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Susie Ward

By email to: susie@bitcoinpolicy.uk

3 November 2026

Our Ref: TO2026/02329

Dear Susie Ward,

Thank you for your email of 9 October 2026 addressed to our Chief Executive, Nikhil Rathi. I am responding from the FCA's Executive Casework Unit, which helps to manage correspondence to our executive and board.

You raise questions about how our cryptoasset regime applies to assets without issuers, technical infrastructure, costs for smaller businesses, and financial promotions. I have addressed these areas below.

The new regime regulates specified activities carried on by firms in relation to qualifying cryptoassets; it does not distinguish between cryptoassets as investment products according to their risk profile. The regulatory regime for cryptoasset firms has been designed around the risks posed by firms' relevant activities and business models.

Our published guidance to date has been designed to help industry understand our expectations including how the perimeter and rules apply to different activities and business models. We do not propose to publish additional guidance on the different characteristics of specific cryptoassets.

Developing a comprehensive regime for cryptoassets

Our June policy statements set out the UK's regulatory framework for cryptoasset activities and markets. The requirements reflect the features of cryptoasset markets, including assets without an identifiable issuer. Under the Admissions and Disclosures (A&D) regime (outlined in PS26/9), responsibility rests with the person seeking admission to trading or, where a retail UK cryptoasset trading platform admits an asset on its own initiative, with that platform.[1] This ensures that responsibility for the required disclosures is allocated even where there is no identifiable issuer. The required disclosures

[1] https://www.fca.org.uk/publication/policy/ps26-9.pdf

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and due diligence must reflect the particular characteristics and risks of the asset, including the availability and verifiability of relevant information.

The Market Abuse Regime for Cryptoassets (MARC) also applies beyond issuers. It addresses insider dealing, unlawful disclosure and market manipulation, and places proportionate requirements on regulated trading platforms and intermediaries to prevent, detect and disrupt market abuse. Obligations to disclose inside information can apply to platforms holding relevant information, including where there is no issuer.

Generally, an asset's particular features do not matter when complying with our rules, as these focus on activities. The framework does however distinguish between categories defined in legislation such as qualifying cryptoassets, qualifying stablecoins and specified investment cryptoassets but does not establish separate or different regimes for individual cryptoassets.

Activities requiring authorisation

Our rules apply to firms carrying out regulated activities by way of business in the UK, subject to applicable exclusions and exemptions. Whether authorisation is required depends on the activities undertaken, rather than simply whether a service uses non-custodial or decentralised technology.

Our September perimeter guidance (PS26/18) helps firms understand when authorisation is required.[2] We are also consulting through CP26/36 on further perimeter guidance reflecting recent draft legislative amendments that are currently before Parliament, including a new exclusion from arranging deals for certain technical service providers.[3]

Software development or participation in a decentralised network is not, by itself, a regulated activity. Accordingly, an open-source developer, node operator or miner that does not provide a regulated service will not be brought within the perimeter merely by participating in a decentralised network. The assessment is, however, fact-specific: labels such as 'non-custodial' are not determinative where a person can, in practice, control assets, transactions or access. Our perimeter guidance is intended to help businesses apply these tests.

Considering the impact on smaller businesses

When designing the policy and rules set out in the June policy statements, we considered proportionality, competition and market-entry effects, including through the consultation process and our cost-benefit analysis. We made targeted changes where the evidence supported a more workable approach, while retaining the standards needed to protect consumers and market integrity.

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[2] https://www.fca.org.uk/publication/policy/ps26-18.pdf
[3] https://www.fca.org.uk/publication/consultation/cp26-36.pdf

Alongside our policy statements, we published an aggregate cost-benefit analysis covering the regime's implementation and ongoing costs, which considered potential disproportionate impacts on smaller businesses and barriers to entry. We have also published guidance on a number of topics including operational resilience and the Consumer Duty to help firms understand our rules.

We have committed to review the regime against its published success measures around two years after commencement. That review will consider the impact on firms of different sizes, but the aim of supporting competition does not mean lowering protections where firms undertake the same regulated activities and create the same risks.

Our approach to financial promotions

We recognise that classifying cryptoassets as restricted mass market investments (RMMIs) means that marketing safeguards apply to their promotion. We consider these safeguards, including risk warnings, necessary to ensure that promotions are fair, clear and not misleading, and that they highlight relevant risks.

As set out in our recent feedback statement on expanding consumer access to investments (FS26/3), we will review our financial promotion rules for high-risk investments.[4] We will work with stakeholders to explore whether changes could improve outcomes and create more consistent treatment across the spectrum of risk.

We value the continued dialogue with BPUK and will continue to engage with industry and trade associations before and after implementation.

Yours sincerely,

S M Griffiths

Susan Griffiths MSc
Associate, Executive Casework Unit

[4] https://www.fca.org.uk/publication/feedback/fs26-3.pdf