identifiable issuer or where access to information is limited. A person who chooses to seek admission, or a UK QCATP operator admitting a qualifying cryptoasset of its own motion, must assess what information can reasonably be obtained and disclosed to meet its obligations under the regime and assumes responsibility for the QCDD (and any SDDs).

We are not introducing split or alternative liability models or making additional changes for reused or pooled disclosure documents. We consider that these models could make responsibility less clear and the regime harder to operate. The existing framework preserves a clear line of recourse for each QCDD or SDD, while allowing other persons to accept responsibility where they choose to do so.

Protected forward-looking statements

2.108 In CP25/41, we proposed rules for protected forward-looking statements (PFLS) in QCDDs and SDDs. Part 2 of Schedule 2 to the Cryptoassets Regulations provides a conditional exemption from liability for PFLS. Specifically, the PFLS liability regime uses a recklessness/dishonesty liability standard, with the burden of proof on the claimant. For the persons responsible for a QCDD, the PFLS liability regime reduces the risk of successful claims under regulation 14 of the Cryptoassets Regulations compared with the liability regime for statements that are not PFLS.

2.109 The liability regime for statements that are not PFLS uses a negligence liability standard with the defendant having the burden of proving they were not negligent when they prepared the QCDD or SDD (other defences are also available).

2.110 The PFLS liability regime is intended to encourage the voluntary disclosure of forward-looking statements in QCDDs. Our rules specify the kinds of forward-looking statements that can be PFLS.

2.111 Our proposed rules were largely based on our approach in Chapter 8 of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM), which sets out our rules for PFLS in prospectuses. In CP25/41, we proposed that a forward-looking statement can be PFLS if:

- The statement contains either financial or operational information in accordance with specified criteria.
- It is only possible to determine whether the statement is untrue, misleading, or omits any material information as required under regulation 13(1) of the Cryptoassets Regulations by reference to events or circumstances occurring after its publication.
- The statement includes an estimate of when the events or circumstances it relates to are expected to happen.

- The statement contains information that a reasonable person would be likely to use as part of the basis for their investment decision.
- The statement is accompanied by a content-specific statement and the QCDD also includes a general accompanying statement as specified in CRYPTO 3.7.

2.112 We also proposed that mandatory disclosures should not qualify as PFLS because there is no need to encourage the disclosure of information that is already required. Consequently, under our proposals, statements included in a QCDD or SDD to comply with CRYPTO 3.4, the rulebook of a UK QCATP operator, or regulation 13(1) of the Cryptoassets Regulations cannot be PFLS.

2.113 Because of this broad exclusion, we sought views on whether we might be able to encourage the inclusion of more detailed information in mandatory disclosures by applying the PFLS liability regime to certain types of information.

2.114 In CP25/41, we asked:

Question 13: **Do you agree with our proposal to introduce a voluntary regime for PFLS in QCDDs or SDDs (if any), subject to the criteria we set out? If not, please explain what changes you would suggest and why?**

CP25/41 feedback and our response

2.115 Most respondents (90%) supported our proposed rules for PFLS.

2.116 Some respondents who supported our proposals suggested additional steps we might take. For example:

- Introduce an approval gateway for PFLS, similar to the section 21 approver permission for financial promotions.
- Consider how the PFLS framework applies to decentralised projects where forward-looking representations may be less appropriate or attributable.
- Use consumer testing to examine how PFLS might be used in practice and whether consumers understand the limitations of such statements.

2.117 Two respondents disagreed with our proposals. One respondent suggested that PFLS should not be included in QCDDs or SDDs. They raised concerns that investors might place undue reliance on PFLS disclosures. The respondent considered that this risk could not be mitigated by using disclaimers.

2.118 The other respondent who was unsupportive of our proposals was concerned that PFLS might blur the line between providing information and giving financial advice. They also considered that PFLS would create unnecessary operational and economic burdens and a false impression about the certainty of future events.

Our response

The final rules are largely the same as those we consulted on. However, we have amended CRYPTO 3.7.9R, which relates to the presentation of the content-specific accompanying information.

We proposed in CP25/41 that the content-specific information must appear immediately next to the PFLS to which it relates. Based on feedback to the equivalent rule in PRM 8 (PRM 8.2.3R), and the proposed changes to PRM 8.2.3R that we recently consulted on in CP26/8, we have amended CRYPTO 3.7.9R. The amendment clarifies that the content-specific information does not need to be repeated each time the corresponding PFLS appears in the QCDD or SDD, as long as it appears immediately adjacent to at least one instance of the PFLS. For the other instances of the same PFLS disclosure, the reader should be directed to the part of the document that contains the content-specific information.

We did not receive specific feedback on whether we might be able to encourage the inclusion of more detailed information in mandatory disclosures by applying the PFLS liability regime to certain types of information. So we have not amended the scope of the broad exclusion in CRYPTO 3.7.4R.

QCDDs and SDDs are exempt from the financial promotions regime. Consequently they do not require approval by a section 21 approver when communicated by persons that are not FCA-authorised. We do not consider it proportionate to create a new type of approval gateway that is akin to the approval of financial promotions for specific types of disclosures (ie PFLS) in these documents, especially given that QCDDs and SDDs will be reviewed and approved by the operator of the UK QCATP where the admission is taking place.

PFLS will always be attributable because there will always be at least one person who is responsible for the content of a QCDD and any SDD.

We have considered whether consumer testing may be appropriate. Given the broad range of statements that could be considered PFLS, and the various contexts in which such disclosures might be made, we consider that it would not be possible to draw reliable conclusions because it is unlikely that such testing would be comparable to the way in which the PFLS regime will work in practice.

QCDDs and SDDs will be subject to the consumer understanding rules that are discussed in the Consumer Duty section below. We have carefully considered the feedback on consumer understanding, and we are not proposing to make changes. We consider that the consumer understanding rules and the required disclaimers for PFLS provide sufficient consumer protection.

Our consumer understanding requirements also address the risk that consumers may not understand the required PFLS disclaimers.

Finally, we disagree that a disclosure in a QCDD or SDD could be interpreted as financial advice. These documents provide the same material information to all persons who are able to buy or subscribe for the qualifying cryptoasset. Also, the relationship between an investor and the person(s) responsible for a QCDD or SDD is different to the relationship between a client and a financial adviser. The persons responsible for QCDDs or SDDs engage in one-off transactions (the offer or admission of qualifying cryptoassets) in which they provide the same factual information to all persons who may decide to purchase the qualifying cryptoasset and with whom they might not have a direct relationship.

Withdrawal rights

2.119 In CP25/41, we proposed rules on withdrawal rights where an SDD is published in relation to an offer of a qualifying cryptoasset to the public. We want to make sure consumers can make informed investment decisions based on all available material information.

2.120 Our proposed rules set out when and how withdrawal rights may be exercised. Investors may withdraw their acceptance within 2 working days of the SDD being published, unless the persons responsible for the offer, or the intermediary through whom the qualifying cryptoasset was bought or subscribed for, allow a longer period. Withdrawal rights would apply only where the agreement was entered into after publication of the QCDD, an SDD was subsequently required and published, and the relevant trigger arose or was identified before admission to trading.

2.121 We also consulted on rules to support this safeguard, covering:

- Requirements to inform investors where and when an SDD might be published and when a withdrawal right could arise.
- Obligations on intermediaries where qualifying cryptoassets are bought or subscribed for through them, and rules on the period for exercising the right.
- Rules requiring the SDD to contain a prominent statement explaining the right of withdrawal, the withdrawal period, how it may be exercised and who they should contact if they wish to exercise the right to withdraw.

2.122 In CP25/41, we asked:

Question 14: **Do you agree with our proposed rules for the circumstances and manner in which withdrawal rights may be exercised? If not, how should this safeguard be amended?**

CP25/41 feedback and our response

2.123 Most respondents (80%) supported our proposed approach. A few respondents commented on the timing of the withdrawal window, suggesting a longer minimum period or clearer guidance on when longer timeframes may be appropriate.

2.124 Respondents also raised questions about how withdrawal rights would operate in practice. These related to when withdrawal rights lapse, how the mechanism would work where intermediaries are involved, how it would operate in agency or cross-border arrangements, and how the withdrawal window should be presented and used.

2.125 Several raised concerns about how withdrawal rights interact with cryptoasset market mechanics and the trigger for those rights. They said the withdrawal rights should be limited to material SDD-related changes before admission to trading, and should not operate as an ongoing cancellation, redemption or put option after admission. A few respondents also asked for clearer guidance on timing, materiality, and operational expectations.

2.126 A few respondents questioned whether withdrawal rights would benefit investors unless they are notified when an SDD is published. Other respondents similarly emphasised that notification and publication arrangements would be necessary for withdrawal rights to be effective.

Our response

Withdrawal rights arise only in the limited circumstances set out in CRYPTO 3.5, where there is a relevant public offer and an SDD is published before admission to trading. They are not meant to operate as an ongoing cancellation, redemption or put option after admission.

We agree that withdrawal rights are only effective if investors are informed promptly when an SDD is published. We have amended the notification requirements so that equivalent day-of-publication notification applies across both direct-offer and intermediary channels.

We have added guidance to clarify that any information that comes to light before admission, such as new information, mistakes or inaccuracies disclosed in an SDD, or any failure to comply with withdrawal rights notification requirements, may affect a UK QCATP operator's pre-admission assessment.

We are not making further changes to the withdrawal rights mechanism. The existing framework already sets out when the right arises, the withdrawal period, and how it operates where intermediaries are involved. The withdrawal window remains 2 working days from publication of the SDD unless extended, and intermediaries must notify investors on the day the SDD is published. We do not consider changes to the minimum withdrawal period or additional extension periods to be necessary.

Financial promotions

QCDDs, SDDs, and advertisements

2.127 The Cryptoassets Regulations amended article 70 of the Financial Promotion Order (FPO) to provide an exemption for QCDDs and SDDs from the financial promotion restriction in section 21 of FSMA.

2.128 However, the financial promotion restrictions continue to apply to other communications, including advertisements, relating to public offers and admissions of qualifying cryptoassets.

2.129 Against that background, in CP26/4 we proposed to make rules in CRYPTO 3 for advertisements that relate to public offers and admissions of qualifying cryptoassets where a QCDD is required. We proposed making rules in CRYPTO 3 as opposed to the Conduct of Business Sourcebook (COBS) because our proposals were supplementary requirements to the financial promotion regime that should be read and complied with in addition to those within COBS.

2.130 We proposed requiring these types of advertisements to identify the relevant QCDD, advise consumers to read the QCDD, and be consistent with the QCDD and any SDDs. The proposed rules were designed to encourage potential investors to refer to and rely on the QCDD. We believe this will help consumers make decisions based on information that is subject to the statutory material information requirement and the QCDD liability regime.

CP26/4 feedback and our response

2.131 In response to CP26/4, we received limited feedback on the proposed rules for advertisements in CRYPTO 3.12. One respondent raised concerns about the practicalities of including hyperlinks in advertisements and disseminating updated advertisements following the publication of an SDD, particularly in the case of oral advertisements and advertisements that merely signpost the availability of a qualifying cryptoasset.

Our response

The final rules are largely the same as those we consulted on. However, to align with the scope of CRYPTO 3.3.1R, which applies only to retail UK QCATPs, the final rules in CRYPTO 3.12 do not have separate requirements for communications with retail investors. The requirements remain, but they apply equally to all in-scope advertisements. Because the rules in CRYPTO 3.12 apply only where the qualifying cryptoasset can be traded by retail investors, advertisements are likely to be read by retail investors.

We consider that our rules take account of the nature, content and medium of the advertisement, whilst also ensuring that advertisements appropriately signpost consumers to the correct documentation, and do not undermine or conflict with disclosures made in the QCDD or any SDD.

The respondent's concerns about hyperlinks are addressed in CRYPTO 3.12. Only written electronic advertisements must include a hyperlink to the QCDD or SDD. Advertisements need to be updated after an SDD is published only if they become misleading, and amendments to oral advertisements do not need to be disseminated in the same way as the original advertisement.

We have not created any CRYPTO 3 requirements or exemptions from financial promotion requirements for communications relating to public offers and admissions where there is no QCDD requirement.

Consumer Duty

Disapplication of the Consumer Duty

2.132 A&D rules are designated activity rules and will therefore apply to persons whether or not they are FCA-authorised. Conversely, the Consumer Duty applies to authorised persons.

2.133 To ensure a uniform approach to consumer understanding under the A&D regime, we proposed in CP25/41 that the Consumer Duty will not apply to the activities specified as designated activities by regulations 7 (Designated activities: public offers of qualifying cryptoassets) and 8 (Designated activities: admissions to trading on a qualifying cryptoasset trading platform) of the Cryptoassets Regulations.

2.134 We proposed that QCDDs and SDDs will instead be subject to A&D rules relating to consumer understanding which, unlike the Consumer Duty, will apply whether or not the persons engaged in the activities are authorised persons. We consider that embedding consumer understanding requirements in A&D rules is, on its own, likely to be better suited to securing an appropriate degree of protection for consumers in this context. This is because the requirements are aligned with the Consumer Duty and will apply equally to all persons who are responsible for a QCDD or SDD.

2.135 We consulted on proposals that were designed to ensure that QCDDs (together with any SDDs) provide consumers with the information they need, in a manner that is likely to be understood, that will equip consumers to make decisions that are effective, timely, and properly informed, and is communicated in a way that is clear, fair and not misleading.

2.136 Our proposed disapplication did not affect the application of the Consumer Duty to a firm's communication or approval of financial promotions that are addressed to or disseminated in such a way that they are likely to be received by a retail customer.

2.137 Furthermore, the proposed disapplication of the Consumer Duty did not apply to activities relating to UK-issued qualifying stablecoins. These activities are carried out as part of, or ancillary to, the regulated activity of issuing qualifying stablecoin described in article 9M of the RAO and all persons engaged in these activities must be authorised. Therefore the Consumer Duty will apply to all persons involved in these activities.

2.138 In CP25/41, we asked:

Question 15: **Do you agree with our view that disapplying the Consumer Duty and embedding consumer understanding provisions within bespoke A&D rules, reflecting Consumer Duty-style outcomes, is the most appropriate way to deliver consumer protection for activities within the A&D regime? If not, what alternative approach would you suggest and why?**

CP25/41 feedback and our response

2.139 Most respondents (73%) were either supportive of, or neutral about, our proposal to disapply the Consumer Duty for public offers and admissions to trading, and to have consumer understanding requirements in our A&D rules.

2.140 One respondent who supported our proposal asked us to clarify how firms can identify when the Consumer Duty has been disapplied and when it has not.

2.141 A small number of respondents were unsupportive of our proposal. They expressed concern that disapplication of the Consumer Duty could weaken consumer outcomes or reduce regulatory coherence. Some of these respondents suggested retaining the Consumer Duty as an overarching framework, supplemented by bespoke A&D rules reflecting Consumer Duty-style outcomes, and supported by guidance or designated activity rules to clarify how good consumer outcomes should be achieved. One respondent proposed disapplying the Consumer Duty only where it was incompatible with the A&D regime.

Our response

The final rules are largely the same as those we consulted on. We have made minor drafting changes to the consumer understanding requirements to clarify that the requirements relate to the way that information is presented.

As we proposed in CP25/41, the disapplication of the Consumer Duty is achieved by amending the definition of 'retail market business' to exclude the designated activities in Regulations 7 (public offers of qualifying cryptoassets) and 8 (admissions to trading on a qualifying cryptoasset trading platform).

Although these regulations refer to advertisements and other communications, any communications that are not QCDDs or SDDs will remain subject to the Consumer Duty if they involve a firm's communication or approval of financial promotions that are addressed to or disseminated in such a way that they are likely to be received by a retail customer.

QCDDs and SDDs are exempt from the financial promotions regime. So amending the definition of 'retail market business' is sufficient to completely disapply the Consumer Duty in relation to these documents.

This provides clarity on when the Consumer Duty continues to apply to firms' communications and when it is disapplied in relation to QCDDs and SDDs.

The consumer understanding requirements in CRYPTO 3.4.3R align with Consumer Duty requirements in PRIN 2A.5.3. As noted above, the benefit of this approach is that CRYPTO 3.4.3R will apply even where the persons responsible for the QCDD are not authorised.

More broadly, in PS26/13, we have made final rules applying the Consumer Duty across the cryptoasset regime for authorised firms. Within the A&D regime, this overarching framework is complemented by bespoke consumer understanding requirements, which we consider provide a consistent and appropriate basis for consumer protection.

Chapter 3

Market Abuse Regime for Cryptoassets

3.1 This chapter summarises the feedback to CP25/41, on the market abuse regime for cryptoassets (MARC), and explains the changes we have made to our final rules.

3.2 As set out in DP24/4 and CP25/41, we have drawn on the UK Market Abuse Regulation (UK MAR) in developing the MARC framework, but we have adapted our approach to reflect the unique features of cryptoasset markets and the scope of our rule-making powers under the Cryptoassets Regulations. While UK MAR provides an important benchmark, we did not consider that simply transposing it with limited modifications would produce appropriate outcomes, either for consumer protection or market integrity.

3.3 As cryptoasset markets are relatively new, we do not consider it to be feasible to put in place more prescriptive rules at this stage, or to achieve the same level of regulatory outcomes, in the same way, as in more established markets. Likewise, the MARC regime does not set any precedent for the application of or future changes to UK MAR.

Background

Purpose, features and structure of the MARC regime

Purpose of the regime and relationship to UK MAR

3.4 Market abuse in cryptoasset markets can consist of insider dealing, the unlawful disclosure of inside information, or market manipulation. To support fair and orderly markets, it is vital not only that such behaviours are prohibited, but also that firms subject to the regime have appropriate arrangements to prevent, detect and disrupt these behaviours.

3.5 Our proposed rules in CP25/41 broadly cover 3 areas, all of which give effect to and provide guidance on requirements in the Cryptoassets Regulations:

- Rules and guidance prohibiting market abuse, including insider dealing, the unlawful disclosure of inside information, and market manipulation. These prohibitions can apply broadly and are not limited to authorised persons. There are also legitimate market practices, which create exceptions to these prohibitions in certain circumstances.
- Rules and guidance designed to support the effectiveness of these prohibitions, namely systems and controls requirements for UK QCATPs and intermediaries, including rules on insider lists, cross-platform information sharing and on-chain monitoring.

- Rules and guidance requiring public disclosure of inside information (and setting out where delayed disclosure is allowed), to reduce the risk of misuse of inside information and support market transparency.

3.6 In developing this framework, we drew on established principles from traditional financial (TradFi) markets, including UK MAR, while adapting that approach where appropriate for cryptoasset markets. This reflects features such as the decentralised nature of many cryptoassets, the absence of a clearly identifiable issuer in some cases, and the prevalence of on-chain activity.

3.7 Where appropriate, we also sought to maintain structural familiarity with the UK MAR framework. This includes through guidance containing non-exhaustive examples of abusive behaviours. This will help market participants understand and apply the regime, while recognising the need for rules and guidance tailored to the specific characteristics of cryptoasset markets.

Scope and structure

3.8 The MARC regime applies where a qualifying cryptoasset has been admitted to trading, or is subject to an application seeking admission to trading, on a UK QCATP.

3.9 The prohibitions on insider dealing, unlawful disclosure of inside information, and market manipulation apply regardless of where the relevant behaviour takes place, whether in the UK or overseas. This is consistent with the UK MAR approach and reflects the highly global nature of cryptoasset markets.

3.10 MARC is a civil regime, and one where UK QCATPs and intermediaries take the lead in the prevention, detection and disruption of market abuse. MARC will sit alongside existing requirements on anti-money laundering, counter-terrorist financing and proliferation financing.

3.11 Under the Cryptoassets Regulations, the relevant designated activities for the purposes of MARC are:

- the use and disclosure of inside information
- market manipulation

3.12 Within that framework, our MARC rules include requirements on:

- the public disclosure of inside information
- legitimate market practices
- market abuse systems and controls for UK QCATPs and intermediaries
- information sharing among UK QCATPs (subject to a size threshold) to aid in the prevention, detection and disruption of cross-platform market abuse
- creating and maintaining insider lists

What we are changing through our final MARC rules

3.13 We have largely maintained the policy approach set out as part of CP25/41 and the final rules remain substantially unchanged. Consistent with our original proposals, the MARC framework places a more significant role on UK QCATPs and intermediaries in the prevention, detection and disruption of market abuse than in UK MAR. UK QCATPs and intermediaries are best placed to monitor activity on their own platforms and of their own customers and employees, while the regime also includes measures to ensure proportionality for firms.

3.14 We have also retained the threshold for on-chain monitoring and cross-platform information sharing requirements. These will apply to large UK QCATPs, defined as those with average revenue (calculated at 12-month intervals) of ≥£10m a year, for 3 previous years.

Inside information requirements

Inside Information and Delayed Disclosure Requirements

3.15 Regulation 26 of the Cryptoassets Regulations provides that relevant persons must, where required by our rules, publicly disclose inside information that directly concerns them. In CP25/41, we proposed that the relevant persons responsible for disclosure should be the issuers, offerors and UK QCATPs, and set out examples in guidance as to where information would be considered to 'directly concern' them.

3.16 The Cryptoassets Regulations also require that this information is published 'as soon as possible'. However, the regulations give us the power to specify in rules circumstances where delayed disclosure would be allowed. We proposed that delayed disclosure should be allowed where immediate disclosure would be likely to prejudice the relevant person's legitimate interests, the delay is not likely to mislead the public, and the confidentiality of the inside information can be ensured.

3.17 We also proposed that any person delaying disclosure should, amongst other requirements, maintain a record of the information and justification for the delay, and provide us with the record on request. We included guidance with non-exhaustive examples of legitimate interests that may justify delayed disclosure.

3.18 In CP25/41 we asked:

Question 21: **Do you agree with our proposals on inside information disclosure and delayed disclosure?**

CP25/41 feedback and our response

3.19 Most respondents (86%) were supportive of our proposals, in particular those for delayed disclosure. Most concerns were around our proposal for non-issuers to also be subject to inside information disclosure responsibilities, given the lack of an identifiable

issuer for many cryptoassets, and the consequences of that decision. Concerns were raised that UK QCATPs in particular would have to proactively seek and disclose inside information related to the services of other firms, and that they had no means of control or influence over these firms. Additionally, it was not clear in which circumstances a firm would be expected to be reasonably aware of information from another firm.

3.20 Some respondents were concerned about the timing of the disclosure. As more than one party could be responsible for disclosing the same piece of information (for example, both the UK QCATP and the issuer), the one that disclosed first could be at a competitive disadvantage.

3.21 Respondents also asked for clarification or for additional guidance. For example, there was a request to clarify that the security of the cryptoasset or the issuer may count as a legitimate interest for delayed disclosure. This was on the grounds that immediate disclosure of code vulnerabilities before they have been addressed may be harmful. There was also a request for clarification that where inside information is shared outside an organisation as part of open development practices (that is, where cryptoassets are developed or maintained in collaboration with third parties without a formal relationship between them) this would not be treated as unlawful disclosure.

3.22 There was also a request that we review the effects of MARC rules in terms of its impacts on price discovery, and publish a roadmap for convergence with UK MAR.

Our response

As set out in CP25/41, the Cryptoassets Regulations extend disclosure obligations beyond issuers to reflect the specific characteristics of cryptoasset markets, where an identifiable issuer may not exist, and where entities other than the issuer (such as offerors and UK QCATPs) can hold inside information. This is a necessary and proportionate departure from the issuer-only model under UK MAR. It recognises that UK QCATPs may possess non-public information relating to admissions, cancellations, technology vulnerabilities, or operational matters that could significantly affect the price of a qualifying cryptoasset, and which would not otherwise be made public in a timely or reliable manner.

Limiting UK QCATP obligations solely to situations where they admit their own cryptoassets or act as the responsible person for disclosures would create a risk of material information asymmetries. It would also undermine the objective of ensuring clean, orderly, and transparent cryptoasset markets.

We do not expect firms to disclose information that they do not hold. We have clarified that the obligation to disclose information does not in itself require a firm to proactively seek out information that is not already in its possession. This does not affect other obligations to obtain such information, such as under the A&D rules or our outsourcing rules. Given the above, we also expect the circumstances where two firms come into possession of the same piece of inside information at the same time to be limited.

We agree that the protection of the security of the issuer or token may constitute a legitimate interest for delayed disclosure and are amending the rules to make this clear. Immediate disclosure of a code vulnerability may reasonably be delayed where it would undermine efforts to contain and remediate that vulnerability (providing the other requirements for delayed disclosure are met). However, delayed disclosure cannot be indefinite, as susceptibility to security breaches is itself likely to be significant information for investors.

In relation to open development practices, whether information generated and/or disclosed during that process is inside information for the purposes of regulation 18 of the Cryptoassets Regulations (and therefore potentially within the scope of the rules) will depend on the particular facts, including the nature of the information, the stage of development and whether it is public information (for example, where the community was entirely open and generally accessible to the public). Where such information does constitute inside information, disclosure could potentially be made in the course of employment, profession or duties and therefore be excluded by regulation 24 of the Cryptoassets Regulations. However, we note that open development practices are highly heterogeneous so whether a particular scenario is excluded will depend heavily on the facts and would need to be assessed on a case-by-case basis.

We do not intend to publish a formal roadmap for convergence with UK MAR. While MARC draws extensively on UK MAR, certain differences reflect structural features of cryptoasset markets and are not expected to converge in the near term.

Scope of Inside Information

3.23 The Cryptoassets Regulations define inside information as information that is precise and non-public, that relates to an issuer, offeror, UK QCATP or to the cryptoasset or related instrument (such as a derivative) itself, and which would have a significant impact on price.

3.24 To support consistent application of this definition, we proposed guidance (based on existing MAR 1 guidance and DTR 2) on when information should be regarded as having been made public. For example, where information has been disclosed on a firm's website or via widely accessible social media platforms by an issuer, offeror or UK QCATP, it will generally not constitute inside information.

3.25 We also provided guidance setting out a list of non-exhaustive examples of inside information. These included information about admissions or cancellations from admission of relevant qualifying cryptoassets, the viability or instability of a stablecoin, non-public information around code vulnerabilities, and others.

3.26 In CP25/41, we asked:

Question 22: **Do you agree with our list of non-exhaustive examples of inside information?**

CP25/41 feedback and our response

3.27 There was strong support (81%) for the use of non-exhaustive examples of inside information. Respondents noted this approach provides necessary flexibility. However, some were concerned that flexibility could lead to inconsistent interpretations across firms.

3.28 Some respondents considered that the examples were overly expansive. In particular, they sought clarification that routine technical updates, minor protocol changes, or routine personnel changes would not ordinarily fall within the definition of inside information, and that examples operate by reference to the full statutory inside information definition. Respondents also said that references to 'viability' and 'instability' were too broad when applied to stablecoins. They suggested further specificity, for example by framing viability in terms of maintaining value or meeting redemption requests.

3.29 Respondents also suggested further examples would be helpful. This included an additional example regarding significant changes to market makers or liquidity providers. Others asked whether an additional catch-all example should be included for other non-material public information.

Our response

We will maintain our approach of providing non-exhaustive examples of inside information, in line with the support for this from the vast majority of respondents.

The definition of inside information is set out in regulation 18 of the Cryptoassets Regulations. It states that inside information must be likely to have a significant effect on the price. Accordingly, routine technical updates and personnel changes would not generally meet this threshold. We are not adding an additional catch-all example, as the existing examples are non-exhaustive, so this is already implied by the existing guidance.

In line with the feedback, we have refined in our guidance the stablecoin example to focus on the ability to maintain intended value or fulfil redemption requests. We have also added an example regarding changes to market making arrangements and the addition or withdrawal of liquidity providers. As with all examples, these need to be read in the light of the wider statutory definition and guidance.

The Method of Disseminating Inside Information

3.30 In addition to being published, inside information must be disseminated in a way that enables it to reach a wide range of likely investors. Effective dissemination of inside information supports fairness between investors and underpins price formation. By contrast, dissemination practices in cryptoasset markets have to date been fragmented and inconsistent.

3.31 In CP25/41, we recognised the need to balance widespread dissemination with practical constraints. Traditional dissemination mechanisms such as primary information providers (PIPs) are unlikely to be achievable in the crypto space in the time available, and in practice most cryptoasset market participants receive information through websites, social media and community forums, so these do not necessarily imply a smaller reach.

3.32 We therefore proposed that inside information must be published on the issuer's, offeror's, or UK QCATP's website and actively disseminated through other channels (for example, social media platforms) used by consumers and other market participants. Where an issuer, offeror or a UK QCATP does not have a website, publication via other widely accessible channels would be permitted. The disseminated inside information should subsequently be uploaded on an FCA-owned centralised repository as soon as possible. We did not consider alternative approaches, such as using existing PIPs or creating crypto-specific PIPs, to be appropriate or feasible at this stage.

3.33 In CP25/41 we asked:

Question 23: **Do you agree with our revised proposals for the dissemination of qualifying cryptoasset inside information, specifying option 3 (website and active dissemination) as the most suitable approach for day one of the regime?**

CP25/41 feedback and our response

3.34 Feedback was largely supportive (88%). Respondents who favoured the proposal were broadly split between those who supported it as the most suitable option overall, and those who thought it the most workable approach for day one. Supportive respondents emphasised the importance of timely access to information. They noted that website publication alone would not be sufficient, while recognising the practicality of leveraging existing communication channels pending more standardised solutions. Some of these stated they preferred crypto-specific PIPs over the long term, or more standardised dissemination methods or a single place for the market to access this information.

3.35 A number of respondents were concerned that the proposals were overly burdensome. In particular, they questioned what 'active dissemination' would require in practice, suggested that dissemination across multiple channels could be disproportionate, and argued that the FCA should take a more central role, either through an FCA-controlled central register or by verifying the accuracy of disclosures. Others suggested that dissemination should take place through an FCA-controlled register (such as the NSM) only, rather than via websites.

3.36 Some respondents wanted additional requirements. For example, a requirement for press release notices if there is no website, time limits for uploading information to an FCA-controlled register, or for the notice to be in a prominent position on the website to prevent firms from minimising the visibility of disclosures.

Our response

We have confirmed in our final rules that inside information must be published on an issuer's, offeror's, or UK QCATP's own website, where it has one. We have also removed the explicit requirement for active dissemination, although, as we emphasise in guidance, some form of active dissemination is likely to be needed to meet the standard under the Cryptoassets Regulations. We consider this to be the most cost effective, efficient and internationally consistent starting point, given the maturity of the cryptoasset market. We also consider that the use of social media is more consistent with how the majority of market participants receive information. That said, we reiterate that this is intended as a day one proposal. A regime based on PIPs is not feasible in the immediate term, but we will review the operation of MARC as the market develops.

We are not imposing additional prescriptive requirements on prominence, fixed time limits for uploading to an FCA-owned centralised repository, or mandatory press notices. We consider the existing requirements sufficient to prevent firms from minimising the visibility of information, while allowing flexibility to reflect operational differences.

Similarly, we are not creating a more central role for the FCA in verifying or disseminating inside information. Consistent with our broader approach, responsibility for disclosure remains with market participants as they are best placed to ensure accuracy of their own inside information. While central depositories play an important role they are not designed to operate as the primary dissemination mechanism. Our final rules also include a requirement that uploaded disclosures should include a DTI as metadata. This is to align with new requirements in the A&D rules.

Legitimate market practices

3.37 The Cryptoassets Regulations give us powers to make designated activity rules specifying legitimate market practices (LMPs) under the MARC framework. We said in CP25/41 that we believed it would be beneficial to provide rules and guidance on the application of LMPs and exceptions for the benefit of cryptoasset market participants. We proposed to designate coin burning, crypto-stabilisation and legitimate reasons as LMPs, subject to meeting certain conditions.

3.38 In CP25/41 we asked:

Question 24: **Do you agree with our revised proposals on legitimate market practices under MARC?**

CP25/41 feedback and our response

3.39 Feedback was strongly supportive (95%) of our decision to include LMPs in the MARC framework, and to designate coin burning and stabilisation as LMPs. A number of respondents suggested that additional LMPs should be included, most commonly activities associated with Maximal Extractable Value (MEV), but also staking, governance participation, market making, and a more general request to keep the list open as market practices develop.

3.40 Conversely, others were concerned that the existing LMPs could be interpreted too broadly or argued for them to be defined narrowly. For example, drawing parallels with MiCA which does not include an LMP framework. They emphasised the LMPs therefore need clear guidance and boundaries, for example time limits or disclosure requirements aligned with equivalent existing mechanisms, and asked for them to be subject to strict conditions and to avoid creating opportunities for misuse.

3.41 We also received specific comments on coin burning. In particular, where coin burning is an automatic feature of a protocol (including in the context of stablecoin redemption) respondents asked for a more streamlined process. For example, disclosure of the mechanism used.

Our response

We agree with the majority of feedback that to avoid inadvertently prohibiting forms of financial activity which are legitimate, it is necessary to recognise some LMPs. While this approach goes beyond MiCA, this was intentional and is in line with the IOSCO standards.

We also agree that LMPs must be appropriately bounded. There is, for example, already a time limit on crypto stabilisation (allowed for 30 calendar days post-offer) and particular instances of burning activity (CRYPTO 4.11.5 requires specification of 'the period allocated for the burning'). The rules were based on analogous existing mechanisms in UK MAR where these were available, such as share buybacks.

However, there is one area where our proposed rules went substantively beyond UK MAR. In CP25/41, we proposed that 'legitimate reasons' count as an LMP in their own right, whereas in MAR, the equivalent text only provides a safe harbour when combined with an activity that the FCA has designated as an Accepted Market Practice (a power which, so far, the FCA has not exercised). This proposal creates a risk that some abusive behaviour would be allowed, given that it was not limited to circumstances where the FCA has considered and designated an Accepted Market Practice. Moreover, it has a broad scope (the definition of 'legitimate

reasons' is mostly unrestricted), and therefore the potential for different interpretations by different firms. We have therefore removed this LMP from our final rules. This supports the regime's industry-led approach by reducing both the investigative burden on firms and the potential for inconsistency in the application of the rules across different UK QCATPs and intermediaries.

We do not agree with the feedback about introducing additional LMPs. While certain MEV activities may be legitimate, others may involve market manipulation, front-running, or unfair trading advantages. This was raised in response to DP24/4, and, as explained in response to that in CP25/41, MEV can facilitate harmful market manipulation, front-running or unfair ordering advantages. Establishing MEV as an LMP may risk normalising behaviours that could undermine fair and orderly cryptoasset markets. Whether or not MEV amounts to market abuse depends on the facts, and so we will rely on the base definitions of market abuse in the legislation and guidance to distinguish legitimate and illegitimate forms of MEV.

For similar reasons, we do not consider it necessary to designate activities such as staking, market making and governance participation as LMPs. These activities do not ordinarily constitute market abuse, unless conducted in an abusive manner, so are best dealt with through the underlying rules and guidance on market abuse rather than through designating new LMPs. CRYPTO 4.4.14, for example, already explicitly deals with the use of inside information for the purpose of market making. We will, however, keep the list of LMPs under review as market practices evolve.

On coin burning, we have modified our rules to specify that where coin burning is an automatic function of a protocol, or non-discretionary, then it is an LMP so long as the burning mechanism has been disclosed publicly. Unlike the existing LMP, this does not assume that the burning is a discrete event, so there are no requirements to set a time or quantity limit for the burn. We have also allowed for the fact that burning does not always form part of a trade or transaction. We have clarified that the 'sole purpose' requirement only covers burning done to support the effective functioning of the market, to ensure that the LMP was narrowly drafted, in line with feedback. We have also added an explicit requirement to disclose burning plans to the public before executing.

Market abuse systems and controls

3.42 Effective market abuse systems and controls are essential to the prevention, detection and disruption of market abuse. The Cryptoassets Regulations require UK QCATPs and intermediaries to establish and maintain effective arrangements, systems and procedures for this purpose. These regulations also give us powers to specify the content and application of those requirements through designated activity rules. They also set out a requirement for intermediaries to disclose suspicious orders or

transactions to UK QCATPs. In contrast to Suspicious Transaction and Order Reports (STORs) in traditional finance, these will not be sent to us.

3.43 In CP25/41, we proposed that we would not perform the same central market oversight role as in TradFi markets, and that instead, all UK QCATPs and intermediaries will be required to have in place (as a minimum) systems and controls to prevent, detect and disrupt market abuse.

3.44 We proposed that the internal systems and controls requirements include, among others:

- Internal rules and arrangements on personal account dealing.
- Information barriers to limit access employees have to client orders to prevent market abuse activities such as front running.
- Employee training on market abuse risks and inside information handling.
- Record-keeping and audit arrangements, including regular assessments of their monitoring and surveillance arrangements through audits and internal reviews.
- Contractual or other agreements with clients which would allow the firm to prevent and disrupt activities which they identify as abusive, including the ability to off-board the client and, in the case of UK QCATPs only, to undertake the additional actions set out in the platform specific rules.
- For UK QCATPs only: platform specific rules to disrupt abusive activity. This includes the ability to halt, constrain or suspend trading, warn users, restrict the activities of users and remove or suspend relevant qualifying cryptoassets from the UK QCATP, reflecting their central role in the regime.
- For Large UK QCATPs only: a requirement to participate in cross-platform information sharing and on-chain monitoring.

3.45 In CP25/41 we asked:

Question 25: **Do you agree with our proposals for qualifying cryptoasset market abuse systems and controls?**

CP25/41 feedback and our response

3.46 Feedback was positive overall with 74% of respondents being either supportive or neutral. Respondents welcomed the emphasis on systems and controls, noting that these are particularly important in cryptoasset markets where risks such as cross-market information asymmetries can arise. They particularly welcomed the reliance on UK MAR concepts (due to the market's familiarity with these) and the proportionate and outcomes-based approach.

3.47 However, the most common and strongly expressed concern related to the approach that detecting and disrupting market abuse should primarily be the responsibility of UK QCATPs (and, to a lesser extent, intermediaries). This included UK QCATPs' responsibility for receiving suspicious order or transaction notifications from intermediaries, especially where notifications would need to be sent to multiple platforms. These respondents argued that we should take a more central role, as we do in TradFi.

3.48 Respondents raised several concerns about an industry-led model. Some pointed to the approach in TradFi and argued that firms, unlike the FCA, do not have investigatory and enforcement powers, a market-wide view, or access to cross-cutting information, which may limit their ability to act on suspected market abuse. Some also considered the requirement disproportionate and were concerned it could in practice place strict liability on UK QCATPs for market abuse on their platforms. Others highlighted potential conflicts of interest where UK QCATPs and intermediaries may have an incentive not to act on market abuse intelligence, especially where suspected manipulation involves large trades and high-value customers that generate substantial revenue from platforms. Taken together, some respondents believed that an industry-led approach could lead to inconsistent application of the rules and guidance.

3.49 Respondents also sought more clarity on a number of points. These included the meaning of 'proportionate' in the overarching requirement for systems and controls to be proportionate to the size, scale and nature of a firm's business, the calibration of requirements for automated trading, and the allocation of responsibility in decentralised trading arrangements. Some argued that stablecoins and other non-price forming activity should be excluded from scope and that monitoring external communications would be unduly burdensome.

3.50 Although there was broad support for our proportionate approach, a small number of respondents were concerned that less onerous responsibilities for smaller UK QCATPs, including express thresholds for certain requirements, would leave consumers on those platforms with insufficient protection. Some of these respondents called for more prescriptive safeguards. This included a mandatory post-listing lock-in period for insiders to mitigate short-term information asymmetries, and rules on third-party resilience and independent testing and audit for MARC systems and controls.

Our response

We are maintaining an industry-led approach under the MARC framework. The continuous operation of cryptoasset markets, their fragmentation across venues, and the scale of global retail participation make a centralised FCA surveillance role impractical and ineffective. Firms have real-time visibility over order flow and trading activity on their own platforms. They are best placed to monitor activity on their platforms in relation to qualifying cryptoassets, and take timely action.

We do not consider that an industry-led (or specifically, UK QCATP-led) approach places disproportionate burdens on firms. The MARC framework incorporates safeguards to ensure proportionality. This includes an overarching proportionality requirement, targeted carveouts for small UK QCATPs in relation to on-chain monitoring and cross-platform information sharing, and the ability for firms to outsource elements of compliance under SYSC 8, subject to appropriate safeguards. A UK QCATP-led approach is also consistent with the legislative intent of the Cryptoassets Regulations, which require that STORs are sent directly to UK QCATPs rather than the FCA. Concerns about commercial incentives for firms to under-comply with our requirements are not

unique to cryptoasset markets and could arise across other regulated financial activity. In any case, we have the ability to take appropriate action against firms that do not comply with our rules. Firms also gain commercial benefits from operating clean and well-governed platforms, including enhanced confidence among investors and market participants.

We have, however, modified the scope of firms' obligations to notify the FCA of suspicious activity under Principle 11. Principle 11 includes a requirement to notify the FCA of information of which we would reasonably expect notice. We had said in our draft rules that this would *only* cover activity a firm cannot deal with itself. Our final rules state that this *includes*, but is not limited to, such activity, as, for example, we would still expect to be notified of serious or repeated abuse, given that this could have wider market implications.

In the case of intermediary notifications to UK QCATPs, the core obligation is set out in Regulation 30(3). This requires intermediaries to notify UK QCATPs rather than us. It is outside our powers to fundamentally change this.

We are not creating additional guidance on the meaning of 'proportionate', as this is inherently fact-specific and would add unnecessary complexity. Likewise, the existence of automated trading, which is already common in regulated markets, does not in most respects necessitate a change in approach and therefore specific guidance. We have addressed the specific challenges of automated trading to the extent necessary, through requirements to have the ability to replay an order book with reference to algorithmic trading. We also do not consider additional guidance is necessary on decentralised trading, as responsibility for systems and controls rests with the firm authorised to carry on the relevant activity.

In our final rules we have included additional guidance to make clear that, under the Cryptoassets Regulations, intermediaries may be required to submit suspicious transaction and order reports to all UK QCATPs that trade that cryptoasset, rather than solely to the UK QCATP on which the transaction or order was due to be placed (if there was one). This reflects feedback that this point was unclear. We would expect that, where intermediaries deal in a given cryptoasset, they would normally know which UK QCATPs it is traded on in the course of their normal commercial operations.

In addition, we do not consider a specific carveout for non-price forming activity to be necessary. The statutory definition of 'inside information' already limits the regime to information which is likely to have a significant effect on price if public, and 'market manipulation' already limits the regime to (among other things), fixing prices at an abnormal or artificial level.

In relation to the feedback on audits, we consider the existing audit and assessment requirements in CRYPTO 4.7.31 and 4.8.37 for systems and controls to be sufficient. This requirement mandates an annual

review which would imply, for example, updating systems and controls based on lessons learnt throughout the year. We have, however, made an amendment to require audits to be undertaken sooner where there is a risk of market abuse occurring. For example, where, due to ongoing market abuse detection activity, it becomes clear that certain systems and controls are inadequate, these would be audited sooner.

Finally, we consider monitoring of external communications to be an important component of market abuse detection in cryptoasset markets, and excluding such communications would give rise to significant gaps in coverage. We will therefore keep this requirement in the rules.

Separately, in response to feedback, we have added a requirement for all UK QCATPs to monitor price dislocations for signs of market abuse, as a result of changes we made to the on-chain monitoring requirements. We have also added a requirement for firms to have the ability to collect wallet addresses from employees, as a result of changes we have made to insider lists. We have also, as a result, created a wider requirement that, as part of their internal rules and controls, UK QCATPs and intermediaries should have arrangements with employees to support any investigations into employees. The rationales for these changes are explained further in the respective sections, below. We have also made a number of other minor changes to the systems and controls rules with a view to simplifying rules and guidance and removing duplication.

We have also added guidance to remind firms that the FCA has a general power under section 138A FSMA to waive or modify its rules, including the rules in CRYPTO 4.

On-chain monitoring

3.51 On-chain activity is a defining feature of cryptoasset markets and presents both transparency benefits and market abuse risks. Certain behaviours, such as wash trading, pump-and-dump schemes and insider dealing can occur directly on-chain, bypassing conventional monitoring systems, and may not be captured by off-chain surveillance tools alone. A market abuse framework that does not take account of such activity would only be partially effective.

3.52 In CP25/41, we proposed that Large UK QCATPs (defined as those with average revenue (calculated at 12-month intervals) of ≥£10m a year for 3 previous years) should be required to monitor on-chain activities related to their operations.

3.53 This would include, for example, monitoring wallet interactions, token flows and transaction patterns. It would cover on-chain activity related to any cryptoasset admitted to trading on their platform. The extent of the monitoring required is proportionate to the scale, size and nature of their business.

3.54 Large UK QCATPs' on-chain monitoring capabilities should complement off-chain surveillance and enable Large UK QCATPs to detect and respond to suspicious behaviours that manifest on the blockchain. We believe this dual-layered approach is essential to maintaining market integrity and protecting consumers.

3.55 In CP25/41 we asked:

Question 26: **Do you agree with the proposed requirements on on-chain monitoring?**

Question 27: **Do you agree with the proposed revenue threshold for applying on-chain monitoring requirements? If not, what alternative threshold or metric (for example, non-revenue-based measures) would you suggest, and why? Please provide details, including any supporting quantitative data where available.**

CP25/41 feedback and our response

On-chain monitoring requirements

3.56 More than a quarter of responses were unsupportive (26%). While there was support for the requirement itself, feedback raised significant concerns about the scope. Many respondents argued that the on-chain monitoring scope should be narrowed, such that only activity directly related to the platform would need to be monitored. They argued that it was not proportionate to ask them to monitor the entire chain, and was not in line with how on-chain monitoring works in practice at present. Respondents differed as to exactly how this should be achieved, with some describing this in terms of activity linked to their operations or linked to the business, and others focusing more on activity that occurred directly through their platform.

3.57 A smaller number of respondents suggested that the on-chain monitoring requirement should be removed altogether. As on-chain activity often cannot be attributed to any individual platform and it is therefore a cross-cutting responsibility that the FCA would be better placed to undertake. Others did not oppose the requirement itself, but asked for a transitional period, and/or more detailed guidance, often suggesting more specific metrics we should use.

Our response

Considering the strong view from respondents that the scope of on-chain monitoring is too broad, we have narrowed the requirement. We have updated the rules to set out that Large UK QCATPs are not required to monitor the entire chain all of the time. Instead, Large UK QCATPs only need to monitor the on-chain activity of wallets that are linked to their platform. For example, where a wallet contains cryptoassets bought or sold on their platform, the subsequent or preceding on-chain buying

and selling activity using those wallets. 'Linked' wallet activity includes transactions involving wallets that are reasonably identifiable as being associated with platform users. For example, where clustering analysis, or information received from intermediaries or other UK QCATPs, has identified that they are controlled by the same persons or group of persons and are acting in concert. These wallets do not need to be continuously monitored, but only where a risk of market abuse has been identified as part of the Large UK QCATP's arrangements, systems and procedures.

We still want to preserve the objective of UK QCATPs retaining visibility of wider market conditions beyond activity on their own platform, as off-platform abusive activity can have an important impact on the on-platform price. We have therefore introduced a lighter-touch requirement rather than removing obligations entirely. UK QCATPs are now required, as part of their wider systems and controls, to have the ability to detect material and persistent dislocations between (i) the price of a cryptoasset traded on their platform and (ii) the price of the same cryptoasset that is publicly available and traded on other markets and trading venues which the UK QCATP reasonably considers to be material for price formation. This will ensure UK QCATPs have a good level of visibility of wider market conditions. As this is part of the wider systems and controls requirements – it is not, specifically, a type of on-chain monitoring although it may involve that – this requirement applies to all UK QCATPs and not just large ones.

We believe most UK QCATPs already undertake similar monitoring of how prices differ between their platforms and competitors, for commercial reasons. Price dislocations should be used, alongside other systems and controls, as a trigger for further investigation into potential market abuse.

We have made other changes to the rules on on-chain monitoring to simplify them and clarify FCA expectations. In particular, we have removed the explicit requirement that on-chain monitoring should be 'appropriate and proportionate in relation to the scale, size and nature of its business' since this is already a requirement for systems and controls more generally (of which on-chain monitoring forms a part).

We do not, however, consider it appropriate to remove the on-chain monitoring requirement altogether. Our less central role under MARC in terms of the prevention, detection and disruption of market abuse reflects a wider strategic approach to market abuse in cryptoasset markets. In practice, we believe that the firms we expect to be Large UK QCATPs, being crypto-native firms, already maintain strong blockchain analytics capabilities and undertake on-chain monitoring for commercial or AML/KYC purposes. So we consider Large UK QCATPs to be generally better placed to conduct on-chain monitoring.

Threshold for on-chain monitoring

3.58 We also received significant pushback on the threshold (42% of responses were unsupportive). However, views were mixed and did not converge on a single alternative approach. While some argued that the threshold was set too low, others questioned whether a threshold should apply at all. Some suggested that the definition of revenue should be more narrowly drawn to only include UK revenue, or to revenue derived solely from operating a UK QCATP. Others proposed alternative metrics, either instead of revenue or to be used in combination with it. This was most often trading volume, but also market share, number of users, number of retail users, the number or type of tokens, proportion of trading in high volatility, high risk or illiquid assets, and the UK QCATP's reliance on on-chain settlement.

Our response

We are not changing our approach. We consider the use of a threshold is appropriate. It avoids imposing disproportionate burdens on smaller firms and barriers for new market entrants, while ensuring additional requirements apply where they are most effective to advance our consumer protection and market integrity objectives. A clear Day 1 threshold provides a workable and proportionate basis for implementation, and these benefits outweigh potential scope for negative impacts. For example, 'cliff-edge' effects, gaming, and incentivising firms to legitimately manage activity around the threshold. Further, all UK QCATPs remain subject to baseline MARC systems and controls, regardless of size.

We are not raising the £10m threshold, although we will keep it under review. The threshold was informed by quantitative modelling, which showed that £10m created a good balance of capturing the vast majority of the current market by revenue (95%) whilst also excluding smaller firms for which these controls would be disproportionate (it is, of course, possible that the market could change in the future, but we cannot accurately predict this).

We consider a revenue-based threshold to be the most appropriate metric, as it provides a simple and most observable proxy for scale, providing predictability for firms' entry and growth decisions. Whilst trading volume does correlate with revenue, revenue fits closer with our underlying rationale to target these requirements on firms with the most resources for compliance, as revenue is a much more direct measure of a firm's resources. Other suggested metrics, whether used as alternatives or in combination, would be more subjective and complex to administer, and consultation feedback did not converge on a single workable alternative.

Finally, we do not consider it appropriate to restrict the threshold to UK-only revenue or UK QCATP-only revenue. Total revenue is a better indicator of a firm's overall capacity across all aspects of compliance, and its ability to meet additional compliance obligations, and so is an appropriate way to ensure a level playing field.

Insider lists

3.59 In CP25/41, we noted that insider lists can be a useful tool for managing the risks of unlawful disclosure of inside information and insider dealing. The decentralised nature of cryptoasset markets makes insider lists particularly important in establishing accountability and supporting regulatory oversight. They enable firms to implement effective information barriers and ensure firms control access to inside information appropriately.

3.60 Regulation 31 of the Cryptoassets Regulations requires insider lists to be maintained in some circumstances, and gives us the power to make rules to determine the form of the list, which relevant persons it applies to, and other requirements. We proposed that the detailed requirements for insider lists should be closely aligned with those in TradFi markets.

3.61 Our rules included a proposed insider list template, which covered:

- The identity of individuals with access to inside information (including name, surname, date of birth, telephone numbers, ID number, home address).
- The reason for inclusion on the list and the individual's function within the organisation.
- The date and time the individual obtained or ceased to have access to the information (or, for permanent insiders, the date they became or ceased to be a permanent insider).
- Cryptoasset wallet addresses, where relevant.

3.62 In CP25/41, we asked:

Question 28: **Do you agree with our proposals on insider lists?**

CP25/41 feedback and our response

3.63 Most respondents (87%) were supportive of our proposals, in particular the provision of a standard template and the alignment with existing practice in TradFi. One key concern was the potential security risk created by the provision of cryptoasset wallet addresses. Respondents noted that such information can be sensitive and, in particular, that its inclusion could link on-chain and off-chain identities. These respondents asked for this requirement to be applied proportionately. There was also a concern that firms would be unable to know if an individual had given them all their wallet addresses. They asked for their liability to be limited where they had undertaken reasonable endeavours.

Our response

We recognise that cryptoasset wallet addresses can constitute sensitive information. Given the nature of cryptoassets, wallet addresses may in some cases be more sensitive than other identifiers, such as bank account details, which are not required to be included in TradFi

insider lists. We also appreciate that this sensitivity would in turn require enhanced security arrangements to be applied by the person maintaining the list.

On balance, while we still believe this information would be useful, in particular for the purpose of assisting firms to assess whether their employees have complied with the firm's internal controls, we concluded it would not be proportionate to ask firms to routinely collect cryptoasset wallet addresses. We have therefore removed references to wallet addresses from the insider list templates. Removing this requirement provides clarity and avoids unnecessary risks.

Instead, firms' systems and controls must include arrangements with employees to support investigations into whether that employee has complied with its internal controls or undertaken cryptoasset market abuse. This could, for example, be achieved by adding a requirement into employment contracts that employees give this information when asked.

Cross-platform information sharing

3.64 Regulation 32(2) of the Cryptoassets Regulations creates an obligation to share information for the purposes of detecting, preventing or disrupting market abuse. It allows us to make rules specifying the firms and circumstances in which this would apply, and to specify which firms the information needs to be shared with. We proposed that the obligation should apply to Large UK QCATPs, defined as those with average revenue (calculated at 12-month intervals) of ≥£10m a year for 3 previous years, and that information should be shared with other Large UK QCATPs.

3.65 We proposed that information sharing would be required where: (1) a UK QCATP has reasonable grounds to suspect that cryptoasset market abuse has occurred, is occurring or is likely to occur; and (2) it is necessary to disclose the information to prevent, detect or disrupt the market abuse of concern.

3.66 We also set out rules on what data needed to be shared, to be determined on a case-by-case basis with illustrative examples, alongside requirements for record-keeping. We also proposed rules to exclude UK QCATP's civil liability (for example, for breach of confidence or defamation) where they have met certain conditions, including that the sharing was done in good faith. Our proposals drew on equivalent protections under the Economic Crime and Corporate Transparency Act.

3.67 In CP25/41 we asked:

Question 29: Do you agree with our approach for cross-platform information sharing?

Question 30: **Do you agree with the proposed revenue threshold for applying cross-platform information sharing requirements? If not, what alternative threshold or metric (for example, non-revenue-based measures) would you suggest, and why? Please provide details, including any supporting quantitative data where available.**

CP25/41 feedback and our response

3.68 Most responses were either supportive or neutral (92% and 66% respectively). There was support from some respondents, who argued that bad actors were unlikely to stay on one platform and that in cryptoasset markets it was comparatively easy for them to access multiple platforms. Feedback from trading platforms - the group most directly affected by these proposals - was more varied, though still on balance supportive.

3.69 The most common opposing view related to the underlying principle of cross-platform sharing. Similar to feedback on systems and controls, these respondents argued for a central FCA role akin to UK MAR, including receiving STORs. Relatedly, some of those who accepted the principle still called for us to be more prescriptive. In particular in setting out common data fields for these reports, or to take a central coordinating role in steering the market towards a common technological solution.

3.70 Several respondents were concerned that they would be unable to introduce such a system for day one, including some requests for a transitional period. Others sought more guidance on aspects of the proposal, including the meaning of necessity and proportionality, governance, audit logs, the role of stablecoin issuers, and on how a UK QCATP could determine if a user was active on another platform.

3.71 Finally, we received strong pushback on the nature and level of the £10m revenue threshold for cross-platform information sharing. With very few exceptions, respondents raised similar points to those made in relation to the on-chain monitoring threshold, so the issues raised largely overlapped.

Our response

We are maintaining the cross-platform information sharing rules as set out in CP25/41. These requirements are a subset of the broader UK QCATP systems and controls framework. For the reasons we have given regarding systems and controls more generally, we do not consider it appropriate to move to an FCA-centric model. UK QCATPs have a responsibility in regulation 30 of the Cryptoassets Regulations to establish and maintain effective arrangements, systems and procedures to prevent, detect and disrupt market abuse. It follows that notifications of suspicious activity should be shared with other UK QCATPs rather than submitted to us. This ensures alignment with the position in the Cryptoassets Regulations whereby UK QCATPs are also receiving similar information from intermediaries.

We also do not consider it appropriate to prescribe common data formats. The information shared is likely to be sensitive. It is important for firms to undertake their own assessments in line with their obligations under data protection rules, rather than having a blanket, cross-industry format. While we appreciate that common data formats would make it easier for UK QCATPs receiving this information to process it, we expect these alerts to be individually reviewed in any case, as the recipient UK QCATPs need to make their own assessment. We have already provided guidance on the types of data that could be included in CRYPTO 4.9.10(3).

In terms of coordinating technological solutions, we fully support industry-led efforts to design or settle on a solution. We are aware that several RegTech providers are developing MARC-related compliance products but, as a regulator, it is not appropriate for us to mandate or endorse a particular solution.

Although we have received requests for transitional periods, both in response to CP25/41 and across related consultations, we do not intend to delay implementation. We have prioritised these measures as important to the effective functioning of the crypto market abuse regime. We consider that concerns relating specifically to cross-platform information sharing do not, in themselves, justify delay.

We are not intending to provide further guidance on the meaning of 'necessity' and 'proportionality', which are both inherently fact-specific concepts. The details of required audit logs can be found under the record-keeping requirements under CRYPTO 4.9.15. There are also general governance requirements on UK QCATPs. We also clarify that there is no requirement that the user in question has to be active on the recipient platform before the notification is sent to that platform. There is no need for the UK QCATP sending the information to ascertain whether they are active. A user engaged in market abuse on one platform may later register or become active on another, so notifications may remain relevant even where current activity cannot be confirmed.

Finally, respondents raised similar points on the £10m revenue threshold for cross-platform information sharing as for the on-chain monitoring threshold. We take the same position here as there and for the same reasons, and do not seek to change the threshold.

Chapter 4

Cost Benefit Analysis

4.1 In CP25/41, we set out our cost benefit analysis (CBA) of the expected impact of our proposals for A&D and MARC rules.

4.2 In the CBA, our causal framework set out the expectation that introducing a regulatory regime for A&D and MARC would reduce regulatory uncertainty for market participants, reduce the prevalence and impact of market abuse, improve the quality of cryptoassets admitted to trading on UK venues, and improve disclosure quality and consumer decision-making.

4.3 Table 1 below summarises the key quantified and unquantified costs and benefits of our proposals to all market participants that were included within the CP25/41 CBA. Total costs were estimated at £140.9m.

4.4 Non-quantified impacts include those associated with business model restrictions that our rules would create for market participants. We also noted a halo effect from regulation, which could result in consumers increasing investment into cryptoassets.

4.5 Quantified benefits primarily related to reduced scam tokens on UK venues and the associated harm to consumers from purchasing these. We assumed across our 10-year appraisal period the present value of these benefits was £5.2m.

4.6 We identified other benefits, such as increased market participation as a result of our rules (rather than a halo effect), better UK QCATP admissions procedures, improved disclosure documents and consumer decision-making as well as lower price volatility due to reduced market abuse practices and insider trading. We noted that these benefits are likely to be significant but did not quantify them within our CBA due to data limitations.

Table 1

Group Affected	Item Description	PV Benefits	PV Costs
Market participants	Familiarisation costs	-	£1.5m
	Information sharing mechanisms	-	£4.7m
	Market abuse systems and controls	-	£70m
	Insider lists	-	£12.5m
	Disclosing inside information	-	£20.5m
	Disclosure documents	-	£22.9m
	Storing disclosure documents on an FCA-owned centralised repository	-	£2.3m
	Due diligence	-	£5.2m
	Admissions to trading	-	£1.3m
Consumers	Avoiding scam tokens	£5.2m	-
Total impacts		£5.2m	£140.9m
Net impact		-£135.7m	
EANDCB		£16.4m	

Our response to feedback on the CBA

4.7 We asked:

Question 1: **Do you agree with our assumptions and findings as set out in this CBA on the relative costs and benefits of the proposals contained in this consultation paper? Please give your reasons.**

Question 2: **Do you have any views on the cost benefit analysis, including our analysis of costs and benefits to consumers, firms and the market?**

4.8 In total, we received 11 responses to question 1 and 8 responses to question 2. Of these responses, 7 came from firms, 2 came from trade groups, 1 from consumer groups and 2 from other market participants.

4.9 This chapter should be read together with the updated CBA.

Baseline and counterfactual

4.10 One firm questioned our assumptions around consumer participation and how this assumption was generated.

Our response

Our estimates of how consumers will adapt to the regime are based on our extensive series of consumer surveys and qualitative interviews with consumers. These have provided insights into how consumers are likely to respond to regulation and how this will impact participation. In addition, our behavioural economic research published alongside CP25/41 used experimental data to identify how consumers are likely to respond to regulation of cryptoasset markets. As a result, we believe our assumptions on consumer participation are robust, and have not made changes to what we estimated within the CP.

Our assessment of costs

4.11 Many respondents raised concerns about the cost implications of the rules, and how these had been estimated. Their views included:

- Multiple firms suggested that we had underestimated familiarisation costs, with firms likely needing to spend more resources assessing how the rules will impact their business models, which would result in higher costs, both in staff time and legal advice.
- Several respondents also suggested our CBA underestimated operational costs related to on-chain monitoring, information sharing, record-keeping governance and operational oversight. In addition, a small number of firms challenged our assumption that firms can leverage existing systems, which would result in higher transitional costs to firms.
- Two respondents argued we had omitted some costs related to staff training and insurance liability related to disclosure documents, which would be required by our proposed rules.

Our response

Magnitude of costs

As stated within our CBA, per-firm estimates correspond to the mean cost, and do not capture the potentially wide range of costs that a particular firm may incur. We recognise that individual firms may in practice bear costs greater or lower than the per-firm averages used to estimate overall costs to the industry. This will depend, among other things, on the firm's individual size, makeup, and current practices.

In our CBA, we estimated familiarisation costs of £8k to firms, assuming a gap analysis would be required. These cost estimates are informed using the FCA's standardised cost model, where we assumed firms would need to become familiar with 127 pages of consultation paper text, and 100 pages of legal text.

Based on the feedback received, we have chosen to increase familiarisation costs to firms, recognising that the challenge of adapting business models from a non-regulatory to a regulated environment may require additional legal advice for firms. We have assumed firms will need to become familiar with a fairly similar volume of text, but that they now incur costs at a higher rate, equivalent to a legal/compliance team of 4 staff reviewing the necessary legal text. This results in an increased familiarisation cost estimate of £15k average per firm, as outlined in Table 2 below.

Based on new evidence we are also changing the number of market participants we expect to be in scope of the regime from 180 to 325. This will also have an impact on total costs as outlined in table 2 below.

The majority of costs within our CBA were informed by detailed firm surveys, where we requested data from market participants on the likely costs that would materialise from our rules as discussed in DP 24/4. We did not receive any feedback to the CBA suggesting alternatives to these cost estimates, and as a result we have decided not to alter other cost estimates within the CBA.

We are also removing the proposed 'fungibility' exception. As explained in 'Our response' following paragraph 2.49, this reflects concerns that the exception could lead to inconsistent application and create a risk that cryptoassets with materially different features or risks are admitted without a QCDD. This change may affect, for example, wrapped token or cross-chain tokens that could be considered interchangeable with a cryptoasset already admitted to trading.

As a result, we estimate that the number of QCDDs required will increase by 200%. This means that the number of QCDDs needed by the regime's implementation date increases from 250 to 750. Ongoing volumes increase from an estimated 50 QCDDs a year to 150 QCDDs a year.

However, we expect some QCDDs prepared because of removing the proposed 'fungibility' exception to contain information that overlaps with a QCDD already prepared for another cryptoasset. We have therefore assumed that, where information substantially overlaps, the cost of producing the additional QCDD will be 10% of the cost of producing a unique QCDD. This reflects our assumption that around 90% of the information may be the same across these documents. On this basis, the estimated cost of producing QCDDs increases from £22.9m to £27m.

Due to the increased number of QCDDs that UK QCATPs will need to review, we have also increased our estimate of the cost to UK QCATPs of conducting due diligence on these documents. However, where an

additional QCDD contains information that substantially overlaps with a QCDD already reviewed for another cryptoasset, we assume UK QCATPs will operate a proportionate due diligence process. We have therefore increased the due diligence costs firms provided to us in our firm survey by 25%. This increases the estimated cost of due diligence from £5.2m to £6.4m.

We are also making some changes around legitimate market practices (as set out in 'Our response' following paragraph 3.41). We are removing the 'legitimate reasons' exception to market manipulation. This change is intended to improve clarity and consistency in the application of the market abuse rules, and may reduce the investigative burden on firms because they will not need to assess whether this exception applies when considering the activity. Some firms may incur limited cost implications if they answered our cost survey on the basis that they could apply this exception more broadly. However, given the granularity of this change we do not consider it proportionate to quantify this rule change.

Omitted costs

Our CBA is intended to reflect only the costs of our regulatory requirements firms will incur as a result of the new crypto regime. Insurance against liability from incorrect QCDDs is not mandated by our rules. Some firms may choose to incur this cost, but it is an elective cost and not a mandatory one to participate in the cryptoasset regime. Therefore, we do not consider it appropriate to include this cost within our cost estimates.

Costs of training and upskilling staff will have been included by firms in the relevant cost categories when completing the firm survey (as this was a category within our data requests). As a result, our assessment is that these costs are already covered within our estimates and so our assessment of costs to market participants remains valid.

Assessment of benefits

4.12 We received a limited number of comments relating to our assessment of benefits of our proposed rules:

- One respondent noted they expect our regime will lead to improved regulatory clarity for firms and that this may lead to greater investment in authorised firms. This was suggested as a significant benefit which was not adequately accounted for within our CBA.

Our response

We recognise our final rules for A&D and MARC will create improved regulatory clarity, which will benefit market participants operating in UK cryptoasset markets. Due to data limitations, we have not attempted to quantify the value of these benefits, although we discuss it from a qualitative perspective within our CBA.

Wider economic impacts

4.13 Many respondents provided feedback on our assessment of the wider economic impacts of our proposed rules:

- Multiple respondents mentioned they believed we have not fully considered the competition and innovation impacts of the rules. With a particular focus on the disproportionate impact, they believe the proposals will have on small firms, increasing barriers to entry or even leading to firm exit.
- Some respondents mentioned regulatory arbitrage as being a key factor in determining how much impact the proposals have on market participants. Both that there may be an increased incentive for some firms to not seek authorisation and to stay in jurisdictions with more preferential rules but also that consumer benefits will rely heavily on them not circumventing our rules.
- One respondent mentioned that we need to consider the cumulative impact of the regime as a whole and not just this individual CP CBA.
- Another respondent mentioned we should spend some more time looking at the distribution of benefits, believing that there may be some groups of consumers who are likely to benefit from these rules more than others.

Our response

We have produced a separate updated CBA that combines all relevant cryptoasset CBAs into a single analysis, which is being published alongside this document. This updated CBA considers the regime as a whole and the cumulative impact of the rules.

In relation to our assessment of the impact of our rules on competition, we have looked to account for this feedback within the updated CBA. Our assessment is limited by data constraints which prevents us from more accurately determining the competitive dynamics especially around firm entry and exit. However, we recognise that our rules will affect competition in this market and will continue to monitor outcomes to ensure this market delivers effective competition which benefits consumers, in line with our primary objectives.

We acknowledged a risk of regulatory arbitrage within our updated CBA but stated that as our rules aligned with IOSCO standards and approaches

in comparable jurisdictions, this risk would be low. In addition, we assumed that widespread consumer leakage to unregulated overseas platforms is unlikely to be significant, based on the scope of our rules and our consumer survey data. While there may be some consumers who seek to use offshore and unregulated platforms to access cryptoassets not available in UK markets, we believe this is likely to be a very small subgroup of consumers. Our most recent consumer survey data indicated a decline in UK adults saying they purchased cryptoassets via a decentralised exchange (0.64%) which we assess as being the most likely group to seek offshore platforms. Based on this assessment, we anticipate the risks of regulatory arbitrage and consumer leakage remain low, and so unlikely to materially impact our estimates of the overall benefits of our proposed regime.

In terms of distribution of benefits, our CBA represented our best estimate of how and where these would materialise, given our limited data sources. We do not consider it reasonably proportionate or feasible to collect higher quality and more granular data on the distribution of benefits for this CBA, and so we have not updated our analysis. As noted in the CBA, we will continue to monitor outcomes for consumers and market participants in the UK as our rules are implemented, which we expect will allow us to better assess the distribution of benefits from our cryptoasset regime.

We do foresee there being some impacts on competition and innovation from our removal of the fungibility exception. Due to the costs of producing and evaluating QCDDs, there may be higher barriers to entry for new blockchains as it requires a UK QCATP to incur these costs to support the new chain and any wrapped tokens on them. Where the incentives of the blockchain owner and the UK QCATP do not align, this may lead to it being harder to get new blockchains supported and therefore reduces competition and innovation. Whilst we believe there are commercial ways to address this incentive issue, it does represent higher costs to new entrants.

Updated cost estimates

4.14 In Table 2 below, we provide an update of cost estimates based on the changes made between our CP and Policy Statement, namely:

- An increased firm population
- Higher per firm familiarisation costs

Table 2

Group Affected	Item Description	PV Benefits	PV Costs
Market participants	Familiarisation costs	-	£4.9m
	Information sharing mechanisms	-	£4.7m
	Market abuse systems and controls	-	£124.8m
	Insider lists	-	£22.3m
	Disclosing inside information	-	£36.5m
	Disclosure documents	-	£27m
	Storing disclosure documents on an FCA-owned centralised repository	-	£2.3m
	Due diligence	-	£6.4m
	Admissions to trading	-	£1.3m
Consumers	Avoiding scam tokens	£5.2m	-
Total impacts		£5.2m	£230.3m
Net impact		-£225.1m	
EANDCB		£26.8m	

4.15 As seen above, total costs have increased, largely driven by an increased number of market participants which we expect to be within scope of the regime. We expect the non-quantified benefits to be significant and to exceed the costs to market participants.

Annex 1

List of non-confidential respondents

Agant

Andreessen Horowitz (a16z)

Animoca Brands Corporation Limited

Association of Corporate Treasurers (ACT)

Avian Labs Limited

Crypto Council for Innovation (CCI) & Global Digital Finance (GDF)

Certified Kernel Tech LLC (CertiK)

Circle Internet Financial LLC

Coinbase Global, Inc

CPA Evelyn Magaju

Crypto.com

Crypto Risk Metrics GmbH

CryptoUK

Digital Token Identifier Foundation (DTIF)

Eunice

Financial Services Consumer Panel

Global Blockchain Business Council (GBBC)

Global Futures and Options Limited (GFO-X Ltd)

Gunnercooke LLP

Iris HY Chiu

Kraken

Lloyds Banking Group PLC

Lysis Group

Money & Pensions Service (MaPS)

MoonPay (UK) Limited

NatWest Group

Ripple

Solidus Labs Limited

Stratalink Labs Limited

Tether

TP ICAP Group PLC

UK Cryptoasset Business Council (UKCBC)

UK Finance Limited

Upbit Global Limited

Wintermute Trading Limited

Annex 2

Abbreviations used in this paper

Abbreviation	Description
A&D	Admissions and Disclosures
AML	Anti-Money Laundering
CBA	Cost Benefit Analysis
COBS	Conduct of Business Sourcebook
CP	Consultation Paper
DAR	Designated Activities Regime
DP	Discussion Paper
DTI	Digital Token Identifier
DTR	Disclosure Guidance and Transparency Rules
ESS	Electronic Submission System
EU	European Union
FCA	Financial Conduct Authority
FPO	Financial Promotion Order
FSMA	Financial Services and Markets Act 2000
IOSCO	International Organization of Securities Commissions
LEI	Legal Entity Identifier
LMP	Legitimate Market Practice(s)
LRRA	Legislative and Regulatory Reform Act 2006
MARC	Market Abuse Regime for Cryptoassets
MEV	Maximal Extractable Value

Abbreviation	Description
MiCA	Markets in Crypto-Assets Regulation
PIP	Primary Information Provider
PFLS	Protected Forward-Looking Statement(s)
PRM	Prospectus Rules: Admission to Trading on a Regulated Market sourcebook
QCDD	Qualifying Cryptoasset Disclosure Document(s)
RAO	Regulated Activities Order 2001
RegTech	Regulatory Technology
SDD	Supplementary Disclosure Document
SYSC	Senior Management Arrangements, Systems and Controls
TradFi	Traditional Finance
UK QCATP	UK Qualifying Cryptoasset Trading Platform
UK MAR or MAR	UK Market Abuse Regulation

Annex 3

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of legal requirements applicable to the A&D and MARC regimes described in this policy statement, including an explanation of the FCA's reasons for concluding that the regimes described in this policy statement are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).

2. When making any rules, the FCA is required (a) by section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, to act in a way which advances the secondary international competitiveness and growth objective under section 1B(4A) FSMA, and (c) to comply with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA must also consider whether the rules will have a significantly different impact on mutual societies as opposed to other authorised persons.

3. This Annex also sets out the FCA's view of how the rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4) FSMA). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.

4. In addition, this Annex explains how we have considered the recommendations made by HMT under section 1JA FSMA about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.

5. This Annex includes our assessment of the equality and diversity implications of the rules.

6. Under the Legislative and Regulatory Reform Act 2006 (LRRA) the FCA is subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRA.

The FCA's objectives and regulatory principles

7. The A&D and MARC regimes described in this policy statement are primarily intended to advance the FCA's operational objectives of:

- Delivering consumer protection - securing an appropriate degree of protection for consumers.
- Enhancing market integrity – protecting and enhancing the integrity of the UK financial system.
- Building competitive markets – promoting effective competition in the interests of consumers.

8. We set out more detail on how we consider our rules comply with the FCA's strategic and operational objectives in Policy Statements Summary: Cryptoasset Regime. For the purposes of the FCA's strategic objective, 'relevant markets' are defined by section 1F FSMA.

9. We consider that, so far as possible, the rules advance the FCA's secondary international competitiveness and growth objective by improving confidence in the UK as a place where cryptoasset activities can be carried out in a trusted market with clear and proportionate requirements. Our rules on A&D and MARC intend to ensure that the UK remains a suitable and stable environment and destination for doing business. We have also had regard to relevant international standards set by bodies including the Financial Stability Board and IOSCO, both of which the FCA played a role in developing.

10. In preparing the rules set out in this policy statement, the FCA has had regard to the regulatory principles set out in section 3B FSMA. We have also engaged with statutory panels when building our proposals. We set out how we have considered these below.

The need to use our resources in the most efficient and economic way

11. We have sought to allocate our resources efficiently by adopting proportionate, industry-led approaches in several areas. For example, we are not taking on a central FCA role in developing standardised QCDD templates or in receiving and assessing suspicious transaction and order reports. An industry-led approach could allow for flexible adoption and implementation of RegTech solutions and best practices as capabilities evolve. Overall, this proportionate model enables us to maintain effective regulatory oversight of the A&D and MARC regimes while minimising unnecessary regulatory burden and supporting efficient use of our operational and supervisory capacity.

The principle that a burden or restriction should be proportionate to the benefits

12. We have carefully considered the proportionality of our rules, including through consultations with internal and external stakeholders throughout the development of our rules. Our aim is to provide a proportionate, outcomes-focused regime that can adapt as the market evolves, guided by evidence and ongoing engagement.

13. The rules may require firms to make changes, with associated costs, as to how they conduct their business. However, we consider that our rules are proportionate and the benefits outweigh the costs. The CBA in Chapter 4 sets out our response to feedback relating to the costs and benefits of our rules.

The need to contribute 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)

14. On balance, we do not think there is any contribution the regulatory changes in this area can make to these targets.

The general principle that consumers should take responsibility for their decisions

15. Our rules will provide greater protection for consumers. They do not inhibit consumers' ability to access a range of products, nor do they seek to remove from consumers the need to take responsibility for their own decisions in relation to their use of regulated and unregulated products and services.

The responsibilities of senior management

16. Senior management of firms involved in A&D and MARC activities will be expected to ensure compliance with relevant requirements in CRYPTO 3 and 4. This includes overseeing admissions and disclosures processes to ensure true and non-misleading information in QCDDs, implementing arrangements to prevent, detect and disrupt market abuse, safeguarding / ensuring timely disclosure of inside information and maintaining insider lists where required.

The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation

17. Our rules recognise that firms conducting different cryptoasset activities require a different approach. Our rules include requirements that are specific to the activities a firm carries out, including some requirements that will only apply to UK QCATPs, and others that will only apply to intermediaries or persons responsible for offers.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information

18. We have had regard to this principle and believe our rules are compatible with it, including through our rules on the information issuers, offerors and UK QCATPs should disclose. We may publish data on aggregate trends in the cryptoasset market.

The principle that we should exercise our functions as transparently as possible

19. By explaining the rationale for our rules and the anticipated outcomes, we have had regard to this principle.

In formulating these final rules, the FCA has had regard to the importance of taking action intended to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s 1B(5)(b) FSMA).

20. Our rules are intended to support firms to minimise the opportunities for financial crime.

Further specified matters to which the FCA must have regard

21. Under the Cryptoassets Regulations, HMT indicated that we may, through designated activity rules, specify certain practices as legitimate cryptoasset market practices. When doing so, the FCA must take account of a range of factors, including:

- transparency in relation to qualifying cryptoassets and related instruments
- support effective market functioning
- support liquidity and efficiency of markets
- promotion of orderly and transparent pricing
- enabling timely reaction by market participants to new situations
- safeguard market integrity
- support legitimate handling and disclosure of inside information
- support the effective, efficient and orderly settlement in crypto markets
- fostering innovation, while avoiding disproportionate risks to market integrity
- support appropriate processing of inside information

22. We have specified coin burning as a legitimate market practice, having regard to statutory requirements for transparency, market integrity, and innovation. We have considered all the factors indicated by HMT in specifying this LMP. In summary, to ensure participants maintain the right level of market transparency, coin burning that is a feature of the qualifying cryptoasset or its underlying technology must follow a publicly disclosed defined framework or protocol, while full details of ad hoc coin burning must be recorded and the rules require public disclosure before the burning process starts. Coin burning is only permitted where its sole purpose is to support the effective functioning of the market in the relevant qualifying cryptoasset by reducing the amount in circulation. These measures help prevent manipulation, enable timely market responses, and maintain market integrity, while allowing for innovation and proportionate safeguards.

23. Crypto-stabilisation is also specified as a legitimate market practice to enhance efficiency, openness, and balanced risk management. We have considered all the factors indicated by HMT in specifying this LMP. In summary, allowing crypto-stabilisation for a limited time during major distributions supports liquidity and price stability. Disclosure obligations require relevant information to be made public, which preserves market transparency. These requirements ensure orderly pricing, enable timely market responses, and protect market integrity. Our approach mirrors traditional finance stabilisation but adapts requirements for cryptoassets, removing unnecessary limits and focusing on outcomes.

24. In considering these matters, we must have regard to the nature and type of the relevant qualifying cryptoasset or related instrument and its market, as well as the nature and type of market participants, including the extent of individual participation. The 'Our response' box following paragraph 3.41 explains how our final rules address feedback relating to LMPs and why 'legitimate reasons' have been removed from the LMP requirements. We are satisfied that the legitimate market practices work in the context of relevant qualifying cryptoassets, and for the market participants who take part in cryptoasset trading (whether in an institutional or individual capacity).

Recommendations in HMT's remit letter to the FCA (s1JA FSMA)

25. This policy statement has been developed considering the recommendations set out in HMT's November 2024 remit letter to the FCA. In line with the government's growth mission, our rules aim to deliver proportionate and effective regulation that enables firms of all sizes to innovate and grow, while maintaining high standards of consumer protection and market integrity. The policy statement sets out outcomes-focused rules for admissions and disclosures, to ensure market participants provide clear and accurate information to consumers and support well-informed investment decisions. With our market abuse regime, we set out robust rules and controls to prevent, detect, and disrupt market abuse, thereby safeguarding market integrity, which we view as important to overall growth and maintaining the UK's position as a world-leading global finance hub. We have aligned our approach with international standards and best practices where appropriate, ensuring the UK remains globally competitive. Throughout, we have sought to ensure our regime supports both consumer confidence and the UK's position as a leading financial centre.

Expected effect on mutual societies

26. The FCA does not expect the rules in this paper to have a significantly different impact on mutual societies.

Equality and diversity

27. We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not.

28. As part of this, we ensure the equality and diversity implications of any new rules are considered. The outcome of our consideration in relation to these matters in this case is stated in Policy Statements Summary: Cryptoasset Regime.

Legislative and Regulatory Reform Act 2006 (LRRA)

29. We have had regard to the principles in the LRRA and Regulators' Code (together the 'Principles') for the parts of the A&D and MARC regimes that consist of general policies, principles or guidance. We consider that these parts are compliant with the five LRRA principles – that regulatory activities should be carried out in a way which is transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed.

- **Transparent** – We have shared our decisions in our policy statement with industry to articulate our final rules. Through consultation and proactive engagement both before and during previous consultation, we have been transparent and provided a simple and straightforward way to engage with the regulated community.
- **Accountable** – We carried out pre- and post-consultation engagement, consulted on our proposals and have considered feedback received before finalising our rules. We are acting within our statutory powers, rules and processes.
- **Proportionate** – as set out in paragraphs 12 and 13 above, our regulatory approach observes the regulatory principle of proportionality. We recognise that firms may be required to make changes to how they carry out their business and have provided for an implementation period to give them time to do so.
- **Consistent** – Our approach would apply in a consistent manner across firms carrying out cryptoasset activities.
- **Targeted** – Our rules will enhance our ability to provide targeted firm engagement and consider how to best deploy our resources.
- **Regulators' Code** – We have had regard to the Regulators' Code for the parts of the regimes that consist of general policies, principles or guidance and consider that our rules are consistent with the principles of the code. Our policy statement (including CBA, instrument, and accompanying annexes), public communications and communications with firms are provided in a simple, straightforward, transparent and clear way to help firms meet their responsibilities.

Appendix 1

Made rules (legal instrument)

GLOSSARY (CRYPTOASSETS) INSTRUMENT 2026

Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of the powers and related provisions in or under:

(1) the following sections of the Financial Services and Markets Act 2000 ("the Act"), including as applied by article 98 (Application of section 137B of the Act to backing assets for qualifying stablecoin) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended by the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102)) as applied by paragraph 3 (FCA rules) of Part 1 (Application and modification of the 2000 Act) of Schedule 6 (Application and modification of legislation) to the Payment Services Regulations 2017 (SI 2017/752) and paragraph 2A (Authority rules) of Part 1 (Application and modification of legislation) of Schedule 3 (Application and modification of legislation) to the Electronic Money Regulations 2011 (SI 2011/99):

(a) section 71N (Designated activities: rules);
(b) section 137A (The FCA's general rules);
(c) section 137B (FCA general rules: clients' money, right to rescind etc.);
(d) section 137R (Financial promotion rules); and
(e) section 137T (General supplementary powers);
(f) section 213 (The compensation scheme);
(g) section 214 (General);
(h) section 226 (Compulsory jurisdiction); and
(i) paragraph 13 (FCA's rules) of Part III (The Compulsory Jurisdiction) of Schedule 17 (The Ombudsman Scheme);

(2) the following provisions of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102):

(a) regulation 6 ("Qualifying cryptoasset disclosure document" and "supplementary disclosure document");
(b) regulation 9 (Designated activity rules: qualifying cryptoasset public offers and admissions to trading);
(c) regulation 12 (Responsibility for disclosure documents);
(d) regulation 13 (General requirements to be met by a qualifying cryptoasset disclosure document or supplementary disclosure document);
(e) regulation 15 (Withdrawal rights);
(f) regulation 21 (Designated activity rules: market abuse in qualifying cryptoassets and related instruments);
(g) regulation 23 (Exclusions: insider dealing);
(h) regulation 26 (Public disclosure of inside information);
(i) regulation 27 (Public disclosure of inside information: delayed disclosure);

(j) regulation 30 (Systems and procedures for trading relevant qualifying cryptoassets and related instruments);
(k) regulation 31 (Insider lists for relevant qualifying cryptoassets and related instruments);
(l) regulation 32 (Cases in which sharing of information authorised or required);
(m) regulation 34 (Legitimate cryptoasset market practice);
(n) regulation 36 (Disapplication or modification of rules); and
(o) paragraph 8 ("Protected forward-looking statement") of Part 2 (Further exemption relating to forward-looking statement) of Schedule 2 (Compensation: exemptions); and

(3) the other rule making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA's Handbook.

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument is one of a series of instruments which introduce or amend provisions of the Handbook relating to cryptoassets. These instruments all come into force on 25 October 2027, immediately after one another, in the following order:

(1) Glossary (Cryptoassets) Instrument 2026;
(2) Cryptoassets (Stablecoins) Instrument 2026;
(3) Cryptoassets (Admission of Qualifying Cryptoassets to Trading and Offers of Qualifying Cryptoassets to the Public) Instrument 2026;
(4) Cryptoassets (Market Abuse) Instrument 2026;
(5) Cryptoassets (Intermediaries) Instrument 2026;
(6) Cryptoassets (Trading Platforms, Transparency and Records) Instrument 2026;
(7) Cryptoassets (Lending, Borrowing and Staking) Instrument 2026;
(8) Cryptoassets (Safeguarding) Instrument 2026;
(9) Cryptoassets (Client Assets Consequentials) Instrument 2026;
(10) Cryptoassets (Conduct and Firm Standards) Instrument 2026; and
(11) Cryptoassets (COREPRU and CRYPTOPRU) Instrument 2026.

Amendments to the Handbook

D. The Glossary of definitions is amended in accordance with the Annex to this instrument.

Notes

E. In the Annex to this instrument, the notes (indicated by "*Editor's note*:") are included for the convenience of readers but do not form part of the legislative text.

Citation

F. This instrument may be cited as the Glossary (Cryptoassets) Instrument 2026.

By order of the Board
25 June 2026

Annex

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

admission criteria	(in *CRYPTO* 3) the criteria a *retail UK QCATP operator* is required to establish by *CRYPTO* 3.2.5R.
arranging (bringing about) deals in qualifying cryptoassets	the *regulated activity* specified in article 9Y(1) of the *Regulated Activities Order* (Arranging deals in qualifying cryptoassets), which is, in summary, making arrangements for another *person* (whether as *principal* or agent) to *buy*, *sell*, subscribe for or underwrite a *qualifying cryptoasset*.
arranging cryptoasset safeguarding	the *regulated activity* specified in article 9N(1)(b) of the *Regulated Activities Order* (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets).
arranging deals in qualifying cryptoassets	the *regulated activity* specified in article 9Y of the *Regulated Activities Order* (Arranging deals in qualifying cryptoassets), which is, in summary, making arrangements for either or both of the following: (a) for another *person* (whether as *principal* or agent) to *buy*, *sell*, subscribe for or underwrite a *qualifying cryptoasset*; and (b) with a view to a *person* who participates in the arrangements for the *buying*, *selling*, subscribing for or underwriting of a *qualifying cryptoasset*, whether as *principal* or agent.
arranging qualifying cryptoasset safeguarding	the *regulated activity* specified in article 9N(1)(b) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets) of the *Regulated Activities Order*, but only in relation to *qualifying cryptoassets*.
arranging qualifying cryptoasset staking	the *regulated activity* specified in article 9Z6 (Qualifying cryptoasset staking) of the *Regulated Activities Order*, which is, in summary, making arrangements on behalf of another (whether as *principal* or agent) for *qualifying cryptoasset staking*.

authorised cryptoasset firm	an *authorised person* who has a *Part 4A permission* to carry on a *regulated cryptoasset activity*.
backing asset composition requirement	the requirement in *CASS* 16.2.25R.
backing asset pool	(a) a pool of *money* and/or *assets* held by a *firm* in connection with a *qualifying stablecoin* with a view to maintaining the stability or value of that *qualifying stablecoin*; and (b) any additional sum held in excess of the requirement in *CASS* 16.2.1R(3) in accordance with *CASS* 16.4.16R.
backing asset pool acknowledgement letter	a letter in the form set out in *CASS* 16 Annex 1.
backing assets account	an account in which a *qualifying stablecoin issuer* holds *assets* in the *backing asset pool*.
backing funds account	an account in which a *qualifying stablecoin issuer* holds *money* in the *backing asset pool*.
blockchain validation	(in accordance with article 9Z6 (Qualifying cryptoasset staking) of the *Regulated Activities Order*) the validation of transactions on: (a) a blockchain; or (b) a network that uses distributed ledger technology or other similar technology, and includes proof of stake consensus mechanisms.
burning	the process by which a *cryptoasset* is permanently removed from circulation on a blockchain or other network that uses distributed ledger technology or other similar technology.
client cryptoasset	a *qualifying cryptoasset* which is either: (a) required to be held in trust under *CASS* 17.3.3R by a *firm* to which that *rule* applies; or (b) part of an *operational surplus*.
client cryptoasset discrepancy record	a *firm's* record setting out details of each discrepancy relating to its safeguarding of *client cryptoassets* that it identifies under *CASS* 17.5.11R, as required under *CASS* 17.5.11R(2).

client cryptoasset reconciliation	the process set out at *CASS* 17.5.10R.
client cryptoasset reconciliation record	a *firm's* record setting out details of each *client cryptoasset reconciliation* which it performs under *CASS* 17.5.10R, as required under *CASS* 17.5.10R(4).
client cryptoasset third party due diligence record	a *firm's* record of the grounds upon which an appointment of a third party under *CASS* 17.6.3R or *CASS* 17.6.8R met the requirements of *CASS* 17.6.3R(1) or *CASS* 17.6.8R(2), as required by *CASS* 17.6.11R(1).
client cryptoasset third party governance record	a *firm's* record of its *governing body's*, or its *governing body's* delegate's, approval under *CASS* 17.6.9R(1) or (3), as required under *CASS* 17.6.11R(5).
client cryptoasset third party review record	a *firm's* record of the conclusions of any periodic review performed under *CASS* 17.6.5R or *CASS* 17.6.8R(4), as required under *CASS* 17.6.11R(3).
client cryptoasset trust exemption consent record	a record of a *firm's client's* written consent under *CASS* 17.3.5R(4) or *CASS* 17.3.6R(1)(c) for the *firm* to use the exemption at *CASS* 17.3.5R(1) or *CASS* 17.3.6R(1) respectively, as required under *CASS* 17.3.11R(4).
client cryptoasset trust exemption record	a record of a *firm's* reasons for concluding that it is necessary for the exemption at *CASS* 17.3.6R(1) to be used, as required under *CASS* 17.3.6R(3).
client cryptoasset trust record	a *firm's* record of a trust that it has created under *CASS* 17.3.3R, as required under *CASS* 17.3.19R.
core backing asset requirement	the requirement in *CASS* 16.2.27R.
core backing assets	(a) *on-demand deposits*; and (b) *short-term government debt instruments*.
CRYPTO	the Cryptoassets sourcebook.
cryptoasset	as defined in section 417 (Definitions) of the *Act*, any cryptographically secured digital representation of value or contractual rights that: (a) can be transferred, stored or traded electronically; and (b) uses technology supporting the recording or storage of data (which may include distributed ledger technology).

cryptoasset inside information	'inside information' as defined in regulation 18 (Inside information) of the *Cryptoassets Regulations*.
cryptoasset insider	a *person* who possesses inside information, as described in regulation 22(4) and (5) (Prohibited use of inside information (insider dealing)) of the *Cryptoassets Regulations*.
cryptoasset insider dealing	using inside information as prohibited by regulation 22 (Prohibited use of inside information (insider dealing)) of the *Cryptoassets Regulations*.
cryptoasset insider list	a list, as required by regulation 31(1)(a) (Insider lists for relevant qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*, of all *persons* specified in *CRYPTO* 4.12.2R, who: (a) have access to *cryptoasset inside information*; and (b) are working for those *persons* under a contract of employment, or otherwise performing tasks through which they have access to *cryptoasset inside information*, such as advisers, accountants or credit rating agencies.
cryptoasset intermediary	an *authorised person*, other than a *UK QCATP operator*, that carries out any of the following activities: (a) in relation to *qualifying cryptoassets*: (i) *dealing in qualifying cryptoassets as principal*; (ii) *dealing in qualifying cryptoassets as agent*; and (iii) *arranging deals in qualifying cryptoassets*; and (b) in relation to *related instruments*: (i) *dealing in investments as principal*; (ii) *dealing in investments as agent*; (iii) *arranging (bringing about) deals in investments*; and (iv) *making arrangements with a view to transactions in investments*.
cryptoasset market abuse	any activity prohibited by the following provisions in the *Cryptoassets Regulations*:

	(a) regulation 22 (Prohibited use of inside information (insider dealing));
	(b) regulation 24 (Prohibition on the disclosure of inside information); and
	(c) regulation 28 (Prohibition of market manipulation).
cryptoasset market manipulation	'market manipulation' as defined in regulation 19 (Market manipulation) of the *Cryptoassets Regulations*.
cryptoasset means of access record	a *firm's* record setting out details of each *means of access* it controls at any particular point in time, as required under *CASS* 17.4.8R.
cryptoasset safeguarding arrangement record	a *firm's* record of *arranging qualifying cryptoasset safeguarding*, as required under *CASS* 17.7.3R(1).
cryptoasset safeguarding class	a class of *cryptoasset* in which all the *cryptoassets*:
	(a) are fungible with each other;
	(b) are instances of the same single product;
	(c) share the same name or identifier code; and
	(d) exist on:
	(i) the same blockchain; or
	(ii) the same network that uses distributed ledger technology or other similar technology.
cryptoasset safeguarding rules	*CASS* 17.
cryptoasset unlawful disclosure	the behaviour described in regulation 24 (Prohibition on the disclosure of inside information) of the *Cryptoassets Regulations*.
Cryptoassets Regulations	The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102).
dealing in qualifying cryptoassets (as principal or agent)	one or both of the following activities:
	(a) *dealing in qualifying cryptoassets as principal*; and
	(b) *dealing in qualifying cryptoassets as agent*.

dealing in qualifying cryptoassets as agent	the *regulated activity*, specified in article 9W (Dealing in qualifying cryptoassets as agent) of the *Regulated Activities Order*, which is, in summary, *buying*, *selling*, subscribing for or underwriting *qualifying cryptoassets* as agent.
dealing in qualifying cryptoassets as principal	the *regulated activity*, specified in article 9T (Dealing in qualifying cryptoassets as principle) of the *Regulated Activities Order*, which is, in summary, *buying*, *selling*, subscribing for or underwriting *qualifying cryptoassets* as principal.
digital token identifier	an identifier: (a) which is a digital token identifier available on the Digital Token Identifier Foundation Registry; or (b) if there is no digital token identifier available for the purposes of (a), which clearly describes the *qualifying cryptoasset* and is each of the following: (i) unique; (ii) neutral; (iii) reliable; (iv) open source; (v) accessible; and (vi) subject to a governance framework.
expanded backing assets	in relation to a *backing asset pool*, the following *assets*: (a) *long-term government debt instruments*; (b) units in a *fund* which is authorised as a *public debt CNAV MMF* under the *Money Market Funds Regulation* or the *EU MMF Regulation* and which meets the following conditions: (i) all *asset*s held within the *fund* are denominated in the *reference currency* of the *qualifying stablecoin*; and (ii) *asset*s which are a debt security represent a claim on the *UK* government or the central government of a *Zone A country*; and

(c) *asset*s, rights or *money* held as a counterparty to a *repurchase transaction* (whether as a repurchase agreement or reverse repurchase agreement):

(i) that has a maximum maturity up to and including 7 *days*;

(ii) that concerns *long-term government debt instruments* or *short-term government debt instruments*; and

(iii) in relation to which the other counterparty is limited to one of the following:

(A) a *UK credit institution*;

(B) a *MIFIDPRU investment firm*;

(C) a *designated investment firm*;

(D) a 'UK Solvency II firm' as defined in chapter 2 of the PRA Rulebook: Solvency II Firms Insurance General Application; or

(E) a *third country person* with a main business comparable to any of the entities referred to in (A) to (D).

EU MMF Regulation the *EU* version of Regulation (EU) No. 2017/1131 of the European Parliament and the Council of 14 June 2017 on money market funds.

FCA-owned centralised repository (in *CRYPTO*) the system identified by the *FCA* on its website as the centralised repository for information relating to *qualifying cryptoassets*.

issuing a qualifying stablecoin the activity defined in article 9M (Issuing qualifying stablecoin) of the *Regulated Activities Order*.

large CATP operator a *firm* which:

(a) operates a *UK QCATP*;

(b) has average revenue, to be calculated at 12-*month* intervals, of more than or equal to £10m a year, for the 3 previous years, having regard to:

(i) all its activities, including but not limited to operating a *UK QCATP*; and

	(ii) where applicable, revenue arising from periods when the business was carried on by or in any predecessor entity.
legal entity identifier	(in *CRYPTO*) a 20-character alphanumeric code that uniquely identifies legally distinct entities which engage in financial transactions.
legitimate cryptoasset market practice	a market practice that is specified in *CRYPTO* 4.11.
LEI	a *legal entity identifier*.
long-term government debt instrument	a debt security representing a claim on the *UK* government or the central government of a *Zone A country* with a residual maturity of more than 365 *days*.
making arrangements with a view to transactions in qualifying cryptoassets	the *regulated activity* specified in article 9Y(2) of the *Regulated Activities Order* (Arranging deals in qualifying cryptoassets), which is, in summary, making arrangements with a view to a *person* who participates in the arrangements for the *buying*, *selling*, subscribing for, or underwriting of a *qualifying cryptoasset*, whether as *principal* or agent.
means of access	a private cryptographic key, part or parts of a private cryptographic key or some other means of which, in either case, a *person* would need possession or knowledge to bring about a transfer of the benefit of a *cryptoasset* to another *person*.
minting	the process of putting a *cryptoasset* on a blockchain or other network using distributed ledger technology or similar technology in a transferrable form.
offer of a qualifying cryptoasset to the public	has the same meaning as in regulation 5 ("Offer of a qualifying cryptoasset to the public") of the *Cryptoassets Regulations*.
on-demand deposit	a *deposit* the terms of which require that the sum of *money* paid will be repaid, with or without interest or a premium, on demand.
on-demand deposit requirement	the requirement in *CASS* 16.2.1R(4).
operational surplus	one or more *qualifying cryptoassets* or *relevant specified investment cryptoassets* which a *firm* is using in accordance with *CASS* 17.3.20R.

operating a qualifying CATP	the *regulated activity* in article 9S (Operating a qualifying cryptoasset trading platform) of the *Regulated Activities Order* which is, in summary, the operation of a *qualifying cryptoasset trading platform*.
person responsible for the offer	(in accordance with regulation 3(3) (Interpretation: qualifying cryptoasset public offers and admissions to trading) and regulation 17(1) and (5) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*): (a) in relation to the *offer of a qualifying cryptoasset* to the public: (i) the *person* making the offer; or (ii) where the offer is being made on behalf of another, the *person* on whose behalf the offer is being made; (b) in relation to the *admission to trading* of a *qualifying cryptoasset* on a *UK QCATP*: (i) the *person* requesting or obtaining *admission to trading*; or (ii) where, of its own motion, a *UK QCATP operator* admits a *qualifying cryptoasset* to trading on a *UK QCATP* operated by it, that *UK QCATP operator*; or (c) in relation to a *related instrument*, the *person* who is, for the purposes of the *Market Abuse Regulation*, the offeror of that instrument.
per-trust operational surplus record	a *firm's* record, in relation to a trust created by it under *CASS* 17.3.3R, of the reasons for it being necessary for the *firm* to use an *operational surplus* for that trust, as required under *CASS* 17.3.20R(4).
per-trust/class cryptoasset resource	the amount of a particular class of *client cryptoasset* that a *firm* is required to confirm under *CASS* 17.5.7R that it is safeguarding for *clients* under a particular trust in accordance with *CASS* 17.3.3R.
per-trust/client/class cryptoasset requirement	the amount of a particular class of *client cryptoasset* that a *firm* is required to hold for a particular *client* under a particular trust in accordance with *CASS* 17.3.3R, as calculated at *CASS* 17.5.6R.

pre-issued stablecoin	a *qualifying stablecoin* that first entered circulation prior to 25 October 2027.
proprietary token	a *qualifying cryptoasset* that is not a *UK qualifying stablecoin* and that is either: (a) a *qualifying cryptoasset* issued by a *qualifying cryptoasset firm* or a member of its *group*; or (b) a *qualifying cryptoasset* over which a *qualifying cryptoasset firm* or a member of its *group* has material control or holdings of its supply.
public debt CNAV MMF	(a) in relation to a *regulated money market fund*, has the meaning given in article 2(11) (Definitions) of the *Money Market Funds Regulation*; or (b) in relation to a money market fund authorised under the *EU MMF Regulation*, has the meaning given in article 2(11) (Definitions) of the *EU MMF Regulation*.
QCATP	a *qualifying cryptoasset trading platform*.
QCATP operator	a *qualifying CATP operator*.
QCDD	a document which is a qualifying cryptoasset disclosure document for the purposes of Chapter 1 (Qualifying cryptoasset public offers and admissions to trading) of Part 2 (Markets in cryptoassets: designated activities) of the *Cryptoassets Regulations*.
qualifying CATP	a *qualifying cryptoasset trading platform*.
qualifying CATP operator	a *firm* authorised to carry on the activity of *operating a qualifying CATP*.
qualifying cryptoasset activity	any of the following activities, specified in Part II of the *Regulated Activities Order* (Specified Activities): (a) *issuing a qualifying stablecoin* (article 9M (Issuing qualifying stablecoin)); (b) *safeguarding cryptoassets* (article 9N(1)(a) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets)); (c) *arranging cryptoasset safeguarding* (article 9N(1)(b)); (d) *operating a qualifying CATP* (article 9S (Operating a qualifying cryptoasset trading platform));

	(e) *dealing in qualifying cryptoassets as principal* ((article 9T (Dealing in qualifying cryptoasset trading platform) (but disregarding the exclusion in article 9U (Article 9T exclusion: absence of holding out etc.));
	(f) *dealing in qualifying cryptoassets as agent* (article 9W (Dealing in qualifying cryptoassets as agent));
	(g) *arranging deals in qualifying cryptoassets* (article 9Y (Arranging deals in qualifying cryptoassets)); or
	(h) *arranging qualifying cryptoasset staking* (article 9Z6 (Qualifying cryptoasset staking)).
qualifying cryptoasset best execution obligation	(in *CRYPTO* 5) the obligation of a *firm* under *CRYPTO* 5.4.1R, *CRYPTO* 5.4.10R, *CRYPTO* 5.4.13R and *CRYPTO* 5.4.16R.
qualifying cryptoasset borrowing	the disposal of a *qualifying cryptoasset* from or via an *authorised cryptoasset firm* to a *person* subject to an obligation or right to reacquire the same or equivalent *qualifying cryptoasset* from the *person*, which may include the provision of *qualifying cryptoasset borrowing collateral* and/or payment of interest from the *person* to the *authorised cryptoasset firm*.
qualifying cryptoasset borrowing collateral	the transfer (other than by way of sale) by a *retail client* of assets (including *qualifying cryptoassets*) or currency, or rights in respect thereof, subject to a right of the *retail client* to have transferred back to them the same or equivalent assets or currency where the assets or currency are transferred to secure the performance of the obligations of the *retail client* arising in connection with *qualifying cryptoasset borrowing*.
qualifying cryptoasset custodian	an *authorised person* with *permission* to carry on the *regulated activity* of *safeguarding cryptoassets*.
qualifying cryptoasset execution venue	(in *CRYPTO*):
	(a) a *qualifying cryptoasset trading platform*;
	(b) a single dealer platform;
	(c) a liquidity provider; or
	(d) an entity that, in a *third country*, performs a similar function to the functions performed by any of the entities in (a) to (c).

qualifying cryptoasset firm	a *firm* with a *Part 4A permission* which includes a *qualifying cryptoasset activity*.
qualifying cryptoasset lending	the disposal of a *qualifying cryptoasset* from a *person* to or via an *authorised cryptoasset firm* subject to an obligation or right to reacquire the same or equivalent *qualifying cryptoasset* from the *authorised cryptoasset firm*, typically with compensation paid to that *person* by the *qualifying cryptoasset firm* in the form of yield.
qualifying cryptoasset lending or borrowing	one or both of the following services: (a) *qualifying cryptoasset lending*; and (b) *qualifying cryptoasset borrowing*.
qualifying cryptoasset staking	the use of a *qualifying cryptoasset* in *blockchain validation*.
qualifying cryptoasset trading platform	(in accordance with article 3(1) (Interpretation) of the *Regulated Activities Order*) a system which brings together, or facilitates the bringing together of, multiple third-party *buying* and *selling* interests in *qualifying cryptoassets* in a way that results in a contract for the exchange of *qualifying cryptoassets* for: (a) *money* (including *electronic money*); or (b) other *qualifying cryptoassets*.
qualifying stablecoin	the specified *investment* defined in article 88G (Qualifying stablecoin) of the *Regulated Activities Order*.
qualifying stablecoin funds	(a) *money* received by a *qualifying stablecoin issuer* in payment for a *qualifying stablecoin* in the course of carrying out the activity of *issuing a qualifying stablecoin*; and (b) *money* that is equivalent in value to the consideration accepted by a *qualifying stablecoin issuer* when it accepts something other than *money* in payment for a *qualifying stablecoin* in the course of carrying out the activity of *issuing a qualifying stablecoin*.
qualifying stablecoin issuer	an *authorised person* with *permission* to carry on the *regulated activity* defined in article 9M (Issuing qualifying stablecoin) of the *Regulated Activities Order*.
qualifying stablecoin product	a category of *qualifying stablecoins* identifiable on the basis that:

(a) each *qualifying stablecoin* within that category is fungible with each other *qualifying stablecoin* within that category; and

(b) together all the *qualifying stablecoins* in that category represent a single product.

qualifying stablecoin product identifier

the following identifiers in respect of a *qualifying stablecoin product* and the *qualifying stablecoins* within it:

(a) the name of the *qualifying stablecoin product* and, if different, that part of the name used by all *qualifying stablecoins* in the *qualifying stablecoin product*; and

(b) any *digital token identifiers* relating to the *qualifying stablecoin product* (including those for equivalent groups on the Digital Token Identifier Foundation Registry).

redemption day

(a) a *business day*; or

(b) any other *day* on which a *qualifying stablecoin issuer* is operating so as to be able to complete *redemptions*.

redemption fee

the fee a *qualifying stablecoin issuer* charges for carrying out *redemption*.

redemption sum

the *reference value* of the sum total of *qualifying stablecoins* in respect of which a *redemption* request is received, less:

(a) any *redemption fee*; and

(b) any currency exchange fees which may be incurred by the *qualifying stablecoin issuer* in meeting the *redemption* request in a currency chosen by the *holder* where that currency is different to the *reference currency*.

reference currency

the fiat currency to which a *qualifying stablecoin* is referenced.

reference value

the face value of a *qualifying stablecoin*, with reference to a unit of the fiat currency to which that *qualifying stablecoin* is referenced.

regulated cryptoasset activity

the *regulated activities* in Chapter 2B (Cryptoassets) of Part II (Specified activities) of the *Regulated Activities Order*:

(a) *issuing a qualifying stablecoin*;

(b) *safeguarding cryptoassets*;

(c) *arranging cryptoasset safeguarding*;

(d) *operating a qualifying CATP*;

(e) *dealing in qualifying cryptoassets as principal*;

(f) *dealing in qualifying cryptoassets as agent*;

(g) *arranging (bringing about) deals in qualifying cryptoassets*;

(h) *making arrangements with a view to transactions in qualifying cryptoassets*; and

(i) *arranging qualifying cryptoasset staking*.

related instrument (in accordance with regulation 17(1) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*) a *financial instrument* or *specified investment* whose price or value depends on, or has an effect on, the price or value of a *relevant qualifying cryptoasset*, but does not include a *financial instrument* or *specified investment* which:

(a) is a *relevant qualifying cryptoasset*; or

(b) falls within article 2(1) (Scope) of the *Market Abuse Regulation*.

relevant dealer in principal (in accordance with regulation 17(1) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*) a *person* who carries on an activity of a kind described in article 9T (Dealing in qualifying cryptoassets as principal) of the *Regulated Activities Order* in relation to a *relevant qualifying cryptoasset*.

relevant issuer (in accordance with regulation 17(1) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*):

(a) in relation to a *relevant qualifying cryptoasset*:

(i) the issuer of a *qualifying stablecoin*; or

(ii) in any other case, a *person* ('A') where:

(A) A offers a *qualifying cryptoasset*, or arranges for another to offer that *qualifying cryptoasset* to the public; and

	(B) that *qualifying cryptoasset* is created by, or on behalf of, A for sale or subscription; or
	(b) in relation to a *related instrument*, the issuer of that instrument.
relevant qualifying cryptoasset	(in accordance with regulation 17(1) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*) a *qualifying cryptoasset* that has been *admitted to trading*, or is subject to an application seeking *admission to trading*, on a *UK QCATP*.
relevant specified investment cryptoasset	a *specified investment cryptoasset* which meets the definition at article 9N(5)(b) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets) of the *Regulated Activities Order*.
reportable post-trade transparency information	information which a *transparency reporting firm* is required to report, as set out in *CRYPTO* 7.3.
reportable pre-trade transparency information	information which a *transparency reporting firm* is required to report, as set out in *CRYPTO* 7.2.
retail UK QCATP	a *UK QCATP* whose rules do not preclude *retail investors* from trading on the *UK QCATP* directly or through intermediaries.
retail UK QCATP operator	the operator of a *retail UK QCATP*.
safeguarding cryptoassets	the *regulated activity* specified in article 9N(1)(a) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets) of the *Regulated Activities Order*.
safeguarding qualifying cryptoassets	the *regulated activity* specified in article 9N(1)(a) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets) of the *Regulated Activities Order*, but only in relation to *qualifying cryptoassets*.
safeguarding qualifying cryptoassets and relevant specified investment cryptoassets	*safeguarding cryptoassets*.
short-term government debt instrument	a debt security representing a claim on the *UK* government or the central government of a *Zone A country* with a residual maturity of 365 *days* or fewer.

specified investment cryptoasset	a *cryptoasset* that: (a) is a *specified investment* as a result of Part III (Specified investments) of the *Regulated Activities Order*: (i) excluding article 88F (Qualifying cryptoassets); and (ii) including where the *cryptoasset* is a right to, or an interest in, such a *specified investment* by operation of article 89 (Rights to or interests in investments); and (b) would be a *qualifying cryptoasset* if article 88F(4)(a) to (c) of the *Regulated Activities Order* were disregarded.
specified investment cryptoasset firm	an *authorised person* who: (a) has a *Part 4A permission* to carry on a *regulated activity* other than a *regulated cryptoasset activity*; and (b) carries on an activity under that *permission* in relation to *specified investment cryptoassets*.
stablecoin backing assets	*assets* received or held by *firm* in its capacity as trustee under *CASS* 16.5.2R for the benefit of the *holders* of a *qualifying stablecoin* in respect of which that *firm* is the *qualifying stablecoin issuer*.
stablecoin backing funds	*money* received or held by a *firm* in its capacity as trustee under *CASS* 16.5.2R for the benefit of the *holders* of a *qualifying stablecoin* in respect of which that *firm* is the *qualifying stablecoin issuer*.
stablecoin pool	a number ('X') of *qualifying stablecoins* calculated in accordance with *CASS* 16.2.8R.
stablecoin QCDD	a *QCDD* produced in relation to a *UK qualifying stablecoin*.
supplementary disclosure document	a document which is a supplementary disclosure document for the purposes of Chapter 1 (Qualifying cryptoasset public offers and admissions to trading) of Part 2 (Markets in cryptoassets: designated activities) of the *Cryptoassets Regulations*.
third-party custodian	(a) a *person* who is authorised and supervised in the *UK* or in a *third country* for the activity of safeguarding for

	the account of another *person* of *assets* including *core backing assets* (excluding *on-demand deposits*) and *expanded backing assets*; or (b) any *person* appointed to safeguard *core backing assets* (excluding *on-demand deposits*) or *expanded backing assets* in circumstances described in *CASS* 16.6.7R(2).
transparency crypto intermediary	a *firm dealing in qualifying cryptoassets as principal* when trading in *qualifying cryptoassets* otherwise than on a matched principal basis.
transparency reporting firm	a *firm* that is either: (a) a *UK QCATP operator*; or (b) a *transparency crypto intermediary*, to which *CRYPTO* 7 applies.
UK QCATP	a *qualifying cryptoasset trading platform*, the operation of which requires *authorisation*.
UK QCATP operator	the operator of a *UK QCATP*.
UK qualifying cryptoasset execution venue	a *qualifying cryptoasset execution venue*, the operation of which requires *authorisation*.
UK qualifying stablecoin	a *qualifying stablecoin* issued by a *firm* (F): (a) in respect of which F is *issuing a qualifying stablecoin*; and (b) where F has a *Part 4A permission* to carry on the activity in (a).
wrapped token	a qualifying cryptoasset ('A') which: (a) relates to an underlying *qualifying cryptoasset* ('B'), where B is *minted* on a blockchain other than one on which A is used ('C'); and (b) is created specifically for the purpose of enabling B to be used on C.

Amend the following definitions as shown.

acknowledgement letter	…

	(2)	…
	(3)	(in *CASS* 16) a *backing asset pool acknowledgement letter* (a letter in the form of the template in *CASS* 16 Annex 1).
acknowledgement letter fixed text	…	
	(4)	…
	(5)	(in *CASS* 16) the text in the template *acknowledgement letter* in *CASS* 16 Annex 1 that is not in square brackets.
acknowledgement letter variable text	…	
	(4)	…
	(5)	(in *CASS* 16) the text in the template *acknowledgement letter* in *CASS* 16 Annex 1 that is in square brackets.
admission to trading	…	
	(2A)	…
	(2B)	(in *CRYPTO*) admission of a *qualifying cryptoasset* to trading on a *UK QCATP*.
	…	
advertisement	(1)	(except in *CRYPTO*) has the meaning in regulation 3 of the *Public Offers and Admissions to Trading Regulations* – in summary, a communication which:
	…	
	(2)	(in *CRYPTO)* has the meaning in regulation 3 (Interpretation: qualifying cryptoasset public offers and admissions to trading) of the *Cryptoasset Regulations* – in summary, a communication which:
		(a) relates to:
		(i) a specific *offer of a qualifying cryptoasset to the public*; or
		(ii) an admission, or proposed admission, of a *qualifying cryptoasset* to trading on a *qualifying cryptoasset trading platform*;

(b) aims specifically to promote the potential *buying* of, or subscribing for, a *qualifying cryptoasset*; and

(c) is not a *QCDD* or *supplementary disclosure document*.

agreeing to carry on a regulated activity the *regulated activity*, specified in article 64 of the *Regulated Activities Order* (Agreeing to carry on specified kinds of activity), of agreeing to carry on an activity specified in Part II, Part 3A, or Part 3B of that Order other than:

…

(aa) …

(ab) *issuing a qualifying stablecoin*;

(ac) *operating a qualifying CATP*;

…

algorithmic trading (1) (except in *CRYPTO* 4.7 and *CRYPTO* 4.8) trading in *financial instruments* which meets the following conditions:

…

(2) (in *CRYPTO* 4.7 and *CRYPTO* 4.8) trading in *qualifying cryptoassets* or *related instruments* which meets the following conditions:

(a) where a computer algorithm automatically determines individual parameters of orders, such as whether to initiate the order, the timing, price or quantity of the order for how to manage the order after its submission; and

(b) there is limited or no human intervention; but

does not include any system that is only used for the purpose of routing orders to one or more *qualifying cryptoasset trading platforms* or *trading venues* (as applicable) or the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions.

approved bank (1) (except in *COLL* ~~and~~, *CASS* 15 and *CASS* 16) (in relation to a *bank* account opened by a firm):

…

…

(3) …

(4) (in *CASS* 16) (in relation to a *backing funds account* opened by a *firm*):

(a) the *central bank* of a state that is a member of the *OECD* ('an *OECD* state');

(b) a *credit institution* that is supervised by the *central bank* or other banking regulator of an *OECD* state; and

(c) any *credit institution* that:

(i) is subject to regulation by the banking regulator of a state that is not an *OECD* state;

(ii) is required by the law of the country or territory in which it is established to provide audited accounts;

(iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time);

(iv) has a surplus of revenue over expenditure for the past 2 financial years; and

(v) has an annual report which is not materially qualified.

asset …

(2) …

(3) (in *CRYPTO* and *CASS* 16) any property, right, entitlement or interest, excluding *money*.

client …

(B) in the *FCA Handbook*:

(1) (except in *PROF*, in *MIFIDPRU* 5, in relation to a *credit-related regulated activity*, in relation to *regulated funeral plan activity*, in relation to a *home finance transaction* ~~and~~, in relation to *insurance risk transformation* and activities directly arising from *insurance risk transformation*, and in relation to *issuing a qualifying stablecoin* in *PRIN* and *SYSC* 15A) has the meaning given in *COBS* 3.2, that is (in summary and without prejudice to the detailed effect of *COBS* 3.2) a *person* to whom a *firm* provides, intends to provide or has provided a service in the course of carrying on a *regulated activity*, or in the case of *MiFID or equivalent third country business*, an *ancillary service*:

…

…

(12) …

(13) (in *PRIN* and *SYSC* 15A in relation to *issuing a qualifying stablecoin*):

(a) a *person* to whom a *firm* provides, intends to provide or has provided a service in the course of carrying on a *regulated activity*; and

(b) where not otherwise included in (a), the *holder* of a *qualifying stablecoin* which is issued by a *qualifying stablecoin issuer*.

client money …

(2A) (in *MIFIDPRU*, *FEES*, *CASS* 6, *CASS* 7, *CASS* 7A and *CASS* 10 and, in so far as it relates to matters covered by *CASS* 6, *CASS* 7~~,~~ and *COBS* ~~and *IPRU(INV)* 11~~) subject to the *client money rules*, *money* of any currency:

…

(b) that, in the course of carrying on *designated investment business* that is not *MiFID business* or *issuing a qualifying stablecoin*, a *firm* holds for a *client*; or

…

…

complaint …

(2) (in *DISP*, except *DISP* 1.1 and (in relation to *collective portfolio management*) in the *consumer awareness rules*, the *complaints handling rules*, the *complaints record rule*, and in *CONRED* 5, *CONRED* 6, *CREDS* 9, in *SUP* 12 ~~and,~~ in *SUP* 15 and in *SUP* 16) any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a *person* about the provision of, or failure to provide, a financial service, *claims management service* or a *redress determination*, which:

…

…

controlled activity (in accordance with section 21(9) of the *Act* (The classes of activity and investment)) any of the following activities specified in Part 1 of Schedule 1 to the Financial Promotions Order (Controlled Activities):

…

(ia) …

(ib) safeguarding cryptoassets (paragraph 7A);

(ic) operating a qualifying cryptoasset trading platform (paragraph 7B);

(id) arranging qualifying cryptoasset staking (paragraph 7C);

CRD credit institution (1) (except in *COLL* ~~and,~~ *FUND* and *CASS* 16) a *credit institution* that has its registered office (or, if it has no registered office, its head office) in the *UK*, excluding an *institution* to which the *CRD* does not apply under the *UK* provisions which implemented article 2 of the *CRD* (see also *full CRD credit institution*).

(2) (in *COLL* ~~and,~~ *FUND* and *CASS* 16) a *credit institution* that:

…

customer …

(B) in the *FCA Handbook*:

(1) (except in relation to *SYSC* 19F.2, *ICOBS*, *retail premium finance*, a *credit-related regulated activity*, *regulated claims management activity*, *regulated funeral plan activity*, *regulated pensions dashboard activity*, *MCOB* 3A, an *MCD credit agreement*, *CASS* 5, for the purposes of *PRIN* in relation to *MiFID or equivalent third country business* and *issuing a qualifying stablecoin*, *DISP* 1.1.10-BR, *PROD* 1.4 and *PROD* 4) and in relation to *payment services* and issuing *electronic money* (where not a *regulated activity*) a *client* who is not an *eligible counterparty* for the relevant purposes.

…

(10) …

(11) (in *PRIN* in relation to *issuing a qualifying stablecoin*) a *client* who is not an *eligible counterparty* for the relevant purposes.

data protection legislation

(1) (except in *CRYPTO* 4) the General Data Protection Regulation (EU) No 2016/679 and the Data Protection Act 2018.

(2) (in *CRYPTO* 4) has the same meaning as in section 3 (Terms relating to the processing of personal data) of the Data Protection Act 2018.

designated investment

…

(4) …

(5) (in *COBS*) in addition and to the extent it does not fall within (1):

(a) a *qualifying cryptoasset*; and

(b) a *relevant specified investment cryptoasset*.

designated investment business

(1) (except in *COMP*) any of the following activities, specified in Part II of the *Regulated Activities Order* (Specified Activities), which is carried on by way of business:

…

(t) …

(u) *issuing a qualifying stablecoin* (article 9M (Issuing qualifying stablecoin));

(v) *safeguarding cryptoassets* (article 9N(1)(a) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets));

(w) *arranging cryptoasset safeguarding* (article 9N(1)(b));

(x) *operating a qualifying CATP* (article 9S (Operating a qualifying cryptoasset trading platform));

(y) *dealing in qualifying cryptoassets as principal* (article 9T (Dealing in qualifying cryptoassets as principal)), but disregarding the exclusion in article 9U (Article 9T exclusion: absence of holding out etc.);

(z) *dealing in qualifying cryptoassets as agent* (article 9W (Dealing in qualifying cryptoassets as agent));

(za) *arranging deals in qualifying cryptoassets* (article 9Y (Arranging deals in qualifying cryptoassets)); and

(zb) *arranging qualifying cryptoasset staking* (article 9Z6 (Qualifying cryptoasset staking)).

(2) (in *COMP*) any of the activities falling within (1) except:

(a) *issuing a qualifying stablecoin* (article 9M);

(b) *safeguarding cryptoassets* (article 9N(1)(a));

(c) *arranging cryptoasset safeguarding* (article 9N(1)(b));

(d) *operating a qualifying CATP* (article 9S);

(e) *dealing in qualifying cryptoassets as principal* (article 9T), but disregarding the exclusion in article 9U;

(f) *dealing in qualifying cryptoassets as agent* (article 9W);

(g) *arranging deals in qualifying cryptoassets* (article 9Y); and

(h) *arranging qualifying cryptoasset staking* (article 9Z6).

eligible counterparty business

the following services and activities carried on by a *firm*:

(a) *dealing on own account*, *execution of orders on behalf of clients* or reception and transmission of orders; ~~or~~

(b) any *ancillary service* directly related to a service or activity referred to in (a); ~~or~~

(c) …

(d) *dealing in qualifying cryptoassets as principal*;

(e) *dealing in qualifying cryptoassets as agent*;

(f) *arranging deals in qualifying cryptoassets*;

(g) *arranging qualifying cryptoasset staking*;

(h) *issuing a qualifying stablecoin*;

(i) *safeguarding cryptoassets*; or

(j) *arranging cryptoasset safeguarding*.

execution of orders on behalf of clients

(1) (except in *CRYPTO* and *CRYPTOPRU*) acting to conclude agreements to buy or sell one or more *financial instruments* on behalf of *clients*, including the conclusion of agreements to sell *financial instruments* issued by an *investment firm* or a *credit institution* at the moment of their issuance.

…

(2) (in *CRYPTO* and *CRYPTOPRU*) acting to conclude agreements to buy or sell one or more *qualifying cryptoassets* on behalf of *clients*, including the conclusion of agreements to sell *qualifying cryptoassets* issued by a *firm* at the moment of their issuance.

forward-looking statement	(1)	(in *PRM*) has the same meaning as in paragraph 10(2) of Schedule 2 to the *Public Offers and Admissions to Trading Regulations*.
	(2)	(in *CRYPTO* 3) has the same meaning as in paragraph 8(2) ("Protected forward-looking statement") of Part 2 (Further exemption relating to forward-looking statement) of Schedule 2 (Compensation: exemptions) to the *Cryptoassets Regulations*.
holder	…	
	(b)	…
	(c)	(in relation to a *qualifying stablecoin*):
		(i) the *person* who has the right to *redeem* that *qualifying stablecoin*; or
		(ii) a *person* who is exercising the right in (i) until *redemption* is completed in respect of that *qualifying stablecoin*.

[*Editor's note*: The definition of 'market maker' takes into account the changes introduced by the Short Selling Rules Sourcebook Instrument 2026, which comes into force on 13 July 2026, and the Commodity Derivatives (Ancillary Activity Exemption) Instrument 2025 (FCA 2025/61), which comes into force on 1 January 2027.]

market maker	…	
	(5)	…
	(6)	(in *CRYPTO*) a *person* who holds themselves out on a *qualifying CATP* on a continuous basis as being willing to *deal* in *qualifying cryptoassets* as *principal* by buying and selling *qualifying cryptoassets* against that *person's* proprietary capital at prices defined by that *person*.
material change	(in *COBS* 11 and *CRYPTO* 5.4) a significant event that could impact parameters of best execution, such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.	
over the counter	(1)	(except in *CRYPTO*) (in relation to a transaction in an *investment*) not *on-exchange*.
	(2)	(in *CRYPTO*) in relation to a transaction in *qualifying cryptoassets* not on a *UK QCATP*.

periodic statement (1) (except in *CRYPTO*) a report which a *firm* is required to provide to a *client* pursuant to:

…

(2) (in *CRYPTO*) a report which a *firm* is required to provide to a *client* pursuant to *CRYPTO* 9.

personal transaction a trade in a *designated investment* or *qualifying cryptoasset*, or in *COBS* 11.7A only, a trade in a *financial instrument*, effected by or on behalf of a *relevant person*, where at least one of the following criteria are met:

…

proprietary trading (in *SYSC* 27 (Senior managers and certification regime: (Certification regime) and *COCON*) *dealing in investments as principal* as part of a business of trading in *specified investments*. For these purposes *dealing in investments as principal* includes:

(a) any activities that would be included but for the exclusion in Article 15 (Absence of holding out etc.), Article 16 (Dealing in contractually based investments) or, for a *UK AIFM* or *UK UCITS management company*, article 72AA (Managers of UCITS and AIFs) of the *Regulated Activities Order*;

(b) *dealing in qualifying cryptoassets as principal*; and

(c) any activities that would be included in (b) but for the exclusion in article 9U (Article 9T exclusion: absence of holding out etc.) of the *Regulated Activities Order*.

protected forward-looking statement (1) (in *PRM*) a *forward-looking statement* that satisfies the conditions set out in *PRM* 8.1.3R.

(2) (in *CRYPTO* 3) a *forward-looking statement* that satisfies the conditions set out in *CRYPTO* 3.7.3R.

qualifying cryptoasset (1) (as defined in ~~paragraph 26F (Qualifying cryptoasset) of Schedule 1 to the *Financial Promotion Order*~~ article 88F (Qualifying cryptoasset) of *Regulated Activities Order*):

~~(1)~~ ~~Any cryptoasset (other than a cryptoasset fall in (2))~~
(a) A *cryptoasset* which is:

~~(a)~~ (i) fungible; ~~and~~

~~(b)~~ (ii) transferable~~.~~;

(iii) not solely a record of value or contractual rights, including rights in another *cryptoasset*; and

(iv) not excluded by (c).

(b) For the purposes of (1)(a)(ii), the circumstances in which a *cryptoasset* is to be treated as 'transferable' include where it confers transferable rights.

~~(2)~~ (c) A ~~cryptoasset~~ *cryptoasset* does not fall within ~~(1)~~ (1)(a) if it is:

~~(a)~~ (i) ~~a *controlled investment* falling within any of paragraphs 12 to 26E or, so far as relevant to any such *investment*, paragraph 27 of Schedule 1 to the *Financial Promotion Order*;~~ a *specified investment cryptoasset*, other than one specified by:

(A) article 74A (Electronic money) of the *Regulated Activities Order*; or

(B) article 88F (Qualifying cryptoassets) of the *Regulated Activities Order*;

~~(b)~~ (ii) ~~electronic money (as defined in regulation 2(1) (Interpretation) of the *Electronic Money Regulations*)~~ *electronic money*;

~~(c)~~ (iii) ~~fiat currency~~ currency of the *United Kingdom* or any other country or territory, including a central bank digital currency; or

~~(d) fiat currency issued in digital form; or~~

~~(e)~~ (iv) a ~~cryptoasset~~ *cryptoasset* that:

~~(i)~~ (A) cannot be transferred or sold in exchange for ~~money~~ *money* or other ~~cryptoassets~~ *cryptoassets*, except by way of redemption with the issuer; and

~~(ii)~~ (B) can only be used ~~in a limited way and meets one of the following conditions~~ by the holder to:

(1) ~~it allows the holder to~~ acquire goods or services ~~only~~ from the issuer; or

(2) ~~it is issued by a professional issuer and allows the holder to~~ acquire goods or services ~~only~~ within a limited network of service providers which have direct commercial agreements with the issuer~~; or~~.

~~(3) it may be used only to acquire a very limited range of goods or services.~~

~~(3) For the purposes of this definition, a cryptoasset is any cryptographically secured digital representation of value or contractual rights that:~~

~~(a) can be transferred, stored or traded electronically; and~~

~~(b) uses technology supporting the recording or storage of data (which may include distributed ledger technology).~~

(2) (insofar as referring to the *controlled investment*, in accordance with article 2 (Interpretation: general) of the *Financial Promotion Order*) has the meaning given by article 88F (Qualifying cryptoassets) of the *Regulated Activities Order*, except that the condition as to the *cryptoasset* being transferable is to be taken as met if a communication made in relation to the *cryptoasset* describes it as being:

(a) transferable; or

(b) conferring transferable rights.

redemption …

(2) …

(3) (in relation to a *qualifying stablecoin*) the process by which a *qualifying stablecoin issuer* fulfils its obligation to the *holder* of a *qualifying stablecoin*, whether carried out directly or indirectly (for example, through a third party), to provide value in exchange for the *holder* returning a *qualifying stablecoin*.

regulated activity …

(B) in the *FCA* Handbook:

(1) (in accordance with section 22 of the *Act* (Regulated activities)) the activities specified in Part II (Specified activities), Part 3A (Specified activities in relation to information) and Part 3B (Claims management activities in Great Britain) of the *Regulated Activities Order*, which are, in summary:

…

(aa) …

(ab) *issuing a qualifying stablecoin* (article 9M (Issuing qualifying stablecoin));

(ac) *safeguarding cryptoassets* (article 9N(1)(a) (Safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets));

(ad) *arranging cryptoasset safeguarding* (article 9N(1)(b));

(ae) *operating a qualifying CATP* (article 9S (Operating a qualifying cryptoasset trading platform));

(af) *dealing in qualifying cryptoassets as principal* (article 9T (Dealing in qualifying cryptoassets as principal));

(ag) *dealing in qualifying cryptoassets as agent* (article 9W (Dealing in qualifying cryptoassets as agent));

(ah) *arranging deals in qualifying cryptoassets* (article 9Y (Arranging deals in qualifying cryptoassets));

(ai) *arranging qualifying cryptoasset staking* (article 9Z6 (Qualifying cryptoasset staking));

…

(2) in *DISP*, except *DISP* 1.1, *DISP* 1.2, *DISP* 1.3 and *DISP* 1.9: (in accordance with the *FCA's* power under section 226 of the *Act*) all of the activities included in (B)(1) as at ~~6 April 2026~~ 25 October 2027, unless expressly excluded in *DISP* 2.3.1R.

relevant person …

(1) …

(1A) (in *CRYPTO* 4) (in accordance with regulation 17(4) (Interpretation: market abuse in qualifying cryptoassets and related instruments) of the *Cryptoassets Regulations*) a *person*, in relation to a *relevant qualifying cryptoasset* or *related instrument*, who is:

(a) a *relevant issuer* of that *relevant qualifying cryptoasset* or *related instrument*;

(b) a *person responsible for the offer* of that *relevant qualifying cryptoasset* or *related instrument*;

(c) a *UK QCATP operator* in relation to a *relevant qualifying cryptoasset*; or

(d) a *relevant dealer in principal*.

…

restricted mass market investment any of the following:

…

(e) a *qualifying cryptoasset* other than one which is part of a *qualifying stablecoin product* that includes a *UK qualifying stablecoin*;

…

retail customer …

(2) (in *PRIN* and *COCON*):

…

(g) …

(h) where a *firm* is a *qualifying stablecoin issuer*, a *customer* who is not a *professional client*.

…

retail investor (1) (in *GEN*, *COBS*, *COLL*, *DISC* and the Investment Funds sourcebook) a *person* meeting the criteria in *DISC* 1A.1.5R.

(2) (in *CRYPTO* 3) a *person* who is not a 'qualified investor' as defined by paragraph 9 of Part 2 (Supplementary provisions relating to Part 1) of Schedule 1 (Exceptions

from prohibition of offers to the public) to the *Cryptoassets Regulations*.

retail market business the *regulated activities* and *ancillary activities* to those activities, *payment services*, issuing *electronic money*, and activities connected to the provision of *payment services* or issuing of *electronic money*, of a *firm* in a distribution chain (including a *manufacturer* and a *distributor*) which involves a *retail customer*, but not including the following activities:

…

(6) *insurance distribution activities* carried on by a *firm* in respect of a *group policy* that:

…

(c) do not involve any direct contact between the *firm* and that *person*~~.~~; and

(7) the activities specified as designated activities under section 71K (Designated activities) of the *Act* by regulations 7 (Designated activities: public offers of qualifying cryptoassets) and 8 (Designated activities: admissions to trading on a qualifying cryptoasset trading platform) of the *Cryptoassets Regulations*, where:

(a) the carrying on of those activities would involve the carrying on of *regulated activities* or *ancillary activities* to those activities; and

(b) those activities are carried on in relation to a *qualifying cryptoasset* that is not a *UK qualifying stablecoin*.

specified investment (1) any of the following *investments* specified in Part III of the *Regulated Activities Order* (Specified Investments):

…

(p) *rights to or interests in investments* (article 89)~~.~~;

(r) a *qualifying cryptoasset* (article 88F); and

(s) a *qualifying stablecoin* (article 88G).

…

third country firm (1) (in *SYSC*) either:

…

(2) (in *COBS* and *DISP*) a *firm* which operates from an establishment in the *United Kingdom* and which:

(a) if it is a body corporate or a partnership, is formed or incorporated under the law of a *third country*; or

(b) if not a body corporate or partnership, operates from a principal place of business in a *third country*.

[*Editor's note*: The definition of 'working day' takes into account the changes made by the Commodity Derivatives (Position Limits, Position Management and Perimeter) Instrument 2025 (FCA 2025/4), which comes into force on 6 July 2026, the Short Selling Rules Sourcebook Instrument 2026 (FCA 2026/16), which comes into force on 13 July 2026, and the Notification of Third Party Arrangements and Operational Incident Reporting Instrument 2026 (FCA 2026/6), which comes into force on 18 March 2027.]

working day	(1)	(in *PRM*, *MAR* 5-A, *MAR* 9 ~~and~~, *MAR* 10 and *CRYPTO* 3) (as defined in section 103 of the *Act*) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the *United Kingdom*.
	…	

CRYPTOASSETS (ADMISSION OF QUALIFYING CRYPTOASSETS TO TRADING AND OFFERS OF QUALIFYING CRYPTOASSETS TO THE PUBLIC) INSTRUMENT 2026

Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of the powers and related provisions in or under:

(1) the following sections of the Financial Services and Markets Act 2000 ("the Act"):

(a) section 71N (Designated activities: rules);
(b) section 137T (General supplementary powers); and
(c) section 139A (Power of the FCA to give guidance);

(2) the following provisions of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102):

(a) regulation 6 ("Qualifying cryptoasset disclosure document" and "supplementary disclosure document");
(b) regulation 9 (Designated activity rules: qualifying cryptoasset public offers and admissions to trading);
(c) regulation 12 (Responsibility for disclosure documents);
(d) regulation 13 (General requirements to be met by a qualifying cryptoasset disclosure document or supplementary disclosure document);
(e) regulation 15 (Withdrawal rights); and
(f) paragraph 8 ("Protected forward-looking statement") of Part 2 (Further exemption relating to forward-looking statement) of Schedule 2 (Compensation: exemptions).

B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument is one of a series of instruments which introduce or amend provisions of the Handbook relating to cryptoassets. These instruments all come into force on 25 October 2027, immediately after one another, in the following order:

(1) Glossary (Cryptoassets) Instrument 2026;
(2) Cryptoassets (Stablecoins) Instrument 2026;
(3) Cryptoassets (Admission of Qualifying Cryptoassets to Trading and Offers of Qualifying Cryptoassets to the Public) Instrument 2026;
(4) Cryptoassets (Market Abuse) Instrument 2026;
(5) Cryptoassets (Intermediaries) Instrument 2026;
(6) Cryptoassets (Trading Platforms, Transparency and Records) Instrument 2026;
(7) Cryptoassets (Lending, Borrowing and Staking) Instrument 2026;

(8) Cryptoassets (Safeguarding) Instrument 2026;
(9) Cryptoassets (Client Assets Consequentials) Instrument 2026;
(10) Cryptoassets (Conduct and Firm Standards) Instrument 2026; and
(11) Cryptoassets (COREPRU and CRYPTOPRU) Instrument 2026.

Amendments to the Handbook

D. The Cryptoassets sourcebook (CRYPTO) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as the Cryptoassets (Admission of Qualifying Cryptoassets to Trading and Offers of Qualifying Cryptoassets to the Public) Instrument 2026.

By order of the Board
25 June 2026

Annex

Amendments to the Cryptoassets sourcebook (CRYPTO)

In this Annex, all the text is new and is not underlined.

Insert the following new chapter, CRYPTO 3, after CRYPTO 2 (Stablecoins).

3 Admission of qualifying cryptoassets to trading on a UK QCATP and offers to the public of qualifying cryptoassets admitted to trading

3.1 Purpose and application

Purpose

3.1.1 G *CRYPTO* 3 is the specialist chapter for *offers of qualifying cryptoassets to the public* and the *admission to trading* of *qualifying cryptoassets* on a *UK QCATP*.

3.1.2 G The purpose of this chapter is to:

(1) require *retail UK QCATP operators* to conduct due diligence and publish a *QCDD* before admitting *qualifying cryptoassets* (other than *UK qualifying stablecoins*) to trading on a *retail UK QCATP*;

(2) specify when and how withdrawal rights under regulation 15(1) of the *Cryptoassets Regulations* can be exercised by *persons* who have agreed to buy or subscribe for *qualifying cryptoassets*;

(3) specify who is responsible for a *QCDD* (other than a *stablecoin QCDD*) for the purposes of regulations 12 and 14 of the *Cryptoassets Regulations*;

(4) specify when *forward-looking statements* in a *QCDD* (other than a *stablecoin QCDD*) are *protected forward-looking statements* under Part 2 of Schedule 2 to the *Cryptoassets Regulations*;

(5) set out separate rules for the *admission to trading* of a *UK qualifying stablecoin* on a *UK QCATP*;

(6) require *UK QCATP operators* to keep records relating to their compliance with this chapter;

(7) prohibit offers of *qualifying cryptoassets* to the public by virtue of paragraph 6 of Schedule 1 to the *Cryptoassets Regulations* where no *QCDD* has been published; and

(8) set out *rules* on *advertisements* related to the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP*.

3.1.3 G This chapter is relevant to:

(1) *UK QCATP operators*;

(2) *persons* requesting or obtaining the *admission to trading* of a *qualifying cryptoasset* (including a *UK qualifying stablecoin*) on a *UK QCATP*;

(3) where there is an *offer of a qualifying cryptoasset to the public*, any *persons responsible for the offer*;

(4) intermediaries through whom *qualifying cryptoassets* are bought or subscribed for; and

(5) *persons* communicating *advertisements* relating either to the *admission to trading* of *qualifying cryptoassets* on a *UK QCATP* or *offers of qualifying cryptoassets to the public* made by virtue of paragraph 6 of Schedule 1 to the *Cryptoassets Regulations*.

Application

3.1.4 G This chapter applies as follows, unless the provisions of a section or *rule* state otherwise:

(1) *CRYPTO* 3.1 (Purpose and application) applies for the purposes of *CRYPTO* 3 generally;

(2) *CRYPTO* 3.2 (Due diligence by retail UK QCATP operators before admission to trading), *CRYPTO* 3.3 (QCDDs) and *CRYPTO* 3.4 (Presentation and content of QCDDs and supplementary disclosure documents) apply to a *retail UK QCATP operator*;

(3) *CRYPTO* 3.5 (Withdrawal rights) applies in respect of a *person responsible for the offer of a qualifying cryptoasset to the public* and any intermediary through whom the *qualifying cryptoasset* is bought or subscribed for;

(4) *CRYPTO* 3.6 (Persons responsible for a QCDD or supplementary disclosure document under regulation 14 of the Cryptoassets Regulations) determines the *person* responsible for a *QCDD* or *supplementary disclosure document* for the purposes of regulation 14 of the *Cryptoassets Regulations*;

(5) *CRYPTO* 3.7 (Protected forward-looking statements) specifies the kind of *forward-looking statement* that is a *protected forward-looking statement* for the purposes of Part 2 of Schedule 2 to the *Cryptoassets Regulations*;

(6) *CRYPTO* 3.8 (Admission of qualifying stablecoins issued in the United Kingdom) applies to a *UK QCATP operator* in relation to the *admission to trading* of a *UK qualifying stablecoin*;

(7) *CRYPTO* 3.9 (Withdrawal rights for qualifying stablecoins issued in the United Kingdom) applies to a *person responsible for the offer* of a *UK qualifying stablecoin*;

(8) *CRYPTO* 3.10 (Record keeping) applies to a *UK QCATP operator*;

(9) *CRYPTO* 3.11 (Offers to the public of qualifying cryptoassets admitted to trading) applies to any *person* making an *offer of a qualifying cryptoasset to the public*;

(10) *CRYPTO* 3.12 (Advertisements and other disclosures of information) applies to the communication of *advertisements* in relation to:

(a) the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP*;

(b) the proposed *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP*; or

(c) the *offer of a qualifying cryptoasset to the public*; and

(11) *CRYPTO* 3.13 (Rules that can be waived or modified) applies for the purposes of *CRYPTO* 3 generally.

3.1.5 G *CRYPTO* 3.2 to *CRYPTO* 3.7, *CRYPTO* 3.11 and *CRYPTO* 3.12 do not apply to *offers of qualifying cryptoassets to the public* which relate to *UK qualifying stablecoins* or the *admission to trading* of *UK qualifying stablecoins* on a *UK QCATP*. There are specific *rules* in respect of *UK qualifying stablecoins* in *CRYPTO* 2, *CRYPTO* 3.8 and *CRYPTO* 3.9.

Application of GEN

3.1.6 G *GEN* does not apply in respect of the *rules* and *guidance* in *CRYPTO* 3, except as provided for in *CRYPTO* 3.1.7R and *CRYPTO* 3.1.8R.

3.1.7 R The *rules* and *guidance* in *GEN* 1.3, *GEN* 2.1, *GEN* 2.2.1R to *GEN* 2.2.16G and *GEN* 2.2.18R to *GEN* 2.2.25G apply to:

(1) *persons* carrying out the designated activities referred to in regulations 7 and 8 of the *Cryptoassets Regulations*; and

(2) *persons* responsible for the content of a *QCDD* and any *supplementary disclosure document* produced in accordance with the *rules* and *guidance* in *CRYPTO* 3,

as they apply to *authorised persons*, insofar as they do not already apply.

3.1.8 R The *persons* identified in *CRYPTO* 3.1.7R(1) and (2) must deal with the *FCA* in an open and cooperative way.

3.2 Due diligence by retail UK QCATP operators before admission to trading

Pre-admission assessment of likelihood of detriment to the interests of retail investors

3.2.1 R A *retail UK QCATP operator* may only admit a *qualifying cryptoasset* to trading on the *retail UK QCATP* if it is reasonably satisfied the *admission to trading* of the *qualifying cryptoasset* is not likely to be detrimental to the interests of *retail investors*.

3.2.2 R *CRYPTO* 3.2.1R does not apply to the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP* if:

(1) the *qualifying cryptoasset* is a *UK qualifying stablecoin*; or

(2) *retail investors* able to trade in *qualifying cryptoassets* on the *retail UK QCATP* will not be able to trade in that particular *qualifying cryptoasset* on the *retail UK QCATP* directly or through intermediaries.

3.2.3 R A *retail UK QCATP operator* must take reasonable steps to identify and obtain sufficient information to enable it to carry out the assessment required by *CRYPTO* 3.2.1R.

3.2.4 G (1) The *FCA* expects the assessment required by *CRYPTO* 3.2.1R:

(a) to be carried out whether or not the *qualifying cryptoasset* is already *admitted to trading* on another *retail UK QCATP*;

(b) to be carried out in a risk-based and proportionate way; and

(c) to take account of any information available to the *retail UK QCATP operator* up to the *admission to trading* of the *qualifying cryptoasset* concerned.

(2) When judging if a *retail UK QCATP operator* has complied with *CRYPTO* 3.2.1R, the *FCA* will take into account whether it has followed a robust and documented process. However, following such a process will not, by itself, be determinative. The *retail UK QCATP operator* should also be able to demonstrate in each case the basis on which it was reasonably satisfied for the purposes of *CRYPTO* 3.2.1R that the *admission to trading* of a *qualifying cryptoasset* on the *retail UK QCATP* was not likely to be detrimental to the interests of *retail investors*.

Criteria for pre-admission assessment of likelihood of detriment to the interests of retail investors

3.2.5 R A *retail UK QCATP operator* must establish criteria for assessing if the *admission to trading* of a *qualifying cryptoasset* on the *retail UK QCATP* is likely to be detrimental to the interests of *retail investors* which:

(1) are risk-based and objective; and

(2) take into account at least the following factors:

(a) the integrity and reputation of:

(i) the *person* who created the *qualifying cryptoasset* (where known);

(ii) any *person* on whose behalf the *qualifying cryptoasset* was created (where known);

(iii) the *person* requesting the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*; and

(iv) where an *offer of a qualifying cryptoasset to the public* is made in connection with the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*, any other *person responsible for the offer*;

(b) the resilience, technical functionality and credibility of the governance and operational arrangements for the *qualifying cryptoasset*;

(c) any known risks associated with the underlying technology of the *qualifying cryptoasset* such as the distributed ledger infrastructure, smart contracts, or other material aspects of its protocol or ecosystem that may affect its security, functionality or continuing viability;

(d) the ability of the *persons* responsible under regulation 14 of the *Cryptoassets Regulations* and *CRYPTO* 3.6.3R for the *QCDD* and any *supplementary disclosure documents* to be published under *CRYPTO* 3.3 in connection with the *admission to trading* of the *qualifying cryptoasset* to pay compensation if required to do so by regulation 14 of the *Cryptoassets Regulations*; and

(e) whether information obtained by the *retail UK QCATP operator* to carry out the assessment required by *CRYPTO* 3.2.1R can be verified and, if not, how this may affect the interests of *retail investors*.

3.2.6 G Matters relevant to the integrity and reputation of a *person* mentioned in *CRYPTO* 3.2.5R(2)(a) include, but are not limited to:

(1) any contravention by those *persons* of *CRYPTO* 3.5.5R, *CRYPTO* 3.5.6R or *CRYPTO* 3.11.1R;

(2) any relevant legal proceedings or regulatory action; and

(3) any relevant publicly available information, such as adverse media reports.

3.2.7 R A *retail UK QCATP operator* must ensure its *admission criteria* are:

(1) approved by its *governing body*;

(2) applied consistently;

(3) regularly reviewed and, where appropriate, updated by its *governing body*; and

(4) published on its website.

Measures to mitigate risks of conflicts of interest

3.2.8 R A *retail UK QCATP operator* must put in place measures to ensure its *admission criteria* are not applied less rigorously or objectively where:

(1) the *retail UK QCATP operator* proposes to admit a *qualifying cryptoasset* to trading of its own motion; or

(2) a member of the *retail UK QCATP operator's group* requests the *admission to trading* of a *qualifying cryptoasset*.

3.2.9 R A *retail UK QCATP operator* must include, in the measures required by *CRYPTO* 3.2.8R, written policies to:

(1) ensure separation between the parts of the business responsible for commercial decisions relating to the *admission to trading* of the *qualifying cryptoasset* and those responsible for carrying out the assessment required by *CRYPTO* 3.2.1R; and

(2) ensure that individuals responsible for commercial decisions relating to the *admission to trading* of the *qualifying cryptoasset* are not responsible for carrying out the assessment required by *CRYPTO* 3.2.1R.

3.3 QCDDs

Publication of QCDDs before admission to trading

3.3.1 R A *retail UK QCATP operator* may only admit a *qualifying cryptoasset* to trading on the *retail UK QCATP* if:

(1) it has published a *QCDD* for the *qualifying cryptoasset* on its website produced by:

(a) the *person* requesting the *admission to trading* of the *qualifying cryptoasset*; or

(b) the *retail UK QCATP operator,* if it is admitting the *qualifying cryptoasset* to trading of its own motion;

(2) it has uploaded the published *QCDD* to the *FCA-owned centralised repository*; and

(3) it is reasonably satisfied, prior to publishing and uploading the *QCDD* under (1) and (2), that the *QCDD*:

(a) contains at least the information required by regulation 13(1) of the *Cryptoassets Regulations*;

(b) complies with requirements relating to the presentation and content of *QCDDs* set out in:

(i) the *retail UK QCATP's* rulebook; or

(ii) *CRYPTO* 3.4.12R, if the *QCDD* has been produced by the *retail UK QCATP operator*; and

(c) does not contain any untrue or misleading statements.

Publication of supplementary disclosure documents before admission to trading

3.3.2 R A *retail UK QCATP operator* must ensure a *person* who produces a *QCDD* for publication by the *retail UK QCATP operator* under *CRYPTO* 3.3.1R produces a *supplementary disclosure document* if:

(1) after the publication of the *QCDD* and before the *admission to trading* of the *qualifying cryptoasset* concerned on the *retail UK QCATP* that *person* becomes aware of new information or a mistake or inaccuracy relating to the information in the *QCDD* or any *supplementary disclosure document*; and

(2) the information, mistake or inaccuracy may be material to a *person* considering buying or subscribing for the *qualifying cryptoasset*.

3.3.3 G The circumstances in which new information or a mistake or inaccuracy are likely to be material for the purposes of *CRYPTO* 3.3.2R(2) include where it may affect the *person's* ability to make an informed assessment of the matters mentioned in regulation 13(1)(a) to (f) of the *Cryptoassets Regulations*.

3.3.4 R Where a *supplementary disclosure document* is produced for the purposes of *CRYPTO* 3.3.2R, a *retail UK QCATP operator* may only admit the *qualifying cryptoasset* concerned to trading on the *retail UK QCATP* if:

(1) it has published the *supplementary disclosure document* on its website;

(2) it has uploaded the published *supplementary disclosure document* to the *FCA-owned centralised repository*; and

(3) it is reasonably satisfied, prior to publishing and uploading the *supplementary disclosure document* under (1) and (2) that:

(a) the *QCDD* taken together with the *supplementary disclosure document* and any other *supplementary disclosure document* published under this *rule* contains at least the information required by regulation 13(1) of the *Cryptoassets Regulations*; and

(b) the *supplementary disclosure document* complies with the requirements referred to in *CRYPTO* 3.3.1R(3)(b) and (c).

3.3.5 R *CRYPTO* 3.3.1R to *CRYPTO* 3.3.4R do not apply to the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP* if:

(1) the *qualifying cryptoasset* is a *UK qualifying stablecoin*; or

(2) *retail investors* able to trade in *qualifying cryptoassets* on the *retail UK QCATP* will not be able to trade in that particular *qualifying cryptoasset* on the *retail UK QCATP* directly or through intermediaries.

3.3.6 R A *retail UK QCATP operator* must take reasonable steps to identify and obtain sufficient information to enable it to carry out the assessment required by *CRYPTO* 3.3.1R(3)(a) and (c).

3.3.7 G For the avoidance of doubt, *CRYPTO* 3.3.1R to *CRYPTO* 3.3.4R apply in cases where a *QCDD* has been previously assessed and published for the purposes of those *rules* in connection with the *admission to trading* of the same *qualifying cryptoasset* on a different *retail UK QCATP*.

Additional requirements relating to the publication and uploading of QCDDs and supplementary disclosure documents

3.3.8 R A *retail UK QCATP operator* must:

(1) maintain a list on its website of the *QCDDs* and any *supplementary disclosure documents* published to comply with *CRYPTO* 3.3.1R(1) and *CRYPTO* 3.3.4R(1) for the *qualifying cryptoassets admitted to trading* on the *retail UK QCATP*; and

(2) have an *LEI* (where eligible) with an 'issued' registration status on the *GLEIF* Global LEI Index when uploading a *QCDD* or *supplementary disclosure document* to the *FCA-owned centralised repository* to comply with *CRYPTO* 3.3.1R(2) or *CRYPTO* 3.3.4R(2).

Guidance on assessing whether a QCDD and supplementary disclosure documents contain the information required by regulation 13(1) of the

Cryptoassets Regulations to comply with CRYPTO 3.3.1R(3)(a) and CRYPTO 3.3.4R(3)(a)

3.3.9 G A *QCDD* taken together with any *supplementary disclosure documents* must contain the information required by regulation 13(1) of the *Cryptoassets Regulations*, which may vary under regulation 13(2) of the *Cryptoassets Regulations* depending on:

(1) the nature and circumstances of a *person* mentioned in regulation 13(1)(d) or (e) of the *Cryptoassets Regulations*;

(2) the type of *qualifying cryptoasset*; and

(3) whether the *qualifying cryptoasset* has already been *admitted to trading* on a *UK QCATP*.

3.3.10 G Without prejudice to the generality of regulation 13(1) of the *Cryptoassets Regulations*, the *FCA* expects the information contained in a *QCDD* to comply with that regulation to include:

(1) the nature and scope of governance mechanisms that may affect the *qualifying cryptoasset*;

(2) the characteristics and methods of using the *qualifying cryptoasset*;

(3) the operational resilience of the technology underlying the *qualifying cryptoasset*;

(4) the protocols for the *qualifying cryptoasset*, including any industry standards they comply with and planned updates or changes;

(5) any specific vulnerability of the technology underlying the *qualifying cryptoasset* to hacks or other disruption, taking account of present and future threats and severe but plausible scenarios;

(6) any audits of the technology underlying the *qualifying cryptoasset* and any measures that have been implemented or planned to mitigate vulnerabilities in the technology;

(7) the ownership of the *qualifying cryptoasset*, including ownership concentration and options or lock-ups for existing owners;

(8) the trading performance of the *qualifying cryptoasset*; and

(9) any major events or technology changes that have affected the *qualifying cryptoasset* or its value, including changes that have affected the *qualifying cryptoasset's* ecosystem or any closely related protocol that provides utility rights for the *qualifying cryptoasset*.

Guidance on assessing whether information in a QCDD or supplementary disclosure document is true and not misleading to comply with CRYPTO 3.3.1R(3)(c)

3.3.11 G The types of checks the *FCA* expects a *retail UK QCATP operator* to perform when assessing whether the information in a *QCDD* and any *supplementary disclosure document* is true and not misleading for the purposes of *CRYPTO* 3.3.1R(3)(c) or *CRYPTO* 3.3.4R(3)(b) include (but are not limited to) whether:

(1) the identity of *persons* referred to in the *QCDD* or *supplementary disclosure document* can be verified using public records or other checks;

(2) information in the *QCDD* or *supplementary disclosure document* on the claimed utility, rights, governance or technical features of the *qualifying cryptoasset* concerned is consistent with its underlying code, documentation or observed behaviour on-chain;

(3) information in the *QCDD* or *supplementary disclosure document* relating to token supply, distribution and lock-up arrangements is supported by on-chain data;

(4) information in the *QCDD* or *supplementary disclosure document* regarding the development progress of the *qualifying cryptoasset* or partnerships relating to the *qualifying cryptoasset* concerned is credible and supported by evidence;

(5) the *QCDD* or *supplementary disclosure document* includes appropriate disclosures of material risks and limitations relating to the *qualifying cryptoasset* concerned; and

(6) there are omissions or inconsistencies in the *QCDD* or *supplementary disclosure document* when compared with publicly available information on the *qualifying cryptoasset* concerned or similar *qualifying cryptoassets*.

3.3.12 G A *retail UK QCATP operator* may not be able to obtain or verify information about a matter when assessing whether the information in a *QCDD* or *supplementary disclosure document* is true and not misleading for the purposes of *CRYPTO* 3.3.1R(3)(c) or *CRYPTO* 3.3.4R(3)(b). The *retail UK QCATP operator* may nevertheless be reasonably satisfied the *QCDD* or *supplementary disclosure document* is not misleading in respect of that matter where the *QCDD* or *supplementary disclosure document* states clearly and prominently that the *retail UK QCATP operator* could not obtain or verify the information concerned (as required under *CRYPTO* 3.4.8R and *CRYPTO* 3.4.12R(3)).

3.4 Presentation and content of QCDDs and supplementary disclosure documents

3.4.1 G (1) This section contains *rules* and *guidance* for *retail UK QCATP operators* on the presentation and content of *QCDDs* and

supplementary disclosure documents they must publish to comply with *CRYPTO* 3.3.1R and *CRYPTO* 3.3.4R.

(2) This section does not apply to *stablecoin QCDDs*: the equivalent *rules* and *guidance* for *stablecoin QCDDs* are in *CRYPTO* 2.5.

3.4.2 R In this section:

(1) a reference to a *QCDD* is to a *QCDD* produced for publication under *CRYPTO* 3.3.1R(1); and

(2) a reference to a *supplementary disclosure document* is to a *supplementary disclosure document* produced for publication under *CRYPTO* 3.3.4R(1).

General presentation of information in a QCDD or supplementary disclosure document

3.4.3 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *QCDD* and any *supplementary disclosure document*:

(1) to be written in English;

(2) to be presented in a way that:

(a) meets the information needs of *retail investors*;

(b) is likely to be understood by *retail investors*;

(c) equips *retail investors* to make decisions that are effective, timely and properly informed; and

(d) provides *retail investors* with information that is clear, fair and not misleading; and

(3) to clearly demarcate *protected forward-looking statements* within the *QCDD* or *supplementary disclosure document*.

3.4.4 G The *FCA* expects a *retail UK QCATP operator* to ensure that the *QCDD* and any *supplementary disclosure document* do at least the following for the purposes of *CRYPTO* 3.4.3R(2):

(1) explain or present information logically;

(2) use plain and intelligible language and, where use of jargon or technical terms is unavoidable, explain the meaning of any jargon or technical terms as simply as possible;

(3) make key information prominent and easy to identify; and

(4) provide relevant information with an appropriate level of detail, to avoid providing too much information such that it may prevent *retail investors* from making effective decisions.

Information to be included in all QCDDs and supplementary disclosure documents

3.4.5 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *QCDD* and any *supplementary disclosure document* to state clearly and prominently:

(1) the name of the *person* requesting or obtaining the *admission to trading* of the *qualifying cryptoasset* concerned on the *retail UK QCATP*;

(2) any *LEI* that is included on the *GLEIF* Global LEI Index for that *person*;

(3) the *digital token identifier* for the *qualifying cryptoasset* concerned;

(4) the name of the *person* responsible for the document under regulation 14 of the *Cryptoassets Regulations* and *CRYPTO* 3.6.3R;

(5) that any *person* who has agreed to buy or subscribe for the *qualifying cryptoasset* is permitted by regulation 15 of the *Cryptoassets Regulations* to withdraw their acceptance in the circumstances and manner specified in *CRYPTO* 3.5.3R and *CRYPTO* 3.5.4R;

(6) that a *supplementary disclosure document* may be published before the *admission to trading* of the *qualifying cryptoasset* concerned if the *person* who produced the *QCDD* becomes aware of new information or a mistake or inaccuracy relating to the information in the *QCDD* or any *supplementary disclosure document* that may be material to a *person* considering buying or subscribing for the *qualifying cryptoasset*;

(7) where a *supplementary disclosure document* will be published;

(8) that the text of the *QCDD* or *supplementary disclosure document* will not itself be updated after it is published and any change or correction will be published in a *supplementary disclosure document* or further *supplementary disclosure document*;

(9) that *QCDDs* and *supplementary disclosure documents* do not require the *FCA's* approval before they are published and that the *QCDD* or *supplementary disclosure document* has not been approved by the *FCA*; and

(10) that the *FCA* does not require *QCDDs* or *supplementary disclosure documents* produced in connection with the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP* to be published or

updated after the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*.

Additional information to be included in a QCDD where there are potential conflicts of interest

3.4.6 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *QCDD* to state clearly and prominently any financial interest the following *persons* have in the *qualifying cryptoasset* concerned:

(1) the *retail UK QCATP operator*;

(2) any member of the same *group* as the *retail UK QCATP operator*;

(3) any of the *retail UK QCATP operator's directors* or *senior managers*; and

(4) any of the *retail UK QCATP operator's controllers*.

Additional information to be included in a QCDD for a qualifying stablecoin

3.4.7 R (1) A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *QCDD* to include the statement in (2) where:

(a) the *QCDD* relates to a *qualifying stablecoin*; and

(b) the *qualifying stablecoin* is not a *UK qualifying stablecoin*.

(2) The statement referred to in (1) is a prominent statement that says: 'This stablecoin is not issued by a person with permission in the UK for issuing stablecoins.'

Additional information to be included in a QCDD or supplementary disclosure document where the retail UK QCATP operator cannot obtain or verify information when assessing the document under CRYPTO 3.3.1R(3)(c) or CRYPTO 3.3.4R(3)(b)

3.4.8 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires the *QCDD* and any *supplementary disclosure document* to state clearly and prominently any information the *retail UK QCATP operator* has reported it was unable to obtain or verify in the document when assessing if the documents contain any untrue or misleading statements for the purposes of *CRYPTO* 3.3.1R(3)(c) or *CRYPTO* 3.3.4R(3)(b).

3.4.9 R For the purposes of *CRYPTO* 3.4.8R, a *retail UK QCATP operator* must provide a *person* required by its rulebook to produce a *QCDD* or *supplementary disclosure document* with a report summarising information it was unable to obtain or verify when carrying out the assessment mentioned in *CRYPTO* 3.4.8R a reasonable time before the *QCDD* or *supplementary disclosure document* is to be published under *CRYPTO* 3.3.1R(1) or *CRYPTO* 3.3.4R(1).

Additional information on withdrawal rights to be included in supplementary disclosure documents

3.4.10 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *supplementary disclosure document* to:

(1) include clear, prominent and detailed information about any available right of withdrawal under regulation 15(1) of the *Cryptoassets Regulations* and the circumstances and manner in which that right may be exercised as specified by *CRYPTO* 3.5.3R and *CRYPTO* 3.5.4R; and

(2) state clearly and prominently:

(a) that the right of withdrawal is only available to a *person* who agreed to buy or subscribe for the *qualifying cryptoasset* concerned before the publication of the *supplementary disclosure document*;

(b) the period during which a *person* may exercise the right of withdrawal, including the final date on which the right of withdrawal may be exercised; and

(c) who a *person* should contact if they wish to exercise the right of withdrawal.

Summary of key information

3.4.11 R A *retail UK QCATP operator* must ensure the *retail UK QCATP's* rulebook requires a *QCDD* to include a summary of key information which:

(1) is an introduction to the *QCDD*;

(2) contains the following information:

(a) the name of, and *digital token identifier* for, the *qualifying cryptoasset* concerned;

(b) the name of the *person* who produced the *QCDD*; and

(c) the name of the *persons* responsible for the document under regulation 14 of the *Cryptoassets Regulations* and *CRYPTO* 3.6.3R;

(3) presents the key features and risks of the *qualifying cryptoasset* concerned to help *retail investors* considering whether to buy or subscribe for the *qualifying cryptoasset* concerned;

(4) is consistent with the other parts of the *QCDD*;

(5) is no more than 2 pages of printed A4 paper in length;

(6) contains cross-references to where further information on matters mentioned in the summary of key information can be found in the *QCDD*;

(7) includes a warning that investment decisions should not be based on the information in the summary alone, but also on the information in the *QCDD* and any *supplementary disclosure documents*;

(8) states clearly and prominently:

(a) that a *supplementary disclosure document* may be published before the *admission to trading* of the *qualifying cryptoasset* concerned if the *person* who produced the *QCDD* becomes aware of new information or a mistake or inaccuracy relating to the information in the *QCDD* that may be material to a *person* considering buying or subscribing for the *qualifying cryptoasset*;

(b) where any *supplementary disclosure document* will be published; and

(c) that the text of the summary and the other parts of the *QCDD* will not be updated if a *supplementary disclosure document* is published;

(9) includes a clear and prominent reference to any statement included in the *QCDD* to comply with the rules in the *retail UK QCATP's* rulebook that give effect to *CRYPTO* 3.4.6R and *CRYPTO* 3.4.7R; and

(10) states clearly and prominently that:

(a) *QCDDs* and *supplementary disclosure documents* do not require the *FCA's* approval before they are published and this *QCDD* or *supplementary disclosure document* has not been approved by the *FCA*; and

(b) the *FCA* does not require *QCDDs* or *supplementary disclosure documents* produced in connection with the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP* to be published or updated after the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*.

Presentation and content of QCDDs and supplementary disclosure documents by retail UK QCATP operators admitting qualifying cryptoassets to trading on their own behalf

3.4.12 R Where a *retail UK QCATP operator* is admitting a *qualifying cryptoasset* to trading of its own motion it must:

(1) comply with any relevant requirements in the *retail UK QCATP's* rulebook relating to the presentation and content of *QCDDs* and *supplementary disclosure documents*; and

(2) state clearly and prominently in the *QCDD* and any *supplementary disclosure document* that it:

(a) is admitting the *qualifying cryptoasset* to trading on the *retail UK QCATP* of its own motion; and

(b) has produced the *QCDD* and the *supplementary disclosure document*; and

(3) state clearly and prominently in the *QCDD* and any *supplementary disclosure document* any information it was unable to obtain or verify in the document when assessing if the information in the document is true and not misleading for the purposes of *CRYPTO* 3.3.1R(3)(c) or *CRYPTO* 3.3.4R(3)(b).

3.4.13 R In *CRYPTO* 3.4.12R, the relevant requirements in the *retail UK QCATP's* rulebook are the requirements relating to the presentation and content of *QCDDs* and *supplementary disclosure documents* imposed by the rules that would apply to a *person* requesting the *admission to trading* of the same *qualifying cryptoasset* on the *retail UK QCATP* (including those that give effect to *rules* in this section).

3.4.14 R The relevant requirements referred to in *CRYPTO* 3.4.13R do not include requirements that give effect to *CRYPTO* 3.4.8R.

3.4.15 G See also *CRYPTO* 3.2.8R and *CRYPTO* 3.2.9R on measures a *retail UK QCATP operator* must put in place to mitigate risks of conflicts of interest.

3.5 Withdrawal rights

3.5.1 G The *rules* in this section relate to *offers of qualifying cryptoassets to the public*. They specify the circumstances and manner in which a *person* who has agreed to buy or subscribe for a *qualifying cryptoasset* that is not a *UK qualifying stablecoin* may withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations*.

3.5.2 R In this section:

(1) a reference to a *QCDD* is to a *QCDD* published under *CRYPTO* 3.3.1R(1); and

(2) a reference to a *supplementary disclosure document* is to a *supplementary disclosure document* published under *CRYPTO* 3.3.4R(1).

3.5.3 R A *person* who has agreed to buy or subscribe for a *qualifying cryptoasset* that is not a *UK qualifying stablecoin* may withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations* if:

(1) the agreement was entered into after the publication of a *QCDD* for the *qualifying cryptoasset*;

(2) after the agreement was entered into, a *supplementary disclosure document* was published; and

(3) the circumstances which required the publication of the *supplementary disclosure document* arose or were noted before the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*.

3.5.4 R The *person* who agreed to buy or subscribe for the *qualifying cryptoasset* may only withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations* within 2 *working days* after publication of the *supplementary disclosure document*, unless the *person responsible for the offer*, or the intermediary through whom the *qualifying cryptoasset* was bought or subscribed for, allows an extension to this period.

3.5.5 R Where the *qualifying cryptoasset* is bought or subscribed for directly from a *person responsible for the offer*, the *person responsible for the offer* must inform the *person* who agreed to buy or subscribe for the *qualifying cryptoasset*:

(1) that a *supplementary disclosure document* may be published before the *admission to trading* of the *qualifying cryptoasset* concerned if the *person* who produced the *QCDD* becomes aware of new information or a mistake or inaccuracy relating to the information in the *QCDD* that may be material to a *person* considering buying or subscribing for the *qualifying cryptoasset*;

(2) where a *supplementary disclosure document* will be published;

(3) that the *person* who bought or subscribed for the *qualifying cryptoasset* may, in such circumstances, have a right to withdraw their acceptance; and

(4) of the publication of a *supplementary disclosure document* on the *day* it is published.

3.5.6 R Where the *qualifying cryptoasset* is bought or subscribed for through an intermediary, the intermediary must inform the *person* who agreed to buy or subscribe for the *qualifying cryptoasset*:

(1) that a *supplementary disclosure document* may be published before the *admission to trading* of the *qualifying cryptoasset* concerned if the *person* who produced the *QCDD* becomes aware of new information or a mistake or inaccuracy relating to the information in

the *QCDD* that may be material to a *person* considering buying or subscribing for the *qualifying cryptoasset*;

(2) where a *supplementary disclosure document* will be published;

(3) that they will assist the *person* who bought or subscribed for the *qualifying cryptoasset* in exercising their withdrawal rights; and

(4) of the publication of a *supplementary disclosure document* on the *day* it is published.

3.6 Persons responsible for a QCDD or supplementary disclosure document under regulation 14 of the Cryptoassets Regulations

3.6.1 G The *rules* and *guidance* in this section should be read by those *persons* who have been involved in the preparation of a *QCDD* (other than a *stablecoin QCDD*) and any *supplementary disclosure document* for the *QCDD*. These *rules* determine who is responsible for the *QCDD* or *supplementary disclosure document* under regulation 14 of the *Cryptoassets Regulations*.

3.6.2 G A *person* who is responsible for a *QCDD* or *supplementary disclosure document* may be liable to pay compensation under regulation 14 of the *Cryptoassets Regulations*.

3.6.3 R The following *persons* are responsible for the purposes of regulation 14 of the *Cryptoassets Regulations* for a *QCDD* and any *supplementary disclosure document* published in connection with the *admission to trading* of the *qualifying cryptoasset* concerned on a *retail UK QCATP*:

(1) the *person* who requested the *admission to trading* of the *qualifying cryptoasset*, if the *qualifying cryptoasset* has been *admitted to trading* as a result of that request;

(2) the *retail UK QCATP operator*, if the *retail UK QCATP operator* admitted the *qualifying cryptoasset* of its own motion; and

(3) each *person* who accepts and is stated in the document as accepting responsibility for it.

3.6.4 R *CRYPTO* 3.6.3R does not apply if the *QCDD* is a *stablecoin QCDD*.

Advice in a professional capacity

3.6.5 R Nothing in the *rules* in this section is to be construed as making a *person* responsible for a *QCDD* or *supplementary disclosure document* by reason only of that *person* giving advice about its contents in a professional capacity.

3.7 Protected forward-looking statements

3.7.1 G Part 2 of Schedule 2 to the *Cryptoassets Regulations* provides a conditional exemption from liability under regulation 14 of the *Cryptoassets*

Regulations for *protected forward-looking statements* in a *QCDD* or *supplementary disclosure document*. The *rules* in this section specify:

(1) the kind of *forward-looking statements* that are *protected forward-looking statements* for the purposes of paragraph 8 of Part 2 of Schedule 2 to the *Cryptoassets Regulations*; and

(2) the required form for a statement identifying a *forward-looking statement* as a *protected forward-looking statement* for the purposes of Part 2 of Schedule 2 to the *Cryptoassets Regulations*.

3.7.2 G *Protected forward-looking statements* can be:

(1) included in any *QCDD* (except a *stablecoin QCDD*), and any *supplementary disclosure document*;

(2) included in multiple locations in the *QCDD* or *supplementary disclosure document*; and

(3) presented in any way that the *person* who is required to produce the *QCDD* or *supplementary disclosure document* considers is likely to be useful to a reader of the *QCDD* or *supplementary disclosure document*.

Forward-looking statements that are protected forward-looking statements

3.7.3 R A *forward-looking statement* in a *QCDD* or *supplementary disclosure document* is a *protected forward-looking statement* for the purposes of paragraph 8 of Part 2 of Schedule 2 to the *Cryptoassets Regulations* if:

(1) the *QCDD* is not a *stablecoin QCDD*;

(2) the *forward-looking statement* contains:

(a) financial information that meets one or more of the criteria in *CRYPTO* 3.7.5R; or

(b) operational information that meets one or more of the criteria in *CRYPTO* 3.7.6R;

(3) it is only possible to determine whether the *forward-looking statement* is untrue or misleading, or omits any matter that must be included under regulation 13(1) of the *Cryptoassets Regulations*, by reference to events or circumstances that occur after the statement has been published;

(4) the *forward-looking statement* includes an estimate as to when the events or circumstances referred to in (3) are expected to occur;

(5) the *forward-looking statement* contains information that a reasonable *person* would be likely to use as part of the basis of their investment decisions; and

(6) the *forward-looking statement* is accompanied by a statement which includes general information and content-specific information as required by *CRYPTO* 3.7.10R and *CRYPTO* 3.7.11R.

Exclusions

3.7.4 R A *forward-looking statement* included in a *QCDD* or *supplementary disclosure document* to comply with *CRYPTO* 3.4, the rulebook of a *UK QCATP operator* or regulation 13(1) of the *Cryptoassets Regulations*, is not a *protected forward-looking statement* for the purposes of paragraph 8 of Part 2 of Schedule 2 to the *Cryptoassets Regulations*.

Financial information criteria

3.7.5 R The criteria that financial information must meet for the purposes of *CRYPTO* 3.7.3R(2)(a) are that it:

(1) expressly states, or by implication indicates, a figure or minimum or maximum figure for the financial information; or

(2) contains data from which a calculation of that figure is possible.

Operational information criteria

3.7.6 R The criteria that operational information must meet for the purposes of *CRYPTO* 3.7.3R(2)(b) are that it:

(1) expressly states, or by implication indicates, a figure or a minimum or maximum figure for the operational information;

(2) contains data from which a calculation of that figure is possible; or

(3) is information that cannot be expressed in numerical terms but can be confirmed empirically through direct observation or objective measurements.

Form (content and placement) of accompanying statements

3.7.7 R A statement identifying a *protected forward-looking statement* for the purposes of paragraph 8(1)(b) of Part 2 of Schedule 2 to the *Cryptoassets Regulations* must include:

(1) the general information set out in *CRYPTO* 3.7.10R; and

(2) the content-specific information set out in *CRYPTO* 3.7.11R.

3.7.8 G The general information referred to in *CRYPTO* 3.7.10R only needs to appear once in the *QCDD* or *supplementary disclosure document*.

3.7.9 R For each *protected forward-looking statement* included in a *QCDD* or *supplementary disclosure document*:

(1) at least one instance of that *protected forward-looking statement* in the document must be followed by its content-specific information referred to in *CRYPTO* 3.7.11R, which must appear immediately next to it; and

(2) any other instances must be accompanied by a cross-reference immediately next to it identifying where the relevant content-specific information appears in the document.

General information to be included in accompanying statement

3.7.10 R The general information that must be included in a statement identifying the *protected forward-looking statements* in a *QCDD* or *supplementary disclosure document* for the purposes of Part 2 of Schedule 2 to the *Cryptoassets Regulations* is:

(1) an explanation of how to identify a *protected forward-looking statement* in the *QCDD*; and

(2) the following wording:

(a) there is no guarantee the projected outcome of a *protected forward-looking statement* will prove to be accurate;

(b) there is a different liability standard for *protected forward-looking statements* compared with other information in the *QCDD* or *supplementary disclosure document*, which will make it more difficult to succeed in a claim for compensation in the event of any loss caused by a *protected forward-looking statement*; and

(c) there is no obligation for a *protected forward-looking statement* to be updated, except in accordance with existing obligations where those apply.

Content-specific information to be included in accompanying statement

3.7.11 R The content-specific information that must be included in a statement identifying a *protected forward-looking statement* for the purposes of Part 2 of Schedule 2 to the *Cryptoassets Regulations* is:

(1) information to identify the *forward-looking statement* as a *protected forward-looking statement*;

(2) the principal assumptions upon which the *protected forward-looking statement* is based, in accordance with the following principles:

(a) there must be a clear distinction between assumptions about factors:

(i) which the *person responsible for the offer* can influence; and

(ii) which are exclusively outside the influence of the *person responsible for the offer*.

(b) the assumptions must be reasonable, specific, precise and readily understandable by investors;

(c) the assumptions must not relate to the general accuracy of the estimates underlying the *protected forward-looking statement*; and

(d) the assumptions must draw attention to those uncertain factors which could materially change the projected outcome of the *protected forward-looking statement*.

3.7.12 R If the *protected forward-looking statement* contains financial information of the same type as historical financial information elsewhere in the *QCDD* or *supplementary disclosure document*, the content-specific information referred to in *CRYPTO* 3.7.11R must also state whether the financial information in the *protected forward-looking statement* is comparable and consistent with the historical financial information.

3.8 Admission of qualifying stablecoins issued in the United Kingdom

Application

3.8.1 R The *rules* and *guidance* in this section apply to the *UK QCATP operator* of a *UK QCATP* where a *person* proposes the *admission to trading* of a *UK qualifying stablecoin*.

Admission process

3.8.2 R A *UK QCATP operator* must not admit a *UK qualifying stablecoin* to trading unless:

(1) it has obtained a hyperlink to the relevant *stablecoin QCDD* on the *FCA-owned centralised repository*; and

(2) it has published that hyperlink on its website in a way that is prominent and available to actual and prospective users of the *UK QCATP*.

3.8.3 R A *UK QCATP operator* must ensure that the link to the relevant *stablecoin QCDD* is provided to a prospective user prior to first authorising that user to execute a trade.

3.8.4 R A *UK QCATP operator* is not permitted to charge a fee, directly or indirectly, to an applicant requesting the *admission to trading* of a *UK*

qualifying stablecoin, for or in connection with the obtaining of further information about that application.

3.8.5 G The effect of *CRYPTO* 3.8.4R is that where a *UK QCATP operator* of a *qualifying CATP* receives a link to a *stablecoin QCDD* in the course of an application for *admission to trading* of that *UK qualifying stablecoin*, it may seek further information from the applicant or *qualifying stablecoin issuer* but is not permitted to charge for such activity.

3.8.6 G Where a *UK qualifying stablecoin issuer* has already published a *stablecoin QCDD*, it is not necessary for a *UK QCATP operator* to require the production of another *QCDD* when it receives an application for the *admission to trading* of the *qualifying stablecoin product* to which that *stablecoin QCDD* relates.

Criteria for determining admission of a UK qualifying stablecoin to trading

3.8.7 R A *UK QCATP operator* must not refuse the *admission to trading* of a *UK qualifying stablecoin* on the basis of the quality or accuracy of the information contained in the relevant *stablecoin QCDD*.

3.8.8 G The effect of *CRYPTO* 3.8.7R is that a *UK QCATP operator* will assess any application for *admission to trading* of a *UK qualifying stablecoin* against the normal criteria it has established under *CRYPTO* 6.2.1R(4) but is not permitted to reject such an application only on the basis that the *stablecoin QCDD* is deficient.

3.8.9 R A *UK QCATP operator* which rejects an application for *admission to trading* of a *UK qualifying stablecoin* must immediately communicate that decision and the reasons for it to:

(1) the relevant *qualifying stablecoin issuer*; and

(2) the *FCA*.

3.8.10 R Where an application for *admission to trading* of a *UK qualifying stablecoin* is made by a *person* who is not the relevant *qualifying stablecoin issuer*, the *UK QCATP operator* to which the application is made must:

(1) obtain a link to the relevant *stablecoin QCDD* hosted on the *FCA-owned centralised repository*;

(2) notify the relevant *qualifying stablecoin issuer* of the application; and

(3) carefully consider any representations made by the *qualifying stablecoin issuer* before making a decision as to whether the criteria against which the *UK QCATP operator* will assess whether to proceed with the *admission to trading* of that *UK qualifying stablecoin* are met.

3.8.11 R Where the *UK QCATP operator* itself proposes the *admission to trading* of a *UK qualifying stablecoin*, the *UK QCATP operator* must comply with *CRYPTO* 3.8.10R in the same way as if it receives an application for the *admission to trading* of a *UK qualifying stablecoin* from a third party who is not the *qualifying stablecoin issuer*.

3.8.12 R The *UK QCATP operator* must allow at least 5 *working day*s for a *qualifying stablecoin issuer* to make representations between the date it notifies a *qualifying stablecoin issuer* under *CRYPTO* 3.8.10R(2) and the date it makes a decision about whether to proceed with the *admission to trading* of the relevant *UK qualifying stablecoin*.

3.9 Withdrawal rights for qualifying stablecoins issued in the United Kingdom

3.9.1 G The *rules* in this section:

(1) relate to the *offer of a qualifying cryptoasset to the public* where that *qualifying cryptoasset* is a *UK qualifying stablecoin*; and

(2) specify the circumstances and manner in which a *person* who has agreed to buy or subscribe for the *qualifying cryptoasset* may withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations*.

3.9.2 R A *person* who has agreed to buy or subscribe for a *UK qualifying stablecoin* may withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations* if:

(1) the agreement was entered into as a conditional agreement contingent on the *UK qualifying stablecoin* gaining *admission to trading*;

(2) the agreement was entered into after the publication of a valid *stablecoin QCDD* in accordance with *CRYPTO* 2.5.39R(1);

(3) following the agreement to buy or subscribe, the *stablecoin QCDD* was subsequently updated because information within it became inaccurate, in accordance with *CRYPTO* 2.5.48R or *CRYPTO* 2.5.49R; and

(4) the circumstances which required the publication of the updated *stablecoin QCDD* under paragraph (3) arose or were noted before the *admission to trading* of the *UK qualifying stablecoin* on a *UK QCATP*.

3.9.3 R Where the *stablecoin QCDD* referred to in *CRYPTO* 3.9.2R(2) has already been updated in accordance with *CRYPTO* 2.5.48R or *CRYPTO* 2.5.49R, the reference in *CRYPTO* 3.9.2R(2) to 'publication of a valid *stablecoin QCDD*' should be read as 'publication of the latest updated version of a *stablecoin QCDD*'.

3.9.4 R A *person* who has agreed to buy or subscribe for a *UK qualifying stablecoin* may only withdraw their acceptance under regulation 15(1) of the *Cryptoassets Regulations* within 2 *working days* after publication of the updated *stablecoin QCDD* referred to in *CRYPTO* 3.9.2R(3), unless the *qualifying stablecoin issuer*, or the intermediary through whom the *UK qualifying stablecoins* were bought or subscribed for, allows an extension to this period.

3.9.5 R Where a *UK qualifying stablecoin* is bought or subscribed for directly from the *person responsible for the offer*, the *person responsible for the offer* must inform the *person* who agreed to buy or subscribe for the *UK qualifying stablecoin*:

(1) that the *stablecoin QCDD* may be updated before the *admission to trading* of the *UK qualifying stablecoin* concerned if the *person* requesting its *admission to trading* becomes aware of any new information or an inaccuracy in the *stablecoin QCDD*;

(2) where any updated *stablecoin QCDD* will be published;

(3) that the *person* who bought or subscribed for the *UK qualifying stablecoin* may, in such circumstances, have a right to withdraw their acceptance; and

(4) of the publication of an updated *stablecoin QCDD* on the *day* it is published.

3.9.6 R Where a *UK qualifying stablecoin* is bought or subscribed for through an intermediary, the intermediary must inform the *person* who agreed to buy or subscribe for the *UK qualifying stablecoin*:

(1) that the *stablecoin QCDD* may be updated before the *admission to trading* of the *UK qualifying stablecoin* concerned if the *person* requesting its *admission to trading* becomes aware of any new information or an inaccuracy in the *stablecoin QCDD*;

(2) where any updated *stablecoin QCDD* will be published;

(3) that they will assist the *person* who bought or subscribed for the *UK qualifying stablecoin* in exercising their withdrawal rights; and

(4) of the publication of an updated *stablecoin QCDD* on the *day* it is published.

3.10 Record keeping

3.10.1 G The *rules* in this section are in addition to any other *FCA rules* relating to record keeping to which a *UK QCATP operator* is subject.

3.10.2 R A *UK QCATP operator* must make and keep records evidencing its compliance with this chapter, which, if it is a *retail UK QCATP operator*, must include records of:

(1) assessments carried out for the purposes of *CRYPTO* 3.2.1R, including (where relevant) information it could not obtain or verify for the purposes of those assessments;

(2) decisions made for the purposes of *CRYPTO* 3.2.1R, including the reasons for making those decisions;

(3) the *admission criteria* for a *retail UK QCATP* established to comply with *CRYPTO* 3.2.5R;

(4) measures put in place to comply with *CRYPTO* 3.2.8R and (where relevant) the specific measures implemented for the purposes of that *rule* when assessments have been carried out to comply with *CRYPTO* 3.2.1R;

(5) assessments of *QCDDs* and *supplementary disclosure documents* carried out to comply with *CRYPTO* 3.3.1R and *CRYPTO* 3.3.4R; and

(6) decisions made for the purposes of *CRYPTO* 3.3.1R and *CRYPTO* 3.3.4R relating to the publication of a *QCDD or supplementary disclosure document*, including the reasons for making those decisions.

3.10.3 R A record made and kept by a *UK QCATP operator* in accordance with *CRYPTO* 3.10.2R must be:

(1) provided by the *UK QCATP operator* to the *FCA* upon request; and

(2) kept for a period of 5 years or, where requested by the *FCA*, for a period of up to 7 years.

3.11 Offers to the public of qualifying cryptoassets admitted to trading

3.11.1 R A *person* must not make an *offer of a qualifying cryptoasset to the public* in reliance on its *admission to trading* on a *UK QCATP* unless:

(1) the *UK QCATP* concerned is a *retail UK QCATP*; and

(2) the *retail UK QCATP operator* has published a *QCDD* in connection with the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP* to comply with *CRYPTO* 3.3.1R.

3.11.2 R *CRYPTO* 3.11.1R does not apply where the *qualifying cryptoasset* being offered is a *UK qualifying stablecoin*.

3.11.3 R In *CRYPTO* 3.11.1R, an *offer of a qualifying cryptoasset to the public* is made in reliance on its *admission to trading* on a *retail UK QCATP* if the offer is made:

(1) in reliance on paragraph 6(a) of Part 1 of Schedule 1 to the *Cryptoassets Regulations* because the offer is conditional on the *admission to trading* of the *qualifying cryptoasset* on the *UK QCATP*; or

(2) in reliance on paragraph 6(b) of Part 1 of Schedule 1 to the *Cryptoassets Regulations* because the *qualifying cryptoasset* being offered is admitted to trading on the *UK QCATP*.

3.12 Advertisements and other disclosures of information

Application

3.12.1 R This section applies to the communication of an *advertisement* where:

(1) the *advertisement* relates to:

(a) the *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP*;

(b) the proposed *admission to trading* of a *qualifying cryptoasset* on a *retail UK QCATP*; or

(c) the *offer of a qualifying cryptoasset to the public* made in reliance on paragraph 6(a) of Schedule 1 to the *Cryptoassets Regulations* because the offer is conditional on the *admission to trading* of the *qualifying cryptoasset* on a *retail UK QCATP*; and

(2) a *QCDD* is required to be published by *CRYPTO* 3.3.1R(1) in connection with the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*.

3.12.2 R This section does not apply to the communication of an *advertisement* that relates to a *UK qualifying stablecoin*.

3.12.3 R In this section a *QCDD* or *supplementary disclosure document* is relevant to an *advertisement* where:

(1) the *QCDD* or *supplementary disclosure document* is required to be published by *CRYPTO* 3.3.1R(1) or *CRYPTO* 3.3.4R in connection with the *admission to trading* of the *qualifying cryptoasset* concerned on a *retail UK QCATP*; and

(2) the *advertisement* relates to:

(a) the *admission to trading* of that *qualifying cryptoasset* on the *retail UK QCATP*;

(b) the proposed *admission to trading* of that *qualifying cryptoasset* on the *retail UK QCATP*; or

(c) the *offer of that qualifying cryptoasset to the public* made in reliance on paragraph 6(a) of Schedule 1 to the *Cryptoassets Regulations* because the offer is conditional on the *admission to trading* of the *qualifying cryptoasset* on the *retail UK QCATP*.

Consistency of information

3.12.4 R All information disclosed in oral or written form as an *advertisement* must be consistent with any relevant *QCDD* or *supplementary disclosure document* and must:

(1) not contradict information in the *QCDD* or a *supplementary disclosure document*, where already published;

(2) not contradict information to be included in the *QCDD* or a *supplementary disclosure document* which is to be published at a later date; and

(3) not refer to information which contradicts information in the *QCDD* or a *supplementary disclosure document*.

Disclosure of information

3.12.5 G Where there is an *offer of a qualifying cryptoasset to the public* and material information is disclosed by, or on behalf of, the *person responsible for the offer* and addressed to a *person* considering buying or subscribing for the *qualifying cryptoasset*, regulation 11(2) of the *Cryptoassets Regulations* may require that information to be disclosed in the relevant *QCDD* or in a *supplementary disclosure document*.

Advertisements

3.12.6 R An *advertisement* must:

(1) state that a *QCDD* or *supplementary disclosure document* has been, or will be, published and indicate where investors are, or will be, able to obtain it, noting the identification requirements in *CRYPTO* 3.12.8R;

(2) be clearly recognisable as an *advertisement* and include the word 'advertisement' in a prominent manner;

(3) be accurate and not misleading; and

(4) include a recommendation that potential investors read the *QCDD* and any *supplementary disclosure documents* before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the *qualifying cryptoasset*.

3.12.7 R Information disclosed in the *advertisement* in oral or written form must not present the information in the *QCDD* or *supplementary disclosure document* in a materially unbalanced way, including by:

(1) presenting negative aspects of information with less prominence than the positive aspects; or

(2) omitting or selectively presenting certain information.

Identification of the QCDD or supplementary disclosure document

3.12.8 R An *advertisement* must clearly identify any relevant *QCDD* or *supplementary disclosure document* by:

(1) identifying the website on which the *QCDD* or *supplementary disclosure document* is published, or will be published, where the *advertisement* is disseminated in written form and by means other than *electronic means*;

(2) including a hyperlink to the *QCDD* or *supplementary disclosure document* where the *advertisement* is disseminated in written form by *electronic means*, or by including a hyperlink to the page of the website where the *QCDD* or *supplementary disclosure document* will be published if those documents have not yet been published; and

(3) including accurate information about:

(a) where the *QCDD* or *supplementary disclosure document* may be obtained; and

(b) the *admission to trading* of the *qualifying cryptoassets* on a *retail UK QCATP* to which it relates,

where the *advertisement* is disseminated in a form or by means not falling within the scope of (1) or (2).

3.12.9 R Where an *advertisement* is disseminated in an oral form, the purpose of the communication must be clearly identified at the beginning of the message.

3.12.10 R *Advertisements* in written form which are disseminated to potential *retail investors* must be sufficiently different in format and length from the *QCDD* or *supplementary disclosure document* that no confusion with the *QCDD* or *supplementary disclosure document* is possible.

Dissemination of advertisements

3.12.11 R *Advertisements* disseminated to potential investors must be amended where:

(1) a relevant *supplementary disclosure document* is published; and

(2) the new information, mistake or inaccuracy mentioned in that *supplementary disclosure document* renders the previously disseminated *advertisement* materially inaccurate or misleading.

3.12.12 R With the exception of orally disseminated *advertisements*, *advertisements* amended pursuant to *CRYPTO* 3.12.11R must be disseminated through, at a minimum, the same method as the previous *advertisement*.

3.12.13 R *CRYPTO* 3.12.11R does not apply after the time when trading on a *retail UK QCATP* of the *qualifying cryptoasset* to which the *advertisement* relates has begun.

3.12.14 R *Advertisements* amended pursuant to *CRYPTO* 3.12.11R must be disseminated to potential investors without undue delay following the publication of the *supplementary disclosure document* and must contain:

(1) a clear reference to the inaccurate or misleading version of the *advertisement*;

(2) an explanation that the *advertisement* has been amended as it contained materially inaccurate or misleading information; and

(3) a clear description of the differences between the two versions of the *advertisement*.

3.13 Rules that can be waived or modified

3.13.1 G As a result of section 138A of the *Act* (Modification or waiver of rules), the *FCA* has the power to waive all of its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particulars rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

CRYPTOASSETS (MARKET ABUSE) INSTRUMENT 2026

Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of the powers and related provisions in or under:

(1) the following sections of the Financial Services and Markets Act 2000 ("the Act"):

(a) section 71N (Designated activities: rules);
(b) section 137T (General supplementary powers); and
(c) section 139A (Power of the FCA to give guidance);

(2) the following provisions of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102):

(a) regulation 21 (Designated activity rules: market abuse in qualifying cryptoassets and related instruments);
(b) regulation 23 (Exclusions: insider dealing);
(c) regulation 26 (Public disclosure of inside information);
(d) regulation 27 (Public disclosure of inside information: delayed disclosure);
(e) regulation 30 (Systems and procedures for trading relevant qualifying cryptoassets and related instruments);
(f) regulation 31 (Insider lists for relevant qualifying cryptoassets and related instruments);
(g) regulation 32 (Cases in which sharing of information authorised or required); and
(h) regulation 34 (Legitimate cryptoasset market practice); and

(3) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA's Handbook.

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument is one of a series of instruments which introduce or amend provisions of the Handbook relating to cryptoassets. These instruments all come into force on 25 October 2027, immediately after one another, in the following order:

(1) Glossary (Cryptoassets) Instrument 2026;
(2) Cryptoassets (Stablecoins) Instrument 2026;
(3) Cryptoassets (Admission of Qualifying Cryptoassets to Trading and Offers of Qualifying Cryptoassets to the Public) Instrument 2026;
(4) Cryptoassets (Market Abuse) Instrument 2026;
(5) Cryptoassets (Intermediaries) Instrument 2026;

(6) Cryptoassets (Trading Platforms, Transparency and Records) Instrument 2026;
(7) Cryptoassets (Lending, Borrowing and Staking) Instrument 2026;
(8) Cryptoassets (Safeguarding) Instrument 2026;
(9) Cryptoassets (Client Assets Consequentials) Instrument 2026;
(10) Cryptoassets (Conduct and Firm Standards) Instrument 2026; and
(11) Cryptoassets (COREPRU and CRYPTOPRU) Instrument 2026.

Amendments to the Handbook

D. The Cryptoassets sourcebook (CRYPTO) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as the Cryptoassets (Market Abuse) Instrument 2026.

By order of the Board
25 June 2026

Annex

Amendments to the Cryptoassets sourcebook (CRYPTO)

In this Annex, all text is new and is not underlined. Insert the following new chapter, CRYPTO 4, after CRYPTO 3 (Admission of qualifying cryptoassets to trading on a UK QCATP and offers to the public of qualifying cryptoassets admitted to trading).

4 Cryptoasset market abuse

4.1 Purpose, application and interpretation

Purpose and application

4.1.1 G The purpose of *CRYPTO* 4.2 to *CRYPTO* 4.6 is to set out *guidance* on key concepts and prohibited behaviours that could constitute *cryptoasset market abuse*. Those sections apply as follows:

(1) *CRYPTO* 4.2 applies to all *persons* seeking general *guidance* on certain concepts relevant to *cryptoasset market abuse*;

(2) *CRYPTO* 4.3 applies to all *persons* seeking general *guidance* on *cryptoasset inside information*;

(3) *CRYPTO* 4.4 applies to all *persons* seeking general *guidance* on *cryptoasset insider dealing*;

(4) *CRYPTO* 4.5 applies to all *persons* seeking general *guidance* on *cryptoasset unlawful disclosure*; and

(5) *CRYPTO* 4.6 applies to all *persons* seeking general *guidance* on the factors and indicators to take into account in relation to behaviours that could constitute *cryptoasset market manipulation*.

4.1.2 G The purpose of *CRYPTO* 4.7 to *CRYPTO* 4.9 is to set out regulatory requirements and *guidance* that apply to *UK QCATP operators* and *cryptoasset intermediaries* in relation to the prevention, detection and disruption of *cryptoasset market abuse*. Those sections apply as follows:

(1) In relation to insider dealing and market manipulation:

(a) *CRYPTO* 4.7 applies to *UK QCATP operators* in relation to establishing and maintaining effective systems and controls, as well as receiving notifications of suspicious orders from *cryptoasset intermediaries*; and

(b) *CRYPTO* 4.8 applies to *cryptoasset intermediaries* in relation to establishing and maintaining effective systems and controls, as well as transmitting notifications of suspicious orders to *UK QCATP operators*.

(2) *CRYPTO* 4.9 applies to *large CATP operators* in relation to the disclosure of information to other *large CATP operators* for the purposes of preventing, detecting and disrupting *cryptoasset market abuse*.

4.1.3 G The purpose of *CRYPTO* 4.10 is to set out requirements on, and give *guidance* to, *relevant issuers*, *persons responsible for the offer* and *UK QCATP operators* when publicly disclosing *cryptoasset inside information* and to ensure prompt disclosure of that information.

4.1.4 G The purpose of *CRYPTO* 4.11 is to specify activities that are *legitimate cryptoasset market practices* in accordance with regulation 34 of the *Cryptoassets Regulations* and to set out the operational requirements for their implementation.

4.1.5 G The purpose of *CRYPTO* 4.12 is to set out requirements on *relevant issuers*, *persons responsible for the offer* and *UK QCATP operators* in relation to drawing up, maintaining and updating *cryptoasset insider lists*.

4.1.6 G The purpose of *CRYPTO* 4.13 is to draw attention to section 138A of the *Act*, which provides the *FCA* with the power to waive or modify the application of *FCA rules*.

4.1.7 G The scope of investments to which the *Cryptoassets Regulations* apply differs from that of the *Market Abuse Regulation*. The following should therefore be considered when applying these different legal frameworks to the different types of *cryptoasset*:

(1) Whereas the *Market Abuse Regulation* applies, in particular, to *financial instruments* within the scope of article 2 of the *Market Abuse Regulation*, *cryptoasset market abuse* applies to *relevant qualifying cryptoassets* and *related instruments*, neither of which can be *financial instruments*.

(2) Whereas a *cryptoasset derivative* which is a *financial instrument* is one to which the *Market Abuse Regulation* may apply, a spot transaction involving a *cryptoasset* is one to which the *Cryptoassets Regulations* apply, where it comprises a *relevant qualifying cryptoasset* or *related instrument*.

(3) A *person* trading in *cryptoasset derivatives* and spot transactions in *cryptoassets* will need therefore to consider the *Market Abuse Regulation*, *MAR* 1 and *CRYPTO* 4.

4.1.8 The *FCA's* statement of policy about the imposition, duration and amount of penalties in cases of *cryptoasset market abuse* required by section 124 of the *Act* is in *DEPP* 6.

Interpretation

4.1.9 G The following considerations may assist in the interpretation of this chapter:

(1) *CRYPTO* 4.2 to *CRYPTO* 4.6 do not exhaustively describe all types of behaviour that may indicate *cryptoasset market abuse*. In particular, the descriptions of behaviour should be read in the light of:

(a) regulations 19, 22 and 24 of the *Cryptoassets Regulations* as making up the relevant type of *cryptoasset market abuse*; and

(b) any relevant descriptions of behaviour specified under regulations 23, 25 and 29 of the *Cryptoassets Regulations* which do not amount to *cryptoasset market abuse*.

(2) *CRYPTO* 4.2 to *CRYPTO* 4.6 do not exhaustively describe all the factors to be taken into account in determining whether behaviour amounts to *cryptoasset market abuse*. The absence of a factor mentioned does not, of itself, amount to a contrary indication.

(3) For the avoidance of doubt, any reference in *CRYPTO* 4 to 'profit' refers also to potential profits, avoidance of loss or potential avoidance of loss.

(4) References are made in *CRYPTO* 4 to provisions in the *Cryptoassets Regulations*. The fact that other provisions of the *Cryptoassets Regulations* have not been referred to does not mean that they would not also assist readers or that they have a different status.

4.1.10 G Assistance in the interpretation of the *Handbook* (and, by extension, *CRYPTO* 4) is given in the Reader's Guide, which can be found on the *FCA's* website at https://handbook.fca.org.uk/guides/reader-guide, and in *GEN* 2 (Interpreting the Handbook). The Reader's Guide includes an explanation of the status of the types of provision used.

4.2 Cryptoasset market abuse: general guidance

4.2.1 G Provisions in *CRYPTO* 4 are relevant to more than one of the types of behaviour which may amount to *cryptoasset market abuse*.

4.2.2 G *Cryptoasset market abuse* prevents full and proper market transparency, which is a prerequisite for trading for all economic actors in markets relating to *relevant qualifying cryptoassets* and *related instruments*.

4.2.3 G The *Cryptoassets Regulations* do not require the *person* engaging in the behaviour in question to have intended to commit *cryptoasset market abuse*.

4.2.4 G Where *persons* have taken all reasonable measures to prevent *cryptoasset market abuse* from occurring but nevertheless *persons* within their employment commit *cryptoasset market abuse* on their behalf, this should not be deemed to constitute *cryptoasset market abuse* by the *persons* taking all reasonable measures to prevent *cryptoasset market abuse* from occurring.

Acting jointly or in concert

4.2.5 G In accordance with regulation 39 of the *Cryptoassets Regulations*, a *person* contravenes a prohibition against *cryptoasset market abuse* whether the contravention is by that *person* alone or by that *person* jointly or in concert with one or more other *persons*.

4.2.6 G Examples of *persons* acting jointly or in concert could include, but are not limited to:

(1) *cryptoasset intermediaries* who devise and recommend a trading strategy designed to result in *cryptoasset market abuse*;

(2) *persons* who encourage a *person* with *cryptoasset inside information* to disclose that information unlawfully; or

(3) *persons* who develop software in collaboration with a trader for the purpose of facilitating *cryptoasset market abuse*.

Factors that may be taken into account in relation to behaviour prior to a request for *admission to trading*, or to the *admission to trading* or to the commencement of trading

4.2.7 G (1) The factors in (2) may be taken into account in determining whether, and indicate that, a behaviour that takes place prior to:

(a) a request for *admission to trading* of *qualifying cryptoassets*;

(b) the *admission to trading* of *qualifying cryptoassets*; or

(c) the commencement of trading of *qualifying cryptoassets*,

contravenes the *Cryptoassets Regulations*.

(2) The factors referred to in (1) are:

(a) where a request for *admission to trading* of a *qualifying cryptoasset* on a *UK QCATP* is subsequently made; and

(b) whether the behaviour continues to have an effect once an application has been made for the *qualifying cryptoasset* to be *admitted for trading*, or once it has been *admitted to trading*, on a *UK QCATP*.

Cross-border cryptoasset market abuse

4.2.8 G Regulations 19(3) and 22(6) of the *Cryptoassets Regulations* provide that, for the purposes of the prohibitions against *cryptoasset market manipulation* and *cryptoasset insider dealing*, it is immaterial where the activities specified by regulations 19 and 22 of the *Cryptoassets Regulations* are carried out.

4.2.9 G (1) The *Cryptoassets Regulations* therefore recognise that *cryptoasset market abuse* may take place across cryptoasset markets as well as across borders. This can lead to significant market-wide risks.

(2) The cross-border element of *cryptoassets* and their highly mobile nature means that *cryptoasset market abuse* can potentially occur on *overseas qualifying cryptoasset trading platforms*, including in a jurisdiction that does not impose equivalent cryptoasset regulation, and can directly or indirectly affect price formation on a *UK QCATP*.

(3) The prohibitions and requirements therefore apply to actions and omissions concerning *relevant qualifying cryptoassets*, regardless of whether they take place in the *UK* or in another country or territory.

FCA rules

4.2.10 G There are no *rules* which permit or require a *person* to behave in a way that amounts to *cryptoasset market abuse*.

4.3 Cryptoasset inside information

4.3.1 G *Cryptoasset inside information* means, as defined in regulation 18(2) of the *Cryptoassets Regulations*, information of a precise nature, which has not been made public, relating, directly or indirectly, to:

(1) a *relevant issuer* of a *relevant qualifying cryptoasset* or a *related instrument*;

(2) a *person responsible for the offer* of a *relevant qualifying cryptoasset* or a *related instrument*;

(3) an operator of a *UK QCATP* on which a *relevant qualifying cryptoasset* is:

(a) *admitted to trading*; or

(b) subject to an application seeking *admission to trading*; or

(4) a *relevant qualifying cryptoasset* or *related instrument*,

which, if it were made public, would be likely to have a significant effect on the price of that *relevant qualifying cryptoasset* or *related instrument*.

Factors to be taken into account: made public

4.3.2 G The following factors may be taken into account in determining whether or not information has been made public, and are indications that it has (and therefore that it is not *cryptoasset inside information*):

(1) whether the information has been disclosed on the website of a *relevant issuer*, *a person responsible for the offer* or a *UK QCATP operator*;

(2) whether the information is contained in records which are open to inspection by the public;

(3) whether the information is otherwise generally available, including through widely accessible social media platforms, or some other publication (including if it is only available on payment of a fee), or is derived from information which has been made public; and

(4) whether the information can be obtained by observation by members of the public without infringing rights or obligations of privacy, property or confidentiality.

4.3.3 G (1) In relation to the factors in *CRYPTO* 4.3.2G, it is not relevant that the information is only generally available outside the *UK*.

(2) In relation to the factors in *CRYPTO* 4.3.2G(4), it is not relevant that the observation or analysis is only achievable by a *person* with above-average financial resources, expertise or competence.

4.3.4 G For example, if the holder of a *relevant qualifying cryptoasset* becomes aware of a large transfer involving another holder with a significant position in that cryptoasset (commonly referred to as a 'whale alert'), or observes the transfer directly on a blockchain, the holder would be using information that has been made public to the extent the blockchain data concerned and whale alerts are publicly accessible.

Research and estimates

4.3.5 G (1) Research and estimates based on publicly available data should not be regarded as *cryptoasset inside information* and the mere fact that a transaction is carried out on the basis of research or estimates should not therefore be deemed to constitute use of *cryptoasset inside information*. However, for example, the information may constitute *cryptoasset inside information* where:

(a) the publication or distribution of information is routinely expected by the market and where such publication or distribution contributes to the price-formation process of *relevant qualifying cryptoassets* or *related instruments*; or

(b) the information provides views from a recognised market commentator or institution which may inform the prices of *relevant qualifying cryptoassets* or *related instruments*.

(2) Consideration must therefore be given to the extent to which the information is non-public and the possible effect on *relevant qualifying cryptoassets* or *related instruments* traded in advance of its publication

or distribution, to establish whether market actors would be trading on the basis of *cryptoasset inside information*.

Investor plans and strategies

4.3.6 G Information regarding an investor's own plans and strategies for trading should not be considered to be *cryptoasset inside information*, although information regarding a third party's plans and strategies for trading may amount to *cryptoasset inside information*.

Factors to take into account: pending orders

4.3.7 G Regulation 18(3) of the *Cryptoassets Regulations* provides that where any *person* to whom Chapter 2 of the *Cryptoassets Regulations* applies is executing orders for a *relevant qualifying cryptoasset* or a *related instrument* on behalf of clients, *cryptoasset inside information* also includes information of a precise nature, which has not been made public, conveyed by a client and relating both to the client's pending orders for a *relevant qualifying cryptoasset* or a *related instrument* and, directly or indirectly, to:

(1) a *relevant issuer* of a *relevant qualifying cryptoasset* or a *related instrument*;

(2) a *person responsible for the offer* of a *relevant qualifying cryptoasset* or a *related instrument*;

(3) an operator of a *UK QCATP* on which a *relevant qualifying cryptoasset* is:

(a) *admitted to trading*; or

(b) subject to an application seeking *admission to trading*; or

(4) a *relevant qualifying cryptoasset* or *related instrument*,

which, if it were made public, would be likely to have a significant effect on the price of that *relevant qualifying cryptoasset* or *related instrument*.

4.3.8 G In determining whether there is a pending order for a client in relation to regulation 18(3) of the *Cryptoassets Regulations*, a factor that may be taken into account is whether a *person* is approached by another in relation to a transaction, and:

(1) the transaction is not immediately executed on an arm's length basis in response to a price quoted by that *person*; and

(2) the *person* concerned has taken on a legal or regulatory obligation relating to the manner or timing of the execution of the transaction.

Examples of cryptoasset inside information

4.3.9 G The following are examples of information that could amount to *cryptoasset inside information*, but are not intended to form an exhaustive list:

(1) information relating to an *admission to trading*, or the cancellation of an *admission to trading*;

(2) information relating to the cancellation, refusal or withdrawal of a request for an *admission to trading*;

(3) information relating to a *qualifying stablecoin admitted to trading* on a *UK QCATP* or the issuer of such a stablecoin, which could affect its intended value or the issuer's ability to fulfil *redemption* requests, including disruption to payment channels or a significant restriction or interruption to *minting* or *redemption* processes;

(4) information on a code vulnerability that is known to a development team as a result of testing the code of the *relevant qualifying cryptoasset* prior to *admission to trading*;

(5) information held by a key governance body, or by an entity controlling a significant portion of the blockchain's validating infrastructure, regarding plans to introduce or reject a split in the blockchain's protocol (also known as a 'blockchain fork');

(6) information relating to significant changes in respect of a major cryptoasset market participant, such as mergers, acquisitions, changes to key personnel or joint ventures;

(7) information about a forthcoming distribution of free *relevant qualifying cryptoassets* (also known as an 'airdrop') or *burning*, potentially also including information about the magnitude, timing or cancellation of the 'airdrop' or the *burning*, and information about the selection or qualification mechanism to be used in respect of an airdrop; and

(8) information relating to changes to the arrangements of *market makers* and the addition or withdrawal of significant liquidity providers.

Ongoing processes

4.3.10 G Regulation 18(4)(a) to (c) of the *Cryptoassets Regulations* provides that:

(1) information is to be considered of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the price of a *relevant qualifying cryptoasset* or *related instrument*;

(2) in the case of an ongoing process that is intended to bring about, or that results in, a particular circumstance or event, that future circumstance or event, and also the intermediate steps of that process which are connected with bringing about or resulting in that future circumstance or event, is to be considered precise information; and

(3) an intermediate step in an ongoing process is to be considered *cryptoasset inside information* if, in and of itself, it satisfies the criteria of *cryptoasset inside information* referred to in regulation 18(4)(a) of the *Cryptoassets Regulations*.

4.3.11 G The following considerations may assist in determining when *cryptoasset inside information* could arise in an ongoing process:

(1) Where *cryptoasset inside information* concerns a process which occurs in stages, each stage of the process, as well as the overall process, could constitute *cryptoasset inside information*.

(2) An intermediate step in an ongoing process may itself constitute a set of circumstances or an event:

(a) which exists; or

(b) which has a realistic prospect of coming into existence or occurring.

(3) For the purposes of (2):

(a) the existence of *cryptoasset inside information* may be based on an overall assessment of the factors existing at the relevant time;

(b) the notion of the intermediate step should not be interpreted as meaning that the magnitude of the effect of the set of circumstances or the event in question on the prices of the *relevant qualifying cryptoassets* concerned must be taken into consideration; and

(c) an intermediate step should be deemed to be *cryptoasset inside information* if it, by itself, meets the criteria laid down in regulation 18(2) of the *Cryptoassets Regulations*.

Information to be taken into account in the investment decision of a reasonable person

4.3.12 G Regulation 18(4)(d) of the *Cryptoassets Regulations* provides that information which, if it were made public, would be likely to have a significant effect on the price of a *relevant qualifying cryptoasset* or *related instrument* means information that a reasonable *person* would be likely to use as the basis, or part of the basis, of the *person's* investment decisions.

4.3.13 G Reasonable *persons* base their investment decisions on information already available to them. Therefore, the question whether, in making an investment decision, a reasonable *person* would be likely to take into account a particular piece of information should be appraised based on information that is already available. Such an assessment should take into consideration:

(1) the anticipated impact of the information in light of the totality of the activities of the related *relevant person* and other *persons* seeking admission of the *relevant qualifying cryptoasset* to trading;

(2) the reliability of the source of information; and

(3) any other market variables likely to affect the *relevant qualifying cryptoasset* in the given circumstances.

4.3.14 G Information available after an investment decision has been taken can be used to check the presumption that the information available beforehand was price-sensitive. It should not be used to take action against *persons* who drew reasonable conclusions from that prior information available to them.

4.3.15 G The following factors may be taken into account when considering whether information would be likely to be used by a reasonable *person* as part of the basis of that *person's* investment decisions (the 'reasonable investor test'):

(1) the fact that the significance of the information will vary widely between *relevant issuers*, *persons responsible for the offer* or *UK QCATP operators*, depending on factors such as their size, recent developments, and the market sentiment about them and the sector in which they operate; and

(2) the likelihood that a reasonable *person* will make investment decisions relating to the *relevant qualifying cryptoasset* or *related instrument* to maximise that *person's* economic self-interest.

4.3.16 G It is not possible to prescribe how the reasonable investor test will apply in all possible situations. Any assessment may need to take into consideration:

(1) the anticipated impact of the information in light of the totality of the activities in relation to the *relevant qualifying cryptoasset*;

(2) the reliability of the source of the information; and

(3) other market variables likely to affect the *relevant qualifying cryptoasset* or *related instrument* in the given circumstances.

4.3.17 G Information which is likely to be considered relevant to a reasonable *person's* decision includes information which affects:

(1) the assets and liabilities of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(2) the performance, or the expectation of the performance, of the business of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(3) the financial condition of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(4) the course of the business of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(5) major new developments in the business of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(6) information previously disclosed to the market; and

(7) major new developments in relation to the *relevant qualifying cryptoasset*.

Significant effect on price

4.3.18 G In determining whether information would be likely to have a significant effect on the price of a *relevant qualifying cryptoasset* or *related instrument*, a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* should be mindful that there is no figure (percentage change or otherwise) that can be set for them when determining what constitutes a significant effect on the price of the *relevant qualifying cryptoasset* or *related instrument*. This will vary between *relevant issuers*, *persons responsible for the offer* and *UK QCATP operators*.

4.4 Cryptoasset insider dealing

4.4.1 G *Cryptoasset insider dealing* means using *cryptoasset inside information* as prohibited by regulation 22 of the *Cryptoasset Regulations*.

4.4.2 G Regulation 22(1) of the *Cryptoassets Regulations* provides that a *person* described in regulation 22(4) and (5) of the *Cryptoassets Regulations* is prohibited from:

(1) using the *cryptoasset inside information* by:

(a) acquiring or disposing of, or attempting to acquire or dispose of, a *relevant qualifying cryptoasset* or *related instrument* to which that information relates, for that *person's* own account or on the account of another, either directly or indirectly; or

(b) cancelling or amending, or attempting to cancel or amend, an order concerning a *relevant qualifying cryptoasset* or *related instrument* to which that information relates, for that *person's* own account or on the account of another, either directly or indirectly; and

(2) making a recommendation to, or inducing, another person, on the basis of the *cryptoasset inside information*:

(a) to acquire or dispose of a *relevant qualifying cryptoasset* or *related instrument* to which that information relates; or

(b) to cancel or amend an order concerning a *relevant qualifying cryptoasset* or *related instrument* to which that information relates.

4.4.3 G Regulation 22(2) of the *Cryptoassets Regulations* provides that a *person* is prohibited from using or relying on, or attempting to use or rely on, a recommendation within the scope of regulation 22(1)(b) of the *Cryptoassets Regulations* if the *person* knows, or ought to have known, that the recommendation is made on the basis of *cryptoasset inside information*.

4.4.4 G Regulation 22(5) of the *Cryptoassets Regulations* provides that the prohibition against *cryptoasset insider dealing* applies, among other situations, to where a *person* who possesses *cryptoasset inside information* knows, or ought to have known, that the information is *cryptoasset inside information*.

Essential characteristics of cryptoasset insider dealing

4.4.5 G The essential characteristic of *cryptoasset insider dealing* consists in an unfair advantage being obtained from *cryptoasset inside information* to the detriment of third parties who are unaware of such information and, consequently, the undermining of the integrity of cryptoasset markets and investor confidence.

Descriptions of behaviour that amount to cryptoasset insider dealing

4.4.6 G The following are examples of behaviour that may amount to *cryptoasset insider dealing* under the *Cryptoassets Regulations*, but are not intended to form an exhaustive list:

(1) front running/pre-positioning – that is, a transaction for a *person's* own benefit, on the basis of and ahead of an order which they are to carry out with or for another (in respect of which information concerning the order is *cryptoasset inside information*, which takes advantage of the anticipated impact of the order on the cryptoasset market); and

(2) purchasing *relevant qualifying cryptoassets* with the knowledge of a forthcoming airdrop (as explained in *CRYPTO* 4.3.9G(7)) in relation to those cryptoassets which has not yet been publicly announced.

Recommending or inducing

4.4.7 G The following are examples of behaviour that might fall within the scope of regulation 22(1)(b) of the *Cryptoassets Regulations*:

(1) A director of a *relevant issuer*, while in possession of *cryptoasset inside information*, instructs an *employee* of that issuer to sell a

relevant qualifying cryptoasset in respect of which the information is *cryptoasset inside information*.

(2) A *person* recommends or advises a friend to engage in behaviour which, if they themselves engaged in it, would amount to *cryptoasset market abuse*.

Examples of cryptoasset insider dealing

4.4.8 G The following descriptions are intended to assist in understanding certain behaviours which may constitute *cryptoasset insider dealing* under the *Cryptoassets Regulations* and concern the definition of *cryptoasset inside information* relating to *relevant qualifying cryptoassets*:

(1) X is an *employee* of a *UK QCATP operator*. X tells a friend, Y, about an upcoming initial exchange offering that has not been announced publicly and Y then uses that information to trade.

(2) X is an *employee* of a *relevant issuer* A. A issues a *qualifying stablecoin* outside of the *UK* and has sought admission of that stablecoin on a *UK QCATP*. X knows about an unresolved *backing asset pool* shortfall that has not been disclosed publicly and sells their own holdings in the *qualifying stablecoin*.

4.4.9 G (1) The description in (2) is intended to assist in understanding certain behaviours which may constitute *cryptoasset insider dealing* under the *Cryptoassets Regulations* and concerns the definition of *cryptoasset inside information* relating to pending client orders.

(2) A dealer on the trading desk of a *firm* accepts a very large order in respect of a *relevant qualifying cryptoasset* from a client to be executed in a particular *month*. Before executing the order, the dealer executes a trade for the *firm* and on their personal account on a *UK QCATP*, based on the expectation that they will be able to sell the *relevant qualifying cryptoasset* at profit due to the significant price increase that will result from the execution of their client's order. Both trades could constitute *cryptoasset insider dealing*.

Cryptoasset insiders: factors to take into account

4.4.10 G The following factors may be taken into account in determining whether a *person* who possesses *cryptoasset inside information* ought to know that it is *cryptoasset inside information* for the purposes of regulation 22(5) of the *Cryptoassets Regulations*:

(1) if a normal and reasonable *person* in the position of the *person* who has *cryptoasset inside information* would know, or ought to know, that the *person* from whom they received it is a *cryptoasset insider*; and

(2) if a normal and reasonable *person* in the position of the *person* who has *cryptoasset inside information* would know, or ought to know, that it is *cryptoasset inside information*.

4.4.11 G For the purposes of being categorised as a *cryptoasset insider* under regulation 22(5) of the *Cryptoassets Regulations*, the *person* concerned does not need to know that the information concerned is *cryptoasset inside information*.

Cryptoasset insider dealing and legitimate behaviours

4.4.12 G Under regulation 23 of the *Cryptoasset Regulations*, the *FCA* may make *rules* specifying circumstances in which a *person* who possesses *cryptoasset inside information* is not to be regarded as using that information and engaging in *cryptoasset insider dealing*. These *rules* and accompanying *guidance* are set out below at *CRYPTO* 4.4.13R to *CRYPTO* 4.4.20R.

4.4.13 R The fact that a legal *person* is or has been in possession of *cryptoasset inside information* does not mean that the legal *person* has used that information and has thus engaged in *cryptoasset insider dealing* on the basis of an acquisition or disposal, where that legal *person*:

(1) has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the *person* who made the decision on the legal *person's* behalf to acquire or dispose of *relevant qualifying cryptoassets* or *related instruments* to which the information relates, nor another *person* who may have had an influence on that decision, was in possession of the *cryptoasset inside information*; and

(2) has not encouraged, made a recommendation to, induced or otherwise influenced the *person* who, on behalf of the legal *person*, acquired or disposed of *relevant qualifying cryptoassets* or *related instruments* to which the *cryptoasset inside information* relates.

4.4.14 R The fact that a *person* is in possession of *cryptoasset inside information* does not mean that the *person* has used that information and has thus engaged in *cryptoasset insider dealing* on the basis of an acquisition or disposal, where that *person*, for the *relevant qualifying cryptoasset* or *related instrument* to which that information relates:

(1) is a *market maker*; or

(2) is authorised to act as a counterparty, pursuing their legitimate business of dealing in *relevant qualifying cryptoassets* or *related instruments* (including entering into an agreement for the underwriting of an issue of *relevant qualifying cryptoassets* or *related instruments*).

4.4.15 G The following factors may be taken into account in determining whether a *person's* behaviour is in the pursuit of legitimate business for the purposes of *CRYPTO* 4.4.14R, and are indications that it is:

(1) the extent to which the relevant trading by the *person* is carried out in order to hedge a risk and, in particular, the extent to which it neutralises and responds to a risk arising out of the *person's* legitimate business;

(2) whether, in the case of a transaction on the basis of *cryptoasset inside information* about a client's transaction which has been executed, the reason for it being *cryptoasset inside information* is that information about the transaction is not, or is not yet, required to be published under any relevant regulatory or *UK QCATP* obligations; or

(3) whether, if the relevant trading by that *person* is connected with a transaction entered into or to be entered into with a client (including a potential client), the trading either has no impact on the price or there has been adequate disclosure to that client that trading will take place and they have not objected to it.

4.4.16 R The fact that a *person* is in possession of *cryptoasset inside information* does not mean that the *person* has used that information and has thus engaged in *cryptoasset insider dealing* on the basis of an acquisition or disposal where that *person*:

(1) is authorised to execute orders on behalf of third parties; and

(2) the acquisition or disposal of *relevant qualifying cryptoassets* or *related instruments* to which the order relates is made to carry out such an order legitimately in the normal course of the exercise of that *person's* employment, profession or duties.

4.4.17 G For the purposes of *CRYPTO* 4.4.16R, the following factors may be taken into account in determining whether a *person's* behaviour in executing an order on behalf of another is carried out legitimately in the normal course of exercise of that *person's* employment, profession or duties, and are indications that it is:

(1) whether the *person* has complied with the applicable provisions of *COBS* and *CRYPTO*;

(2) whether the *person* has agreed with their client that they will act in a particular way when carrying out, or arranging the carrying out of, the order;

(3) whether the *person's* behaviour was intended to facilitate or ensure the effective carrying out of the order; or

(4) whether, if the relevant trading by that *person* is connected with a transaction entered into or to be entered into with a client (including a potential client), the trading either has no impact on the price or there has been adequate disclosure to that client that trading will take place and they have not objected to it.

4.4.18 R The fact that a *person* is in possession of *cryptoasset inside information* does not mean that the *person* has used that information and has thus engaged in *cryptoasset insider dealing* on the basis of an acquisition or disposal where:

(1) that *person* conducts a transaction to acquire or dispose of *relevant qualifying cryptoassets* or *related instruments*;

(2) that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against *cryptoasset insider dealing*; and

(3)

(a) that obligation results from an order placed or an agreement concluded before the *person* concerned possessed *cryptoasset inside information*; or

(b) that transaction is carried out to satisfy a legal or regulatory obligation that arose before the *person* concerned possessed *cryptoasset inside information*.

4.4.19 R The fact that a *person* uses their own knowledge that they have decided to acquire or dispose of *relevant qualifying cryptoassets* or *related instruments* in the acquisition or disposal of those *relevant qualifying cryptoassets* or *related instruments* does not of itself constitute use of *cryptoasset inside information*.

4.4.20 R Notwithstanding *CRYPTO* 4.4.13R to *CRYPTO* 4.4.19R, an infringement of the prohibition of *cryptoasset insider dealing* may still be deemed to have occurred if the *FCA* establishes that there was an illegitimate reason for the orders to trade, transactions or behaviours concerned.

4.5 Cryptoasset unlawful disclosure

4.5.1 G Cryptoasset unlawful disclosure means the prohibited disclosure of *cryptoasset inside information* as described in regulation 24 of the *Cryptoassets Regulations*, which provides as follows:

(1) A *person* to whom this paragraph applies as a result of paragraph (3) or (4) is prohibited from disclosing that information to any other *person*, unless the disclosure is made in the normal course of the exercise of their employment, profession or duties.

(2) Where a *person* ('A') discloses a recommendation or inducement referred to in regulation 22(1)(b), which A knows or ought to know to have been based on *cryptoasset inside information*, the onward disclosure of that recommendation or inducement is prohibited, unless the disclosure is made in the normal course of the exercise of their employment, profession or duties.

(3) Paragraph (1) applies to a *person* who possesses *cryptoasset inside information* as a result of:

(a) exercising administrative, management or supervisory functions of a relevant *person*;

(b) having a holding in the capital of:

(i) a *relevant issuer* of that *relevant qualifying cryptoasset* or *related instrument*;

(ii) a *person responsible for the offer* of that relevant *qualifying cryptoasset* or *related instrument*; or

(iii) a *person* who applied for or is seeking *admission to trading* on a *UK QCATP* for that *relevant qualifying cryptoasset*;

(c) having access to the information through the exercise of their employment, profession or duties; or

(d) having acquired the information through criminal activity.

(4) Paragraph (1) also applies to a *person*, other than one within paragraph (3), who knows, or ought to have known, that the information is *cryptoasset inside information*.

Descriptions of behaviour that indicates unlawful disclosure

4.5.2 G The following behaviours are indications of *cryptoasset unlawful disclosure*:

(1) the director of a *relevant issuer* discloses *cryptoasset inside information* to a *person* in a social context or through private social media channels;

(2) an *employee* at a *UK QCATP* tells a friend – who actively trades cryptoassets – about a new *relevant qualifying cryptoasset* that is going to be *admitted to trading* on that *UK QCATP* before this information is made public;

(3) a developer working on a project involving a *relevant qualifying cryptoasset* privately messages a well-known community influencer to let them know about a major upgrade to that cryptoasset's protocol before the upgrade is made public; or

(4) a *cryptoasset intermediary* discloses information about a large pending client order for a *relevant qualifying cryptoasset* to another market participant.

Descriptions of behaviour that does not indicate unlawful disclosure

4.5.3 G The following behaviour indicates that a *person* is acting in the normal exercise of their employment, profession or duties, if a *person* makes a disclosure of *cryptoasset inside information*:

(1) to a government department, the Bank of England, the Competition and Markets Authority or any other *regulatory body* or authority for the purposes of fulfilling a legal or regulatory obligation; or

(2) otherwise to such a body in connection with the performance of the functions of that body.

Factors to take into account in determining whether behaviour amounts to unlawful disclosure

4.5.4 G The following factors are to be taken into account in determining whether a disclosure was made by a *person* in the normal course of the exercise of their employment, profession or duties, and are indications that it was:

(1) whether the disclosure is permitted by the rules of a *UK QCATP* or the *rules* of the *FCA*; or

(2) whether the disclosure is accompanied by the imposition of confidentiality requirements upon the *person* to whom the disclosure is made and is:

(a) reasonable and is to enable a *person* to perform the normal functions of their employment, profession or duties;

(b) reasonable and is (for example, to a professional adviser) for the purposes of facilitating or seeking or giving advice about a transaction;

(c) reasonable and is for the purpose of facilitating any commercial, financial or *investment* transaction in or related to a *relevant qualifying cryptoasset*; or

(d) in fulfilment of a legal obligation, including to employee representatives or trade unions acting on their behalf.

Examples of unlawful disclosure

4.5.5 G The following examples are intended to assist in understanding certain behaviours which may constitute *cryptoasset unlawful disclosure*:

(1) X, a director at a *relevant issuer* has lunch with a friend Y, who has no connection with the *relevant issuer* or its advisers. X tells Y that the *relevant issuer* will soon be admitting a *relevant qualifying cryptoasset* to trading on a *UK QCATP*.

(2) A director of a *relevant issuer* asks a *cryptoasset intermediary* to sell some or all of that director's holdings in *relevant qualifying cryptoassets*. The *cryptoasset intermediary* tells a potential buyer that the seller is a director or reveals their identity, where that fact is *cryptoasset inside information*.

4.6 Cryptoasset market manipulation

Indicators of manipulative behaviour relating to false or misleading signals and to price securing

4.6.1 G *Cryptoasset market manipulation* means, as defined in regulation 19(1)(a) of the *Cryptoassets Regulations*, entering into a transaction, placing an order to trade or engaging in any other behaviour which:

(1) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a *relevant qualifying cryptoasset* or *related instrument*; or

(2) secures, or is likely to secure, the price of a *relevant qualifying cryptoasset* or *related instrument* at an abnormal or artificial level.

4.6.2 R For the purposes of applying regulation 19(1)(a)(i) of the *Cryptoassets Regulations*, and without prejudice to the forms of behaviour set out in regulation 19(2), the following non-exhaustive indicators, which do not necessarily, in themselves, constitute *cryptoasset market manipulation*, must be taken into account by *persons* entering into transactions or orders to trade:

(1) the extent to which orders to trade given or transactions undertaken represent a significant proportion of the daily volume of transactions in the *relevant qualifying cryptoasset* or *related instrument* – in particular, when those activities lead to a significant change in their prices;

(2) the extent to which orders to trade given or transactions undertaken by persons with a significant buying or selling position in a *relevant qualifying cryptoasset* or *related instrument* lead to significant changes in their price;

(3) whether transactions undertaken lead to no change in beneficial ownership of a *relevant qualifying cryptoasset* or *related instrument*;

(4) the extent to which orders to trade given, transactions undertaken or orders cancelled include position reversals in a short period and represent a significant proportion of the daily volume of transactions in the *relevant qualifying cryptoasset* or *related instrument*, and might be associated with significant changes in the price of *relevant qualifying cryptoassets* or *related instruments*; and

(5) the extent to which orders to trade given change the representation of the offer prices in a *relevant qualifying cryptoasset* or *related instrument*, or more generally the representation of the order book available to market participants, and are removed before they are executed.

Factors to be taken into account: behaviour securing an abnormal or artificial price level

4.6.3 G The following factors are to be taken into account in determining whether a *person's* behaviour amounts to manipulating transactions as described in regulation 19(1)(a)(ii) of the *Cryptoassets Regulations*:

(1) the extent to which the *person* had a direct or indirect interest in the price or value of the *relevant qualifying cryptoasset* or *related instrument*;

(2) the extent to which price, rate or option volatility movements, and the volatility of these factors for the *relevant qualifying cryptoasset* or *related instrument* in question, are outside their normal intra-day, daily, weekly or monthly range; and

(3) whether a *person* has successively and consistently increased or decreased their offer or the price they have paid for a *relevant qualifying cryptoasset* or *related instrument*.

Factors to be taken into account: abusive squeezes

4.6.4 G The following factors are to be taken into account when determining whether a *person* has engaged in behaviour referred to in *CRYPTO* 4.6.2R(1) and (2) (commonly known as an 'abusive squeeze'):

(1) the extent to which a *person* is willing to relax their control or other influence in order to help maintain an orderly market, and the price at which they are willing to do so – for example, behaviour is less likely to amount to an abusive squeeze if a person is willing to lend the *relevant qualifying cryptoasset* in question;

(2) the extent to which the *person's* activity causes, or risks causing, settlement default by other market users on a multilateral basis and not just a bilateral basis – the more widespread the risk of multilateral settlement default, the more likely that an abusive squeeze has been effected; and

(3) the extent to which the spot or immediate cryptoasset market, compared to the forward cryptoasset market, is unusually expensive or inexpensive or the extent to which borrowing rates are unusually expensive or inexpensive.

Examples of manipulating transactions

4.6.5 G The following are examples of behaviour that may amount to manipulating transactions as described in regulation 19(1)(a)(ii) of the *Cryptoassets Regulations*:

(1) A trader holds a short position that will show a profit if a particular *relevant qualifying cryptoasset*, which is currently a

component of an index, falls out of that index. The question of whether the *relevant qualifying cryptoasset* will fall out of the index depends on the closing price of that cryptoasset. The trader places a large *sell* order in the *relevant qualifying cryptoasset* just before the close of trading. The trader's purpose is to position the price of the *relevant qualifying cryptoasset* at a false, misleading, abnormal or artificial level so that it will drop out of the index so as to make a profit.

(2) A fund manager's quarterly performance will improve if the valuation of their portfolio at the end of the quarter in question is higher rather than lower. The fund manager places a large order to *buy relevant qualifying cryptoassets*, which are also components of their portfolio, to be executed at or just before the close. The fund manager's purpose is to position the price of the *relevant qualifying cryptoasset* at a false, misleading, abnormal or artificial level.

Attempted market manipulation

4.6.6 G An attempt to engage in *cryptoasset market manipulation* should be distinguished from behaviour which is likely to result in *cryptoasset market manipulation* as both activities are prohibited under regulation 28 of the *Cryptoassets Regulations*. Such an attempt may include situations where the activity is started but is not completed – for example, as a result of failed technology or an instruction to trade which is not acted upon.

Unexecuted orders and behaviour occurring outside of a UK QCATP

4.6.7 G *Cryptoasset market manipulation* or attempted *cryptoasset market manipulation* may also consist in placing orders which may not be executed.

4.6.8 G *Cryptoasset market manipulation* or attempted *cryptoasset market manipulation* may also relate to the trading of *relevant qualifying cryptoassets* outside a *UK QCATP* – for example, peer-to-peer trading through decentralised finance, or the trading of a *relevant qualifying cryptoasset* on an *overseas qualifying cryptoasset trading platform*.

Indicators of manipulative behaviour relating to the employment of a fictitious device or any other form of deception or contrivance

4.6.9 G *Cryptoasset market manipulation* means, as defined in regulation 19(1)(b) of the *Cryptoassets Regulations*, entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of a *relevant qualifying cryptoasset* or *related instrument*, while employing a fictitious device or any other form of deception or contrivance.

4.6.10 R For the purposes of applying regulation 19(1)(b) of the *Cryptoassets Regulations*, the following non-exhaustive indicators, which do not necessarily, in themselves, constitute *cryptoasset market manipulation*, must be taken into account by *persons* entering into transactions or orders to trade:

(1) whether orders to trade given or transactions undertaken by *persons* are preceded or followed by dissemination of false or misleading information by the same *persons* or by *persons* linked to them; and

(2) whether orders to trade are given or transactions are undertaken by *persons* before or after the same *persons* or *persons* linked to them produce or disseminate information recommending or suggesting investment strategies which are biased or demonstrably influenced by material interest.

4.6.11 R *CRYPTO* 4.6.10R is without prejudice to the forms of behaviour set out in regulation 19(2) of the *Cryptoassets Regulations* and summarised as follows:

(1) exerting control over the supply or demand to influence prices or create unfair conditions;

(2) using order placement or cancellation strategies to mislead market participants or disrupt the functioning of *UK QCATPs*; and

(3) exploiting media influence to affect prices while concealing conflicts of interest from the public for personal gain.

Dissemination

4.6.12 G *Cryptoasset market manipulation* means, as defined in regulation 19(1)(c) of the *Cryptoassets Regulations*, disseminating information, including the dissemination of rumours, through the media, including the internet, or by any other means which:

(1) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of a *relevant qualifying cryptoasset* or *related instrument*; or

(2) secures, or is likely to secure, the price of a *relevant qualifying cryptoasset* or *related instrument* at an abnormal or artificial level,

where the *person* who engaged in the dissemination knew, or ought to have known, that the information was false or misleading.

4.6.13 G The spreading of false or misleading information may consist in the invention of manifestly false information, but also the omission of material facts, as well as the knowingly inaccurate reporting of information. That form of *cryptoasset market manipulation* is particularly harmful to investors, because it causes them to base their investment decisions on incorrect or distorted information.

4.6.14 G The following factors can be taken into account in determining whether behaviour amounts to dissemination:

(1) If a normal and reasonable *person* would know or ought to have known in all the circumstances that the information was false or misleading,

that indicates that the *person* disseminating the information knew or ought to have known that it was false or misleading.

(2) If the individuals responsible for dissemination of information within an organisation could only know that the information was false or misleading if they had access to other information that was being held behind an *information barrier* or similarly effective arrangements, that indicates that the *person* disseminating did not know and could not reasonably be expected to have known that the information was false or misleading.

4.6.15 G (1) Paragraph (2) contains an example of behaviour that may amount to a *cryptoasset market manipulation* under regulation 19(1)(c) of the *Cryptoassets Regulations*.

(2) A *person* posts false or misleading statements on social media that a public figure or influential market analyst has endorsed a *relevant qualifying cryptoasset*, where the *person* knows or ought to know that these statements are false or misleading.

4.7 Arrangements, systems and procedures for UK QCATP operators

Application and scope

4.7.1 G (1) Regulation 30(2) of the *Cryptoassets Regulations* requires, in relation to *relevant qualifying cryptoassets*, that *UK QCATP operators* establish and maintain effective arrangements, systems and procedures aimed at preventing, detecting and disrupting:

(a) *cryptoasset insider dealing*;

(b) *cryptoasset market manipulation*;

(c) attempted *cryptoasset insider dealing*; and

(d) attempted *cryptoasset market manipulation*.

(2) Regulation 30(4) of the *Cryptoassets Regulations* requires *UK QCATP operators*, when receiving information in a notification under regulation 30(3) of the *Cryptoassets Regulations* (see *CRYPTO* 4.8.1G(2)), to comply with any applicable *FCA rules*.

4.7.2 G Regulation 30(5) of the *Cryptoassets Regulations* provides that the *FCA* may make certain *rules*, including in relation to:

(1) the design, scope and application of the arrangements, systems and procedures in regulation 30(2) of the *Cryptoassets Regulations*;

(2) notifications under regulation 30(3) of the *Cryptoassets Regulations*;

(3) restrictions on onward transmission or use of information by the *UK QCATP operators* receiving a notification for the purposes of regulation 30(3) of the *Cryptoassets Regulations*; and

(4) such matters related to regulation 30 of the *Cryptoassets Regulations* as the *FCA* considers appropriate.

4.7.3 G This section contains *rules* and *guidance* on:

(1) the arrangements, systems and procedures for *UK QCATP operators* (in *CRYPTO* 4.7.5R to *CRYPTO* 4.7.19G);

(2) additional requirements for the arrangements, systems and procedures for *large CATP operators* (in *CRYPTO* 4.7.20R to *CRYPTO* 4.7.23R);

(3) the receipt and handling of notifications by *UK QCATP operators* (in *CRYPTO* 4.7.24R to *CRYPTO* 4.7.27R); and

(4) related matters, such as audit and record keeping, for *UK QCATP operators* (in *CRYPTO* 4.7.28G to *CRYPTO* 4.7.33R).

4.7.4 R References to *cryptoasset market abuse* activities in this section refer only to:

(1) *cryptoasset insider dealing*;

(2) *cryptoasset market manipulation*;

(3) attempted *cryptoasset insider dealing*; and

(4) attempted *cryptoasset market manipulation*.

Overarching requirements for the arrangements, systems and procedures required for UK QCATP operators

4.7.5 R The arrangements, systems and procedures must:

(1) ensure effective and ongoing monitoring of:

(a) all orders received and transmitted on the *qualifying cryptoasset trading platform*;

(b) the full range of trading activities on the *qualifying cryptoasset trading platform*, including all transactions executed on the *qualifying cryptoasset trading platform*; and

(c) activities and communications relating to a *qualifying cryptoasset* which is subject to an application to be *admitted to trading* on the *qualifying cryptoasset trading platform*;

(2) enable the *UK QCATP operator* to analyse as quickly as practicable whether, on a case-by-case basis, a given order, transaction or activity is suspicious;

(3) enable the *UK QCATP operator* to prevent and/or disrupt any *cryptoasset market abuse* activity once detected; and

(4) enable the prompt and effective receipt and assessment of notifications of suspicious orders or transactions from *cryptoasset intermediaries* under regulation 30(3) of the *Cryptoassets Regulations*;

4.7.6 R (1) For the purposes of *CRYPTO* 4.7.5R(2), the *UK QCATP operator* must base its analysis on reasonable grounds.

(2) Analysis that is based on speculation or presumption would not be based on reasonable grounds for the purposes of (1).

4.7.7 R The *UK QCATP operator* must ensure that its arrangements, systems and procedures:

(1) include an appropriate level of human analysis; and

(2) employ software systems which assist with the prevention, detection and disruption of *cryptoasset market abuse* activities.

4.7.8 R A *UK QCATP operator* must establish and maintain the arrangements, systems and procedures irrespective of:

(1) the capacity in which the order is placed or the transaction is executed; and

(2) the types of clients concerned.

Proportionality

4.7.9 R A *UK QCATP operator* must ensure that the arrangements, systems and procedures are appropriate and proportionate in relation to the scale, size and nature of its business activity.

4.7.10 R A *UK QCATP operator* must, upon request, provide the *FCA* with information to demonstrate compliance with *CRYPTO* 4.7.9R, including information on the level of automation put in place in such systems.

Further provision on detecting cryptoasset market abuse activities

4.7.11 R Without prejudice to the generality of *CRYPTO* 4.7.5R(1) and (2), a *UK QCATP operator* must ensure that the arrangements, systems and procedures, as a minimum:

(1) provide for the analysis, individually and comparatively, of each and every transaction executed and order placed, modified, cancelled or rejected in the systems of the *qualifying cryptoasset trading platform*;

(2) have facilities to replay the order book in order to analyse the activity of a trading session in the context of *algorithmic trading*, including high-frequency trading;

(3) produce alerts in line with predefined parameters indicating activities requiring further analysis by the *UK QCATP operator* for the purposes of detecting potential *cryptoasset market abuse* activities;

(4) monitor activities and communications made internally within the *UK QCATP operator* as well as externally, such as on social media, public forums and chat rooms, blogs, newsletters and podcasts; and

(5) enable the detection of material and persistent dislocations between:

(a) the price of a *relevant qualifying cryptoasset* traded on its *qualifying cryptoasset trading platform*; and

(b) the price of the same *relevant qualifying cryptoasset* that is publicly available and traded on other markets which the *UK QCATP operator* reasonably considers to be material for price formation.

Further provision on preventing and disrupting cryptoasset market abuse

4.7.12 R The *UK QCATP operator* must ensure that the *qualifying cryptoasset trading platform* has in place:

(1) arrangements, systems and procedures to halt, suspend or constrain trading;

(2) rules that set out options for disrupting *cryptoasset market abuse* activities, including the ability to:

(a) warn users of the *qualifying cryptoasset trading platform*;

(b) restrict the activities of users of the *qualifying cryptoasset trading platform*;

(c) increase surveillance and scrutiny of particular orders and transactions;

(d) suspend and remove *relevant qualifying cryptoassets* from the *qualifying cryptoasset trading platform*;

(e) offboard users of the *qualifying cryptoasset trading platform*; and

(f) sanction users of the *qualifying cryptoasset trading platform*; and

(3) trading rules contributing to the prevention of *cryptoasset market abuse* activities.

Arrangements with clients

4.7.13 R A *UK QCATP operator* must establish and maintain arrangements, including, where appropriate, contractual agreements with clients, which allow that *UK QCATP operator* to prevent and disrupt *cryptoasset market abuse* activities, including the ability to take the actions set out in *CRYPTO* 4.7.12R.

Further provision on preventing, detecting and disrupting cryptoasset market abuse through internal controls

4.7.14 R A *UK QCATP operator* must have internal arrangements, systems and procedures to prevent, detect and disrupt *cryptoasset market abuse* activities, including:

(1) *information barriers*, including barriers that limit the access that *employees* of the *UK QCATP operator* have to client orders to prevent *cryptoasset market abuse* activities, such as to prevent front running; and

(2) arrangements with *employees* to support any investigations into whether that *employee* has:

(a) acted in contravention of the *UK QCATP operator's* internal arrangements, systems and procedures; or

(b) undertaken *cryptoasset market abuse* activities.

4.7.15 R 'Front running' under *CRYPTO* 4.7.14R(1) is a transaction that:

(1) is for a *person's* own benefit;

(2) is made on the basis of and ahead of an order which that *person* is to carry out with or for another (in respect of which information concerning the order is *cryptoasset inside information*); and

(3) takes advantage of the anticipated impact of the order on the market price.

4.7.16 R For the purposes of *CRYPTO* 4.7.14R(2), a *UK QCATP operator's* arrangements with *employees* shall, where permitted by *data protection legislation*, include the ability to require an *employee* who is suspected of the activities in *CRYPTO* 4.7.14R(2)(a) and (b) to disclose details of any wallet addresses they own.

4.7.17 G A *UK QCATP operator* is also subject to:

(1) personal account dealing arrangements in *CRYPTO* 5.8; and

(2) conflicts of interest requirements in *CRYPTO* 6.3.4R and *CRYPTO* 6.3.5G.

Staff training

4.7.18 R A *UK QCATP operator* must, on a regular basis, organise and provide effective and comprehensive training to the staff involved in preventing, detecting and disrupting orders and transactions that could indicate the existence of *cryptoasset market abuse* activities, including the staff involved in processing orders and transactions.

4.7.19 R A *UK QCATP operator* must ensure that the training in *CRYPTO* 4.7.18R includes, as appropriate, information on:

(1) handling and managing *cryptoasset inside information*;

(2) maintaining appropriate *information barriers* among relevant staff; and

(3) managing *cryptoasset inside information* disclosures to the market concerning initial exchange offerings.

Additional rules for large CATP operators

4.7.20 R In addition to (or as part of) the other requirements under *CRYPTO* 4.7, a *large CATP operator* must ensure its arrangements, systems and procedures:

(1) include the effective and ongoing monitoring of orders or transactions of relevant wallets that are settled on a distributed ledger ('on-chain activity') to detect *cryptoasset market abuse* activity in accordance with *CRYPTO* 4.7.22R;

(2) enable compliance with the requirements for disclosure of information to other *large CATP operators* in accordance with *CRYPTO* 4.9;

(3) enable the prompt and effective receipt and assessment of information sent by other *large CATP operators* under *CRYPTO* 4.9; and

(4) ensure information received under *CRYPTO* 4.7.20R(3) is assessed in accordance with *CRYPTO* 4.7.5R(2).

4.7.21 R For the purposes of *CRYPTO* 4.7.20R(1), 'relevant wallets' means:

(1) wallets that:

(a) are used to carry out trading activities, including placing orders or transactions on the *large CATP operator's qualifying cryptoasset trading platform*; and

(b) have been identified as presenting a risk of *cryptoasset market abuse* activity by the arrangements, systems and procedures of the *large CATP operator*; and

(2) any other wallets that are reasonably identifiable as being controlled by the same *person* or *group* of *persons* as the wallets in (1).

On-chain monitoring requirements for large CATP operators

4.7.22 R A *large CATP operator* must:

(1) establish and maintain the ability to monitor on-chain activity; and

(2) identify whether such on-chain activity could be linked to a *cryptoasset market abuse* activity on the *qualifying cryptoasset trading platform*, or itself constitute a *cryptoasset market abuse* activity.

4.7.23 G (1) The monitoring of on-chain activity may include the monitoring of wallet interactions, token flows and transaction patterns.

(2) Methods for the monitoring of on-chain activity may include the use of blockchain analytics, wallet clustering and anomaly detection.

Notification of suspicious orders and transactions

4.7.24 R Subject to *CRYPTO* 4.7.25R, a *UK QCATP operator* must:

(1) only use the notification, or information contained in the notification, received under regulation 30(3) of the *Cryptoassets Regulations* for the purposes of preventing, detecting or disrupting *cryptoasset market abuse* activity and for no other purpose; and

(2) not transmit the notification, or information contained in the notification, to any third parties.

4.7.25 R A *UK QCATP operator* may use or transmit the notification, or information contained in the notification, where it is necessary to do so for the purposes of complying with its legal or regulatory obligations.

4.7.26 G Examples where it may be necessary for a *UK QCATP operator* to use or transmit the notification, or information contained in the notification, under *CRYPTO* 4.7.25R include:

(1) transmitting such information to the *FCA* in accordance with *Principle* 11 (Relations with regulators) or upon request by the *FCA*;

(2) in the case of a *large CATP operator*, disclosing such information to other *large CATP operators* where it is required to do so under *CRYPTO* 4.9;

(3) obtaining legal advice on its legal or regulatory obligations; and

(4) transmitting or disclosing such information to a delegated party under *CRYPTO* 4.7.30G where that is necessary for compliance with its legal or regulatory obligations in connection with the relevant outsourced functions.

Secure receipt of notifications

4.7.27 R A *UK QCATP operator* must ensure that the mechanism used for receiving and storing notifications under regulation 30(3) of the *Cryptoassets Regulations* is:

(1) adequately secure for the kind of information concerned; and

(2) capable of maintaining the completeness, integrity and confidentiality of the information concerned.

Data protection and other legal obligations

4.7.28 G (1) No obligations in *CRYPTO* 4.7 are to be interpreted in a manner which contravenes *data protection legislation*.

(2) When considering the application of *CRYPTO* 4.7, *UK QCATP operators* should be mindful of their wider legal obligations, such as under competition law – in particular, where the information being shared is commercially sensitive.

Guidance on the relationship between CRYPTO 4.7 and Principle 11

4.7.29 G (1) *UK QCATP operators* are reminded of their obligations under *PRIN* 2.1.1R, including *Principle* 11 (Relations with regulators), which requires a *firm* to deal with its regulators in an open and cooperative way and disclose to the *FCA* appropriately anything relating to the *firm* of which the *FCA* would reasonably expect notice.

(2) This includes notice of *cryptoasset market abuse* activity suspected by a *UK QCATP operator* where the *UK QCATP operator* reasonably concludes that it cannot adequately prevent, detect and disrupt the *cryptoasset market abuse* activity by appropriate measures available to it.

Delegation to another third party/another group entity

4.7.30 G Where a *UK QCATP operator* outsources, to a third party or to a legal *person* forming part of the same *group*, the performance of any functions to meet the requirements under *CRYPTO* 4.7, the *UK QCATP operator* will be subject to the *rules* and *guidance* in *SYSC* 8.

Audit and record keeping

4.7.31 R *UK QCATP operators* must ensure that the arrangements, systems and procedures required by *CRYPTO* 4.7 are:

(1) regularly assessed, at least through an annually conducted audit and internal review, or sooner if there are relevant changes to the business, legal or regulatory environment or to the risk of *cryptoasset market abuse* activity occurring, and updated when necessary; and

(2) clearly documented in writing, including any changes or updates to them, for the purposes of complying with the *rules* in *CRYPTO* 4 and the *cryptoasset market abuse* regime.

4.7.32 R *UK QCATP operators* must, for a period of 5 years, retain:

(1) the information documenting the analysis carried out with regard to orders and transactions that could constitute *cryptoasset market abuse* activities, including where this information was reported internally within the *UK QCATP operator* and where this was reported externally to the *UK QCATP operator* by a *cryptoasset intermediary*;

(2) records of notifications received from *cryptoasset intermediaries* and assessments made pursuant to *CRYPTO* 4.7.5R(4), and any action taken as a result; and

(3) the documented information required under *CRYPTO* 4.7.31R(2).

4.7.33 R *UK QCATP operators* must provide to the *FCA* upon request the information and documents retained under *CRYPTO* 4.7.32R.

4.8 Arrangements, systems and procedures for cryptoasset intermediaries

Application and scope

4.8.1 G (1) Regulation 30(2) of the *Cryptoassets Regulations* requires, in relation to *relevant qualifying cryptoassets* and *related instruments*, *cryptoasset intermediaries* to establish and maintain effective arrangements, systems and procedures aimed at preventing, detecting and disrupting:

(a) *cryptoasset insider dealing*;

(b) *cryptoasset market manipulation*;

(c) attempted *cryptoasset insider dealing*; and

(d) attempted *cryptoasset market manipulation*.

(2) Regulation 30(3) of the *Cryptoassets Regulations* requires a *cryptoasset intermediary* to notify a *UK QCATP operator* without unnecessary delay where it reasonably suspects that an order or transaction in relation to any *relevant qualifying cryptoasset* or *related instrument*, whether placed or executed on, or outside, a *qualifying cryptoasset trading platform*, could constitute:

(a) *cryptoasset insider dealing*;

(b) *cryptoasset market manipulation*;

(c) attempted *cryptoasset insider dealing*; or

(d) attempted *cryptoasset market manipulation*.

4.8.2 G Regulation 30(5) of the *Cryptoassets Regulations* provides that the *FCA* may make certain *rules*, including in relation to:

(1) the design, scope and application of the arrangements, systems and procedures in regulation 30(2) of the *Cryptoassets Regulations*;

(2) notifications under regulation 30(3) of the *Cryptoassets Regulations*; and

(3) such matters related to regulation 30 of the *Cryptoassets Regulations* as the *FCA* considers appropriate.

4.8.3 G This section contains *rules* and *guidance* on:

(1) the arrangements, systems and procedures for *cryptoasset intermediaries* (in *CRYPTO* 4.8.5R to *CRYPTO* 4.8.18G);

(2) notifications to *UK QCATP operators* in *CRYPTO* 4.8.19G to *CRYPTO* 4.8.33R; and

(3) related matters, such as audit and record keeping, in *CRYPTO* 4.8.34G to *CRYPTO* 4.8.39R.

4.8.4 R References to *cryptoasset market abuse* activities in this section refer only to:

(1) *cryptoasset insider dealing*;

(2) *cryptoasset market manipulation*;

(3) attempted *cryptoasset insider dealing*; and

(4) attempted *cryptoasset market manipulation*.

Overarching requirements for the arrangements, systems and procedures

4.8.5 R The arrangements, systems and procedures must:

(1) ensure effective and ongoing monitoring of the full range of trading activities undertaken by the *cryptoasset intermediary*, including all orders received or transmitted or transactions executed by the *cryptoasset intermediary*;

(2) enable the *cryptoasset intermediary* to analyse as quickly as practicable whether, on a case-by-case basis, a given order, transaction or activity is suspicious;

(3) enable the *cryptoasset intermediary* to prevent and/or disrupt any *cryptoasset market abuse* activity once detected; and

(4) enable the *cryptoasset intermediary* to assess whether to notify the *UK QCATP operator(s)* without unnecessary delay under regulation 30(3) of the *Cryptoassets Regulations*.

4.8.6 R (1) For the purposes of *CRYPTO* 4.8.5R(2), the *cryptoasset intermediary* must base its analysis on reasonable grounds.

(2) Analysis that is based on speculation or presumption would not be based on reasonable grounds for the purposes of (1).

4.8.7 R The *cryptoasset intermediary* must ensure that its arrangements, systems and procedures:

(1) include an appropriate level of human analysis; and

(2) employ software systems which assist with the prevention, detection and disruption of *cryptoasset market abuse* activities.

4.8.8 R A *cryptoasset intermediary* must establish and maintain the arrangements, systems and procedures irrespective of:

(1) the capacity in which the order is placed or the transaction is executed;

(2) the types of clients concerned; or

(3) whether the orders were placed or transactions executed on or outside a *qualifying cryptoasset trading platform*.

Proportionality

4.8.9 R A *cryptoasset intermediary* must ensure that the arrangements, systems and procedures are appropriate and proportionate in relation to the scale, size and nature of its business activity.

4.8.10 R A *cryptoasset intermediary* must, upon request, provide the *FCA* with information to demonstrate compliance with *CRYPTO* 4.8.9R, including information on the level of automation put in place in such systems.

Further provision on detecting cryptoasset market abuse activities

4.8.11 R Without prejudice to the generality of *CRYPTO* 4.8.5R(1) and (2), a *cryptoasset intermediary* must ensure that the arrangements, systems and procedures, as a minimum:

(1) provide for the analysis, individually and comparatively, of each and every transaction executed and order placed, modified, cancelled or rejected in the systems of the *cryptoasset intermediary*;

(2) have facilities to replay the order book in order to analyse the activity of a trading session in the context of *algorithmic trading*, including high-frequency trading;

(3) produce alerts in line with predefined parameters indicating activities requiring further analysis by the *cryptoasset intermediary* for the purposes of detecting potential *cryptoasset market abuse* activities; and

(4) monitor activities and communications made internally within the *cryptoasset intermediary* as well as externally, such as on social media, public forums and chat rooms, blogs, newsletters and podcasts.

Arrangements with clients

4.8.12 R A *cryptoasset intermediary* must establish and maintain arrangements, including, where appropriate, contractual agreements with clients, which allow the *cryptoasset intermediary* to prevent and disrupt *cryptoasset market abuse* activities, including the ability to offboard the client.

Further provision on preventing, detecting and disrupting cryptoasset market abuse internally

4.8.13 R A *cryptoasset intermediary* must have internal arrangements, systems and procedures to prevent, detect and disrupt *cryptoasset market abuse* activities, including:

(1) *information barriers*, including barriers that limit the access that *employees* of the *cryptoasset intermediary* have to client orders to prevent *cryptoasset market abuse activities*, such as to prevent front running;

(2) effective arrangements to identify, prevent and manage conflicts of interest that could harm the interests of clients; and

(3) arrangements with *employees* to support any investigations into whether that *employee* has:

(a) acted in contravention of the *cryptoasset intermediary's* internal arrangements, systems and procedures; or

(b) undertaken *cryptoasset market abuse* activities.

4.8.14 R 'Front running' under *CRYPTO* 4.8.13R(1) is a transaction that:

(1) is for a *person's* own benefit;

(2) is made on the basis of and ahead of an order which that *person* is to carry out with or for another (in respect of which information concerning the order is *cryptoasset inside information*); and

(3) takes advantage of the anticipated impact of the order on the market price.

4.8.15 R For the purposes of *CRYPTO* 4.8.13R(3), a *cryptoasset intermediary's* arrangements with *employees* shall, where permitted by *data protection legislation*, include the ability to require an *employee* who is suspected of the activities in *CRYPTO* 4.8.13R(3)(a) and (b) to disclose details of any wallet addresses they own.

4.8.16 G A *cryptoasset intermediary* is also subject to:

(1) personal account dealing arrangements in *CRYPTO* 5.8; and

(2) conflicts of interest requirements in *SYSC* 10.

Staff training

4.8.17 R *Cryptoasset intermediaries* must, on a regular basis, organise and provide effective and comprehensive training to the staff involved in preventing, detecting and disrupting orders and transactions that could indicate the existence of *cryptoasset market abuse* activities, including the staff involved in processing orders and transactions.

4.8.18 G A *cryptoasset intermediary* must ensure that the training in *CRYPTO* 4.8.17R includes, as appropriate, information on:

(1) handling and managing *cryptoasset inside information*;

(2) maintaining appropriate *information barriers* among relevant staff; and

(3) managing *cryptoasset inside information* disclosures to the market concerning initial exchange offerings.

Notification of suspicious orders and transactions

4.8.19 G Under regulation 30(3) of the *Cryptoassets Regulations*, a *cryptoasset intermediary* may be required to notify more than one *UK QCATP operator*. For example, where the *relevant qualifying cryptoasset* is traded on multiple *qualifying cryptoasset trading platforms*, a *cryptoasset intermediary* may be required to notify each *UK QCATP operator* of those *qualifying cryptoasset trading platforms*.

4.8.20 G A c*ryptoasset intermediary* should not wait for a particular number of suspicious orders or transactions to accumulate before notifying a *UK QCATP operator*. To do so would be inconsistent with the requirement to notify the *UK QCATP operator* without unnecessary delay.

4.8.21 R (1) Unless required to do so under regulation 30(3) of the *Cryptoasset Regulations*, a c*ryptoasset intermediary* must not inform the *person* in respect of whom the notification will be submitted or anyone who is not required to know that the notification will be submitted.

(2) A *cryptoasset intermediary* must have in place procedures to ensure that:

(a) the *person* in respect of whom the notification was submitted; and

(b) anyone who does not need to know about the submission of the notification by virtue of their function or position,

is not informed of the fact that a notification has been, will be or is intended to be submitted.

Guidance on when notification would and would not be required

4.8.22 G Regulation 30(3) of the *Cryptoassets Regulations* can apply in relation to transactions and orders which occurred in the past, where a suspicion has arisen in light of subsequent events and information.

4.8.23 G It will be necessary to delay a notification under regulation 30(3) of the *Cryptoassets Regulations* in circumstances where there is a reasonable belief that notifying the relevant *UK QCATP operator* without delay would prejudice an investigation into the *cryptoasset market abuse* activity, for instance, because the suspicion relates to the *UK QCATP operator* itself.

4.8.24 G *Cryptoasset intermediaries* should not notify *UK QCATP operators* of all orders received or transactions conducted that have triggered an internal alert. Such a requirement would be inconsistent with the requirement in *CRYPTO* 4.8.5R(2) to assess on a case-by-case basis whether there are reasonable grounds for suspicion.

Information to be included in the notification

4.8.25 R A *cryptoasset intermediary* must include in its notification any information of which the *cryptoasset intermediary* is aware and that is relevant and proportionate to disclose to facilitate or enable the prevention, detection or disruption of the *cryptoasset market abuse* activity of concern.

4.8.26 R Information under *CRYPTO* 4.8.25R includes, where relevant and depending on the nature of the suspected *cryptoasset market abuse* activity:

(1) the names and identifiers of the *relevant qualifying cryptoasset* or *related instrument* and information identifying the orders and transactions in the *relevant qualifying cryptoasset* or *related instrument* for which suspicious activity has been detected;

(2) the time period or time stamp for when the suspicious activity occurred;

(3) a description of the order or transaction of concern, including the type of order and type of trading and the price and volume;

(4) the type and nature of the *cryptoasset market abuse* activity suspected;

(5) the reasons for suspecting the *cryptoasset market abuse* activity has taken place, is taking place or is likely to occur;

(6) the verifiable evidence for holding any suspicions, including trends and anomalies in trading patterns or behaviours, and any analysis carried out;

(7) the legal names, *LEI* or wallet address of, or any other appropriate means of identifying, any *person* in respect of whom the c*ryptoasset intermediary's* verifiable suspicions relate; and

(8) the capacity in which the *cryptoasset intermediary* submitting the notification operates, in particular when dealing on own account or executing orders on behalf of third parties.

Guidance on CRYPTO 4.8.25R

4.8.27 G (1) The question of whether information relating to the suspected *cryptoasset market abuse* activity of concern is relevant and proportionate must be assessed on a case-by-case basis, taking into account all the circumstances, including:

(a) whether the disclosure contains sufficiently precise, substantiated and verifiable information to meet the purpose of the disclosure;

(b) whether the disclosure contains information beyond what is relevant and necessary to meet the purpose of the disclosure;

(c) whether the information contains any information that is merely speculative;

(d) the nature and seriousness of the suspicion and/or *cryptoasset market abuse* in question; and

(e) whether there is a need to act particularly quickly to address the *cryptoasset market abuse* activity identified.

(2) Although information that falls within *CRYPTO* 4.8.25R is likely to be based on or comprise information ascertained as a result of the *cryptoasset intermediary's* arrangements, systems and procedures required by regulation 30(2) of the *Cryptoassets Regulations*, it may also include or comprise information from other sources of which the *cryptoasset intermediary* is aware.

Secure transmission of notification

4.8.28 R *Cryptoasset intermediaries* must ensure that the mechanism used for transmitting notifications is:

(1) adequately secure for the kind of information concerned; and

(2) capable of maintaining the completeness, integrity and confidentiality of the information concerned.

Subsequent information

4.8.29 R A c*ryptoasset intermediary* must provide a *UK QCATP operator* with any relevant additional information of which it becomes aware after it has submitted the notification.

Exclusion of liability in connection with a notification

4.8.30 R Subject to *CRYPTO* 4.8.31R, a notification made to a *UK QCATP operator* pursuant to regulation 30(3) of the *Cryptoassets Regulations* does not give rise to:

(1) a breach of any obligation of confidence owed by the *cryptoasset intermediary*; or

(2) any other civil liability, on the part of that *cryptoasset intermediary*, to a *person* to whom the information disclosed relates.

4.8.31 R The exclusion of civil liability set out in *CRYPTO* 4.8.30R only applies to a *cryptoasset intermediary* notifying a *UK QCATP operator* under regulation 30(3) of the *Cryptoassets Regulations*, to the extent that the *cryptoasset intermediary* can demonstrate that:

(1) it acted in good faith;

(2) it reasonably suspected that the relevant order or transaction could constitute a *cryptoasset market abuse* activity;

(3) it reasonably believed the information disclosed was relevant and proportionate to the purposes of detecting, preventing and disrupting the *cryptoasset market abuse* activity; and

(4) the notification was transmitted in accordance with *CRYPTO* 4.8.28R.

Guidance on CRYPTO 4.8.30R

4.8.32 G The exclusion from liability in *CRYPTO* 4.8.30R only applies to the act of notifying a *UK QCATP operator*. As such, it does not apply with respect to civil liability that may arise out of the use of the information, including any action taken as a result of it, other than subsequent information disclosures under *CRYPTO* 4.8.29R.

No exclusion from liability under data protection legislation

4.8.33 R *CRYPTO* 4.8.30R does not apply to any civil liability arising under *data protection legislation*.

Data protection and other legal obligations

4.8.34 G (1) No obligations in *CRYPTO* 4.8 are to be interpreted in a manner which contravenes *data protection legislation*.

(2) When considering the application of *CRYPTO* 4.8, *cryptoasset intermediaries* should be mindful of their wider legal obligations, such as under competition law – in particular, where the information being shared is commercially sensitive.

Guidance on the relationship between CRYPTO 4.8 and Principle 11

4.8.35 G (1) *Cryptoasset intermediaries* are reminded of their obligations under *PRIN* 2.1.1R, including *Principle* 11 (Relations with regulators), which requires a *firm* to deal with its regulators in an open and cooperative way and disclose to the *FCA* appropriately anything relating to the *firm* of which the *FCA* would reasonably expect notice.

(2) This includes notice of *cryptoasset market abuse* activity suspected by a *cryptoasset intermediary* in situations where the *cryptoasset intermediary* reasonably concludes that it cannot adequately prevent, detect and disrupt the *cryptoasset market abuse* activity by appropriate measures available to it or by notifying a *UK QCATP operator* under regulation 30(3) of the *Cryptoassets Regulations*.

Delegation to another third party/another group entity

4.8.36 G Where a *cryptoasset intermediary* outsources, to a third party or to a legal *person* forming part of the same *group*, the performance of any functions to meet the requirements under *CRYPTO* 4.8, the *cryptoasset intermediary* will be subject to the *rules* and *guidance* in *SYSC* 8.

Audit and record keeping

4.8.37 R *Cryptoasset intermediaries* must ensure that the arrangements, systems and procedures required by *CRYPTO* 4.8 are:

(1) regularly assessed, at least through an annually conducted audit and internal review, or sooner if there are relevant changes to the business, legal or regulatory environment or to the risk of *cryptoasset market abuse* activity occurring, and updated when necessary; and

(2) clearly documented in writing, including any changes or updates to them, for the purposes of complying with the *rules* in *CRYPTO* 4 and the *cryptoasset market abuse* regime.

4.8.38 R *Cryptoasset intermediaries* must, for a period of 5 years, retain records of:

(1) information shared with *UK QCATP operators* pursuant to regulation 30(3) of the *Cryptoassets Regulations*, the analysis for why this information was shared, and the facts and evidence underpinning this;

(2) any information which *cryptoasset intermediaries* decided, after undertaking analysis, would not be shared with *UK QCATP operators*, the applicable analysis, and the related facts and evidence;

(3) the information documenting the analysis carried out with regard to orders and transactions that could constitute *cryptoasset market abuse* activity;

(4) records of identified conflicts of interest and the steps taken to address them under *CRYPTO* 4.8.13R(2); and

(5) the documented information required under *CRYPTO* 4.8.37(2)R.

4.8.39 R *Cryptoasset intermediaries* must provide to the *FCA* upon request the information and documents retained under *CRYPTO* 4.8.38R.

4.9 Requirement for large CATP operators to disclose information for the purposes of detecting, preventing or disrupting cryptoasset market abuse

Disclosure obligation

4.9.1 G (1) Regulation 32(2) of the *Cryptoassets Regulations* requires certain *persons* (those listed in regulation 30(1)) to disclose information to relevant authorised cryptoasset *persons* for the purposes of disrupting, preventing and detecting *cryptoasset market abuse* in accordance with *FCA rules* (the 'disclosure obligation').

(2) Regulation 32(4) of the *Cryptoassets Regulations* has the effect that the disclosure obligation applies only to *persons* and situations specified by *FCA rules*.

(3) Regulation 32(4) also enables the *FCA* to make *rules* regarding other matters relating to the disclosure obligation including the content of the information to be disclosed, the mechanism for disclosure and the exclusion of civil liability.

(4) *CRYPTO* 4.9 sets out these *rules*.

Persons to whom the disclosure obligation applies

4.9.2 R A *large CATP operator* is specified as a *person* to whom the disclosure obligation applies.

Situations in which the disclosure obligation applies

4.9.3 R The disclosure obligation applies when:

(1) a *large CATP operator* has reasonable grounds to suspect that *cryptoasset market abuse* has occurred, is occurring or is likely to occur; and

(2) it is necessary to disclose information of the kind specified in *CRYPTO* 4.9.9R to another *large CATP operator* in order to detect, prevent or disrupt the *cryptoasset market abuse* of concern.

Timing of the disclosure

4.9.4 R Where the disclosure obligation applies, the information required by *CRYPTO* 4.9.9R must be disclosed without unnecessary delay.

Authorised cryptoasset person to which information must be disclosed

4.9.5 R Where the disclosure obligation applies, the disclosure must be made to the *large CATP operator* to which it is necessary to disclose the information for the purpose of *CRYPTO* 4.9.3R.

Guidance on when disclosure would be required under the disclosure obligation in accordance with CRYPTO 4.9.2R to CRYPTO 4.9.5R

4.9.6 G For the avoidance of doubt, the disclosure obligation applies in relation to transactions and orders which occurred in the past, where a suspicion has arisen in light of subsequent events and information.

4.9.7 G Examples of where it would be necessary to disclose information under the disclosure obligation include where a *large CATP operator* has:

(1) (a) a reasonable belief that the other *large CATP operator* has in its possession additional information that is likely to materially assist it in detecting, preventing or disrupting the suspected *cryptoasset market abuse* of concern; and

(b) reasonably concluded that it is necessary to disclose information about the suspected *cryptoasset market abuse* of concern in order to enable that other *large CATP operator* to share that additional information with it;

(2) (a) received information from the other *large CATP operator* that evidences a reasonable suspicion, on the basis of verifiable facts, that *cryptoasset market abuse* may have occurred, may be occurring or is likely to occur; and

(b) reasonably concluded that it is necessary to disclose information to the other *large CATP operator* to assist that operator with detecting, preventing or disrupting the suspected *cryptoasset market abuse* of concern;

(3) (a) on the basis of verifiable facts, reasonable grounds to suspect that *cryptoasset market abuse* has occurred, may be occurring or is likely to occur in relation to a *qualifying cryptoasset* that is

admitted to trading on both its platform and the platform operated by the other *large CATP operator*; and

(b) reasonably concluded that effective detection, prevention or disruption of the suspected *cryptoasset market abuse* of concern, in respect of the *qualifying cryptoassets* of concern, would be facilitated by action taken, or would require action to be taken, by the other *large CATP operator*; and

(4) (a) taken steps, on the basis of verifiable facts, to prevent or disrupt suspected *cryptoasset market abuse* from taking place, such as terminating a business relationship with a particular *person* who the *large CATP operator* has reasonable grounds for suspecting is or was involved in the commission of *cryptoasset market abuse* on its exchange; and

(b) reasonably concluded that the risk that the *person* could engage in *cryptoasset market abuse* on an exchange operated by the other *large CATP operator* is such that it is necessary and proportionate to inform that other *large CATP operator* of the steps it has taken, and the related circumstances, so that that other *large CATP operator* may consider whether it has grounds to take steps of its own in respect of that *person*.

4.9.8 G It would not be necessary or proportionate to disclose information where, in all the circumstances, disclosure is unlikely to assist with preventing or detecting the *cryptoasset market abuse* of concern, including when disclosure would be more likely than not to prejudice an investigation into the suspected *cryptoasset market abuse*.

Information that must be disclosed

4.9.9 R A *large CATP operator* must disclose under the disclosure obligation any information of which it is aware and that is relevant and proportionate to disclose to facilitate or enable the detection, prevention or disruption of the suspected *cryptoasset market abuse* of concern.

Guidance on CRYPTO 4.9.9R

4.9.10 G (1) The question of whether information relating to the suspected *cryptoasset market abuse* of concern is relevant and proportionate to disclose must be assessed on a case-by-case basis, taking into account all the circumstances, including:

(a) whether the disclosure contains sufficiently precise, substantiated and verifiable information to meet the purpose of the disclosure;

(b) whether the disclosure contains information beyond what is strictly relevant and proportionate to meet the purpose of the disclosure;

(c) whether the information contains any information that is merely speculative and not referrable to verifiable facts;

(d) the nature and seriousness of the suspicion and/or market abuse in question; and

(e) whether there is a need to act particularly quickly to address the *cryptoasset market abuse* identified.

(2) Although information that falls within *CRYPTO* 4.9.9R is likely to be based on or comprise information ascertained as a result of the *large CATP operator's* arrangements, systems and procedures required by *CRYPTO* 4.7R, it may also include or comprise information from other sources of which the *large CATP operator* is aware.

(3) Information that may fall within *CRYPTO* 4.9.9R includes, depending on the nature of the suspected *cryptoasset market abuse*, and without limitation:

(a) the names and identifiers of the *qualifying cryptoassets* and information identifying the orders and transactions in *qualifying cryptoassets* for which suspicious activity has been detected;

(b) the time period or time stamp for when the suspicious activity occurred;

(c) a description of the orders or transactions of concern, including the type of order and type of trading, and the price and volume;

(d) the type and nature of the *cryptoasset market abuse* suspected;

(e) the reasons for suspecting *cryptoasset market abuse* has taken place, is taking place or is likely to occur;

(f) the verifiable evidence for holding any suspicions, including trends and anomalies in trading patterns or behaviours;

(g) whether the behaviour has taken place on or off chain; and

(h) the legal names, *LEI* or wallet address of, or any other appropriate means of identifying, any *person* in respect of whom the *large CATP operator's* verifiable suspicions relate.

Restrictions on use of information received by virtue of the disclosure obligation

4.9.11 R Subject to *CRYPTO* 4.9.12R, a *large CATP operator* must:

(1) only use information which has been disclosed to it by virtue of *CRYPTO* 4.9 for the purposes of detecting, preventing and disrupting *cryptoasset market abuse* activity and for no other purpose; and

(2) not transmit information contained in the notification to any third parties.

4.9.12 R A *large CATP operator* may use or transmit information that has been disclosed to it by virtue of *CRYPTO* 4.9 where it is necessary to do so for the purposes of complying with its legal or regulatory obligations.

4.9.13 G Examples where it may be necessary for a *large CATP operator* to use or transmit information under *CRYPTO* 4.9.12R include:

(1) transmitting such information to the *FCA* in accordance with *Principle* 11 (Relations with regulators) or upon request by the FCA;

(2) disclosing such information to other *large CATP operators* where it is required to do so under *CRYPTO* 4.9;

(3) obtaining legal advice on its legal or regulatory obligations; and

(4) transmitting or disclosing such information to a delegated party under *CRYPTO* 4.7.30G where that is necessary for compliance with its legal or regulatory obligations in connection with the relevant outsourced functions.

Secure transmission of disclosed information

4.9.14 R *Large CATP operators* must ensure that the mechanism used for transmitting information in compliance with the disclosure obligation is:

(1) adequately secure for the kind of information concerned; and

(2) capable of maintaining the completeness, integrity and confidentiality of the information concerned.

Data protection and other legal obligations

4.9.15 G (1) No obligations in *CRYPTO* 4.9 are to be interpreted in a manner which contravenes *data protection legislation*.

(2) When considering the application of *CRYPTO* 4.9, *large CATP operators* should be mindful of their wider legal obligations, such as under competition law – in particular, where the information being shared is commercially sensitive.

Record keeping

4.9.16 R A *large CATP operator* must, for a period of 5 years, retain records of:

(1) information disclosed to other *large CATP operators* pursuant to the disclosure obligation together with:

(a) the facts and assessment that gave rise to the reasonable suspicion that *cryptoasset market abuse* had occurred, was occurring or was likely to occur;

(b) the reasons why it was considered necessary to share the information to detect, prevent or disrupt the *cryptoasset market abuse* of concern; and

(c) the reasons why the information shared was relevant and proportionate for the purposes of *CRYPTO* 4.9.9R;

(2) any assessments leading to a decision to not disclose information to another *large CATP operator*, including, insofar as relevant:

(a) reasons for concluding there was insufficient evidence to form reasonable grounds to suspect *cryptoasset market abuse*;

(b) reasons for concluding that it was not necessary to disclose information to detect, prevent or disrupt the *cryptoasset market abuse* of concern; and

(c) reasons for concluding that certain information would not meet the threshold of relevance or proportionality provided for in *CRYPTO* 4.9.9R; and

(3) information received from other *large CATP operators* under the disclosure obligation, assessments made pursuant to *CRYPTO* 4.7.20R, and any action taken as a result.

4.9.17 G The *FCA* may request to see the records referred to in *CRYPTO* 4.9.16R under its information gathering powers and they must be provided to the *FCA* upon such a request.

Guidance on the relationship between disclosing to another large CATP operator under the disclosure obligation and disclosing to the FCA under Principle 11

4.9.18 G (1) *Large CATP operators* are reminded of their obligations under *PRIN* 2.1.1R, including *Principle* 11 (Relations with regulators), which requires a *firm* to deal with its regulators in an open and cooperative way and disclose to the *FCA* appropriately anything relating to the *firm* of which the *FCA* would reasonably expect notice.

(2) This includes notice of *cryptoasset market abuse* suspected by a *large CATP operator* where the *large CATP operator* reasonably concludes that the suspected *cryptoasset market abuse* of concern could not be adequately prevented, detected or disrupted by appropriate measures available to the *large CATP operator* either acting by itself or in conjunction with another *large CATP operator* with which information was shared, or is necessary to share, under the disclosure obligation.

Exclusion of liability in connection with a disclosure under the disclosure obligation

4.9.19 R Subject to *CRYPTO* 4.9.20R and *CRYPTO* 4.9.22R, a disclosure of information made or received by a *large CATP operator* pursuant to the disclosure obligation does not give rise to:

(1) a breach of any obligation of confidence owed by the *large CATP operator*; or

(2) any other civil liability, on the part of that *large CATP operator*, to a *person* to whom the information disclosed relates.

4.9.20 R The exclusion of civil liability set out in *CRYPTO* 4.9.19R only applies to a *large CATP operator* disclosing information pursuant to the disclosure obligation to the extent that the *large CATP operator* can demonstrate:

(1) it acted in good faith;

(2) it reasonably believed that the disclosure was necessary to detect, prevent, or disrupt the suspected *cryptoasset market abuse* of concern;

(3) it reasonably believed that the information disclosed was relevant and proportionate to the purposes of detecting, preventing and disrupting the suspected *cryptoasset market abuse* of concern; and

(4) the information was disclosed in accordance with *CRYPTO* 4.9.14R.

4.9.21 G The exclusion of liability in *CRYPTO* 4.9.19R only applies to the act of disclosing or receiving information. As such, it does not apply with respect to civil liability that may arise out of the use of the information, including any action taken as a result of it, other than further disclosures of information under the disclosure obligation.

No exclusion from liability under data protection legislation

4.9.22 R *CRYPTO* 4.9.19R does not apply to any civil liability arising under *data protection legislation*.

4.10 Public disclosure of cryptoasset inside information

Obligation to disclose under regulation 26 of the Cryptoassets Regulations

4.10.1 G (1) Under regulation 26 of the *Cryptoassets Regulations*, a *relevant person* ('A') must, where required to do so by *FCA rules*, inform the public of *cryptoasset inside information* that directly concerns A:

(a) as soon as possible; and

(b) in a manner that enables fast access as well as complete, correct and timely assessment of the information by the public.

(2) The *FCA* may make designated activity *rules*:

(a) specifying the *relevant persons* to whom regulation 26 applies;

(b) concerning the form, type, timing and technical means of disclosure required; and

(c) in relation to the application of regulation 26 as the *FCA* considers appropriate.

Application of regulation 26 of the Cryptoassets Regulations

4.10.2 R Regulation 26 of the *Cryptoassets Regulations* applies to the following *relevant persons*:

(1) a *relevant issuer*;

(2) a *person responsible for the offer*; and

(3) a *UK QCATP*.

4.10.3 G (1) For the purposes of regulation 26, *cryptoasset inside information* can directly concern a *relevant issuer*, a *person responsible for the offer* and/or a *UK QCATP* where it relates to a *relevant qualifying cryptoasset* of which they are:

(a) a *relevant issuer*;

(b) a *person responsible for the offer*; or

(c) a *UK QCATP* on which the *relevant qualifying cryptoasset* is *admitted to trading* or subject to an application seeking *admission to trading*.

(2) For example:

(a) If a *relevant issuer* hires a third party to design a *relevant qualifying cryptoasset* and subsequently becomes aware that the third party's work introduced a code vulnerability, this would directly concern that *relevant issuer*.

(b) If a *UK QCATP* outsources its custody infrastructure to a third-party provider and later discovers that an outage at the provider created a material risk of delayed or failed settlement for a *relevant qualifying cryptoasset admitted to trading* by that *UK QCATP*, this issue would directly concern that *UK QCATP*.

(3) Regulation 26 does not, of itself, create an obligation to seek out and obtain inside information that is not already in the possession of the *relevant issuer*, *person responsible for the offer* and *UK QCATP operator*.

4.10.4 G In relation to decisions whether to publicly disclose *cryptoasset inside information* in accordance with regulation 26, *relevant issuers*, *persons responsible for the offer* and *UK QCATP operators* and their advisers are best placed to make an initial assessment of whether particular information amounts to *cryptoasset inside information*. The decision as to whether a piece of information is *cryptoasset inside information* may be finely balanced and the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* (with the help of its advisers) will need to exercise its judgement.

4.10.5 G A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* should carefully and continuously monitor whether changes in their circumstances or the circumstances relating to the *relevant qualifying cryptoasset* are such that the disclosure obligation in regulation 26(1) applies.

Manner, form and technical means of disclosure under regulation 26 of the Cryptoassets Regulations

4.10.6 R Information published to comply with regulation 26 must be published on the website of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*.

4.10.7 R A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* must, for the purposes of *CRYPTO* 4.10.6R:

(1) ensure that the *cryptoasset inside information* is in the form of a downloadable written statement and that the language used in that statement to describe the *cryptoasset inside information* is clear, precise and not misleading; and

(2) post and maintain on its website, for a period of at least 5 years, all *cryptoasset inside information* it is required to disclose publicly.

4.10.8 R *Cryptoasset inside information* disclosed on a website referred to in *CRYPTO* 4.10.6R must:

(1) be accessible on a non-discriminatory basis and free of charge;

(2) be located in an easily identifiable section of the website; and

(3) clearly indicate the date and time of disclosure and be organised in chronological order.

4.10.9 R A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* does not have to comply with *CRYPTO* 4.10.6R, *CRYPTO* 4.10.7R or *CRYPTO* 4.10.8R where it does not have a website.

4.10.10 G Regulation 26 requires a *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* to make disclosures in a manner that enables fast access to, as well as complete, correct and timely assessment of, the information by the public. Complying with this standard is likely to require

that other channels of dissemination are used in addition to disclosure on a website referred to in *CRYPTO* 4.10.6R.

4.10.11 G (1) A *relevant issuer*, a *person responsible for the offer* or a *UK QCATP operator* may consider communicating *cryptoasset inside information*, directly or indirectly, using the following forms of media, in each case subject to meeting the conditions of regulation 26:

(a) traditional media;

(b) social media permitting publication in written form;

(c) web-based platforms which permit publication of news relating to a *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator*; and

(d) the website of the *UK QCATP operator*, where the related *relevant qualifying cryptoasset* is traded and where it provides this service.

(2) The *FCA* would expect a *relevant issuer*, a *person responsible for the offer* or a *UK QCATP operator* to use a communication channel of this form only where it is reasonably satisfied that the channel is one on which the public can reasonably rely.

4.10.12 G Disseminating *cryptoasset inside information* through social media or web-based platforms where the social media or web-based platform does not ensure that the *cryptoasset inside information* is accessible to all users, or where the social media or web-based platform restricts access to users, would not comply with regulation 26.

4.10.13 R Where publication takes place on social media, web-based platforms or the website of a *UK QCATP*, the *relevant issuer*, the *person responsible for the offer* and the *UK QCATP operator* must include a link to the written statement published on their website in accordance with *CRYPTO* 4.10.7R(1).

4.10.14 R In complying with regulation 26, a *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* must ensure that:

(1) any communications made to a third party to enable the onward dissemination of *cryptoasset inside information* for the purposes of regulation 26 are transmitted using electronic means that maintain the completeness, integrity and confidentiality of the information during the transmission; and

(2) the information disseminated to the public clearly identifies:

(a) that the information communicated is *cryptoasset inside information*;

(b) the identity of the *relevant issuer*, the *person responsible for the offer* and the *UK QCATP operator* (full legal name);

(c) the identity of the *person* making the notification: name, surname, and position within the *relevant issuer*, the *person responsible for the offer* and the *UK QCATP operator* (where relevant);

(d) the subject matter of the *cryptoasset inside information*; and

(e) the date and time of the communication.

4.10.15 R A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* must ensure completeness, integrity and confidentiality by remedying any failure or disruption in the communication of *cryptoasset inside information* without delay.

Uploading to the FCA-owned centralised repository

4.10.16 R A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* must, for the purposes of regulation 26:

(1) subsequently upload the *cryptoasset inside information* as soon as possible to the *FCA-owned centralised repository*; and

(2) when uploading that *cryptoasset inside information*, include the following identifying information:

(a) the name of, and any *LEI* that is included on the *GLEIF* Global LEI Index for, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* that is uploading the *cryptoasset inside information*; and

(b) the name(s) of, and the *digital token identifier(s)* for, the *qualifying cryptoasset(s)* concerned.

Separation for marketing

4.10.17 R A *relevant issuer*, a *person responsible for the offer* and a *UK QCATP operator* must not combine the disclosure of *cryptoasset inside information* to the public with the marketing of its activities.

Delayed disclosure of cryptoasset inside information

4.10.18 G (1) Regulation 27(1) of the *Cryptoassets Regulations* provides that a *relevant person* may delay the public disclosure of *cryptoasset inside information* in accordance with *FCA rules*.

(2) Regulation 27(2) of the *Cryptoassets Regulations* provides that the *FCA* may make *rules* concerning:

(a) the form, type, timing of and arrangements for notifications to delay disclosure;

(b) the conditions under which disclosure may be delayed;

(c) the conditions or circumstances when disclosure would need to be made; and

(d) such matters relating to that regulation as the *FCA* considers appropriate.

4.10.19 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* may, on its own responsibility, delay disclosure of *cryptoasset inside information*, provided that all the following conditions are met:

(1) immediate disclosure is likely to prejudice the legitimate interests of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(2) delay of disclosure is not likely to mislead the public; and

(3) the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* is able to ensure the confidentiality of that information.

4.10.20 R In the case of an ongoing process that occurs in stages and that is intended to bring about or that results in a particular circumstance or a particular event, a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* may, on its own responsibility, delay the public disclosure of inside information relating to this process, subject to *CRYPTO* 4.10.19R.

4.10.21 G For the purposes of applying the requirement in *CRYPTO* 4.10.19R(1), legitimate interests may, in particular, relate to the following circumstances, which are not intended to be exhaustive:

(1) There are ongoing negotiations, or related elements, in relation to admission of a *relevant qualifying cryptoasset* to trading, where, if disclosed, the outcome of those negotiations would affect the price of the *relevant qualifying cryptoasset* itself.

(2) Where a *relevant issuer* is in discussions to make changes relating to a blockchain fork (see *CRYPTO* 4.3.9G(5)), the *relevant issuer* may wish to keep this information confidential until a final decision has been reached to avoid volatility in the price of a *qualifying cryptoasset*.

(3) Where, in the case of a security vulnerability, immediate disclosure would prejudice the ability of the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* to take effective measures to remediate that vulnerability.

4.10.22 R Where disclosure of *cryptoasset inside information* has been delayed in accordance with *CRYPTO* 4.10.19R or *CRYPTO* 4.10.20R, and the

confidentiality of that information is no longer ensured, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must disclose that information to the public as soon as possible under regulation 26 and in accordance with these *rules*. This includes situations where a rumour explicitly relates to *cryptoasset inside information*, the disclosure of which has been delayed in accordance with *CRYPTO* 4.10.19R or *CRYPTO* 4.10.20R, and the rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

4.10.23 G Where there is press speculation or market rumour regarding a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* should assess whether a disclosure obligation arises under regulation 26(1) of the *Cryptoassets Regulations*. To do this, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* will need to carefully assess whether the speculation or rumour has given rise to a situation where it has *cryptoasset inside information*.

4.10.24 G The knowledge that press speculation or market rumour is false may not amount to *cryptoasset inside information*. If it does amount to *cryptoasset inside information*, the *FCA* expects that there may be cases where a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* would be able to delay disclosure in accordance with *CRYPTO* 4.10.19R or *CRYPTO* 4.10.20R.

4.10.25 R Where a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* has delayed the disclosure of *cryptoasset inside information* in accordance with the conditions in *CRYPTO* 4.10.19R, it must ensure the accessibility, readability and maintenance in a durable medium of all the following information:

(1) the reason(s) for the delayed disclosure of *cryptoasset inside information*;

(2) the dates and times when:

(a) the *cryptoasset inside information* first existed within the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*;

(b) the decision to delay the disclosure of *cryptoasset inside information* was made; and

(c) the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* is likely to disclose the *cryptoasset inside information*;

(3) the identity, position and function of the person(s) within the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* responsible for:

(a) deciding to delay the disclosure of the *cryptoasset inside information*, and deciding about the start of the delay and its likely end;

(b) ensuring the ongoing monitoring of the conditions for the delay of the disclosure of the *cryptoasset inside information*;

(c) deciding about the disclosure of the *cryptoasset inside information*; and

(d) providing to the *FCA* the information about the delayed disclosure;

(4) evidence of the initial fulfilment of the conditions in *CRYPTO* 4.10.19R and of any change in that fulfilment during the delay period, including:

(a) the information barriers which have been put in place internally and with regard to third parties to prevent access to *cryptoasset inside information* by persons other than those who require it for the normal exercise of their employment, profession or duties within the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*; and

(b) the arrangements put in place where the confidentiality of the *cryptoasset inside information* is no longer ensured; and

(5) a complete record of the *cryptoasset inside information* that is subject to the delayed disclosure, including, once the *cryptoasset inside information* is publicly disclosed, the reference number (where the dissemination system used assigns one), the duration of the delay, and the date and time of the public disclosure of the *cryptoasset inside information*.

4.10.26 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must make the information listed in *CRYPTO* 4.10.25R available to the *FCA* on request, in a form specified by the *FCA*.

4.10.27 R For the purposes of *CRYPTO* 4.10.25R, 'durable medium' means any instrument which stores information in a way that is accessible for future reference for a period of time adequate for the purposes of the information and allows the unchanged reproduction of the information stored.

4.11 Legitimate cryptoasset market practices

4.11.1 G (1) Regulations 23(1)(a), 25(1)(a) and 29(1)(a) of the *Cryptoassets Regulations* provide exclusions applicable to the prohibitions in regulations 22 (insider dealing), 24 (disclosure of inside information) and 28 (market manipulation) respectively.

(2) The exclusions referred to in (1) apply to conduct specified as a *legitimate cryptoasset market practice* in *rules* made under regulation 34(1) of the *Cryptoassets Regulations*.

(3) A *person* does not contravene the prohibitions in regulations 22, 24 or 28 where the conduct that would otherwise fall within those regulations is specified as a *legitimate cryptoasset market practice* in relation to the relevant prohibition.

4.11.2 G The *rules* in this section specify the market practices listed in the first column of the table below as *legitimate cryptoasset market practices* for the purpose of the prohibitions in the *Cryptoassets Regulations* listed in the second column of the table.

	Legitimate cryptoasset market practice	**Prohibition**
(1)	Burning	(a) regulation 22 (insider dealing); (b) regulation 24 (disclosure of inside information); and (c) regulation 28 (market manipulation).
(2)	Crypto-stabilisation	(a) regulation 22 (insider dealing); (b) regulation 24 (disclosure of inside information); and (c) regulation 28 (market manipulation).

Burning

4.11.3 G (1) The following *rules* and *guidance* are about *burning*.

(2) *Burning* is the process by which a cryptoasset is permanently removed from circulation on a blockchain.

(3) Some cryptocurrency developers intentionally *burn* cryptoassets for the purpose of supporting the effective functioning of the market in that cryptoasset by reducing supply. This is not dissimilar to 'buy-back programmes' in traditional finance, where entities trade in their own shares.

4.11.4 R Subject to *CRYPTO* 4.11.5R, *burning* is specified as a *legitimate cryptoasset market practice* for the purpose of the prohibitions in regulations 22, 24 and 28 of the *Cryptoassets Regulations*.

4.11.5 R The prohibitions in regulations 22, 24 and 28 of the *Cryptoassets Regulations* do not apply to the activity of *burning* only where:

(1) the *burning* is done by a *relevant person*; and

(2) that *relevant person* ensures that:

(a) for *burning* that is a feature of the *relevant qualifying cryptoasset* or its underlying technology, the *burning* is conducted in accordance with a defined framework or protocol, the full details of which have been publicly disclosed;

(b) for *burning* conducted on an ad hoc basis:

(i) full details of the *burning* process are disclosed to the public prior to the start of the *burning* process, including:

(A) the purpose of the *burning*;

(B) the maximum number of units of the *relevant qualifying cryptoasset* allocated to the *burning*;

(C) the maximum fiat value of the *relevant qualifying cryptoasset* to be burned; and

(D) the period allocated for the *burning*;

(ii) transactions which are part of the *burning* process are:

(A) recorded; and

(B) subsequently disclosed to the public, except where the existence of the transaction can be observed directly on the blockchain; and

(iii) each instance of *burning* of a *relevant qualifying cryptoasset* completed as part of the *burning* process is:

(A) recorded; and

(B) subsequently disclosed to the public, except where the instance of *burning* can be observed directly on the blockchain; and

(c) the sole purpose of the activity is to support the effective functioning of the market in the *relevant qualifying cryptoasset* by reducing the amount of the *relevant qualifying cryptoassets* which are in circulation.

4.11.6 G For the purposes of *CRYPTO* 4.11.5R, a disclosure would be made publicly where it is made:

(1) as part of an applicable *QCDD* or *supplementary disclosure document* for the *relevant qualifying cryptoasset*; or

(2) in accordance with *CRYPTO* 4.10.

Crypto-stabilisation

4.11.7 G The following *rules* and *guidance* are about crypto-stabilisation.

4.11.8 R For the purposes of this section, 'crypto-stabilisation' means a purchase of, or offer to purchase, *relevant qualifying cryptoassets*, or a transaction in *related instruments* equivalent to such a purchase or offer, which is undertaken:

(1) in the context of a distribution of such *relevant qualifying cryptoassets* or *related instruments*;

(2) exclusively for supporting the market price of those *relevant qualifying cryptoassets* or *related instruments*;

(3) for a predetermined period of time; and

(4) due to a selling pressure in such *relevant qualifying cryptoassets* or *related instruments*.

4.11.9 R Subject to *CRYPTO* 4.11.10R, crypto-stabilisation is specified as a *legitimate cryptoasset market practice* for the purpose of the prohibitions in regulations 22, 24 and 28 of the *Cryptoassets Regulations*.

4.11.10 R The prohibitions in regulations 22, 24 and 28 of the *Cryptoassets Regulations* do not apply to the activity of crypto-stabilisation only where the crypto-stabilisation is done by a *relevant person* and that *relevant person* ensures that:

(1) the crypto-stabilisation is carried out for a limited period as follows:

(a) in the case of a distribution in the form of an initial coin offer which is publicly announced, the limited period starts on the date of commencement of trading of the *relevant qualifying cryptoasset* or *related instrument* on the *UK QCATP* concerned and ends no later than 30 calendar *days* after that date; or

(b) in the case of a distribution in the form of a secondary coin offer, the limited period starts on the *day* when the offer is publicly disclosed and ends no later than 30 calendar *days* after that date;

(2) transactions which are part of the crypto-stabilisation process are:

(a) recorded;

(b) subsequently disclosed to the public, except where the existence of the trade can be observed directly on the blockchain; and

(c) carried out in compliance with the applicable rules of the *UK QCATP* on which the *relevant qualifying cryptoasset* is, or is to be, *admitted to trading*, including any rules concerning public disclosure and trade reporting; and

(3) the records referred to in (2)(a) are retained for a period of 5 years and made available to the *FCA* on request.

4.12 Cryptoasset insider lists

Application and scope

4.12.1 G (1) Regulation 31(1) of the *Cryptoassets Regulations* provides that a *relevant person* must, where required to do so under any *FCA rules* made by virtue of (2):

(a) draw up a *cryptoasset insider list*;

(b) maintain and update that *cryptoasset insider list*; and

(c) provide that *cryptoasset insider list* to the *FCA* upon its request.

(2) Regulation 31(2) of the *Cryptoassets Regulations* provides that the *FCA* may make *rules*:

(a) specifying the *relevant persons* to whom regulation 31 applies;

(b) concerning the form, content, maintenance, updating and recording of a *cryptoasset insider list* for the purposes of (1), including how and when a *relevant person* must provide a *cryptoasset insider list* to the *FCA*; and

(c) on such matters related to regulation 31 as the *FCA* considers appropriate.

4.12.2 R In accordance with regulation 31(2)(a), the *rules* in this section apply to:

(1) a *relevant issuer*;

(2) a *person responsible for the offer*; and

(3) a *UK QCATP operator*.

Requirement to draw up cryptoasset insider lists, and form and content of cryptoasset insider lists

4.12.3 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that it draws up, and *persons* acting on its behalf or on its account draw up, a *cryptoasset insider list*.

4.12.4 R (1) A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that the *cryptoasset insider list*:

(a) specifies the date on which the *cryptoasset insider list* was created and updated;

(b) is drawn up in accordance with Template 1 of *CRYPTO* 4 Annex 1;

(c) is maintained by it or by any *person* acting on its behalf or on its account;

(d) is divided into separate sections relating to different *cryptoasset inside information*; and

(e) is updated to include new sections to the *cryptoasset insider list* upon the identification of new *cryptoasset inside information*.

(2) A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator*:

(a) may insert a supplementary section into its *cryptoasset insider list* with the details of individuals who have access at all times to all *cryptoasset inside information* ('permanent cryptoasset insiders'), in accordance with Template 2 of *CRYPTO* 4 Annex 1; and

(b) must not include the details of permanent cryptoasset insiders referred to in 2(a) in the sections of the *cryptoasset insider list* referenced in (1).

Maintenance of cryptoasset insider lists

4.12.5 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that it or any *person* acting on its behalf or on its account promptly updates the *cryptoasset insider list*:

(1) when there is a change in the reason why a *person* is on the *cryptoasset insider list*;

(2) whenever a new *person* is to be added to the *cryptoasset insider list*; and

(3) to indicate the date on which a *person* already on the *cryptoasset insider list* no longer has access to *cryptoasset inside information*.

4.12.6 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that every *cryptoasset insider list* prepared by it or by *persons* acting on its account or on its behalf is kept for at least 5 years from the date on which it is drawn up or updated, whichever is the latest.

4.12.7 R (1) A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that it and any *persons* acting on its account or on its behalf draw up and keep the *cryptoasset insider list* up to date in an electronic format in accordance with Template 1 of *CRYPTO* 4 Annex 1.

(2) Where the *cryptoasset insider list* contains the supplementary section referred to in *CRYPTO* 4.12.4R(2)(a), a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that it and any *person* acting on its account or on its behalf draw up and keep that section updated in an electronic format in accordance with Template 2 of *CRYPTO* 4 Annex 1.

4.12.8 R The electronic format referred to in *CRYPTO* 4.12.7R must at all times ensure:

(1) the confidentiality of the information included by ensuring that access to the *cryptoasset insider list* is restricted to clearly identified *persons* who need that access due to the nature of their function or position from within the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* or any *person* acting on its behalf or on its account;

(2) the accuracy of the information contained in the *cryptoasset insider list*; and

(3) access to, and retrieval of, previous versions of the *cryptoasset insider list*.

Providing cryptoasset insider lists to the FCA on request

4.12.9 R (1) Whether the *cryptoasset insider list* is prepared, maintained and/or kept by a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* or by *persons* acting on its account or on its behalf, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must submit the *cryptoasset insider list* to the *FCA* as soon as possible upon request per regulation 31(1)(c) of the *Cryptoassets Regulations* using the means specified by the *FCA* when the *cryptoasset insider list* is requested.

(2) The means used by a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* to submit its *cryptoasset insider list* to the *FCA* must maintain the completeness, integrity and confidentiality of the information during the transmission.

Acknowledgement of legal and regulatory duties

4.12.10 R A *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must ensure that it or any *person* acting on its behalf or on its account takes all reasonable steps to ensure that any *person* on the *cryptoasset insider list* acknowledges in writing the legal and regulatory duties entailed, and is aware of the sanctions applicable to *cryptoasset insider dealing* and unlawful disclosure of *cryptoasset inside information*.

4.12.11 R Where another *person* acting on behalf of or on the account of a *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* assumes the task of drawing up and updating the *cryptoasset insider list*, the *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* remains fully responsible for complying with *CRYPTO* 4.12. The *relevant issuer*, *person responsible for the offer* or *UK QCATP operator* must always retain a right of access to the *cryptoasset insider list*.

4.12.12 G Providing *persons* with access to *cryptoasset inside information* and including such *persons* on a *cryptoasset insider list* is without prejudice to the prohibitions laid down in Chapter 2 of the *Cryptoassets Regulations*.

4.13 Rules that can be waived or modified

4.13.1 G As a result of section 138A of the *Act* (Modification or waiver of rules), the *FCA* has the power to waive all its *rules*, other than *rules* made under section 137O) (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particulars rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

4 Annex 1 Cryptoasset insider list templates

4 Annex 1.1 R

TEMPLATE 1 **Insider list: section relating to [name of the deal-specific or event-based inside information]**	
Date and time (of creation of this section of the cryptoasset insider list – ie, when this inside information was identified):	[yyyy-mm-dd; hh:mm (coordinated universal time (UTC))]
Date and time (last update):	[yyyy-mm-dd, hh:mm (UTC)]
Date of transmission to the Financial Conduct Authority (if applicable):	[yyyy-mm-dd]

First name(s) of the insider	[Text]

Surname(s) of the insider	[Text]
Birth surname(s) of the insider (if different)	[Text]
Professional telephone number(s) (work direct telephone line and work mobile numbers)	[Numbers (no space)]
Issuer/person responsible for the offer/CATP operator name and address	[Address]
Function and reason for being insider	[Text describing role, function and reason for being on this list]
Obtained (the date and time at which a person obtained access to inside information)	[yyyy-mm-dd, hh:mm (UTC)]
Ceased (the date and time at which a person ceased to have access to inside information)	[yyyy-mm-dd, hh:mm (UTC)]
Date of birth	[yyyy-mm-dd]
National identification number (if applicable)	[Number and/or text]
Personal telephone number(s) (home and personal mobile telephone numbers)	[Numbers (no space)]
Personal full home address (street name; street number; city; post/zip code; country)	[Text: detailed personal address of the insider Street name and street number City Post/zip code Country]

4 Annex R
1.2

TEMPLATE 2 Permanent insiders section of the insider list	
Date and time (of creation of the permanent insiders section)	[yyyy-mm-dd, hh:mm (UTC)]
Date and time (last update):	[yyyy-mm-dd, hh:mm (UTC)]
Date of transmission to the Financial Conduct Authority (if applicable):	[yyyy-mm-dd]

First name(s) of the insider	[Text]
Surname(s) of the insider	[Text]
Birth surname(s) of the insider (if different)	[Text]
Professional telephone number(s) (work direct telephone line and work mobile numbers)	[Numbers (no space)]
Issuer/person responsible for the offer/CATP operator name and address	[Address]
Function and reason for being insider	[Text describing role, function and reason for being on this list]
Included (the date and time at which a person was included in the permanent insider section)	[yyyy-mm-dd, hh:mm (UTC)]
Date of birth	[yyyy-mm-dd]
National identification number (if applicable)	[Number and/or text]
Personal telephone number(s) (home and personal mobile telephone numbers)	[Numbers (no space)]
Personal full home address (street name; street number; city; post/zip code; country)	[Text: detailed personal address of the insider Street name and number City Post/zip code Country]

FINANCIAL CONDUCT AUTHORITY

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