11 February 2026

CryptoUK
Formal House
60 St George's Pl
Cheltenham GL50 3PN

Submitted by email: cp25-41@fca.org.uk

Dear Sir or Madam,

Response to Consultation Paper 25/41 - Regulating Cryptoassets: Admissions & Disclosures and Market Abuse Regime for Cryptoassets (the "*Consultation Paper*")

CryptoUK (**"we"**) and its members welcome the opportunity to comment on the Consultation Paper regarding the FCA's approach to regulating cryptoassets in respect of admissions and disclosures and the market abuse regime. CryptoUK is the UK's leading self-regulatory trade association representing the cryptoasset sector. Our members comprise over 150 of the leading companies across the sector and the UK. Many of our members operate internationally and engage with regulators and policy developments across multiple jurisdictions.

We have provided detailed answers to each question posed in the Consultation Paper within the Appendix. We seek to offer pragmatic and relevant observations and suggestions in response to the content within the Consultation Paper. However, at the outset, we would like to make a number of general/ thematic comments about the Consultation Paper and the FCA's broader approach to the future cryptoasset regulatory regime, as follows:

- **Transitional Period**: We support the proposal to introduce transitional arrangements for disclosure requirements for cryptoassets already in circulation. A defined transitional period that provides sufficient time for CATPs and persons applying for admission to prepare for and implement these requirements is key to achieving effective compliance. In our view, the transitional period should be the same for CATPs and persons applying for admission. Requiring CATPs, directly or indirectly, to comply with disclosure requirements in advance of issuers, risks creating regulatory uncertainty, inconsistent or incomplete disclosures and additional costs (as has been observed in practice during the implementation of MiCA).
- **Reusability:** We would welcome clarity on the reusability of admission documents by CATPs to mirror the exemptions as set out in MiCA. Where a cryptoasset has previously been admitted and documentation has been filed by an issuer or CATP, others should be able to rely on this documentation. This is provided the other issuer or CATP can verify the information and update where necessary.
- **Legacy listings:** The industry requires clarity on the position for legacy listings and whether the new regime will require relisting, as with MiCA.

Appendix

Consultation Questions:

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.**

   We agree with this proposal requiring CATPs to establish and publish admission criteria, including taking into account the non-exhaustive factors listed in CRYPTO 3.2 .

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?**

   We agree with this proposal (as set out in our response to DP24/4).

   Robust and appropriate due diligence at the point of admitting a qualifying cryptoasset to trading is a critical control to mitigate market abuse, fraud and other risks in cryptoasset markets. Given the speed at which cryptoassets can be listed and traded, and the high level of retail participation, admission decisions are central to market integrity and consumer protection.

   We consider this proposal strikes an appropriate balance between setting clear expectations and giving CATPs the flexibility to apply and exercise informed judgment.

   We welcome the FCA's recognition that due diligence should cover a broad range of relevant factors, including technical characteristics, governance arrangements and other features that may affect orderly trading. This aligns with our earlier responses, which note that CATPs are best placed to assess the specific risks of assets they admit, provided they are subject to clear accountability and oversight.

   We also agree with the requirement that due diligence be proportionate to the nature, complexity and risk profile of the cryptoasset. As we have previously emphasised, a risk based and principles based framework, rather than a prescriptive checklist, will ensure that due diligence processes are effective and adaptable across different cryptoassets and business models.

3. **Do you agree with our proposal to require CATPs 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?**

   We agree with this proposal and support this approach, which reflects the expected way of working for any regulated entity.

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?**

   We agree with the FCA's proposed approach in instances where CATPs cannot fully verify certain information when performing due diligence. Where information cannot be fully verified, it is appropriate for CATPs to document the limitations, assess the associated risks, and factor those risks into admission decisions and ongoing monitoring. This approach promotes transparency and accountability while avoiding unnecessary restrictions on market access or innovation that are not matched by risk mitigation benefits.

   We agree that the proposed framework rightly places responsibility on CATPs to determine whether residual risks are acceptable in light of their admission criteria and risk appetite, and to adopt mitigating measures where necessary. This is consistent with a principles based regulatory approach and aligns with the positions we set out in our response to DP24/4.

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.**

   We agree with this proposal that CATPs should only admit a qualifying cryptoasset where a QCDD has been prepared and published, subject to the exceptions set out.

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

   We agree with this proposal relating to SDDs.

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?**

   We encourage the FCA to ensure the framework does not become overly prescriptive in practice. In our view, CATPs are best placed to determine the scope and content of QCDD disclosures based on their admission criteria, risk appetite and the specific characteristics of the cryptoassets they admit. An overly prescriptive approach risks constraining innovation, reducing flexibility, and unintentionally standardising disclosures in ways that do not meaningfully improve consumer understanding or market integrity. We would therefore welcome clear, industry informed guidance from the FCA addressing design, allowing for greater disclosure and flexibility of timing.

   We consider that the primary focus should remain on setting clear outcomes and expectations, with the detailed design of disclosure requirements largely left to industry, subject to supervisory oversight. Allowing CATPs to exercise judgment and to evolve their practices over time will help ensure that QCDDs remain relevant, proportionate and responsive to changing market risks.

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.**

   We agree with this proposal, which requires a short summary of key information to be included in each QCDD.

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?**

   We agree with this proposal. Initiatives should be industry led and grounded in best practice, however, we refer back to our comments at question 8 of DP24/4 that certain documents should be mandated by the FCA (as is the standard in the traditional financial services space). We propose that the FCA consults with industry participants to create such templates, to guide issuers and/or CATPs on what should be provided to customers in an easily digestible format, and confirmation that the remaining information can sit within prospectuses or other documents as decided by the responsible party.

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.**

    We agree with this proposal to disclose conflicts of interests in QCDD providing they do not result in a breach of privacy, personal data, or confidentiality. We also agree with the requirement to retain evidence of equivalent due diligence undertaken and implement enhanced governance measures.

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?**

    This approach supports transparency, accessibility and comparability of disclosures across platforms, and is consistent with the position we set out in our response to DP24/4, where we supported the use of the NSM as a central repository for admission/disclosure documentation. We request that the FCA please note our comments at question 19 of DP24/4, which remain unaddressed.

    We agree with the FCA's proposal to require CATPs to file approved QCDDs (and any SDDs, where published) with an FCA owned centralised repository, such as the NSM, before trading starts. We also support the requirement for CATP's to publish these documents on their websites alongside an up to date list of QCDDs and any SDDs for admitted qualifying cryptoassets, with the ability to link their published QCDDs to the relevant filing on the NSM. We would caveat this with earlier concerns that the framework continues to assume that responsibility and liability can be allocated clearly in cryptoasset markets in a manner similar to traditional issuer led markets, which is not the case.

    Therefore, we welcome the FCA's approach of combining (i) a centralised repository filing requirement with (ii) website publication and the maintenance of an up-to-date list of

disclosures for admitted qualifying cryptoassets. In our view, this dual access model is practical for consumers and market participants, while also supporting supervisory oversight and ensuring records are maintained.

We support the FCA's decision not to mandate a specific machine readable format at this stage. In line with our DP24/4 response, we consider that allowing flexibility in submission formats can support proportionality and implementation, while still enabling the FCA to explore more standardised approaches as the regime matures

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?

We reference our earlier response to DP24/4, where we highlighted that clarity on who is liable, and under what circumstances, is a key consideration for firms' ability to rely on and, where necessary, update disclosure documentation.

We therefore welcome the FCA's framework in which responsibility is allocated based on the role played in the admission process, including where the person seeking admission prepares a QCDD/SDD themselves, and where a QCDD/SDD prepared by a third party is used for a new admission.

We believe that this approach provides clearer accountability by specifying who is responsible in different scenarios and ensuring that there is always an identifiable party responsible for the accuracy and completeness of the disclosure document.

We also support the FCA's proposal that, where there is no identifiable issuer and a CATP admits a qualifying cryptoasset on its own behalf, the QCDD should clearly state that the CATP is the person responsible for the document.

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?

We agree with this proposal relating to PFLS. Please refer to our comments at question 13 of DP24/4 regarding an approved gateway, which we consider should be implemented.

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?

Whilst we agree with the principle behind the proposed rules, we would highlight that there could be logistical issues in the implementation of this, specifically the mechanisms for being able to unravel a trade 2-3 days after it has taken effect.

Where withdrawal rights are required, we note that this obligation arises only in instances where a significant transition disclosure has been triggered. In practice, this is difficult to implement given that trades may be confirmed in as little as two minutes, and attempting to reverse a trade within a two working day window would inevitably cause a loss to the market. Someone must bear that loss, and whether it falls on the firm or the consumer, the impact on the market could be significant. To mitigate this risk, where firms are aware that a significant transition disclosure is forthcoming, any trades related to the relevant cryptoasset should include a trigger mechanism or disclaimer informing consumers that

the disclosure will be published and that transactions will not be finalised until publication has occurred.

We would welcome clarity as to a) whether withdrawal rights automatically lapse in full once admission to trading has taken place (i.e. an admitted and liquid token cannot be withdrawn from), b) what is the significance of the agreement being entered into (i.e. it is the trade, as distinct from settlement, being referred to here) and c) whether the intention is to place parties back into the position they would have been in, absent the trade.

15. **Do you agree with our view that disapplying the Consumer Duty and 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?**

    We agree with the proposal to disapply the Consumer Duty. However, the FCA should clarify where the Consumer Duty does apply to a firm's business model and where it does not, as this could be difficult for firms to implement in practice without clear expectations.

16. **Do you agree that a UK-issued qualifying stablecoin disclosure document should be made available to prospective holders before the UK-issued qualifying stablecoin can be sold or subscribed to? If not, please explain why.**

    We agree with this proposal, however, we request clarification from the FCA specifically in relation to paragraph 2.171 of the Consultation Paper where it is not explicitly stated whether or not direct peer-to-peer transactions between users/ consumers are excluded from this requirement. Whilst the assumption being made is that this will be the case, there is a need for clear guidance around these disclosures to ensure that they are understood by industry.

17. **Do you agree with our proposed rules for withdrawal rights of prospective holders of UK-issued qualifying stablecoins?**

    Our view is that this is likely to be a very rare occurrence in practice and therefore the requirement to implement specific regulation (for an instance that in real terms is highly unlikely to take place) is unnecessary.

18. **Do you agree third parties should be able to request admission to trading on a CATP, using the UK- issued qualifying stablecoin disclosure document prepared by the UK stablecoin issuer? If not, please explain why.**

    We agree with this proposal regarding disclosure documents for UK-issued stablecoins.

19. **Do you agree with our approach that the information required in website disclosures and UK- issued qualifying stablecoin disclosure documents is the same?**

We query whether this is needed, given this is essentially duplicative information. If the UK-issued qualifying stablecoin disclosure document provides all information, then further information on the website should not be required.

20. Do you agree that issuers of UK-issued qualifying stablecoins update the QCDD as frequently as they update their website disclosures?

We do not agree with this proposal, this could be a significant compliance burden and cost to firms. We also refer back to our comments at question 19 above.

21. Do you agree with our proposals on inside information disclosure and delayed disclosure?

As detailed within our earlier response to DP24/4, the continuous and timely disclosure of inside information is fundamental to ensuring fair, orderly and transparent cryptoasset markets. This is particularly important given the global, continuous nature of cryptoasset trading and the high level of retail investor participation. We also believe that these proposals will provide necessary clarity to market participants and are consistent with international standards, including those emerging under MiCA.

We welcome the FCA's revised approach to allocating disclosure responsibilities, whereby issuers, offerors and CATPs are required to disclose inside information that directly concerns them and of which they are aware. This reflects the realities of cryptoasset markets and aligns with the approach we supported in DP24/4, including scenarios where there is no clearly identifiable issuer.

We also agree with the FCA's proposals on delayed disclosure of inside information and support the FCA's decision to permit delayed disclosure only where a strict and cumulative set of conditions is met. In particular, we agree that delayed disclosure should only be permitted where immediate disclosure would be likely to prejudice the legitimate interests of the issuer, offeror or CATP, where the delay is not likely to mislead the public, and where the confidentiality of the inside information can be maintained throughout the period of delay. We also support the requirement to maintain appropriate internal records documenting both the decision to delay disclosure and the conditions under which disclosure will ultimately occur.

We believe that under the disclosure proposal there are limited circumstances in cryptoasset markets where inside information could be disclosed at varying times. This inconsistent timing of disclosure could result in consumer harm or facilitate abusive behaviour. However, we would request clarification from the FCA on how it will ensure that there are no competitive disadvantages in a scenario where a number of CATPs had the same inside information but did not disclose this information simultaneously.

22. Do you agree with our list of non-exhaustive examples of inside information?

Many of the examples included in CRYPTO 4.3.9 are consistent with the types of inside information we highlighted in our DP24/4 response. These include, among others, information relating to admission to trading or cancellation of admission, material technical or operational issues such as code vulnerabilities or security incidents, governance related developments, and token supply events such as burns or other material changes. We consider this alignment helpful and indicative of a shared

understanding of the information that may reasonably be expected to have a significant effect on price in cryptoasset markets.

We are very supportive of the FCA in providing practical and illustrative examples. We believe this is essential in the context of cryptoasset markets, where traditional issuer centric disclosure models do not always apply and market abuse concepts may be less familiar to some participants. We, therefore, welcome the FCA's approach of supplementing the definition of inside information with non-exhaustive examples to support consistent interpretation and application in practice.

We also support the FCA's emphasis that the examples are non-exhaustive and that issuers, offerors and CATPs must continue to assess, on a case by case basis, whether information they possess meets the definition of inside information.

However, we would caution that the FCA's expectation for issuers, offerors and CATPs to always assess whether information they possess constitutes inside information may still lead to differing conclusions being reached on similar information. The FCA should be aware that there may be difficulties determining if information has been made public, given the number of communication platforms that are used to disseminate information on cryptoassets.

Additionally, we would request clarification whether the FCA considers that the cancellation of an admission from a single venue be classified as inside information (especially smaller venues) and be likely to have a significant effect on price.

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?

Whilst we generally agree with the proposals for the dissemination of information actively and via a firm's website, we do still have some concerns. There is still a question on how this would in fact level the playing field for market participants. We are concerned that this approach could run the risk of creating an unfair disadvantage to smaller firms not in a position to collate information in the same way or with the same speed as larger firms.

Additionally, the multi-stage process of publication across multiple channels is a burdensome task for many firms.

We strongly support the use of the central register. However, we strongly believe that the onus should be on the FCA to ensure that the information it has received and that it publishes on the central register is accurate and complete.

24. Do you agree with our revised proposals on legitimate market practices under MARC?

We recognise the value of a principles based framework that allows the regime to remain flexible and capable of accommodating evolving market structures and behaviours in cryptoasset markets. In that context, we understand the FCA's rationale for retaining a mechanism to recognise legitimate market practices under MARC, subject to clearly defined criteria and appropriate safeguards.

However, we note that this approach differs from the framework adopted under the EU's MiCA regulation, which does not provide for an equivalent legitimate market practice

exception. Given the cross border nature of cryptoasset markets and the importance of international consistency, we encourage the FCA to continue to provide clear guidance on the scope and application of legitimate market practices under MARC, so as to minimise uncertainty for firms operating across jurisdictions. We again refer to our continued theme of noting that equivalence measures would be a way to mitigate this and allow for the UK to be comparable with other jurisdictions and retain a position of competitiveness on the global stage.

We consider it important that any recognition of legitimate market practices remains narrowly defined, subject to strict conditions, and applied in a transparent and proportionate manner, in order to avoid undermining the core objectives of the market abuse regime or creating opportunities for misuse.

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

Robust systems and controls are a cornerstone of any effective market abuse regime, particularly in cryptoasset markets, which are global, operate daily involving complex market structures that span both on-chain and off-chain activity. We therefore support the FCA's outcomes based approach, which provides firms with the necessary flexibility to design and implement controls that are proportionate to their size, business model and risk profile, while still achieving the intended market integrity outcomes.

We also note that the FCA's proposed requirements are broadly consistent with international standards and regulatory developments in this area, including IOSCO's recommendation 8, the market abuse and systems and controls requirements under MiCA, and comparable expectations in other major jurisdictions such as Hong Kong. This alignment is important in supporting regulatory coherence, reducing fragmentation, and enabling firms operating cross border to implement effective and consistent market abuse frameworks.

We agree that CATPs and relevant intermediaries should be expected to have appropriate arrangements in place to detect, prevent and manage market abuse risks, including through monitoring, escalation, investigation and reporting processes. In line with our DP24/4 response, we consider it particularly important that systems and controls are capable of addressing crypto specific risks and typologies, and that they evolve over time as markets, technologies and behaviours develop.

However, we do have concerns with having CATPs as the administrators of STORs rather than the FCA. Our view is that this approach leaves operational uncertainty for intermediaries. We believe that the processes across CATPs for intermediary submissions will not be aligned and would be overly burdensome given the lack of guidance and FCA involvement. This could result in leaving intermediaries with significant operational burden to maintain trading relationships across multiple CATPs. Other concerns include the practical challenge in linking of disclosure documents if routing is to multiple CATP venues all with their own disclosures. We would strongly recommend that the FCA considers a reporting template to be used by all CATPs to ensure consistency and reduce operational burden. This would mirror the approach taken by the EU, as MiCA provides a template for reporting. Reports are sent to National Competent Authorities (NCAs).

26. Do you agree with the proposed requirements on on-chain monitoring?

We are not in agreement with this proposal to limit on-chain monitoring requirements to large CATP's based on the following rationale.

As we highlighted in our response to DP24/4, effective detection and prevention of market abuse in cryptoasset markets requires the ability to monitor on-chain activity where that activity is directly relevant to a firm's business. Market abuse risks frequently originate on-chain and can have a direct and material impact on trading activity, price formation and consumer outcomes on CATPs, irrespective of the size of the platform. We reiterate the need for all CATPs and intermediaries to be monitoring but the precise level of monitoring can be principles based allowing for firms' discretion and risk appetites.

We therefore believe that on-chain monitoring should be required for all CATPs where the CATP is directly involved in the relevant on-chain activity or where the transaction itself involves distributed ledger transactions that are linked to the CATP's business, rather than being limited by firm size alone. This includes, for example, scenarios where the CATP is acting as sender, recipient, intermediary, or where on-chain activity is directly connected to assets admitted to trading or transactions facilitated by the CATP.

We consider that proportionality can be achieved through the scope, depth and sophistication of on-chain monitoring arrangements, rather than through categorical exclusions based solely on the size of the firm. Instead, this should be by trade size similar to the monitoring requirements in banking. Smaller or less complex CATPs should be able to adopt lighter touch, risk based monitoring frameworks, while still being required to address on-chain activity that is directly linked to their business and presents potential market abuse risks. Additionally, we suggest that the option of behaviour monitoring for detecting potential market abuse is preferable rather than relying on transactional based rules alone.

However, we note that there could be difficulty in determining which on-chain activity is within the scope of a firm's market abuse monitoring. The 'macro' detection of potential market abuse may be better handled by a central point to ensure consistency of coverage and application.

We would also highlight that this above approach is consistent with international regulatory developments, including MiCA, which requires cryptoasset service providers to have systems and controls in place to monitor orders, transactions and other relevant aspects of the functioning of distributed ledger technology, in a manner that is proportionate to the scale, size and nature of the business activities of the person professionally arranging or executing transactions.

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.

We broadly agree that the proposed revenue threshold is an appropriate and pragmatic way to define Large CATPs for cross cutting regulatory purposes, provided it is applied alongside a risk and activity based approach to market abuse controls. We recognise that the concept of a Large CATP is used across multiple areas of the regime, including on-chain monitoring, cross platform information sharing and other market integrity obligations. In this context, a revenue based threshold provides a clear, objective and administratively workable proxy for scale and market impact, which supports proportionality and consistency across the framework.

However, we consider it important to reiterate that the definition of a Large CATP, and the use of a revenue threshold, does not result in material market abuse risks being left unaddressed. As noted in our response to Question 26, the need to monitor on-chain activity should be driven primarily by whether such activity is directly linked to a CATP's business or trading activity, rather than by firm size alone. Revenue thresholds are therefore best used to calibrate the intensity, coordination and resourcing expectations placed on larger firms, rather than to determine whether certain risks should be addressed at all.

In the case of determining how such a revenue threshold should be calculated in practice, we consider that the use of global revenue, combined with a clear UK nexus, would more accurately reflect the scale and market impact of cryptoasset trading platforms. Cryptoasset markets are inherently global, and market abuse risks, including those arising from on-chain activity and cross-platform trading, are not confined to revenue generated in a single jurisdiction. Using global revenue as the reference point would therefore help ensure that firms with significant market influence are appropriately captured, while proportionality can continue to be applied to the way in which requirements are implemented in the UK context.

Additionally, we would ask that the FCA considers a regular review of the thresholds in place to ensure it continues to reflect market developments and does not create unintended incentives or gaps in coverage as the cryptoasset market evolves.

28. Do you agree with our proposals on insider lists?

We broadly agree with the proposal regarding insider lists.

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

We welcome the inclusion of cross-platform information sharing as a core component of the MARC regime.

However, we strongly seek guidance from the FCA for firms determining if *'it is necessary to disclose the information to detect, prevent or disrupt the market abuse of concern'*. It would be beneficial to have clarity on how to determine if the market participant is active on other platforms, and if these platforms have differing levels of controls in relation to detecting potentially suspicious activity. This is to ensure consistency in approach as this could otherwise potentially lead to activity detected by one CATP as suspicious and another CATP as not suspicious. Subsequently, creating an issue for the end user.

In our view, there would be merit in exploring an industry led approach to developing specific mechanisms or solutions to facilitate cross platform information sharing in a consistent and scalable manner supported by the FCA.

We would also welcome further guidance clarifying when it would be necessary to disclose information (in line with CRYPTO 4.9.3). Guidance (similar to HMT's guidance on the ECCTA information sharing provisions) should be considered by the FCA.

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.**

    We agree with the proposed revenue threshold for applying the mandatory cross-platform information sharing requirements. This is based on the agreement that a revenue based threshold provides a clear, objective and operationally workable method of identifying CATPs that are likely to have the greatest market impact and capacity to support the mandatory requirement for information sharing arrangements.

    This aligns with our earlier response to DP24/4 and our recommendation that proportionality along with the calibration of regulatory obligations are aligned with risk and scale.

    However, we would recommend that the FCA also considers the continuation of their promotion of voluntary participation in cross-platform information sharing by firms that are not within the mandatory scope of this proposal. This should be supported by clear guidance from the FCA and operated on an appropriately governed basis. This would ensure the benefits of cross-platform collaboration and capture additional market abuse risks in firms that operate outside of the mandatory regulations.

Cost Benefit Analysis:

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.**

   We acknowledge the assumptions and findings set out in the CBA on the relative costs and benefits of the proposals. However, our concern is the FCA's own admission that the proposed rules could potentially impact competition in cryptoasset markets through raising barriers to entry for firms and/or reducing the availability of products on UK trading platforms. We do not believe that the costs associated with potential withdrawal from the UK (should the regime prove too burdensome) have been factored into the FCA's analysis. We request clarification from the FCA around whether any possible mitigating scenarios are being considered to address this concern to ensure that the UK market is not negatively impacted.

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

   Our members do not have a view on this question. Members find it difficult to agree with, or challenge, the figures without a comprehension of how the FCA has reached its

conclusion. We would welcome further clarification of the FCA's financial workings, if possible.

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