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The Rt Hon the Lord Vaizey of Didcot
House of Lords
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16 April 2026

Our Ref: BC2026/00701

Dear Gurinder Singh Josan and Lord Vaizey,

Transition and implementation of the UK cryptoasset regulatory regime

Thank you for your letter of 23 March 2026, addressed to Lucy Rigby KC MP and Nikhil Rathi. I am responding as the director responsible for payments and digital assets. We welcome the APPG's continued engagement on this matter and the constructive feedback gathered through your recent industry roundtables.

Developing the new cryptoasset regime

We remain committed to establishing a comprehensive, proportionate and internationally competitive regulatory framework for cryptoassets, underpinned by robust standards that protect consumers and support market integrity. We have been working at pace to ensure the framework is fit for purpose and, where necessary, we have escalated policy items ahead of our published cryptoassets roadmap (for example, in relation to cryptoasset Exchange-Traded Notes).

Moving to a comprehensive cryptoassets regime will require firms to meet appropriate regulatory standards. These standards are essential to achieving the regime's objectives, and we recognise that they will require operational and organisational effort for many firms, some firms are likely to be closer to meeting them with existing permissions. In designing the regime, we have sought to strike an appropriate balance between proportionality and the need to maintain appropriate regulatory standards.

On 4 February 2026, the [Financial Services & Markets Act 2000 \(Cryptoassets\) Regulations 2026](#) were made, confirming that the new regime will come into force on 25 October 2027. Our authorisations gateway will open in September 2026. We are working towards publishing policy statements to provide clarity for firms that will need to become Part 4A authorised. As set out in the [Crypto Roadmap](#), we began consulting on new rules in 2025, after a series of discussion papers published in 2023 and 2024. Firms should therefore prepare for a full FSMA regime and get the basics in place now. We expect to publish the policy statements in summer 2026, with firms having approximately 15 months between publication of the rules and their commencement.

Engagement with parliament and industry

Since November 2023, we have engaged extensively on development of the new regime. We have received significant industry feedback on the proposed rules through discussion papers, consultations, roundtables and industry events. Overall, industry sentiment has been broadly supportive of bringing cryptoasset activities within the scope of regulation.

We share the APPG's objective of ensuring that the UK remains an attractive place for responsible cryptoasset firms to invest and grow, while maintaining appropriate regulatory standards that support confidence in UK markets. Ongoing dialogue with Parliament and industry is an important part of striking this balance, and we intend to continue this engagement as the regime is finalised and implemented.

As we enter the final stages of policy development, we have been working with firms to support understanding of the proposals on which we have consulted. Once our policy statements are published, we will ensure that firms are clear on the standards they will be expected to meet and are able to take steps towards readiness. We will continue support firms' preparation by:

- Running information sessions for cryptoasset firms likely to be in scope of the new regime. These sessions will help firms and their advisers to understand the regulatory framework, our standards and expectations and the authorisation process. (We have already run one session this year attended by approximately 300 firms).
- Engaging proactively with firms we expect will apply for authorisation, to understand their progress in implementing required changes and to identify any key challengers or blockers.
- Opening our [pre-application support service](#) (PASS) later this year. This optional, free-of-charge service offers firms an opportunity to introduce their business model, discuss the authorisation process and understand our expectations.

Consideration of transitional or phased implementation arrangements

As policy development and rule-making progress, we are giving careful consideration to how firms are supported in transitioning to the new

framework. This includes drawing on lessons from previous regulatory transitions in the UK and internationally, as well as documenting the costs and benefits of the proposed changes.

We have listened to the feedback from industry, in [CP 25/41](#), we explained we are considering transitional arrangements for cryptoasset disclosure documents and admission processes. This reflects the approach set out in HM Treasury's October 2023 response to its consultation and call for evidence. Taking into account feedback received, we are considering whether transitional arrangements for the future regime are appropriate and will set out further detail in a future consultation. We are keen that firms apply as soon as the gateway opens and engage with our pre-application services.

Regulatory readiness

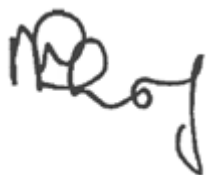
We are actively preparing for the authorisation and supervision of firms under the future regime. This includes planning for the expected volume and complexity of applications, ensuring appropriate specialist capability is in place, and establishing the supervisory resources and processes needed to operate the regime effectively from day one.

This work is ongoing and is subject to a robustly governed programme. We continue to keep our resourcing and capability needs under review as policy is finalised and the implementation date approaches.

We would be pleased to continue the dialogue and would welcome further engagement with the APPG to discuss these issues as implementation planning progresses. To arrange this, you can speak with our public affairs team, who can be contacted on [REDACTED]

I hope this is helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Long', written in a cursive style.

Matthew Long
Director of Payments & Digital Assets