



## All-Party Parliamentary Group **Crypto & Digital Assets**

Date: Monday 23rd March 2026

Lucy Rigby KC MP  
Economic Secretary to the Treasury and City Minister  
HM Treasury, 1 Horse Guards Road,  
London, SW1A 2HQ

Nikhil Rathi  
Chief Executive  
Financial Conduct Authority, 12 Endeavour Square,  
London, E20 1JN

[By Email]

### **Re: Transition and Implementation of the UK Cryptoasset Regulatory Regime**

Dear Minister Rigby, and Mr Rathi,

We are writing in our capacity as Co-Chairs of the Crypto and Digital Assets APPG following the Government's proposals for establishing a comprehensive UK regulatory framework for cryptoassets, and the FCA's ongoing work on the detailed rules ahead of the regime's commencement on 25 October 2027.

The APPG has convened a series of industry roundtables in recent months to gather views on the Government's proposals. We have heard clear support for the Government's ambition for the UK to become a global leader in digital assets and industry leaders welcome the move towards a full and comprehensive framework whilst also recognising the importance of robust standards to protect consumers and uphold market integrity.

At the same time, a consistent theme emerging from these discussions has been concern about the scale and pace of the transition into the new regime. Under the current proposals, firms will be required to move to full FCA authorisation, meeting broader standards relating to governance, financial resilience, risk management, safeguarding of client assets and consumer protection. For many businesses, this will require significant operational, financial and structural adjustments within a relatively compressed timeframe.

Industry stakeholders have emphasised that they are committed to meeting these standards. However, questions have been raised about the sector's ability to implement all elements of the new framework simultaneously, particularly where changes may involve capital planning, systems development, recruitment of specialist compliance staff and adjustments to existing business models. As implementation approaches, firms will inevitably assess the regulatory obligations against the commercial case for investing and operating in the UK.



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We welcome the Government's clear commitment to ensuring that the UK regime is proportionate, fair and supportive of growth, while maintaining robust safeguards. In that context, we would be grateful to understand whether consideration has been given to the potential benefits of transitional arrangements or a phased implementation of certain elements of the regime.

We note for example that the EU's MiCA framework included transitional measures to give existing firms time to move into the new system while seeking authorisation. Similarly, when the UK introduced the Financial Services and Markets Act 2000, transitional arrangements were used to support an orderly move into the new regulatory structure and to avoid disruption at the point of change. In both cases, transitional mechanisms were used to facilitate implementation without lowering regulatory standards.

We would welcome your views on whether transitional or phased approaches could assist in achieving the Government's stated objectives, namely maintaining high standards while ensuring that responsible crypto and digital asset firms are encouraged to invest and build here in the UK.

We would also welcome your perspective on regulatory readiness as the commencement date approaches, including whether the FCA anticipates any additional capacity or specialist expertise will be required to process applications and supervise the regime effectively from day one.

The APPG would be pleased to convene a meeting or roundtable discussion with you and relevant officials to explore these issues further and to ensure that Parliament continues to support the development of a regime that is both robust and internationally competitive.

Yours sincerely,

**Gurinder Singh Josan CBE MP**  
APPG Co-Chair

**Lord Vaizey of Didcot**  
APPG Co-Chair