FCA 2026/44
FOS 2026/5

CRYPTOASSETS (CONDUCT AND FIRM STANDARDS) 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 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) ("the PSRs") 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) ("the EMRs"):

(a) section 59 (Approval for particular arrangements);
(b) section 60 (Applications for approval);
(c) section 60A (Vetting of candidates by authorised persons);
(d) section 61 (Determination of applications);
(e) section 62A (Changes in responsibilities of senior managers);
(f) section 63ZA (Variation of senior manager's approval at request of authorised person);
(g) section 63ZD (Statement of policy relating to conditional approval and variation);
(h) section 63C (Statement of policy);
(i) section 63E (Certification of employees by authorised persons);
(j) section 63F (Issuing of certificates);
(k) section 64A (Rules of conduct);
(l) section 64C (Requirement for authorised persons to notify regulator of disciplinary action);
(m) section 69 (Statement of policy).
(n) section 137A (The FCA's general rules);
(o) section 137B (FCA general rules: clients' money, right to rescind etc.);
(p) section 137T (General supplementary powers);
(q) section 139A (Power of the FCA to give guidance);
(r) section 226 (Compulsory jurisdiction);
(s) section 347 (The record of authorised persons etc.);
(t) section 395 (The FCA's and PRA's procedures); and
(u) paragraph 13 (FCA's rules) of Part III (The Compulsory Jurisdiction) of Schedule 17 (The Ombudsman Scheme);

(2) regulation 120 (Guidance) of the PSRs;

(3) regulation 60 (Guidance) of the EMRs; and

(4) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA's Handbook.

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

C. The FCA consents and approves the Voluntary Jurisdiction rules and guidance made and amended, the standard terms fixed and varied and the scheme rules made and amended by the Financial Ombudsman Service Limited, as set out in paragraph D below.

Powers exercised by the Financial Ombudsman Service Limited

D. The Financial Ombudsman Service Limited makes and amends the rules and guidance for the Voluntary Jurisdiction, and fixes and varies the standard terms for Voluntary Jurisdiction participants, as set out in Annex G to this instrument and incorporates the changes to the Glossary as proposed in the Glossary (Cryptoassets) Instrument 2026 in the exercise of the following powers and related provisions in the Act:

(1) section 227 (Voluntary jurisdiction); and
(2) paragraph 8 (Information, advice and guidance) of Schedule 17;
(3) paragraph 14 (The scheme operator's rules) of Schedule 17;
(4) paragraph 18 (Terms of reference to the scheme) of Schedule 17; and
(5) paragraph 20 (Voluntary Jurisdiction rules: procedure) of Schedule 17.

E. The making and amendment of the Voluntary Jurisdiction rules and guidance, the fixing and varying of standard terms for Voluntary Jurisdiction participants and the incorporation of the changes to the Glossary as proposed in the Glossary (Cryptoassets) Instrument 2026 by the Financial Ombudsman Service Limited, as set out at paragraph D, is subject to the consent and approval of the FCA.

Commencement

F. 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

G. The modules of the FCA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Principles for Businesses (PRIN)	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Training and Competence (TC)	Annex C
General Provisions (GEN)	Annex D
Conduct of Business (COBS)	Annex E
Supervision manual (SUP)	Annex F
Dispute Resolution: Complaints sourcebook (DISP)	Annex G

Notes

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

Citation

I. This instrument may be cited as the Cryptoassets (Conduct and Firm Standards) Instrument 2026.

By order of the Board of the Financial Conduct Authority
25 June 2026

By order of the Board of the Financial Ombudsman Service Limited
26 June 2026

Annex A

Amendments to the Principles for Businesses (PRIN)

In this Annex, underlining indicates new text.

3 Rules about application

3.1 Who?

…

3.1.13 R …

3.1.14 R (1) *Principles* 6 and 9 and the *Consumer Duty* do not apply when a *firm* provides the service of *operating a qualifying CATP* for *professional clients*.

(2) *Principles* 1, 2, 6 and 9 and the *Consumer Duty* do not apply to transactions concluded:

(a) between the members or participants of; and

(b) under the rules governing,

a *qualifying cryptoasset trading platform*.

…

3.2 What?

3.2.1A R *PRIN* (other than *Principle* 12 and *PRIN* 2A) applies with respect to the carrying on of:

…

(2)

(2A) activities that constitute *dealing in cryptoassets as principal*, disregarding the exclusion in article 9U of the *Regulated Activities Order* (Absence of holding out etc);

…

…

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

[*Editor's note*: This Annex takes into account the changes introduced by the Individual Accountability (SMCR Review) Instrument 2026, which come into force on 10 July 2026].

1 Application and purpose

…

1 Annex 1 Detailed application of SYSC

…

1 Annex 1
Part 3

Part 3	**Tables summarising the application of the common platform requirements to different types of firm**		
…			
3.3A	R	…	
3.4	G	For a *qualifying cryptoasset firm* that:	
		(1)	is a *common platform firm*, *SYSC* 4 to *SYSC* 10 apply as set out in *SYSC* 1 Annex 1 3.2G; or
		(2)	is not a *common platform firm* and is not subject to *MiFID*, *SYSC* 4 to *SYSC* 10 apply as set out in *SYSC* 1 Annex 1 3.3R.

…

15A Operational resilience

15A.1 Application

Application

15A.1.1 R This chapter applies to:

(1) a *firm* that is:

…

(e) a *Solvency II firm*~~.~~;

(f) a *qualifying cryptoasset firm*;

…

…

15A.1.7 R The requirements in this chapter apply with respect to:

…

(7) any other *unregulated activities*, but only in a *prudential context*; ~~and~~

(8) *data reporting services* provided by a *consolidated tape provider*~~.~~; and

(9) activities that constitute *dealing in qualifying cryptoassets as principal* (article 9T of the *Regulated Activities Order*), disregarding the exclusion in article 9U (Absence of holding out etc).

…

23 Senior managers and certification regime: Introduction and classification

…

23 Annex 1 Definition of SMCR firm and different types of SMCR firms

…		
Part Eight: Financial qualification condition for being an enhanced scope SMCR firm		
The financial qualification tests		
…		
8.2	R	Table: Financial qualification conditions

(1)	**(2)**	**(3)** **Comments**

Qualification condition	How to do the calculation and corresponding reporting requirement	
Part One: Point in time measurements		
…		
(2) …	…	…
(3) The total value of the *firm's* stablecoin issuance backing asset pool (calculated as a three-year rolling average) for any single *UK qualifying stablecoin product* for which it is the *qualifying stablecoin issuer* is £20 billion or more	The total value of the *firm's* stablecoin issuance backing asset pool for a *UK qualifying stablecoin product* for which it is the *qualifying stablecoin issuer* is calculated in accordance with the method that must be used to calculate the amount to be recorded in the *data element* specified in *SUP* 16.35.8R(3) (the balance of stablecoin backing assets) in the *firm's* cryptoasset regulatory report.	*SYSC* 23 Annex 1 8.8R(2) and *SYSC* 23 Annex 1 8.11R apply to this calculation.
(4) Either the amount in (a) or (b) is more than £100 billion. (a) The amount in this sub-paragraph (a) is the highest amount of the sum of the following amounts in any single *month* of the previous calendar year: (i) the total value of the *firm's*		(1) This row only applies to a *firm* that has *permission* for *safeguarding cryptoassets*. However, it does not apply if that *permission* is limited solely to *safeguarding cryptoassets* in the way described in article 9N(2)(b)(iii) (right for the return of the cryptoasset) of the *Regulated Activities Order*.

client cryptoassets; (ii) the total value of the *firm's relevant specified investment cryptoassets* being safeguarded; and (iii) the total value of *safe custody assets* held by the *firm*. (b) The amount in this sub-paragraph (b) is the sum of: (i) the total forecast value of the *firm's client cryptoassets* that it will hold during the current calendar year; (ii) the total forecast value of the *firm's relevant specified investment cryptoassets* that it will safeguard during the current calendar year; and (iii) the total forecast value of the *firm's safe custody assets* that it will hold		(2) *SYSC* 23 Annex 1 8A.7R (Special requirements for calculating custody assets for crypto firms) explains how to make the calculations in column (1) of this row.

during the current calendar year.		
Part Two: Revenue measurements		
~~(3)~~ (1) The average amount of the *firm's* total intermediary regulated business revenue (calculated as a three-year rolling average) is £45 million per annum or more	…	…
~~(4)~~ (2) The average amount of the *firm's* annual revenue generated by regulated consumer credit lending (calculated as a three-year rolling average) is £130 million or more	…	…
…		

8.3	G	…	
		(2)	The boxes referred to in row (2) of Part One (outstanding regulated mortgages) correspond to the online version of the *MLAR* as follows:
			…
…			
	General calculation principles		
…			
8.7	R	…	

		(4)	Where row (2) of column (1) of Part One of the table in *SYSC* 23 Annex 1 8.2R refers to a *firm's* current financial figures it refers to the figures as at the calculation date for its most recent reporting period in column (2).	
		…		
…				
	Automatic adjustment of financial thresholds: Purpose and general rule			
8.23	R	(1)	*SYSC* 23 Annex 1 8.24R to *SYSC* 23 Annex 1 8.32G provide for the automatic adjustment of the financial figures in the table in *SYSC* 23 Annex 1 8.2R (Table: Financial qualification conditions) listed in this *rule* once every 5 years in line with inflation over that period.	
		(2)	The financial figures to be adjusted are the ones in the following rows of column (1) of the table:	
			(a)	row (1) of Part One of the table (assets under management);
			(b)	row ~~(3)~~ (1) of Part Two of the table (total intermediary regulated business revenue); ~~and~~
			(c)	row ~~(4)~~ (2) of Part Two of the table (revenue generated by regulated consumer credit lending)~~.~~;
			(d)	row (3) of Part One of the table (stablecoin issuance backing asset pool); and
			(e)	row (4) of Part One of the table (cryptoassets and safe custody assets pool).
…				
	Automatic adjustment of financial thresholds: Rounding			
8.30	R	…		
		(3)	The amounts referred to in (1) and (2) are:	
			(a)	(in the case of the ~~threshold~~ thresholds referred to in *SYSC* 23 Annex 1 8.23R(2)(a), *SYSC* 23 Annex 1

				8.23R(2)(d) and *SYSC* 23 Annex 1 8.23R(2)(e)) £1 billion; and
			(b)	…
…				
	Part Eight A: Special requirements for calculating financial qualification conditions			
	Special requirements for calculating intermediary regulated business revenue			
8A.1	R	The qualification condition in row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R may also apply to a *firm* that meets the following conditions, even though the financial reporting requirement referred to in that row does not apply to it:		
		…		
…				
8A.4	R	(1)	This *rule* deals with how the qualification condition in row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R applies to a *firm* in *SYSC* 23 Annex 1 8A.1R.	
		(2)	The calculation is made in accordance with the requirements for Section B (Profit and Loss account) of the *RMAR* and otherwise as described in column (2) of row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R.	
		…		
8A.5	G	(1)	There is only one qualification condition in row ~~(3)~~ (1) of Part Two the table in *SYSC* 23 Annex 1 8.2R.	
		…		
8A.6	G	…		
	Special requirements for calculating custody assets for crypto firms			
8A.7	R	(1)	This *rule* describes how to make the calculations in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R (crypto and safe custody assets).	

		(2)	The amount in sub-paragraph (a)(i) in column (1) is calculated as the amount to be recorded in the *data element* specified in *SUP* 16.35.7R(5) (the total value of all *qualifying cryptoassets* being safeguarded) in the *firm's* cryptoasset regulatory report.	
		(3)	The amount in sub-paragraph (a)(ii) in column (1) is calculated as the amount to be recorded in the *data element* specified in *SUP* 16.35.7R(11) (the total value of all *relevant specified investment cryptoassets* being safeguarded) in the *firm's* cryptoasset regulatory report.	
		(4)	The amount in sub-paragraph (a)(iii) in column (1) of row (4) is to be calculated in accordance with the method that must be used to calculate the amount to be recorded in *data element* 8D (Value of safe custody assets as at reporting period end date) in the *firm's CMAR*.	
		(5)	The amounts in sub-paragraphs (b)(i) and (b)(ii) in column (1) of row (4) are to be calculated in the same way as the calculation in (6), but as if the *rules* in *CASS* referred to in (6) referred to *client cryptoassets* or, as the case may be, *relevant specified investment cryptoassets* and not *safe custody assets*.	
		(6)	The amount in sub-paragraph (b)(iii) in column (1) of row (4) is to be calculated by applying *CASS* 1A.2.3R, *CASS* 1A.2.9R(2) and *CASS* 1A.2.9R(3) (CASS firm classification).	
		(7)	The *rules* in *CASS* referred to in (5) and (6) apply on the basis that:	
			(a)	references to *client money* and notification to the *FCA* do not apply; and
			(b)	a *firm* must make and apply the projections referred to in those *rules* whether or not it held *safe custody assets*, *client cryptoassets* or *relevant specified investment cryptoassets*, as the case may be, in the previous calendar year.

		(8)	The calculations in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R must be carried out without double-counting. Therefore, if an item would otherwise be included both in *relevant specified investment cryptoassets* and in *safe custody assets* (actual or projected), it must only be included in *relevant specified investment cryptoassets*.	
8A.8	R	(1)	This *rule* contains notification requirements about meeting or ceasing to meet the qualification condition in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R, referred to in this *rule* as 'the crypto custody qualification condition'.	
		(2)	A *firm* must notify the *FCA* if it:	
			(a)	meets the crypto custody qualification condition after it has previously not met it; or
			(b)	ceases to meet the crypto custody qualification condition after it has previously met it.
		(3)	A *firm* must make the notification in (2) no later than 30 *business days* after meeting or ceasing to meet the crypto custody qualification condition, as the case may be (see *SYSC* 23 Annex 1 10.2AR and *SYSC* 23 Annex 1 11.2R(2A) for when a *firm* first meets or ceases to meet that condition).	
		(4)	A *firm* does not have to use the form in *SUP* 15 Ann 4R (Notification form) to make a notification under this *rule* but must include the details required by that form about the *firm* and the *person* submitting it on behalf of the *firm*.	
8A.9	G	(1)	A *firm* should:	
			(a)	make the notification that it meets the crypto custody qualification condition whether or not it is already an *enhanced scope SMCR firm*; and
			(b)	make the notification that it has ceased to meet the crypto custody qualification condition whether or not it will cease to be an *enhanced scope SMCR firm*.

		(2)	A *firm* need not include in its notification the calculations or figures that show it to meet or to have ceased to meet the crypto custody qualification condition but should include the date it met or ceased to meet the crypto custody qualification condition.	
		(3)	The notification obligation applies whether this is the first time the event in question has occurred or whether it has happened before.	
		(4)	Subject to *SYSC* 23 Annex 1 8A.8R(4), *SUP* 15.7 (Form and method of notification) applies to notifications under this *rule*.	
		(5)	The crypto custody qualification condition has the same meaning as it does in *SYSC* 23 Annex 1 8A.8R.	
8A.10	G	(1)	A *firm* should have the systems and procedures, should collect the information, should make the calculations and should apply the *rules* in *CASS* 1A referred to in *SYSC* 23 Annex 1 8A.7R to ensure that it is able to make the notifications required by *SYSC* 23 Annex 1 8A.8R within the specified time.	
		(2)	However, (1) does not apply to a *firm* that can never be an *enhanced scope SMCR firm* or meet the crypto custody qualification condition whatever the amount (or the projected amount) of its *client cryptoassets*, *relevant specified investment cryptoassets* or *safe custody assets*.	
		(3)	Therefore, a *firm* is not required to do the things in (1) if the *firm*:	
			(a)	does not have *permission* for *safeguarding cryptoassets*;
			(b)	is an *SMCR banking firm* or an *SMCR insurance firm*;
			(c)	is exempt under Part Three of this Annex (Part Three: Definition of exempt firm); or

			(d)	is excluded from the enhanced regime under Part Seven of this Annex (Part Seven: Exclusion from enhanced regime).
		(4)	However, a *firm* is required to do the things in (1) notwithstanding that:	
			(a)	*CASS* 1A (CASS firm classification and operational oversight) does not apply to the *firm*; or
			(b)	the *firm* does not have to submit some or all of the *data elements* or *data items* referred to in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R or *SYSC* 23 Annex 1 8A.7R.
		(5)	Paragraph (4)(b) applies despite *SYSC* 23 Annex 1 8.4R because:	
			(a)	the calculation can still be made without those *data elements* because of sub-paragraph (b) of the calculation in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R (projected values); and
			(b)	even if the *firm* does not have to complete a *CMAR*, sub-paragraph (a) of the calculation in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R (actual values) still applies if the *firm* has to submit a cryptoasset regulatory report.
		(6)	The crypto custody qualification condition has the same meaning as it does in *SYSC* 23 Annex 1 8A.8R.	
…				
Part Ten: When a firm becomes an enhanced scope SMCR firm				
…				
	Meeting the financial thresholds in Part 8			
10.2	R	(1)	Subject to (4) and *SYSC* 23 Annex 1 10.2AR, a *firm* first meets one of the qualification conditions in Part 8 of this Annex (financial qualification conditions) on the due date	

			for submission of the relevant *data item* (see (2) and (3) for the meaning of relevant *data item*).	
		…		
		(3)	Where the qualification condition is the one in row (2) of Part One of the table in *SYSC* 23 Annex 1 8.2R, the relevant *data item* is the one for the reporting period for which the *firm* first meets the condition in column (1) of that row.	
		(4)	In the case of a *firm* in *SYSC* 23 Annex 1 8A.1R, the *firm* meets the qualification condition in row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R on the reporting date for the final reporting period applicable to the averaging period for which the *firm* first meets the condition in column (1) of that row.	
10.2A	R	(1)	The purpose of this *rule* is to specify the date on which a *firm* first meets the qualification condition in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R (crypto and safe custody assets).	
		(2)	A *firm* first meets the qualification condition on the potential reporting date for the financial figure whose inclusion in the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R results in the *firm* first meeting the qualification condition.	
		(3)	The potential reporting dates for the purposes of this *rule* are as follows:	
			(a)	the potential reporting date for each of the financial figures in paragraph (a) of the calculation in column (1) (highest total value of the *firm's client cryptoassets*, *relevant specified investment cryptoassets* and *safe custody assets*) is the due date for submission of the applicable *data item* for the last reporting period in the previous calendar year;
			(b)	the potential reporting date for the financial figure in paragraph (b) of the calculation in column (1) (forecast crypto and safe custody assets) so far as it is based on *CASS* 1A.2.9R(2) as applied by *SYSC*

				23 Annex 1 8A.7R(5) and *SYSC* 23 Annex 1 8A.7R(6), is the 15th *business day* of January of the current calendar year;
			(c)	the potential reporting date for the financial figure in paragraph (b)(i) or paragraph (b)(ii) of the calculation in column (1) so far as it is based on *CASS* 1A.2.9R(3) as applied by *SYSC* 23 Annex 1 8A.7R(5) is the *business day* before the *firm* begins to hold *client cryptoassets* or, as the case may be, *relevant specified investment cryptoassets*; and
			(d)	the potential reporting date for the financial figure in paragraph (b)(iii) of the calculation in column (1) so far as it is based on *CASS* 1A.2.9R(3) as applied by *SYSC* 23 Annex 1 8A.7R(6) is the *business day* before the *firm* begins to hold *safe custody assets*.
10.2B	G	(1)	This paragraph, *SYSC* 23 Annex 1 10.2BG, gives 2 examples to illustrate how *SYSC* 23 Annex 1 10.2AR works.	
		(2)	In *SYSC* 23 Annex 1 10.2BG:	
			(a)	year 2 means the current calendar year;
			(b)	year 1 means the previous calendar year as referred to in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R; and
			(c)	the crypto custody qualification condition has the same meaning as it does in *SYSC* 23 Annex 1 8A.8R.
		(3)	In the first example, the figure calculated by adding together the total value of the *firm's client cryptoassets*, *relevant specified investment cryptoassets* and *safe custody assets* during any single *month* during year 1 ranged from £70bn to £110bn. The highest corresponding amount for the previous year was £80bn.	
		(4)	In the first example, the 15th *business day* of January in year 2 is the potential reporting date for the financial figures in sub-paragraph (a) of the calculation in column	

			(1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R. This is the date the *firm* first meets the crypto custody qualification condition.
		(5)	In the second example, the *firm* held no *client cryptoassets*, *relevant specified investment cryptoassets* or *safe custody assets* in year 1. The 15th *business day* of January in year 2 is the reporting date for the financial figures in sub-paragraph (a) of the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R. That financial figure is zero. The *firm* does not at this stage meet the crypto custody qualification condition.
		(6)	On the 15th *business day* of January in year 2, the *firm* in the second example projects that the largest amount of *client cryptoassets* it will hold in year 2 is £70bn but that it will hold no *safe custody assets* or *relevant specified investment cryptoassets* in year 2.
		(7)	The 15th *business day* of January in year 2 is the potential reporting date for the financial figure in sub-paragraph (b)(i) of the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R. The *firm* does not at this stage meet the crypto custody qualification condition. It makes no difference if later in year 2 the *firm* increases its projection for *client cryptoassets*.
		(8)	Later on in year 2, the *firm* in the second example decides that it will after all hold *relevant specified investment cryptoassets* in year 2. As at the *business day* before the *firm* begins to hold *relevant specified investment cryptoassets*, the *firm* projects that the largest amount of *safe custody assets* it will hold in year 2 is £10bn.
		(9)	The *business day* before the *firm* begins to hold *relevant specified investment cryptoassets* is the potential reporting date for the financial figure in sub-paragraph (b)(ii) of the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R. The *firm* does not at this stage meet the crypto custody qualification condition. It makes no difference if later in year 2 the *firm* increases its projection for *relevant specified investment cryptoassets*.

		(10)	Later still in year 2, the *firm* in the second example decides that it will after all hold *safe custody assets* in year 2. As at the *business day* before the *firm* begins to hold *safe custody assets*, the *firm* projects that the largest amount of *safe custody assets* it will hold in year 2 is £40bn.
		(11)	The *business day* before the *firm* begins to hold *safe custody assets* is the potential reporting date for the financial figure in sub-paragraph (b)(iii) of the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R. That is also the date that the *firm* meets the crypto custody qualification condition in the second example. It makes no difference if later in year 2 the *firm* decreases its projection for *safe custody assets*.
…			
Part Eleven: When a firm stops being an enhanced scope SMCR firm			
…			
	Ceasing to meet the financial thresholds in Part 8		
11.2	R	A *firm* ceases to meet one of the qualification conditions in Part 8 of this Annex (financial qualification conditions) on whichever of the following is applicable:	
		…	
		(2)	(where the qualification condition is the one in row (2) of Part One of the table in *SYSC* 23 Annex 1 8.2R) the due date for submission of the *data item* for the reporting period for which the *firm* first ceases to meet the condition in column (1) of that row; or
		(2A)	(where the qualification condition is the one in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R) the potential reporting date (as defined in *SYSC* 23 Annex 1 10.2AR) for the financial figure whose inclusion in the calculation in column (1) of row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R results in the *firm* first ceasing to meet that qualification condition; or

		…	
…			

…

27 Senior managers and certification regime: Certification regime

…

27.8 Definitions of the FCA certification functions

…

Client-dealing function

…

27.8.19 R Table: Activities covered by the client-dealing FCA certification function

Activity	**Comments**
…	
(5) Acting as a 'bidder's representative' in relation to *bidding in emissions auctions*.	…
Note: (1) The reference in row (3) of this table to *dealing* includes *issuing qualifying stablecoin*. (2) The reference in row (3) of this table to *arranging (bringing about) deals in investments* includes: (a) *arranging deals in qualifying cryptoassets* within article 9Y of the *Regulated Activities Order*; (b) *issuing a qualifying stablecoin* in the *United Kingdom* where that activity would fall into (a) but for article 9Z5(2)(a) of the *Regulated Activities Order*; (c) *operating a qualifying CATP* where that activity would fall into (a) but for article 9Z(5)(2)(b) of the *Regulated Activities Order*; and (d) *arranging qualifying cryptoasset staking*.	

…

TP 14 Miscellaneous transitional provisions relating to the Senior Managers and Certification Regime

Insert the following new transitional provision, TP 14.2, after TP 14.1 Part 1. All the text is new and is not underlined.

TP 14.2 Part 2

TP 14.2.1	G	*SYSC* TP 14.2 deals with how the calculations in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R (crypto and safe custody assets) should be made in the initial period after the coming into force of the Cryptoassets: Conduct and Firm Standards Instrument 2026.
TP 14.2.2	R	The requirement in *SYSC* 23 Annex 1 (as introduced by the instrument referred to in *SYSC* TP 14.2.1G) that a *relevant specified investment cryptoasset* must not be treated as a *safe custody asset* for the purpose of the calculations in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R applies for the purpose of those calculations to periods before that requirement came into force.
TP 14.2.3	G	The effect of *SYSC* TP 14.2 is that initially: (1) the calculation of the amount of a *firm's relevant specified investment cryptoassets* for the purpose of deciding whether it meets the conditions for being an *enhanced scope SMCR firm* under row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R is based on projections for *relevant specified investment cryptoassets* held for the current year; and (2) *relevant specified investment cryptoassets* should not be treated as *safe custody assets* under the calculation under sub-paragraph (a) in row (4) of Part One of the table in *SYSC* 23 Annex 1 8.2R.

Annex C

Amendments to the Training and Competence Sourcebook (TC)

In this Annex, underlining indicates new text.

App 1 TC Appendix 1

App 1.1 Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3

App 1.1.1 R

Activity	Products/Sectors		Is there an appropriate qualification requirement?
Designated investment business carried on for a *retail client*			
…			
…	19.	…	…
Qualifying cryptoasset activities	19A.	*Dealing in qualifying cryptoassets as principal*	No
	19B.	*Dealing in qualifying cryptoassets as agent*	No
	19C.	*Arranging qualifying cryptoasset staking*	No
	19D.	*Safeguarding cryptoassets*	No
	19E.	*Arranging cryptoasset safeguarding*	No
…			

…

Annex D

Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text.

2 Interpreting the Handbook

…

2.2 Interpreting the Handbook

…

Registered persons

2.2.20A G (3) …

(4) The exemption in article 73ZA of the *Financial Promotion Order* will only be available to a *registered person* within scope of article 53 of the *Cryptoasset Regulations*.

…

Annex E

Amendments to the Conduct of Business sourcebook (COBS)

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

1 Application

…

1 Annex 1 Application (see COBS 1.1.2R)

Part 1: What?

Modifications to the general application of COBS according to activities

<table>
<tr><td>1.</td><td colspan="4">Eligible counterparty business</td></tr>
<tr><td>…</td><td colspan="4"></td></tr>
<tr><td></td><td></td><td colspan="3">[Note: paragraphs 1 and 2 of article 30(1) of MiFID]</td></tr>
<tr><td><u>1A.</u></td><td colspan="4"><u>CATPs</u></td></tr>
<tr><td><u>1A.1</u></td><td><u>R</u></td><td colspan="3"><u>This sourcebook applies to a firm when operating a qualifying CATP only when it is operating a UK QCATP.</u></td></tr>
<tr><td><u>1A.2</u></td><td><u>R</u></td><td colspan="3"><u>This sourcebook applies to a third country firm when operating a UK QCATP only when it is providing this service:</u></td></tr>
<tr><td></td><td></td><td><u>(1)</u></td><td colspan="2"><u>from an establishment maintained by it in the United Kingdom; and</u></td></tr>
<tr><td></td><td></td><td><u>(2)</u></td><td colspan="2"><u>to a client established or habitually resident in the United Kingdom.</u></td></tr>
<tr><td><u>1B.</u></td><td colspan="4"><u>CATPs and professional clients</u></td></tr>
<tr><td><u>1B.1</u></td><td><u>R</u></td><td colspan="3"><u>The COBS provisions shown below do not apply between a UK QCATP operator and its professional clients in relation to the operation of a UK QCATP.</u></td></tr>
<tr><td></td><td></td><td colspan="2"><u>COBS provision</u></td><td><u>Description</u></td></tr>
<tr><td></td><td></td><td colspan="2"><u>COBS 2 (other than COBS 2.4)</u></td><td><u>Conduct of business obligations</u></td></tr>
</table>

		COBS 4	Communicating with clients including financial promotions
		COBS 6.1	Information about the firm, its services and remuneration
		COBS 8	Client agreements
		COBS 10	Appropriateness
		COBS 11	Dealing and managing
		COBS 16.1 to *COBS* 16.3	Reporting information to clients
…			
3A.	**Operators of OTFs**		
3A.1	G	…	
3B.	**Transactions concluded on a CATP**		
3B.1	R	The *COBS* provisions in *COBS* 1 Annex 1 1B.1R do not apply to transactions concluded under the rules governing a Q*CATP* between users of the Q*CATP*. However, the user must comply with those provisions where relevant in respect of its *clients* if, acting on its *clients'* behalf, it is executing their orders on a Q*CATP*.	
…			

Part 2: Where?

Modifications to the general application according to location

…		
3.	**Public offer platforms**	
3.1	R	…
4.	**Overseas cryptoasset business**	
4.1	R	This sourcebook applies to a *firm* which carries out *qualifying cryptoasset activities* with a *client* in the *United Kingdom* from an establishment *overseas*.

4.2	R	This sourcebook does not apply to a *firm* carrying on *qualifying cryptoasset activities* for or on behalf of a *client*, wherever located, where that *client* is a *professional client* or *eligible counterparty* and where those activities are carried on from an establishment *overseas*.

…

1 Annex 2 **Application to TP firms and Gibraltar-based firms (see COBS 1.1.1CR)**

…

Part 2: Gibraltar-based firms

…			
2.	**Application of COBS**		
2.1	R	In addition to those *rules* applying by virtue of *GEN* 2.3.1R, a *Gibraltar-based firm* must also comply with:	
		…	
		(2)	…
		(3)	(in relation to *qualifying cryptoasset activities*), those *rules*, as in force from time to time, as apply to a *firm* carrying on a *qualifying cryptoasset activity*.

2 **Conduct of business obligations**

…

2.2 **Information disclosure before providing services (other than MiFID and insurance distribution)**

…

Information disclosure before providing services

…

2.2.2 G (1) A *firm* to which the rule on providing appropriate information (*COBS* 2.2.1R) applies should also consider the *rules* on disclosing information about a *firm*, its services, costs and associated charges and *designated investments* in *COBS* 6.1 and *COBS* 14.

(2) In addition, *firms* undertaking a *qualifying cryptoasset activity*:

(a) should be aware of the disclosure requirements in *CRYPTO* which may apply when offering and providing services to *clients* and which may be separate and complementary to the requirements in *COBS*; and

(b) have flexibility in how their systems and operations discharge the requirements in *COBS* and *CRYPTO*.

…

3 Client categorisation

…

3.6 Eligible counterparties

…

Per se eligible counterparties

3.6.2 R Each of the following is a *per se eligible counterparty* (including an entity that is not from the *UK* that is equivalent to any of the following) unless and to the extent it is given a different categorisation under this chapter:

…

(9) a central bank; ~~and~~

(10) a supranational organisation~~.~~; and

(11) a *qualifying cryptoasset firm*.

…

…

4 Communicating with clients, including financial promotions

4.1 Application

…

Who? What? Application to registered persons promoting qualifying cryptoassets

4.1.7C R …

4.1.7CA G The exemption in article 73ZA of the *Financial Promotion Order* will only be available to a *registered person* within scope of article 53 of the *Cryptoasset Regulations*.

…

Where? General position

4.1.8 R (1) In relation to communications by a *firm* to a *client* in relation to its *designated investment business* this chapter applies in accordance with the *general application rule* and the *rule* on business with *UK clients* from an overseas establishment (*COBS* 1 Annex 1 Part 2 ~~paragraph~~ paragraphs 2.1R or 4.1R, as applicable).

…

…

4.6 Past, simulated past and future performance (non-MiFID provisions)

Application

4.6.1 R …

4.6.1A G *Firms* should be aware of the disclosure requirements in *CRYPTO* which may apply when offering and providing services to *clients*. *CRYPTO* places requirements on *firms* which may be separate and complementary to the requirements in *COBS*. *Firms* should refer to the *guidance* in *COBS* 2.2.2G(2) when complying with the requirements in *COBS* and *CRYPTO*.

…

4.7 Direct offer financial promotions

…

Other direct offer financial promotions

4.7.1 R (1) Subject to (3), a *firm* must ensure that a *direct offer financial promotion* that is addressed to, or disseminated in such a way that it is likely to be received by, a *retail client* contains:

(a) the information referred to in the rules on information disclosure (*COBS* 6.1.4R, *COBS* 6.1.6R, *COBS* 6.1.7R, *COBS* 6.1.7BR, *COBS* 6.1.9R, *COBS* 14.3.2R, *COBS* 14.3.3R, *COBS* 14.3.4R and *COBS* 14.3.5R) as is relevant to that offer or invitation; and

…

…

Guidance

…

4.7.2A G …

4.7.2B G *Firms* should be aware of the disclosure requirements in *CRYPTO* which may apply when offering and providing services to *clients*. *CRYPTO* places requirements on *firms* which may be separate and complementary to the requirements in *COBS*. *Firms* should refer to the *guidance* in *COBS* 2.2.2G(2) when complying with the requirements in *COBS* and *CRYPTO*.

…

4.9 Financial promotions with an overseas element

Application

4.9.1 R …

4.9.1A R In this section, a reference to an *overseas person* includes a *person* who undertakes a *qualifying cryptoasset activity* but does not carry on any such activity, or offer to do so, from a permanent place of business maintained by them in the *United Kingdom*.

…

4.12A Promotion of restricted mass market investments

…

Risk warning

…

4.12A.11 R (1) For the purposes of *COBS* 4.12A.10R, the *financial promotion* must contain:

…

(d) the following risk warning if the *financial promotion* relates to:

(i) one or more *qualifying cryptoassets* other than a *qualifying stablecoin*; or

(ii) ~~*UK RIE cryptoasset exchange traded notes*~~ a *UK RIE cryptoasset exchange traded note*:

…

(e) the following risk warning if the *financial promotion* relates to one or more *qualifying stablecoins*:

<ins>**This stablecoin is not issued by a person with permission in the UK for issuing stablecoins. Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong.**</ins>

…

…

4 Annex 1R **Risk summaries**

…

…	
8	Risk summary for *qualifying cryptoassets*
	… **What are the key risks?** … **2. You should not expect to be protected if something goes wrong** • The Financial Services Compensation Scheme (FSCS) doesn't protect this type of investment ~~because it's not a 'specified investment' under the UK regulatory regime – in other words, this type of investment isn't recognised as the sort of investment that the FSCS can protect.~~ Learn more by using the FSCS investment protection checker here. [https://www.fscs.org.uk/check/investment-protection-checker/] …
…	

…

4 Annex 5R **Restricted investor statement**

This Annex belongs to *COBS* 4.12A.22R.

RESTRICTED INVESTOR STATEMENT

… For the purposes of this statement **high-risk investments are**: peer-to-peer (P2P) loans; investment based crowdfunding; units in a long-term asset fund; cryptoassets (such as bitcoin but excluding UK qualifying stablecoin); cryptoasset exchange traded notes; and unlisted debt and equity (such as in companies not listed on an exchange like the London Stock Exchange).
…

5 Distance communications

5.1 The distance marketing disclosure rules

Application

5.1.-1 R …

(2) …

(3) *COBS* 5 does not apply to *qualifying cryptoasset activities*.

…

6 Information about the firm, its services and remuneration

6.1 Information about the firm and compensation information (non-MiFID and non-insurance distribution provisions)

Application

6.1.1 R …

6.1.1A R In this section, in relation to *issuing a qualifying stablecoin*, a reference to a *client* does not include a *holder* of a *qualifying stablecoin* until that *holder* is identifiable to the *firm*.

…

6.1.3 G …

6.1.3A G (1) *Firms* undertaking a *qualifying cryptoasset activity* should be aware of the requirements in *CRYPTO* which may apply when offering and providing services to *clients*. *CRYPTO* places requirements on *firms* that are separate and complementary to the requirements in *COBS*.

(2) *Firms* have flexibility in how their systems and operations discharge the requirements in *COBS* 6 and *CRYPTO*.

…

Information concerning safeguarding of designated investments belonging to clients and client money

…

6.1.7A G …

Information concerning safeguarding of cryptoassets

6.1.7B R (1) This *rule* applies to a *firm* that *safeguards cryptoassets* for a *client* which are *client cryptoassets*.

(2) All of the information that is required to be provided under this *rule* must be given in plain language. To the extent that that information needs to include any legal or technical terms, these must be explained and should not assume any prior knowledge or particular expertise of the *client*.

(3) The *firm* must provide the *client* with the following information which relates to the *firm's* approach to compliance with *CASS* 17.3 (Cryptoasset safeguarding trusts) in relation to any trust within which the *client's client cryptoassets* will, or may be, safeguarded by the *firm*:

(a) an explanation of the protections which the *client* will have, and any potential risks that may affect them, as a result of the *firm's* approach to setting up the trust in accordance with *CASS* 17.3.17R, including:

(i) whether or not that trust will, or may, include *client cryptoassets* belonging to other *clients*, and any associated risks of that which may affect the *client*;

(ii) a description of how, in the event of the *firm's failure*, the existence of a shortfall in the trust would affect the *client*, taking account of any provision for the allocation of shortfalls between beneficiaries in that trust that has been set out in the trust terms; and

(iii) an explanation of whether the *client's client cryptoassets* within that trust would be applied towards funding the distribution costs of the trust on the *failure* of the *firm* and, if so, the basis on which those costs would be deducted from the *client's* entitlement; and

(b) an explanation of whether, in the course of the *firm's* dealings with the *client*, the *firm* will or might not *safeguard cryptoassets* in trust for the *client* as a result of any of the exceptions at *CASS* 17.3.4R to *CASS* 17.3.6R and, if so, any potential risks resulting from that which could impact the *client*, including on the *failure* of the *firm* (such explanation must also be given to the *client* in the course of seeking any informed consent that is required under *CASS* 17.3.5R(4) or *CASS* 17.3.6R(1)(c)).

(4) The *firm* must provide the *client* with the following information which relates to the *firm's* policies and procedures relating to *means of access* under *CASS* 17.4 (Means of access) in relation to any *means of access* which relate, or may relate, to the *cryptoassets* in respect of which the *firm* is carrying on *safeguarding cryptoassets*:

(a) an explanation of the *firm's* security and organisational arrangements in relation to the *means of access*;

(b) whether or not the *firm* relies on third parties to hold part of the *means of access*; and

(c) any responsibilities which the *client* themselves has in relation to those security and organisational arrangements.

(5) The *firm* must provide the *client* with the following information which relates to the *firm's* use of third parties appointed under *CASS* 17.6 where the *client's client cryptoassets* will be, or may be, held by such a third party. This information must be given in relation to each arrangement that the *firm* has with such a third party that involves, or may involve, the *client's client cryptoassets*:

(a) the fact that a third party will be, or may be, appointed to carry on the activity of *safeguarding cryptoassets* in relation to the *client's client cryptoassets*, the name of the third party and the country in which it is headquartered;

(b) whether or not that third party's appointment by the *firm* is limited to the services described at *CASS* 17.3.12R;

(c) whether a further *person* will be, or may be, appointed by the third party with the *firm's* consent to carry on the activity of *safeguarding cryptoassets* in relation to the *client's client cryptoassets* and, if so, that *person's* name and the country in which they are headquartered;

(d) the responsibility of the *firm*, taking into account its agreement with the *client* and applicable law, for any acts or omissions of the third party (or of any *person* appointed by that third party with the *firm's* consent) that may affect the *client*; and

(e) the consequences for the *client* of the insolvency of the third party, taking into account:

(i) applicable law applying to the third party; and

(ii) the technical arrangements which the third party may be authorised by the *firm* to use (for example, where the *client's cryptoassets* may be controlled by that third party in the same virtual address or device as *cryptoassets* in respect of which it is carrying on *safeguarding cryptoassets* relating to other *clients* of the *firm*).

(6) The *firm* must provide the *client* with information as to whether, and on what basis, the *client* may terminate the *firm's* services of *safeguarding cryptoassets* or give instructions to request the return or transfer of *cryptoassets* in relation to which such services are being provided.

6.1.7C R (1) This *rule* applies where a *firm safeguards cryptoassets* for a *client* but does not treat them as *client cryptoassets* in reliance upon *CASS* 17.3.12R.

(2) The following provisions in *COBS* 6.1.7BR apply to *firm* to which this *rule* applies:

(a) *COBS* 6.1.7BR(2);

(b) *COBS* 6.1.7BR(4); and

(c) *COBS* 6.1.7BR(6).

6.1.7D G (1) *Firms* may consider it helpful to include a glossary of technical terms alongside any information given to *clients* under *COBS* 6.1.7BR or *COBS* 6.1.7CR.

(2) Particular concepts that may need to be explained to meet *COBS* 6.1.7BR(2) (and therefore *COBS* 6.1.7CR(2)(a)) are likely to include 'blockchains', 'wallets' and 'private cryptographic keys'.

…

8 Client agreements (non-MiFID provisions)

8.1 Client agreements: non-MiFID designated investment business

Application

8.1.1 R (1)

…

(3A) …

(4) In this chapter, in relation to *issuing a qualifying stablecoin*, a reference to a *client* does not include a *holder* of a *qualifying stablecoin* until that *holder* is identifiable to the *firm*.

8.1.1A G (1) *Firms* undertaking a *qualifying cryptoasset activity* should be aware of the requirements in *CRYPTO* which may apply when offering and providing services to *clients*. *CRYPTO* places requirements on *firms* that are separate and complementary to the requirements in *COBS*.

(2) *Firms* have flexibility in how their systems and operations discharge the requirements in *COBS* 8 and *CRYPTO*.

…

10 Appropriateness (for non-advised services) (non-MiFID and non-insurance-based investment products provisions)

10.1 Application

…

10.1.2 R …

(4) …

(5) This chapter also applies to a *firm* offering *qualifying cryptoasset lending or borrowing* services to a *retail client*.

…

10.2 Assessing appropriateness: the obligations

…

Restricted mass market investments

10.2.9 G (1) When determining whether a *client* has the necessary knowledge to understand the risks involved in relation to a *restricted mass market investment*, a *firm* should consider asking the *client* questions that cover, at least, the matters in:

…

(m) *COBS* 10 Annex 3G in relation to *units* in a *long-term asset fund*; or

(n) ~~*COBS* 10 Annex 4G in relation to *qualifying cryptoassets*; or~~ [deleted]

(o) …

10.2.10 R In addition to the *rule* in *COBS* 10.2.1R, when determining whether a *retail client* has the necessary knowledge to understand the risks involved in relation to a *restricted mass market investment*, a *firm* must ask the *client* questions that cover at least the matters in *COBS* 10 Annex 4 in relation to *qualifying cryptoassets*.

Insert the following new section, COBS 10.2A, after COBS 10.2 (Assessing appropriateness: the obligations). All the text is new and is not underlined.

10.2A Assessing appropriateness: qualifying cryptoasset lending and borrowing

10.2A.1 R (1) A *firm* must not provide *qualifying cryptoasset lending or borrowing* services to a *retail client* unless it has assessed that the *client* has the necessary experience or knowledge to understand the risks involved in *qualifying cryptoasset lending or borrowing*.

(2) The *rule* in (1) does not need to be satisfied if the *qualifying cryptoasset lending or borrowing* service has previously been assessed as appropriate for the *retail client* by the same *person* as would otherwise need to undertake the assessment.

10.2A.2 G When determining whether a *client* has the necessary knowledge to understand the risks involved in relation to a *qualifying cryptoasset lending or borrowing* service, a *firm* should consider asking the *client* questions that cover at least the matters in *COBS* 10 Annex 6.

10.2A.3 R In addition to the *rules* and the *guidance* in this section, the following sections of *COBS* 10 apply to assessing a *retail client* for *qualifying cryptoasset lending and borrowing*:

(1) *COBS* 10.2 (Assessing appropriateness: the obligations);

(2) *COBS* 10.3 (Warning the client);

(3) *COBS* 10.5 (Assessing appropriateness: guidance); and

(4) *COBS* 10.7 (Record keeping and retention periods for appropriateness records).

10.2A.4 G (1) *Firms* that undertake *qualifying cryptoasset lending or borrowing* services for a *retail client* may choose to assess appropriateness for *qualifying cryptoasset lending and borrowing* services as part of the appropriateness assessment required under *COBS* 4.12A.28R. *Firms* may also assess appropriateness for *qualifying cryptoasset lending or borrowing* separately and at a later stage.

(2) An appropriateness assessment is only required on the first occasion that a *firm* provides a *qualifying cryptoasset lending or borrowing* service to a particular *retail client*.

(3) A *firm* should consider whether it is in the *retail client's* best interest for a further assessment to be undertaken even where this is not required – for example, due to lapse of time.

(4) An assessment solely in respect of a *qualifying cryptoasset lending* service will not discharge the requirement on the *firm* to assess appropriateness for a particular *retail client* should the *firm* subsequently seek to provide a *qualifying cryptoasset borrowing* service and vice versa.

10.2A.5 G Where a *firm* chooses to satisfy the requirement in *COBS* 4.12A.28R (appropriateness) and *COBS* 10.2A.1R at the same time, it may combine the matters in *COBS* 10 Annex 6 with the matters required in *COBS* 10 Annex 4 in order to undertake a single assessment of the *client's* knowledge and experience.

10.2A.6 R (1) This *rule* applies if:

(a) a *qualifying cryptoasset lending or borrowing* service is assessed as not being appropriate for a particular *retail client*; and

(b) the assessment of appropriateness is based on a series of questions which the *retail client* is required to answer.

(2) The *retail client* must not be informed of the particular answers which led to a *qualifying cryptoasset lending or borrowing* service being assessed as not appropriate for them.

(3) Any further assessment of the appropriateness of a *qualifying cryptoasset lending or borrowing* service for that *retail client* must not be based on the same questions that were used for the purpose of a previous assessment of the appropriateness of a *qualifying cryptoasset lending or borrowing* service for that *retail client*.

10.2A.7 R (1) This *rule* applies where a first and second assessment have both determined that a *qualifying cryptoasset lending or borrowing* service is not appropriate for a particular *retail client*.

(2) Following the second, and each and every subsequent, determination that a *qualifying cryptoasset lending or borrowing* service is not appropriate for a *retail client*, any further assessment of the appropriateness of a *qualifying cryptoasset lending or borrowing* service for that *retail client* must not be undertaken for at least 24 hours.

10.2A.8 G When gathering information regarding a *retail client's* knowledge and experience for the purpose of assessing whether a *qualifying cryptoasset* *lending or borrowing* service is appropriate for that *retail client*, the *firm* or *person* undertaking the assessment should:

(1) avoid asking the *retail client* questions that invite binary (yes/no) answers;

(2) if asking multiple-choice questions, use questions which offer at least 3 plausible answers (excluding the option to answer 'do not know', or similar); and

(3) ensure that questions address matters that are relevant to a *qualifying cryptoasset lending or borrowing* service in which the *retail client* has expressed interest (see *COBS* 10.2.2R).

10.2A.9 G (1) A *retail client* should only be informed of the outcome of an appropriateness assessment once they have provided all of the information required for the assessment to be undertaken.

(2) *COBS* 10.2A.6R does not prevent a *retail client* from being informed of the broad reasons why a *qualifying cryptoasset lending or borrowing* service was assessed not to be appropriate for them or of the nature of the deficiencies identified in their knowledge or experience. That *rule* is intended to prevent a *retail client* from being informed only of the questions within an assessment which led to a *qualifying cryptoasset lending or borrowing* service being assessed not to be appropriate such that the *client* is able simply to change their answer in any subsequent assessment without improving their own understanding.

(3) For the purposes of *COBS* 10.2A.6R(3), any questions used to undertake a further assessment of appropriateness should be sufficiently different such that the *retail client* could not simply infer the answers that would lead to an assessment of appropriateness from the outcome of their responses to a previous set of questions.

(4) A *firm* should consider whether the particular features of a *qualifying cryptoasset lending or borrowing* service mean that an interval of greater than 24 hours should be applied following a second assessment (and any subsequent assessment) that that *qualifying cryptoasset lending and borrowing* service is not appropriate for a *retail client* (*COBS* 10.2A.6R(2)).

(5) A *retail client* may be informed of the option to re-apply to use a *qualifying cryptoasset or borrowing* service following a determination that it is not appropriate for them. However, the *retail client* should not be encouraged to do so.

Amend the following as shown.

10 Annex 4		**Assessing appropriateness: qualifying cryptoassets**
10 Annex 4	~~G~~ R	This Annex belongs to ~~*COBS* 10.2.9G(1)(n)~~ *COBS* 10.2.10R. When determining whether a *retail client* has the necessary knowledge to understand the risks involved in relation to a *qualifying cryptoasset*, a *firm* ~~should consider asking~~ must ask the *client* questions that cover, at least, the matters in (1) to (12). *Firms* may need to ask additional or alternative questions to ensure that the *retail client* has the necessary knowledge to understand the risks involved in relation to the specific type of *qualifying cryptoasset* offered. …

Insert the following new Annex, COBS 10 Annex 6, after COBS 10 Annex 5 (Assessing appropriateness: UK RIE cryptoasset exchange traded notes). All the text is new and is not underlined.

10 Annex 6		**Assessing appropriateness: qualifying cryptoasset lending or borrowing**
10 Annex 6.1	G	This annex belongs to *COBS* 10.2A.1R.
10 Annex 6.2	G	When determining whether a *retail client* has the necessary knowledge to understand the risks involved in relation to *qualifying cryptoasset lending or borrowing* services, a *firm* should consider asking the *client* questions that cover at least the matters in *COBS* 10 Annex 6.4G(1) to (7) as applicable.
10 Annex 6.3	G	*Firms* may need to ask additional or alternative questions to ensure that the *retail client* has the necessary knowledge to understand the risks involved in relation to *qualifying cryptoasset lending or borrowing* services.
10 Annex 6.4	G	The matters referred to in *COBS* 10 Annex 6.2G are: (1) the role of the business offering or marketing the *qualifying cryptoasset* (the business) and the scope of its services in relation to *qualifying cryptoasset lending or borrowing*, including what the business does and does not do on behalf of *clients*, such as what due diligence is and is not undertaken by the business on any underlying investments; (2) that the *client* can lose all of the money that they invest in a *qualifying cryptoasset*;

(3) the risk of losing *qualifying cryptoassets* or money due to failure of a *firm* offering *qualifying cryptoasset lending or borrowing* services;

(4) the risk that *qualifying cryptoasset lending or borrowing* services can involve a *firm* transferring control of assets to a third party, which may fail to return them, particularly in the absence of robust legal protections;

(5) that the *firm* may reuse or reinvest *qualifying cryptoassets* used in *qualifying cryptoasset lending* to generate yield, which may increase risks of losses for *clients* lending *qualifying cryptoassets*;

(6) that *qualifying cryptoassets* committed to *qualifying cryptoasset lending or borrowing* may be locked into contracts for a fixed term, during which they cannot be sold, transferred or withdrawn by the *client*; and

(7) where a *firm* offers *qualifying cryptoasset borrowing*, the possibility of a margin call, the possibility of liquidation of the *client's qualifying cryptoassets borrowing collateral* as a result of market volatility, and the potential for losses resulting from liquidation of the *client's qualifying cryptoasset borrowing collateral*.

Amend the following as shown.

11 Dealing and managing

11.1 Application

11.1.1 R This chapter applies to a *firm* <u>except in relation to activities within the scope of *CRYPTO* 5 (Execution and orders)</u>.

…

Application of section on personal account dealing

11.1.4 R …

<u>11.1.4A</u> <u>R</u> <u>*COBS* 11.7 does not apply to *designated investment business* in relation to *qualifying cryptoasset activities*.</u>

…

15 Cancellation

…

15 Annex 1 Exemptions from the right to cancel

…			
	Exemptions for distance contracts (all products and services)		
1.10	R	There is no right to cancel a *distance contract*:	
		…	
		(3)	to *deal as agent*, *advise* or *arrange* if the *distance contract* is concluded merely as a stage in the provision of another service by the *firm* or another *person*~~.~~; or
		(4)	for a *qualifying cryptoasset activity*.
		…	
…			

16 Reporting information to clients (non-MiFID provisions)

16.1 Application

…

16.1.2 R (1) *COBS* 16.2 to *COBS* 16.4 apply in relation to *designated investment business* other than *MiFID, equivalent third country or optional exemption business*.

(2) *COBS* 16.2 to *COBS* 16.3 do not apply to orders, transactions and records within scope of the reporting requirements in *CRYPTO* 8, *CRYPTO* 9 or *CRYPTO* 10.

(3) *COBS* 16.4.1R to *COBS* 16.4.6G do not apply to a *firm* in relation to *designated investments* which are *qualifying cryptoassets* or *relevant specified investment cryptoassets*.

…

16.4 Statements of client designated investments or client money

…

16.4.6 G …

Statements of client cryptoassets

16.4.7	R	(1)	This *rule* applies to a *firm* that *safeguards cryptoassets* for a *client* which are *client cryptoassets*.
		(2)	A *firm* must provide a *client* with access to an online system, which qualifies as a *durable medium*, where the *client* can easily access up-to-date statements of their *client cryptoassets*.
		(3)	Those up-to-date statements referred to in (2) must set out the quantity of each type of *client cryptoasset* which the *firm* is safeguarding for the *client*.
		(4)	The up-to-date statements referred to in (2) must also make clear any situation where *CASS* 17.5.6R(3)(c)(vi) has resulted in a deduction to the *per-trust/client/class cryptoasset requirement*, explaining what happened.

…

Annex E

Amendments to the Supervision manual (SUP)

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

3 Auditors

3.1 Application

…

3.1.2 R Applicable sections (see *SUP* 3.1.1R)

…

(1) Category of firm		**(2) Sections applicable to the firm**	**(3) Sections applicable to its auditor**
…			
(12)	…	…	…
<u>**(13)**</u>	<u>*Qualifying stablecoin issuer*</u>	<u>*SUP* 3.1 - *SUP* 3.7, *SUP* 3.11</u>	<u>*SUP* 3.1, *SUP* 3.2, *SUP* 3.8, *SUP* 3.10</u>
<u>**(14)**</u>	<u>*Qualifying cryptoasset custodian* but only in respect of *safeguarding qualifying cryptoassets*</u>	<u>*SUP* 3.1 - *SUP* 3.7, *SUP* 3.11</u>	<u>*SUP* 3.1, *SUP* 3.2, *SUP* 3.8, *SUP* 3.10</u>
…			

…

3.3 Appointment of auditors

…

Appointment by the appropriate regulator

3.3.7 R …

(2) …

(b) the auditor to hold office until ~~he resigns~~ <u>they resign</u> or the *firm* appoints another auditor.

…

3.4 Auditors' qualifications

Purpose

3.4.1 G The *appropriate regulator* is concerned to ensure that the auditor of a *firm* has the necessary skill and experience to audit the business of the *firm* to which ~~he has~~ they have been appointed. This section sets out the *appropriate regulator's rules* and *guidance* aimed at achieving this.

Qualifications

3.4.2 R Before a *firm*, to which *SUP* 3.3.2R applies, appoints an auditor, it must take reasonable steps to ensure that the auditor has the required skill, resources and experience to perform ~~his~~ their functions under the *regulatory system* and that the auditor:

…

…

Disqualified auditors

…

3.4.6 G If it appears to the *appropriate regulator* that an auditor of a *firm* has failed to comply with a duty imposed on ~~him~~ them under the *Act*, it may have the power to and may disqualify ~~him~~ them under section 345 or 345A, respectively, of the *Act*. A list of *persons* who are disqualified may be found on the *FCA's* website (www.fca.org.uk).

…

3.5 Auditors' independence

Purpose

3.5.1 G If an auditor is to carry out ~~his~~ their duties properly, ~~he needs~~ they need to be independent of the *firm* ~~he is~~ they are auditing, so that ~~he is~~ they are not subject to conflicts of interest. Many *firms* are also subject to requirements under the Companies Act 1989, or the Companies Act 2006, the Building Societies Act 1986 or the Friendly Societies Act 1992 on auditor's independence.

Independence

…

3.5.4 G The *appropriate regulator* will regard an auditor as independent if ~~his~~ their appointment or retention does not breach the ethical guidance in current issue from the auditor's recognised supervisory body on the appointment of an auditor in circumstances which could give rise to conflicts of interest.

3.6 Firms' cooperation with their auditors

3.6.1 R A *firm* must cooperate with its auditor in the discharge of ~~his~~ their duties under this chapter.

Auditor's access to accounting records

3.6.2 G In complying with *SUP* 3.6.1R, a *firm* should give a right of access at all times to the *firm's* accounting and other records, in whatever form they are held, and *documents* relating to its business. A *firm* should allow its auditor to copy *documents* or other material on the premises of the *firm* and to remove copies or hold them elsewhere, or give ~~him~~ them such copies on request.

3.6.3 G Section 341 of the *Act* (Access to books etc.) provides that an auditor of a *firm* appointed under *SUP* 3.3.2R:

…

(2) is entitled to require from the *firm's* officers such information and explanations as ~~he~~ they reasonably ~~considers~~ consider necessary for the performance of ~~his~~ their duties as auditor.

…

Access and cooperation: appointed representatives, material outsourcing, employees

…

3.6.8 G In complying with *SUP* 3.6.1R, a *firm* should take reasonable steps to ensure that all its employees cooperate with its auditor in the discharge of ~~his~~ the auditor's duties under this chapter.

…

3.7 Notification of matters raised by auditor

…

Notification

3.7.2 G …

(1) the *firm* expects or knows its auditor will qualify ~~his~~ their report on the audited annual financial statements or add an explanatory paragraph; or

…

…

3.8 Rights and duties of auditors

Purpose

3.8.1 G The auditor of a *firm* has various rights and duties to obtain information from the *firm* and both to enable and to require ~~him~~ them to pass information to the *appropriate regulator* in specified circumstances. This section imposes or gives *guidance* on those rights and duties.

…

Auditor's independence

3.8.5 R An auditor of a *firm* must be independent of the *firm* in performing ~~his~~ their duties in respect of that *firm*.

3.8.6 R An auditor of a *firm* must take reasonable steps to satisfy ~~himself~~ themselves that ~~he is~~ they are free from any conflict of interest in respect of that *firm* from which bias may reasonably be inferred. ~~He~~ They must take appropriate action where this is not the case.

…

Communication between the appropriate regulator, the firm and the auditor

3.8.9 G Within the legal constraints that apply, the *appropriate regulator* may pass on to an auditor any information which it considers relevant to ~~his~~ their function. An auditor is bound by the confidentiality provisions set out in Part XXIII of the ~~Act~~ *Act* ~~(Public record, disclosure of information and cooperation)~~ (Public Record, Disclosure of Information and Co-operation) in respect of confidential information ~~he receives~~ they receive from the *appropriate regulator*. An auditor may not pass on such confidential information without lawful authority, for example if an exception applies under the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001 (SI 2001/2188) or with the consent of the *person* from whom that information was received and (if different) to whom the information relates.

…

Termination of term of office, disqualification

3.8.11 R An auditor must notify the *appropriate regulator* without delay if ~~he~~ they:

(1) ~~is~~ are removed from office by a *firm*; or

(2) ~~resigns~~ resign before ~~his~~ their term of office expires; or

(3) ~~is~~ are not re-appointed by a *firm*.

3.8.12 R If an auditor ceases to be, or is formally notified that ~~he~~ <u>they</u> will cease to be, the auditor of a *firm*, ~~he~~ <u>they</u> must notify the *appropriate regulator* without delay:

(1) of any matter connected with ~~his~~ <u>their</u> so ceasing which ~~he thinks~~ <u>they think</u> ought to be drawn to the *appropriate regulator's* attention; or

…

…

3.10 Duties of auditors: notification and report on client assets

…

Client assets report: content

3.10.4 R An auditor of a *firm* must submit a client assets report addressed to the *FCA* which:

(1) …

(2) if the *firm* claims not to hold *client money*<u>, *stablecoin backing assets*, *stablecoin backing funds*</u> or *custody assets*, <u>or claims not to be *safeguarding qualifying cryptoassets*</u>, states whether anything has come to the auditor's attention that causes ~~him~~ <u>them</u> to believe that the *firm* held *client money*<u>, *stablecoin backing funds*, *stablecoin backing assets*</u> or *custody assets*<u>, or had carried on the *regulated activity* of *safeguarding qualifying cryptoassets*,</u> during the period covered by the report.

…

3.10.5 R Client assets report

Whether in the auditor's opinion		
…		
(3)	in the case of an *investment management firm*, *personal investment firm*, a *UCITS firm*, *securities and futures firm*, *firm acting as trustee or depositary of an AIF*, *firm acting as trustee or depositary of a UK UCITS* or a *MIFIDPRU investment firm*, when a *subsidiary* of the *firm* is during the period a *nominee company* in whose name *custody assets* of the *firm* are registered during the period, that *nominee company* has maintained throughout the period systems for the custody, identification and control of *custody assets* which:	
	…	

	(b)	included reconciliations at appropriate intervals between the records maintained (whether by the *firm* or the *nominee company*) and statements or confirmations from *custodians* or from the *person* who maintained the record of legal entitlement; ~~and~~
(4)	if there has been a *secondary pooling event* during the period, the *firm* has complied with the *rules* in *CASS* 5.6 and *CASS* 7A (Client money distribution), *CASS* 11.13 (*debt management client money distribution rules*) and *CASS* 13.11 (claims management client money distribution rules) in relation to that pooling event~~.~~;	
(5)	in the case of a *qualifying stablecoin issuer*, the *firm* was in compliance with *CASS* 16; and	
(6)	in the case of a *firm* which is *safeguarding qualifying cryptoassets* or *arranging qualifying cryptoasset safeguarding*, the *firm* was in compliance with *CASS* 17.	

…

Client assets report: requirements not met or inability to form opinion

3.10.9 R If the client assets report under *SUP* 3.10.4R states that one or more of the applicable requirements described in *SUP* 3.10.5 R(1) to ~~(4)~~ (6) has or have not been met, the auditor must specify in the report each of those requirements and the respects in which it has or they have not been met.

3.10.9A R (1) Whether or not an auditor concludes that one or more of the requirements specified in *SUP* 3.10.5 R(1) to ~~(4)~~ (6) has or have been met, the auditor must ensure that the client assets report identifies each individual *rule* in respect of which a breach has been identified.

…

…

3 Annex 1

3 Annex 1 R Auditor's client assets report – [*Editor's note*: insert link.]

[*Editor's note*: The use of italics in the form below indicates text to be completed in the form and is not indicative of terms in the Handbook Glossary.]

SUP 3 Annex 1R

Auditor's client assets report Part 1 – Auditor's Opinion

Independent auditor's report on client assets to the Financial Conduct Authority in respect of [*Firm name*], firm reference number [*number*], for the period started [*dd/mm/yyyy*] and ended [*dd/mm/yyyy*]

Part 1: Auditor's Opinion on Client Assets

…

Opinion

In our opinion:

[The firm has maintained] [Except for....the firm has maintained] [Because of….the firm did not maintain] systems adequate to enable it to comply with [the custody rules,] [the collateral rules,] [the mandate rules,] [the client money rules,] [CASS 16,] [CASS 17] [and] [the debt management client money rules] throughout the period since [the last date at which a report was made] [the firm was authorised] [the firm became subject to SUP 3.11 and we, its auditor, became subject to SUP 3.10].*

[The firm was] [Except for….the firm was] [Because of….the firm was not] in compliance with ~~the~~ [the custody rules,] [the collateral rules,] [the mandate rules,] [the client money rules,] [CASS 16,] [CASS 17] [and] [the debt management client money rules] as at the period end date.*

~ / ~

The scope of the firm's permissions did not allow it to hold [stablecoin backing assets] [stablecoin backing funds] [client money] [or] [custody assets].

[The scope of the firm's permissions did not allow it to safeguard qualifying cryptoassets.]

The directors (or equivalent corporate officers) of the firm have stated that the firm did not hold [stablecoin backing assets] [stablecoin backing funds] [client money] [or] [custody assets] during the period.

[The directors (or equivalent corporate officers) of the firm have stated that the firm did not safeguard qualifying cryptoassets during the period.]

Based on review procedures performed, nothing has come to our attention that causes us to believe that the firm held [stablecoin backing assets] [stablecoin backing funds] [client money] [or] [custody assets] during the period.

[Based on review procedures performed, nothing has come to our attention that causes us to believe that the firm safeguarded qualifying cryptoassets during the period.]

…

Instructions for Part 1:

* If the auditor expresses an adverse opinion (i.e. states the firm 'did not maintain…' or 'was not in compliance…') ~~he~~ they must set out the reasons

why. This can be done by reference to items in columns A to D in Part 2 of the auditor's report on client assets.

If the auditor expresses a qualified opinion (i.e. states 'that except for …., the firm did maintain' or 'that except for …., the firm was in compliance') ~~he~~ they must do so by reference to items in columns A to D in Part 2 of the auditor's report on client assets.

…

…

…

15 Notifications to the FCA

…

15.15 Notification by retail intermediaries of qualification as an enhanced scope SMCR firm

…

Application: Firm moving between different reporting requirements

15.15.2 G (1) Subject to *SUP* 15.15.3R, this section also applies to a *firm*:

…

(b) that is subject to the reporting requirement in column (2) of row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R (Table: Financial qualification conditions) for another part of that averaging period.

…

…

Obligation to make calculations

15.15.8 R A *firm* must calculate, for each averaging period, whether or not it meets the qualification condition in row ~~(3)~~ (1) of Part Two of the table in *SYSC* 23 Annex 1 8.2R (Table: Financial qualification conditions).

…

[*Editor's note*: The following amendments take into account the changes introduced by the Notification of Third Party Arrangements and Operational Incident Reporting Instrument 2026 (FCA 2026/6), which comes into force on 18 March 2027.]

16 Reporting requirements

16.1 Application

…

Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.22 and SUP 16.26)

16.1.3 R

(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
…		
SUP 16.7A	A *firm* that is subject to the requirement in *SUP* 16.7A.3R ~~or~~, *SUP* 16.7A.3AR, *SUP* 16.7A.5R or *SUP* 16.7A.5AR	Sections as relevant
…		
SUP 16.33	A *firm* that is:	Entire section
	...	
	(5) a *Solvency II firm*; ~~or~~	
	(6) a *CASS large firm*~~.~~; or	
	(7) an *authorised cryptoasset firm*.	
SUP 16.34	…	…
SUP 16.35	an *authorised cryptoasset firm*	Entire section

16.3 General provisions on reporting

…

Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

…

(27) access to cash reporting (*SUP* 16.32); ~~and~~

(28) *material third party arrangements* register (*SUP* 16.33)~~.~~<u>;</u>

(29) retail banking business models reporting (*SUP* 16.34)~~.~~<u>; and</u>

<u>(30) cryptoasset regulatory reporting (*SUP* 16.35).</u>

…

16.7A Annual report and accounts

Application

16.7A.1 R …

<u>16.7A.1A R This section also applies to an *authorised cryptoasset firm* whether or not it is included in the tables in *SUP* 16.7A.3R and *SUP* 16.7A.5R.</u>

…

Requirement to submit annual report and accounts

16.7A.3 R …

<u>16.7A.3A R An *authorised cryptoasset firm* must submit its *annual report and accounts* to the *FCA* annually on a single entity basis.</u>

…

Requirement to submit annual report and accounts for mixed activity holding companies

16.7A.5 R …

<u>16.7A.5A R An *authorised cryptoasset firm* whose ultimate parent is a *mixed activity holding company* must:</u>

<u>(1) submit the *annual report and accounts* of the *mixed activity holding company* to the *FCA* annually; and</u>

<u>(2) notify the *FCA* that it is covered by this reporting requirement by email using the email address specified in *SUP* 16.3.10G(3), by its *accounting reference date*.</u>

…

Time period for firms submitting their annual report and accounts

16.7A.8 R *Firms* must submit their *annual report and accounts* in accordance with *SUP* 16.7A.3R and *SUP* 16.7A.3AR within the following deadlines:

…

Time period for firms submitting annual report and accounts for mixed activity holding companies

16.7A.9 R *Firms* must submit the *annual report and accounts* of a *mixed activity holding company* in accordance with *SUP* 16.7A.5R and *SUP* 16.7A.5AR within 7 months of their *accounting reference date*.

…

16.23 Annual Financial Crime Report

Application

…

16.23.2 R Table: Firms to which SUP 16.23.1R applies (subject to the exclusions in SUP 16.23.1R).

…	
a *firm* that has ~~permission~~ *permission* to carry on one or more of the following activities:	
	…
	operating a multilateral trading facility; ~~and/or~~
	operating an organised trading facility~~.~~;
	issuing a qualifying stablecoin;
	safeguarding cryptoassets;
	arranging cryptoasset safeguarding;
	operating a qualifying CATP;
	dealing in qualifying cryptoassets as principal;
	dealing in qualifying cryptoassets as agent;

	arranging deals in qualifying cryptoassets, provided that during the relevant financial year the *firm* carried on *safeguarding cryptoassets* in respect of *relevant specified investment cryptoassets* or *qualifying cryptoassets* under *CASS* 17; and/or
	arranging qualifying cryptoasset staking.
a *firm* that has reported total revenue of £5 million or more as at its last *accounting reference date* and has permission to carry on one or more of the following activities:	
	…
	credit-related regulated activity; ~~and~~
	operating an electronic system for public offers of relevant securities~~.~~; and/or
	arranging deals in qualifying cryptoassets.

…

16.33 Material third party arrangements register

Application

16.33.1 R This section applies to:

(1) a *firm* that is:

…

(e) a *Solvency II firm*; ~~or~~

(f) a *CASS large firm*; or

(g) an *authorised cryptoasset firm*;

…

…

Insert the following new section, SUP 16.35, after SUP 16.34 (Retail banking business models reporting). All the text is new and is not underlined.

16.35 Cryptoasset regulatory reporting

Application: who?

16.35.1 R This section applies to an *authorised cryptoasset firm*. The list of respective *regulated cryptoasset activities* is contained in *SUP* 16.35.4R.

How to submit a cryptoasset regulatory report

16.35.2 R A *firm* must provide a cryptoasset regulatory report containing the information specified in the table in *SUP* 16.35.4R and the information in *SUP* 16.35.6R to the *FCA* electronically in a standard format provided by the *FCA* and in accordance with the frequency prescribed in the table in *SUP* 16.35.4R and *SUP* 16.35.5R(1). Guidance notes for *data items* to be reported are set out in *SUP* 16 Annex 61.

Purpose

16.35.3 G The purpose of this section is to require *firms* to submit information about the *regulated cryptoasset activity* they carry on. This information will assist the *FCA* in pursuing the purposes set out in *SUP* 16.2.1G.

Reporting requirement

16.35.4 R The table sets out applicable *rules* containing *data items*, frequency and submission periods. The due dates are the last day of the periods given in the table below following the relevant reporting reference dates set out in *SUP* 16.35.5R(2), unless indicated otherwise.

(1)	(2)	(3)	(4)
Regulated activities	Provisions containing:		
	Applicable data items	Reporting frequency	Due date
Safeguarding cryptoassets	*SUP* 16.35.7R	Monthly	15 *business days* following the end of each month (see Note)
Issuing a qualifying stablecoin	*SUP* 16.35.8R	Quarterly	20 *business days*
Operating a qualifying CATP	*SUP* 16.35.9R	Quarterly	20 *business days*
Dealing in qualifying cryptoassets as principal	*SUP* 16.35.10R	Quarterly	20 *business days*

(except where *qualifying cryptoasset lending or borrowing*)			
Dealing in qualifying cryptoassets as agent and *arranging deals in qualifying cryptoassets* (except where *qualifying cryptoasset lending or borrowing*)	*SUP* 16.35.10R	Quarterly	20 *business days*
Qualifying cryptoasset lending	*SUP* 16.35.11R	Quarterly	20 *business days*
Qualifying cryptoasset borrowing	*SUP* 16.35.11R	Quarterly	20 *business days*
Arranging qualifying cryptoasset staking	*SUP* 16.35.12R	Quarterly	20 *business days*
Note: 'Month' means a calendar month and *SUP* 16.3.13R(4) does not apply.			

Frequency and timing of reports

16.35.5 R (1) A *firm* must submit the information required under *SUP* 16.35.6R to the *FCA* quarterly and within 20 *business days* of the end of the relevant reporting reference date.

(2) For the purpose of this *rule*, a *firm's* reporting reference dates are:

(a) its *accounting reference date*;

(b) 3 months after its *accounting reference date*;

(c) 6 months after its *accounting reference date*; and

(d) 9 months after its *accounting reference date*.

Reporting: general

16.35.6 R All *firms* carrying on any of the activities in column (1) of the table in *SUP* 16.35.4R must provide the following information for each reporting period when reporting to the *FCA*:

(1) the total number of *complaints* received by the *firm* from *eligible complainants* during the reporting period;

(2) the total number of *complaints* upheld by the *firm* from *eligible complainants* during the reporting period;

(3) the total number of *clients* with at least one active *regulated cryptoasset activity* arrangement as at the end of the reporting period, except for *firms issuing a qualifying stablecoin*; and

(4) the total number of *retail customers* with at least one active *regulated cryptoasset activity* arrangement who have been identified as having characteristics of vulnerability, except for *firms issuing a qualifying stablecoin*.

Reporting: safeguarding of cryptoassets

16.35.7 R A *firm* carrying on the activity of *safeguarding cryptoassets* must provide the *FCA* with the following information for each reporting period regarding this activity, and each *data item* reported must reflect the *firm's* safeguarding of *cryptoassets* which are either *client cryptoassets* in the case of *qualifying cryptoassets* or *safe custody assets* in the case of *relevant specified investment cryptoassets*:

(1) the name of the audit firm appointed under *SUP* 3.3.2R;

(2) the *regulated activities* carried on by the *firm*;

(3) the total number of *clients*;

(4) the number of each of the following type of *clients*:

(a) *retail customers*;

(b) *clients* who are *authorised cryptoasset firms*; and

(c) *clients* that do not fall under either categories (a) or (b);

(5) the total value of all *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(6) the highest total value of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(7) the lowest total value of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(8) the *cryptoasset safeguarding class(es)* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(9) the number of each *cryptoasset safeguarding class* of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(10) the value of *qualifying cryptoasset*s in relation to which the *firm* is carrying on *safeguarding cryptoassets*, by *cryptoasset safeguarding class*;

(11) the total value of all *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(12) the highest total value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(13) the lowest total value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(14) the *cryptoasset safeguarding class(es)* of *relevant specified investments cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(15) the number of each *cryptoasset safeguarding class* of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*;

(16) the value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*, by *cryptoasset safeguarding class*;

(17) the name of any third party appointed by the *firm* to *safeguard cryptoassets* for the *firm's clients*, including the role and the location of the registered office (or if no registered office, the head office) of the third party;

(18) the wallet structure(s) for safeguarding *client cryptoassets*;

(19) the excess or shortfall of *client cryptoassets*;

(20) adjustments made to withdraw an excess or rectify a shortfall as a result of *client cryptoasset reconciliation*;

(21) any use of an *operational surplus*;

(22) the number of *client cryptoasset* items that have been unresolved for the following periods of time:

(a) 6 to 29 *days*;

(b) 30 to 59 *days*;

(c) 60 to 90 *days*; and

(d) more than 90 *days*;

(23) total revenue during the reporting period from *safeguarding cryptoassets* in relation to *qualifying cryptoassets*;

(24) total revenue during the reporting period from *safeguarding cryptoassets* in relation to *relevant specified investment cryptoassets*;

(25) total revenue from *arranging cryptoasset safeguarding* in relation to *qualifying cryptoassets*; and

(26) total revenue from *arranging cryptoasset safeguarding* in relation to *relevant specified investment cryptoassets*.

Reporting: qualifying stablecoin issuance

16.35.8 R A *firm* carrying on the activity of *issuing a qualifying stablecoin* must provide the *FCA* with the following information in respect of each *qualifying stablecoin product* that contains a *UK qualifying stablecoin* for which it is the *qualifying stablecoin issuer* for each reporting period regarding this activity:

(1) the total number of *qualifying stablecoins minted*;

(2) the total number of *qualifying stablecoins* issued to a *person* by the *qualifying stablecoin issuer*;

(3) the balance of *stablecoin backing assets*;

(4) the balance of *stablecoin backing funds*;

(5) the following information in respect of the *core backing assets* held in the *backing asset pool* at the end of the reporting period;

(a) the value, in the *reference currency*, of:

(i) *on-demand deposits*; and

(ii) *short-term government debt instruments*;

(b) the *approved bank(s)* with which *on-demand deposits* are held; and

(c) the *issuer* of any *short-term government debt instruments.*

(6) any use of excess in accordance with *CASS* 16.4.16R;

(7) the total number of valid *redemption* requests received;

(8) the total value of *qualifying stablecoins* redeemed;

(9) the total number of valid *redemption* requests that have been received but not completed;

(10) the total number of delayed valid *redemption* requests;

(11) the names and activities of third parties appointed under *CASS* 16 or *CRYPTO* 2.3;

(12) whether any notifiable *CASS* 16 breaches occurred and whether the *FCA* was notified as required;

(13) the name of the audit firm appointed under *SUP* 3.3.2R; and

(14) total revenue from *issuing a qualifying stablecoin* during the reporting period.

Reporting: operation of a qualifying cryptoasset trading platform

16.35.9 R A *firm* carrying on the activity of *operating a qualifying CATP* is required to provide the *FCA* with the following information for each reporting period regarding this activity:

(1) information concerning *retail customers*:

(a) the total number of *retail customers* who executed at least one trade on a *UK QCATP*;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed by *retail customers* on a *UK QCATP*;

(c) the total value of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by *retail customers* on a *UK QCATP*;

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed by *retail customers* on a *UK QCATP*; and

(e) the *retail customers* with the highest total transactions by value of *qualifying cryptoassets* on a *UK QCATP*;

(2) information concerning *clients* who are *authorised cryptoasset firms*:

(a) the total number of this category of *clients* who executed at least one trade on a *UK QCATP*;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed by this category of *clients*;

(c) the total value of completed *qualifying cryptoasset* to *qualifying cryptoasse*t transactions executed by this category of *clients*;

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed by this category of *clients*; and

(e) the *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*;

(3) information concerning *clients* that do not fall under the categories in (1) and (2):

(a) the total number of this category of *clients* who executed at least one trade on a *UK QCATP*;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed by this category of *clients*;

(c) the total value of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by this category of *clients*;

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed by this category of *clients*; and

(e) the *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*; and

(4) total *firm* revenue from operating a *UK QCATP* during the reporting period.

Reporting: cryptoasset intermediary activities

16.35.10 R A *firm* carrying on any of the activities of *dealing in qualifying cryptoassets as principal*, *dealing in qualifying cryptoassets as agent* and/or *arranging deals in qualifying cryptoassets* must provide the *FCA* with the following information for each reporting period:

(1) information concerning *retail customers*:

(a) the total number of *retail customers* for whom the *firm* executed or received and transmitted for execution at least one trade;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*;

(c) the total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d);

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*; and

(e) the *retail customers* with the highest total transactions by value of *qualifying cryptoassets*;

(2) information concerning *clients* who are *authorised cryptoasset firms*:

(a) the total number of this category of *clients* for whom the *firm* executed or received and transmitted for execution at least one trade;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*;

(c) the total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d);

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*; and

(e) the *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*;

(3) information concerning *clients* that do not fall under the categories in (1) and (2):

(a) the total number of this category of *clients* for whom the *firm* executed or received and transmitted for execution at least one trade;

(b) the total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*;

(c) the total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d);

(d) the total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*; and

(e) the *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*;

(4) the *qualifying cryptoasset execution venues* where the *firm* executed or transmitted for execution *client* orders;

(5) when *dealing in qualifying cryptoassets as principal* and executing orders for *clients*, where the *firm* sourced liquidity; and

(6) total revenue from *dealing in qualifying cryptoassets as principal*, *dealing in qualifying cryptoassets as agent* and *arranging deals in qualifying cryptoassets* during the reporting period.

Reporting: qualifying cryptoasset lending and borrowing

16.35.11 R A *firm* carrying on the activity of *dealing in qualifying cryptoassets as principal* and/or *arranging deals in qualifying cryptoassets* must provide the *FCA* with the following information regarding its *qualifying cryptoasset lending or borrowing* services:

(1) information concerning *qualifying cryptoasset lending*:

(a) the total number of *retail customers* with whom the *firm* engages in *qualifying cryptoasset lending*;

(b) the total number of *clients* who are *authorised cryptoasset firms* with whom the *firm* engages in *cryptoasset lending* services;

(c) the total number of *clients* who do not fall under the categories in (a) and (b) with whom the *firm* engages in *qualifying cryptoasset lending*;

(d) the total number of *qualifying cryptoasset lending* arrangements;

(e) the total value of *qualifying cryptoasset lending* arrangements;

(f) the lending counterparties;

(g) the location of the registered office (if no registered office, the head office) of the lending counterparties;

(h) the total value of *qualifying cryptoassets* the *firm* has transacted with other parties to generate yield for *retail clients*;

(i) the types of *qualifying cryptoassets* used in *qualifying cryptoasset lending*; and

(j) total revenue during the reporting period from *qualifying cryptoasset lending*;

(2) information concerning *qualifying cryptoasset borrowing*:

(a) the total number of *retail customers* with whom the *firm* engages in *qualifying cryptoasset borrowing*;

(b) the total number of *clients* who are *authorised cryptoasset firms* with whom the *firm* engages in *qualifying cryptoasset borrowing*;

(c) the total number of *clients* who do not fall under the categories in (a) and (b) with whom the *firm* engages in *qualifying cryptoasset borrowing*;

(d) the total number of *qualifying cryptoasset borrowing* arrangements;

(e) the total value of *qualifying cryptoasset borrowing* arrangements;

(f) the total value of *qualifying cryptoasset borrowing collateral*;

(g) the types of *qualifying cryptoassets* used in *qualifying cryptoasset borrowing*; and

(h) total revenue during the reporting period from *qualifying cryptoasset borrowing*.

Reporting: cryptoasset staking

16.35.12 R A *firm* carrying on the activity of *arranging qualifying cryptoasset staking* must provide the *FCA* with the following information regarding this activity:

(1) the total number of *retail customers* with at least one active *qualifying cryptoasset staking* arrangement with the *firm*;

(2) the total number of *clients* who are *authorised cryptoasset firms* with at least one active *qualifying cryptoasset staking* arrangement with the *firm*;

(3) the total number of *clients* who do not fall under the categories in (1) or (2) with at least one active *qualifying cryptoasset staking* arrangement with the *firm*;

(4) the total number of new *qualifying cryptoasset staking* arrangements that started during the reporting period;

(5) the total value of *qualifying cryptoasset staking* arrangements where the *firm* is also *safeguarding cryptoassets* for *clients* for the staked *qualifying cryptoassets*;

(6) the total value of *qualifying cryptoasset staking* arrangements where the *firm* is not also *safeguarding qualifying cryptoassets*;

(7) the types of *qualifying cryptoassets* used in *qualifying cryptoasset staking*; and

(8) total revenue during the reporting period from *arranging qualifying cryptoasset staking*.

Insert the following new Annex, SUP 16 Annex 61, after SUP 16 Annex 60G (Guidance notes for completion of the Retail Banking Business Models Report). All the text is new and is not underlined.

16 Annex 61		**Guidance notes for the data items in SUP 16.35**
16 Annex 61	G	This annex consists only of guidance notes for the *data items* in *SUP* 16.35.
		Guidance notes for the data items in *SUP* 16.35 [*Editor's note*: insert link].

SUP 16 Annex 61: Guidance notes for the data items in SUP 16.35

Terms in italics in these guidance notes bear the meaning ascribed to those terms in the *Glossary*.

The purpose of *SUP* 16 Annex 61 (Guidance notes for the data items in SUP 16.35) is to ensure that the *FCA* receives regular information in a standard format that supports its supervisory oversight of relevant *firms*.

Definitions

Client categorisation definitions	
Retail customer	A '*retail customer*' is an individual who is not acting in the course of their trade, business or profession. This category excludes natural *UK persons* who are acting in the course of business (eg, sole traders trading for their own account or on behalf of others, whether authorised or not).
Client who is an *authorised cryptoasset firm*	This category includes all *firms* and natural *persons* (including sole traders) who hold a *Part 4A permission* under the *Act* to carry out *regulated cryptoasset activities*.
Client who is not a *retail customer* or an *authorised cryptoasset firm*	This category captures all *clients* not included above, including but not limited to: • natural persons/individuals acting for themselves (outside the '*retail customer*' definition, ie, acting in the course of business but not authorised); • registered firms in savings or run-off; • corporates acting on their own account; and • corporates acting for others' account in perimeter use cases where that activity is not required to be authorised.

In this *guidance*, where a *firm* is *overseas* and offers *qualifying cryptoassets* services through an establishment in the *UK*, references to:

- a *retail customer*;
- a *client* who is an *authorised cryptoasset firm*;
- a *client* who is not a *retail customer* or an *authorised cryptoasset firm*; and
- *eligible complainants*,

are only to those *persons* within each of those categories who deal with the *firm* for *qualifying cryptoasset* services via that establishment.

All firms

All *authorised cryptoasset firms* are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.6R	Metric	Guidance
(1)	The total number of *complaints* received by the *firm* from *eligible*	The total number of *complaints* received by the *firm* within the reporting period. For this metric: • '*complaint*' has the meaning in the *Glossary*;

	complainants during the reporting period	• include all *complaints* received from *eligible complainants* within the reporting period, which include *complaints* from existing or prospective *customers* (eg, *complaints* at account registration stage) or from *holders* of a *UK qualifying stablecoin*; • include all *complaints* that relate to *regulated cryptoasset activities* carried on by the *firm* (where a *complaint* relates to multiple activities, *firms* should include the *complaint* where it is sufficiently connected to an in-scope activity); • count each *complaint* once, regardless of outcome or whether it was subsequently withdrawn; and • exclude feedback or queries that do not meet the *FCA*'s definition of a *complaint*.
(2)	The total number of *complaints* upheld by the *firm* from *eligible complainants* during the reporting period	The total number of *complaints* received by the *firm* within the reporting period that were upheld following investigation. For this metric: • 'upheld' means where the *firm* has assessed the *complaints* and where it accepts the *customer's* grievance is valid; • where a *complaint* is upheld in part, or where the *firm* does not have enough information to make a decision yet but chooses to make a goodwill payment to the complainant, a *firm* should treat the *complaint* as upheld for reporting purposes; • include all *complaints* from *eligible complainants* or from *holders* of a *UK qualifying stablecoin* upheld within the reporting period, regardless of whether the complainant is an existing or a prospective *customer* (eg, *complaints* at account registration stage); • include all *complaints* that relate to *regulated cryptoasset activities* carried on by the *firm* (where a *complaint* relates to multiple activities, *firms* should include the *complaint* where it is sufficiently connected to an in-scope activity); and • exclude *complaints* not meeting the *FCA*'s definition of a *complaint*, and those not upheld after investigation.

Firms authorised for all *regulated cryptoasset activities*, except those solely authorised for *issuing a qualifying stablecoin*

All *authorised cryptoasset firms*, except those authorised solely for *issuing a qualifying stablecoin*, are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.6R	Metric	Guidance
(3)	The total number of *clients* with at least one active *regulated cryptoasset activity* arrangement as at the end of the reporting period, except for *firms issuing a qualifying stablecoin*	The total number of individual *clients* with at least one active *regulated cryptoasset activity* arrangement as at the end of the reporting period. For this metric: • 'active' means an arrangement that is open at period end with a non-zero balance (including *qualifying cryptoassets* or fiat funds) and not fully closed before period end – this includes *clients* with open positions, as well as those holding fiat funds pending reinvestment or withdrawal; • count unique individual *clients*: a *client* with multiple active arrangements is counted once; • exclude test/demo accounts and arrangements with zero balance at period end; and • do not include *clients* whose only activity is pending account closure or who have no funds or *qualifying cryptoassets* held with the *firm* at period end.
(4)	The total number of *retail customers* with at least one active *regulated cryptoasset activity* arrangement who have been identified as having characteristics of vulnerability, except for *firms issuing a qualifying stablecoin*	The total number of individual *retail customers* with at least one active *regulated cryptoasset activity* arrangement who have been identified as having characteristics of vulnerability as at the end of the reporting period. For this metric: • 'active' follows the same definition as in (3) above; • 'vulnerable' *retail customers* are those identified by the *firm* as having characteristics of vulnerability, in line with *FCA guidance* (FG21/1: Guidance for firms on the fair treatment of vulnerable customers) – this includes,

		but is not limited to, clients with health, life events, resilience or capability factors that may make them especially susceptible to harm; • count unique individual *retail customers*: a *customer* with multiple active arrangements is counted once; • exclude test/demo accounts and arrangements with zero balance at period end; and • *firms* should have appropriate processes to identify and record vulnerability.

Safeguarding cryptoassets

All *firms* authorised for *safeguarding cryptoassets* are required to submit to the *FCA*, on a monthly basis, the information in the table below.

Where a *firm* ('A') appoints a third party ('B') to *safeguard cryptoassets* under *CASS* 17.6:

- A is required under *SUP* 16.35 to report the following information on the entirety of the *cryptoassets* it is safeguarding, including those which it has placed with B;
- where B is not required to be *authorised* to carry on the activity of *safeguarding cryptoassets*, it is not required under *SUP* 16.35 to report to the *FCA*; and
- where B is *safeguarding cryptoassets*, it is required to report on the *cryptoassets* it safeguards – this is in addition to A also reporting on the safeguarding these *cryptoassets*.

SUP 16.35.7R	Metric	Guidance
(1)	The name of the audit firm appointment under *SUP* 3.3.2R	The legal name of the *CASS* audit firm appointed under *SUP* 3.3.2R.
(2)	The *regulated activities* carried on by the *firm*	A list of the *regulated activities* subject to *CASS* 17 performed by the *firm*.
(3)	The total number of *clients*	The total number of *clients* the *firm* has in relation to its *safeguarding cryptoassets* activity.
(4)	The number of each of the following type of *clients*	State if the *firm* is providing services to: (a) *retail customers*;

		(b) *clients* who are *authorised cryptoasset firms*; and (c) *clients* that do not fall under either categories (a) or (b).
(5)	The total value of all *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The total value of all *qualifying cryptoassets* held on trust at reporting period end.
(6)	The highest total value of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The highest total value of *qualifying cryptoassets* held on trust at any point during the reporting period.
(7)	The lowest total value of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The lowest total value of *qualifying cryptoassets* held on trust at any point during the reporting period.
(8)	The *cryptoasset safeguarding class(es)* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The *cryptoasset safeguarding class(es)* of *qualifying cryptoassets* held on trust, on behalf of *clients*, as at the end of the reporting period. Where available, the *firm* may reference the ISO 24165 or other *digital token identifier* for the relevant *qualifying cryptoasset* provided that, in doing so, the relevant *cryptoasset safeguarding class* can be precisely distinguished.
(9)	The number of each *cryptoasset safeguarding class* of *qualifying cryptoasset* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The number of *qualifying cryptoassets* being held on trust on behalf of *clients*, by *cryptoasset safeguarding class*, as at the end of the reporting period.
(10)	The value of *qualifying cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets* by *cryptoasset safeguarding class*	The value in GBP of the *qualifying cryptoassets* held on trust on behalf of *clients*, by *cryptoasset safeguarding class*, as at the end of the reporting period.
(11)	The total value of all *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The total value of *relevant specified investment cryptoassets* being held on trust at reporting period end.

(12)	The highest total value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The highest total value of *relevant specified investment cryptoassets* held on trust at any point during the reporting period.
(13)	The lowest total value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The lowest total value of *relevant specified investment cryptoassets* held on trust at any point during the reporting period.
(14)	The *cryptoasset safeguarding class(es)*of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The *cryptoasset safeguarding class(es)* of *relevant specified investment cryptoasset* held on trust, on behalf of *clients*, as at the end of the reporting period. Where available, the *firm* may reference the ISO 24165 or other *digital token identifier* for the *relevant qualifying cryptoasset* provided that, in doing so, the relevant *cryptoasset safeguarding class* can be precisely distinguished.
(15)	The number of each *cryptoasset safeguarding class* of *relevant specified investment cryptoasset* in relation to which the *firm* is carrying on *safeguarding cryptoassets*	The number of *relevant specified investment cryptoassets*, being held on trust, on behalf of *clients*, by *cryptoasset safeguarding class*, as at the end of the reporting period.
(16)	The value of *relevant specified investment cryptoassets* in relation to which the *firm* is carrying on *safeguarding cryptoassets*, by *cryptoasset safeguarding class*	The value in GBP of the *relevant specified investment cryptoassets* held on trust on behalf of *clients*, by *cryptoasset safeguarding class*, as at the end of the reporting period.
(17)	The name of any third party appointed by the *firm* to *safeguard cryptoassets* for the *firm's clients*, including the role and the location of the registered office (or if no registered office, the head office) of the third party	Specify the name of any third-party institutions with which the *firm* has deposited *client cryptoassets* (or *means of access* of *cryptoassets*) as per *CASS* 17.6. The *firm* should detail the role the third party has been appointed to perform by the custodian and the location of the registered/head office.
(18)	The wallet structure(s) for safeguarding *client cryptoassets*	Detail the structure of the wallet where the *client cryptoassets* are held on behalf of *clients*. Are they pooled in omnibus wallets or are they

		kept in individually segregated wallets? Does the *firm* make use of wallets with additional security measures such as multi-party computation, or multi-signature wallets?
(19)	The excess or shortfall of *client cryptoassets*	Detail the amount by which the *firm's client cryptoasset* holdings differ from its actual holdings of its *client cryptoassets* as per the reconciliation carried out on the first *business day* following the reporting period in question.
(20)	Adjustments made to withdraw an excess or rectify a shortfall identified as a result of *client cryptoasset reconciliation*	A *firm* should report the action taken to correct a shortfall or withdraw an excess.
(21)	Any use of an *operational surplus*	A *firm* should indicate whether it is currently utilising an *operational surplus*.
(22)	The number of *client cryptoasset* items that have been unresolved for the following periods of time	A *firm* should identify in this data field the number of *client cryptoasset* items which have remained unresolved for: • 6 to 29 *days*; • 30 to 59) *days*; • 60 to 90 *days*; and • more than 90 days.
(23)	Total revenue during the reporting period from *safeguarding cryptoassets* in relation to *qualifying cryptoassets*	Total revenue during the reporting period from *safeguarding cryptoassets* in relation to *qualifying cryptoassets*, recognised per the *firm's* accounting policies. For this metric: • include safeguarding, custody or wallet maintenance fees charged to *clients* for holding *qualifying cryptoassets*; • include recurring account level fees, cold storage fees, and any other directly attributable safeguarding related charges; and • exclude transaction-related fees (eg, execution, withdrawal, brokerage fees) unless they are specifically charged for safeguarding services.
(24)	Total revenue during the reporting period from	Total revenue during the reporting period from *safeguarding cryptoassets* in relation to

	safeguarding cryptoassets in relation to *relevant specified investment cryptoassets*	*relevant specified investment cryptoassets*, recognised per the *firm's* accounting policies. For this metric: • include all fees charged specifically for *safeguarding relevant specified investment cryptoassets* (e.g. custody charges, vaulting fees, wallet security fees); • include both fixed and variable revenue linked directly to the safeguarding activity; and • exclude revenues from advisory, execution, arranging or lending activities, even if provided to the same *client*.
(25)	Total revenue from *arranging cryptoasset safeguarding* in relation to *qualifying cryptoassets*	Total revenue from *arranging cryptoasset safeguarding* in relation to *qualifying cryptoassets* during the reporting period, recognised per the *firm's* accounting policies. For this metric: • include fees, commissions or agent spreads earned for introducing *clients* to safeguarding providers or arranging custody solutions; • include ongoing revenue shares or rebates received from third-party custodians as part of an arranging/introducing agreement; • exclude fees for safeguarding performed directly by the *firm* (those should be reported under safeguarding revenue, not arranging); and • exclude revenue from unrelated brokerage, trading or platform activities.
(26)	Total revenue from *arranging cryptoasset safeguarding* in relation to *relevant specified investment cryptoassets*	Total revenue from *arranging cryptoasset safeguarding* in relation to *relevant specified investment cryptoassets* during the reporting period, recognised per the *firm's* accounting policies. For this metric: • include revenue earned for arranging safeguarding by third party custodians for *relevant specified investment cryptoassets*;

		• include introducing fees, commissions, distribution fees and any revenue share derived from partner custody providers; • exclude direct safeguarding fees (reported separately); and • exclude revenues linked to other *regulated activities* (eg, *dealing*, advisory, portfolio management).

Issuing a qualifying stablecoin

All *firms* carrying on the activity of *issuing a qualifying stablecoin* are required to submit to the *FCA*, on a quarterly basis, the information in the table below for each *qualifying stablecoin product* that contains a *UK qualifying stablecoin*.

SUP 16.35.8R	Metric	Guidance
(1)	The total number of *qualifying stablecoins minted*	The total number of *qualifying stablecoins minted* (by and on behalf of the *firm*) during the reporting period. This includes any *qualifying stablecoins* not yet distributed/sold/subscribed for. For this metric, exclude *qualifying stablecoins* that were *burned* before being distributed, sold or subscribed for.
(2)	The total number of *qualifying stablecoins* issued to a *person* by the *qualifying stablecoin issuer*	The total number of *qualifying stablecoins* issued to a *person* by the *qualifying stablecoin issuer* during the reporting period. For this metric: • include only *qualifying stablecoins* issued by the *firm* and not those obtained on the secondary market; and • include *qualifying stablecoins* allocated to *clients* but not yet settled, provided the allocation is contractually binding.
(3)	The balance of *stablecoin backing assets*	The total value of *stablecoin backing assets* held in the *reference currency* at the end of the reporting period. For this metric: • include *assets* that form part of the *backing asset pool* (including any

		excess held in accordance with *CASS* 16.4.16R); • value positions using end-of-day prices on the last *business day* of the reporting period; and • exclude any *assets* that are not part of the *backing asset pool*.
(4)	The balance of *stablecoin backing funds*	The total value of *stablecoin coin backing funds* held in the *reference currency* at the end of the reporting period. For this metric: • include *money* that forms part of the *backing asset pool* (including any excess held in accordance with *CASS* 16.4.16R); • value positions using end-of-day prices on the last *business day* of the reporting period; and • exclude any *money* that is not part of the *backing asset pool*.
(5)	The following information in respect of the *core backing assets* held in the *backing asset pool* at the end of the reporting period	The value of *core backing assets* in the *backing asset pool* which are: (1) *on-demand deposits*; and (2) *short-term government debt instruments*, as at the end of the reporting period. For *on-demand deposits*, the *firm* must report the name of the *approved bank* where the deposit is held, the *reference currency* of the *qualifying stablecoin*, and the value of *on-demand deposits* held in the *backing asset pool* in the *reference currency*. For *short-term government debt instruments*, the *firm* must report the name of the government that issued the debt instrument, the *reference currency* of the *qualifying stablecoin*, and the value of *short-term government debt instruments* held in the *backing asset pool* in the *reference currency*.

(6)	Any use of an excess in accordance with *CASS* 16.4.16R	A *firm* should indicate whether it held an excess in accordance with *CASS* 16.4.16R during the reporting period.
(7)	The total number of valid *redemption* requests received	The total number of valid *redemption* requests for *qualifying stablecoins* received during the reporting period. For this metric: • a '*redemption* request' is valid if it is made by the *holder* of a *qualifying stablecoin* and in a manner which meets any terms and conditions in the contract between the *qualifying stablecoin issuer* and the *qualifying stablecoin holder*, or other applicable mechanism, as set out in *CRYPTO* 2.4.16R; and • include all valid *redemption* requests received, whether completed or not.
(8)	The total value of *qualifying stablecoins* redeemed	The total value of *qualifying stablecoins* in respect of which *redemption* was completed during the reporting period in the *reference currency*. For this metric: • 'completed' has the meaning in *CRYPTO* 2.4.18R and *CRYPTO* 2.4.19R; and • exclude *redemptions* that have not been completed.
(9)	The total number of valid *redemption* requests that have been received but not completed	The total number of valid *redemption* requests for *qualifying stablecoins* that were received during the reporting period, but not completed by the end of the reporting period. For this metric: • include all relevant *redemption* requests, including those where the standard service level agreement or regulatory timeframe has been breached; • include requests that are awaiting customer documentation; and • do not include requests that were completed during the reporting period.

(10)	The total number of delayed valid *redemption* requests	The total number of valid *redemption* requests for *qualifying stablecoins* that were not settled within the timeframe in *CRYPTO* 2.4.14R(3). For this metric: • include requests where *redemption* was delayed due to issuer processes or operational reasons; and • do not include requests delayed in accordance with *CRYPTO* 2.4.20R.
(11)	The names and activities of third parties appointed under *CASS 16* or *CRYPTO* 2.3	The name of any third parties appointed under *CASS* 16 or *CRYPTO* 2.3 by the *qualifying stablecoin issuer* to conduct activities related to *issuing a qualifying stablecoin*. For this metric: • for *CASS* 16, include third parties appointed in accordance with *CASS* 16.6; • for *CRYPTO* 2.3, include third parties that carry out activities that are critical for the performance of, or amount to part of, the *regulated activity* of *issuing a qualifying stablecoin* as referred to in *CRYPTO* 2.3.2R; and • specify the activity performed by each third party.
(12)	Whether any notifiable *CASS 16* breaches occurred and whether the *FCA* was notified as required	A *firm* should indicate whether at any point during the reporting period one of the situations referred to in *CASS* 16.2.30R or *CASS* 16.4.22R arose, and the *firm* was required to notify the *FCA* of it. If the *firm* has indicated that one of the situations referred to in *CASS* 16.2.30R or *CASS* 16.4.22R arose, it should confirm whether all required notifications were made to the *FCA* in accordance with *CASS* 16.2.30R and *CASS* 16.2.31, or *CASS* 16.4.22R.
(13)	The name of the audit firm appointed under *SUP* 3.3.2R	The full legal name of the audit firm and not, for example, a trading name.

(14)	Total revenue from *issuing a qualifying stablecoin* during the reporting period	Total revenue, in GBP, earned from *issuing qualifying stablecoins* during the reporting period, recognised per the *firm's* accounting policies. For this metric: • include all revenue arising from *issuing a qualifying stablecoin* (eg, issuance fees, *minting*/spread revenue, issuance/redemption-related fees charged to *clients*); • include any net revenue earned from issuance-related services provided on behalf of *group* entities or third-party partners; • where issuance activities are outsourced, include the *firm's* retained revenue share from outsourced arrangements (eg, agent fees, distribution fees); and • exclude revenue from unrelated activities (eg, custody fees, trading fees, income from the *firm's* own *money* or *assets*).

Operating a qualifying cryptoasset trading platform

All *firms* authorised for *operating a qualifying CATP* are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.9R	Metric	Guidance
(1) Information concerning *retail customers*		
(1)(a)	The total number of *retail customers w*ho executed at least one trade on a *UK QCATP*	The total number of *retail customers* who executed at least one live trade on the *UK QCATP* during the reporting period. For this metric: • 'live trade' means a trade matched and executed on the platform, excluding test/demo/simulated trades and pending/failed/cancelled orders; and

		• count each *retail customer* once, regardless of the number of trades, or accounts held, by the same *retail customer*.
(1)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed by *retail customers* on a *UK QCATP*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions executed by *retail customers* on the *UK QCATP* during the reporting period. For this metric: • include only trades executed and settled on the platform; exclude pending/failed/cancelled orders, deposits/withdrawals, and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(1)(c)	The total value of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by *retail customers* on a *UK QCATP*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by *retail customers* on the *UK QCATP* during the reporting period. For this metric: • include only trades executed within the activity perimeter; exclude pending/failed/cancelled orders and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(1)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed by *retail customers* on a *UK QCATP*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions executed by *retail customers* on the *UK QCATP* during the reporting period. For this metric: • include only trades executed on the platform; exclude pending/failed/cancelled orders, withdrawals, and non-trade movements; and

		• value each transaction at the GBP proceeds at execution/settlement.
(1)(e)	The *retail customers* with the highest total transactions by value of *qualifying cryptoassets* on a *UK QCATP*	The anonymised unique identifiers and cumulative GBP transaction value of the top 10 *retail customers* by executed trading volume on the *UK QCATP* during the reporting period. For this metric: • 'cumulative GBP transaction value' means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders; and • use stable anonymisation so the same *client* can be tracked across periods without their identity being revealed.
(2) Information concerning *clients* who are *authorised cryptoasset firms*		
(2)(a)	The total number of this category of *clients* who executed at least one trade on a *UK QCATP*	The total number of *authorised cryptoasset firms* who executed at least one live trade on the *UK QCATP* during the reporting period. For this metric: • 'live trade' means a trade matched and executed on the platform, excluding test/demo/simulated trades and pending/failed/cancelled orders; and • count each *client* once, regardless of the number of trades, or accounts held, by the same *client*.
(2)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed by this category of *clients*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions executed by *authorised cryptoasset firms* on the *UK QCATP* during the reporting period. For this metric, apply the same inclusion/exclusion and valuation guidance as in (2)(a).
(2)(c)	The total value of completed *qualifying cryptoasset* to *qualifying cryptoasset*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed

	transactions executed by this category of *clients*	by *authorised cryptoasset firms* on the *UK QCATP* during the reporting period. For this metric, apply the same inclusion/exclusion and valuation guidance as in (2)(a).
(2)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed by this category of *clients*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions executed by *authorised cryptoasset firms* on the *UK QCATP* during the reporting period. For this metric, apply the same valuation and exclusion guidance as in (2)(a).
(2)(e)	The *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*	The legal names (and *LEIs* where available) and cumulative GBP transaction value of the top 10 *authorised cryptoasset firms* ranked by executed trading volume on the *UK QCATP* during the reporting period. For this metric: • 'cumulative GBP transaction value' means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; and • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders.
(3) Information concerning *clients* that do not fall under the categories in (1) and (2)		
(3)(a)	The total number of this category of *clients* who executed at least one trade on a *UK QCATP*	The total number of other *clients* who executed at least one live trade on the *UK QCATP* during the reporting period. For this metric: • 'live trade' means a trade matched and executed on the platform, excluding test/demo/simulated trades and cancelled/failed/pending orders; and • count each *client* once, regardless of the number of trades, or accounts held, by the same *client*.
(3)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed by this category of *clients*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions executed by other *UK clients*

		on the *UK QCATP* during the reporting period. For this metric, apply the same inclusion/exclusion and valuation guidance as in (3)(a).
(3)(c)	The total value of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by this category of *clients*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions executed by other *UK clients* on the *UK QCATP* during the reporting period. For this metric, apply the same inclusion/exclusion and valuation guidance as in (3)(a).
(3)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed by this category of *clients*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions executed by other *UK clients* on the *UK QCATP* during the reporting period. For this metric, apply the same valuation and exclusion guidance as in (3)(a).
(3)(e)	The *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*	The legal names (and *LEIs* where available) and cumulative GBP transaction value of the top 10 other *UK clients* ranked by executed trading volume on the *UK QCATP* during the reporting period. For this metric: • 'cumulative GBP transaction value' means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; and • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders.
(4)	Total *firm* revenue from *operating a UK QCATP* during the reporting period	The total revenue, in GBP, earned by the *UK QCATP operator* in respect of the *UK QCATP* during the reporting period, recognised per the *firm's* accounting policies (state accrual or cash basis and apply consistently). For this metric, include trading fees, commissions, deposit/withdrawal charges and other account maintenance fees linked to use of the platform.

Cryptoasset intermediaries

All *firms* authorised for:

- *dealing in qualifying cryptoassets as principal*;
- *dealing in qualifying cryptoassets as agent*; and
- *arranging deals in qualifying cryptoassets* (excluding *qualifying cryptoasset lending* services and *qualifying cryptoasset borrowing* services),

are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.10R	Metric	Guidance
(1) Information concerning *retail customers*		
(1)(a)	The total number of *retail customers* for whom the *firm* executed or received and transmitted for execution at least one trade	The total number of *retail customers* for whom the *firm* received and transmitted for execution or executed at least one live trade during the reporting period, whether executed by the intermediary itself or by another *qualifying cryptoasset execution venue*. For this metric: • 'live trade" means a trade matched and executed, excluding test/demo/simulated trades and pending/failed/cancelled orders; • count each *client* once, regardless of the number of trades, or accounts held, by the same *client*; and • the concept of a *qualifying cryptoasset execution venue* is defined in the *Glossary*.
(1)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period for *retail customers*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*;

		• exclude pending/failed/cancelled orders, deposits/withdrawals, and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(1)(c)	The total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d)	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period for *retail customers*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(1)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions received and transmitted for execution or executed by the *firm* during the reporting period for *retail customers*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders, withdrawals, and non-trade movements; and • value each transaction at the GBP proceeds at execution time using a consistent, auditable rate source.
(1)(e)	The *retail customers* with the highest total transactions by value of *qualifying cryptoassets*	The anonymised unique identifiers and cumulative GBP transaction value of the

		retail customers by executed trading volume during the reporting period. For this metric: • 'cumulative GBP transaction value' means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders; and • use stable anonymisation so the same *client* can be tracked across periods without their identity being revealed.
(2) Information concerning *clients* who are *authorised cryptoasset firms*		
(2)(a)	The total number of this category of *clients* for whom the *firm* executed or received and transmitted for execution at least one trade	The total number of *authorised cryptoasset firms* for whom the *firm* received and transmitted for execution or executed at least one live trade during the reporting period, whether executed by the intermediary itself or by another *qualifying cryptoasset execution venue*. For this metric: • 'live trade' means a trade matched and executed, excluding test/demo/simulated trades and cancelled/failed/pending order; and • count each *client* once, regardless of the number of trades, or accounts held, by the same *client*.
(2)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period by *authorised cryptoasset firms*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*;

		• exclude pending/failed/cancelled orders, deposits/withdrawals, and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(2)(c)	The total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d)	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period by *authorised cryptoasset firms*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(2)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions received and transmitted for execution or executed by the *firm* during the reporting period by *authorised cryptoasset firms*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders, withdrawals, and non-trade movements; and • value each transaction at the GBP proceeds at execution time using a consistent, auditable rate source.
(2)(e)	The *clients* under this category with the highest total	The legal names (and *LEIs* where available) and cumulative GBP transaction value of the top 10 *authorised cryptoasset*

	transactions by value of *qualifying cryptoassets*	*firms* ranked by executed trading volume during the reporting period. For this metric: • cumulative GBP transaction value" means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; and • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders.
(3) Information concerning *clients* that do not fall under the categories in (1) and (2)		
(3)(a)	The total number of this category of *clients* for whom the *firm* executed or received and transmitted for execution at least one trade	The total number of other *clients* for whom the *firm* received and transmitted for execution or executed at least one live trade during the reporting period, whether executed by the intermediary itself or by another *qualifying cryptoasset execution venue*. For this metric: • 'live trade" means a trade matched and executed, excluding test/demo/simulated trades and pending/failed/cancelled orders; and • count each *client* once, regardless of the number of trades, or accounts held, by the same *client*.
(3)(b)	The total value of completed fiat to *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed fiat to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period for other *UK clients*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders, deposits/withdrawals, and non-trade movements; and

		• value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(3)(c)	The total value of completed *qualifying cryptoasset* transactions executed or received and transmitted for execution by the *firm* that do not fall under (b) or (d)	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to *qualifying cryptoasset* transactions received and transmitted for execution or executed by the *firm* during the reporting period for other *UK clients*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders and non-trade movements; and • value each transaction at the GBP consideration at execution time using a consistent, auditable rate source.
(3)(d)	The total value of completed *qualifying cryptoasset* to fiat transactions executed or received and transmitted for execution by the *firm*	The total cumulative value, in GBP, of completed *qualifying cryptoasset* to fiat transactions received and transmitted for execution or executed by the *firm* during the reporting period for other *UK clients*. For this metric: • include trades executed by the intermediary itself or by another *qualifying cryptoasset execution venue*; • exclude pending/failed/cancelled orders, withdrawals, and non-trade movements; and • value each transaction at the GBP proceeds at execution time using a consistent, auditable rate source.
(3)(e)	The *clients* under this category with the highest total transactions by value of *qualifying cryptoassets*	The legal names (and *LEIs* where available) and cumulative GBP transaction value of the top 10 other *UK clients* ranked by executed trading volume during the reporting period. For this metric:

		• ‘cumulative GBP transaction value’ means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; and • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders.
(4)	The *qualifying cryptoasset execution venues* where the *firm* executed or transmitted for execution *client* orders	The names (and *LEIs* where available) and cumulative GBP transaction value of the top 10 execution venues the reporting entity uses for *client* trades, including the *firm* itself or an affiliated entity where applicable and other *qualifying cryptoasset execution venues*, ranked by executed trading volume for *client* trades during the reporting period. For this metric: • ‘cumulative GBP transaction value’ means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders; and • include a breakdown of the top 10 execution venues for, respectively: o *retail customers*; o *authorised cryptoasset firms*; and o other *UK clients*.
(5)	When *dealing in qualifying cryptoassets as principal* and executing orders for *clients*, where the *firm* sourced liquidity	Where a *firm* is *dealing in qualifying cryptoassets as principal* and executes orders for *clients*, the names (and *LEIs* where available) and cumulative GBP transaction values of the top 5 liquidity sources (by transaction value) it uses during the reporting period. Liquidity sources refer to counterparties or *qualifying cryptoasset execution venues* via which a *firm* purchases or sells *qualifying cryptoassets* for own accounts.

		Where a liquidity source is a blockchain-based system and there is no identifiable legal entity to report, the *firm* may instead report (where applicable): • the protocol name (and, where applicable, the pool/market name); • the blockchain/network; and • the smart contract address or other unique on-chain identifier for the relevant protocol/pool. For this metric: • 'cumulative GBP transaction value' means the sum of executed trade consideration in GBP for buys and sells, measured at execution time; and • exclude deposits/withdrawals, transfers, and pending/failed/cancelled orders.

(6)	Total revenue from *dealing in qualifying cryptoassets as principal*, *dealing in qualifying cryptoassets as agent* and *arranging deals in qualifying cryptoassets* during the reporting period	The total revenue, in GBP, earned from *qualifying cryptoasset* intermediation activities during the reporting period, recognised per the *firm's* accounting policies.
		For this metric:
		• include agency/brokerage fees, commissions, proprietary trading revenues and execution-related spreads earned for arranging or executing trades; and
		• include a breakdown of the total revenue by type of activity:
		  ○ *dealing in qualifying cryptoassets as principal*;
		  ○ *dealing in qualifying cryptoassets as agent*; and
		  ○ *arranging deals in qualifying cryptoassets*.

Qualifying cryptoasset lending

All *firms* that:

- are authorised for:
  - *dealing in qualifying cryptoassets as principal*;
  - *dealing in qualifying cryptoassets as agent*; and
  - *arranging deals in qualifying cryptoassets*; and
- undertake *qualifying cryptoasset lending* services,

are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.11R	Metric	Guidance
(1)(a)	The total number of *retail customers* with whom the *firm* engages in *qualifying cryptoasset lending*	The total number of *retail customers* with at least one active *qualifying cryptoasset lending* arrangement as at the end of the reporting period. For this metric: • 'active' means an arrangement that is open at period end with a non-zero outstanding balance owed by the *firm* to the *retail customer* (including rolled/renewed arrangements) and not fully closed before period end; • count unique *retail customers*: a *retail customer* with multiple lending arrangements is counted once; and • exclude test/demo accounts and arrangements with zero balance at period end.
(1)(b)	The total number of *clients* who are *authorised cryptoasset firms* with whom the *firm* engages in *cryptoasset lending* services	The total number of *clients* who are *authorised cryptoasset firms* with at least one active *qualifying cryptoasset lending* arrangement as at the end of the reporting period. For this metric: • 'active' means an arrangement that is open at period end with a non-zero outstanding balance owed by the *firm* to the *client* (including rolled/renewed arrangements) and not fully closed before period end;

		• count unique *clients* who are *authorised cryptoasset firms*: one per *person*; and • exclude test/demo accounts and arrangements with zero balance at period end.
(1)(c)	The total number of *clients* who do not fall under the categories in (a) and (b) with whom the *firm* engages in *qualifying cryptoasset lending*	The total number of *clients* that do not fall under the categories in *SUP* 16.35.11R(1)(a) and (1)(b) with at least one active *qualifying cryptoasset lending* arrangement as at the end of the reporting period. For this metric: • ‘active’ means an arrangement that is open at period end with a non-zero outstanding balance owed by the *firm* to the *client* (including rolled/renewed arrangements), and not fully closed before period end; • count unique other customers: one per legal entity/sole trader; and • exclude test/demo accounts and arrangements with zero balance at period end.
(1)(d)	The total number of *qualifying cryptoasset lending* arrangements	The total number of new *qualifying cryptoasset lending* arrangements contractually agreed during the reporting period, with both new and existing customers. For this metric: • ‘new’ includes originations and contractual renewals that reset economic terms (eg, new tenor/rate/amount); • exclude amendments or parameter changes that do not constitute a contractual renewal; and • count per contract: multiple contracts with the same customer each count once.

(1)(e)	The total value of *qualifying cryptoasset lending* arrangements	The total market value, in GBP, of active *qualifying cryptoasset lending* arrangements as at the end of the reporting period. For this metric: • measure the *firm's* outstanding obligations to customers under lending arrangements at period end (principal only); • convert to GBP using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • exclude accrued but unpaid interest unless it is contractually capitalised into principal.
(1)(f)	The lending counterparties	For the 10 counterparties with the largest aggregate outstanding exposures from the *firm*'s lending activities at period end, report: • legal name; • *LEI* (where available); • principal outstanding (GBP); • nature of the arrangement (collateralised, uncollateralised, staked, rehypothecated or other (specify)); and • whether the counterparty is in the *firm's group*. Where the lending exposure is to a blockchain-based system and there is no identifiable legal entity counterparty to report, the *firm* may instead report: • the protocol name (and, where applicable, the pool/market name); • the blockchain/network; and • the smart contract address or other unique on-chain identifier for the relevant protocol/pool. For this metric:

		• report exposure on a gross principal basis – do not net against *qualifying cryptoasset borrowing collateral* or apply internal haircuts; and • if multiple facilities with the same counterparty exist, aggregate to one counterparty line – where applicable, exposures to the same blockchain-based system (as described above) should be aggregated and reported as one line item.
(1)(g)	The location of the registered office (if no registered office, the head office) of the lending counterparties	Report the location of the registered office (or head office) for each of the top 10 counterparties identified.
(1)(h)	The total value of *qualifying cryptoassets* the *firm* has transacted with other parties to generate yield for *retail clients*	The total market value, in GBP, at period end, of *client cryptoassets* received under *qualifying cryptoasset lending* arrangements that have been reused by the *firm* (including onward lending, rehypothecation or other reuse). For this metric, convert to GBP using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source.
(1)(i)	The types of *qualifying cryptoassets* used in *qualifying cryptoasset lending*	Report the top 10 *qualifying cryptoasset* underlying active *qualifying cryptoasset lending* arrangements (ie, owed by the *firm* to *customers*), ranked by market value (GBP) at period end. ‘Type’ refers to a *qualifying cryptoasset* on a specific network that uses distributed ledger technology (eg, blockchain) and may include reference to the *digital token identifier*, such as the Digital Token Identifier system outlined in ISO standard 24165. For this metric: • value tokens using end-of-day prices on the last *business day* of the period – use a consistent, auditable source; and • exclude zero-balance arrangements closed before period end.

(1)(j)	Total revenue during the reporting period from *qualifying cryptoasset lending*	The total revenue, in GBP, earned from *qualifying cryptoasset lending* activities for the reporting period, recognised per the *firm*'s accounting policies. For this metric: • report net revenue retained by the *firm* (eg, fees/commissions/agent spreads) and exclude lending yield credited to *clients*; and • exclude revenue from unrelated activities.

Qualifying cryptoasset borrowing

All *firms* that:

- are authorised for:
    - *dealing in qualifying cryptoassets as principal*;
    - *dealing in qualifying cryptoassets as agent*; and
    - *arranging deals in qualifying cryptoassets*; and
- undertake *qualifying cryptoasset borrowing* services,

are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

SUP 16.35.11R	Metric	Guidance
(2)(a)	The total number of *retail customers* with whom the *firm* engages in *qualifying cryptoasset borrowing*	The total number of *retail customers* with at least one active *qualifying cryptoasset borrowing* arrangement as at the end of the reporting period. For this metric: • ‘active’ means an arrangement open at period end where the *retail customer* owes a non-zero principal amount of *qualifying cryptoassets* to the *firm* under a *qualifying cryptoasset borrowing* product; • count unique *retail customers*: a *retail customer* with multiple *qualifying cryptoasset borrowing* arrangements is counted once; and • exclude test/demo accounts and arrangements with zero principal outstanding at period end.
(2)(b)	The total number of *clients* who are *authorised cryptoasset firms* with whom the *firm* engages in *qualifying cryptoasset borrowing*	The total number of *clients* who are *authorised cryptoasset firms* with at least one active *qualifying cryptoasset borrowing* arrangement as at the end of the reporting period. For this metric: • ‘active” means an arrangement open at period end where the *client* owes a non-zero principal amount of *qualifying cryptoassets* to the *firm* under a *qualifying cryptoasset borrowing* product;

		• count unique clients who are *authorised cryptoasset firms*: one per *person*; and • exclude test/demo accounts and arrangements with zero balance at period end.
(2)(c)	The total number of *clients* who do not fall under the categories in (a) and (b) with whom the *firm* engages in *qualifying cryptoasset borrowing*	The total number of *clients* that do not fall under the categories in *SUP* 16.35.11R(2)(a) and (2)(b) with at least one active *qualifying cryptoasset borrowing* arrangement as at the end of the reporting period. For this metric: • 'active' means an arrangement open at period end where the customer owes a non-zero principal amount of *qualifying cryptoassets* to the *firm* under a *qualifying cryptoasset borrowing* product; • count unique other *clients*: one per legal entity/sole trader; and • exclude test/demo accounts and arrangements with zero balance at period end.
(2)(d)	The total number of *qualifying cryptoasset borrowing* arrangements	The total number of new *qualifying cryptoasset borrowing* arrangements contractually agreed during the reporting period, with both new and existing *clients*. For this metric: • 'new' includes originations and contractual renewals that reset economic terms; • exclude amendments that do not constitute a renewal; and • count per contract: multiple contracts with the same customer each count once.
(2)(e)	The total value of *qualifying cryptoasset borrowing* arrangements	The total principal value, in GBP, of *qualifying cryptoassets* outstanding under *qualifying cryptoasset borrowing*

		arrangements (ie, owed by *clients* to the *firm*) as at the end of the reporting period. For this metric: • report principal outstanding only – exclude accrued interest unless capitalised; • convert to GBP using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • do not net against *qualifying cryptoasset borrowing collateral*.
(2)(f)	The total value of *qualifying cryptoasset borrowing collateral*	The total market value, in GBP, at period end, of *qualifying cryptoasset borrowing collateral* provided by *clients* to secure *qualifying cryptoasset borrowing* arrangements. For this metric: • include *qualifying cryptoasset borrowing collateral* provided under both security interest and title transfer collateral arrangement mechanisms; • value *qualifying cryptoasset borrowing collateral* using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • report gross posted *qualifying cryptoasset borrowing collateral* – do not subtract haircuts or add excess *qualifying cryptoasset borrowing collateral* re-used elsewhere.
(2)(g)	The types of *qualifying cryptoassets* used in *qualifying cryptoasset borrowing*	Report the top 10 *qualifying cryptoassets* used as customer *qualifying cryptoasset borrowing collateral* for *qualifying cryptoasset* borrowing arrangements, ranked by market value (GBP) at period end. 'Type' refers to a *qualifying cryptoasset* on a specific network that uses distributed ledger technology (eg, blockchain) and may include reference to the *digital token identifier*, such as the Digital Token

		Identifier system outlined in ISO standard 24165. For this metric: • value tokens using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • where multiple *qualifying cryptoassets* tie for 10th place, use internal rank rules and note methodology.
(2)(h)	Total revenue during the reporting period from *qualifying cryptoasset borrowing*	The total revenue, in GBP, earned from *qualifying cryptoasset borrowing* activities for the reporting period, recognised in line with the *firm's* accounting policies. For this metric: • include fees, spreads, and interest income directly attributable to *clients* borrowing *qualifying cryptoassets* from the *firm*; and • exclude income from unrelated activities (eg, trading) unless directly linked to *qualifying cryptoasset borrowing* products and disclosed as such.

Arranging qualifying cryptoasset staking

All *firms* authorised for *arranging qualifying cryptoasset staking* are required to submit to the *FCA*, on a quarterly basis, the information in the table below.

For the purposes of this *guidanc*e, where the *firm* has a *qualifying cryptoasset staking* arrangement with a *client* and:

- that arrangement involves the issuance of another *cryptoasset* to the *client*; and
- the *cryptoasset* issued confers or represents any rights (including ownership) or obligations with respect to the *qualifying cryptoassets* used in the *qualifying cryptoasset staking* service,

the *firm* should report such arrangements against the *client* who is known to the *firm*.

SUP 16.35.12R	Metric	Guidance

(1)	The total number of *retail customers* with at least one active *qualifying cryptoasset staking* arrangement with the *firm*	The total number of *retail customers* with at least one active *qualifying cryptoasset staking* arrangement as at the end of the reporting period. For this metric: • 'active' staking includes positions that are staked/delegated at period end (including bonded, locked, or in un-bonding where rewards/validation rights continue per protocol); • count unique *retail customers*: multiple staking positions across networks/protocols count once; and • exclude test/demo accounts and arrangements with zero balance at period end.
(2)	The total number of *clients* who are *authorised cryptoasset firms* with at least one active *qualifying cryptoasset staking* arrangement with the *firm*	The total number of *clients* who are *authorised cryptoasset firms* with at least one active *qualifying cryptoasset staking* arrangement as at the end of the reporting period. For this metric: • 'active' staking includes positions that are staked/delegated at period end (including bonded, locked, or in un-bonding where rewards/validation rights continue per protocol); • count unique *clients* who are *authorised cryptoasset firms*: multiple staking positions across networks/protocols count once; and • exclude test/demo accounts and arrangements with zero balance at period end.
(3)	The total number of *clients* who do not fall under the categories in (a) and (b) with at least one active *qualifying cryptoasset staking* arrangement with the *firm*	The total number of *clients* that do not fall under the categories in *SUP* 16.35.12R(1) and (2) with at least one active *qualifying cryptoasset staking* arrangement as at the end of the reporting period. For this metric: • 'active' staking includes positions that are staked/delegated at period end

		(including bonded, locked, or in un-bonding where rewards/validation rights continue per protocol); • count unique other *clients*: multiple staking positions across networks/protocols count once; and • exclude test/demo accounts and arrangements with zero balance at period end.
(4)	The total number of new *qualifying cryptoasset staking* arrangements that started during the reporting period	The total number of new *qualifying cryptoasset staking* arrangements established during the reporting period (whether or not the *firm* is *safeguarding cryptoassets* for the *client* for the staked *qualifying cryptoasset*). For this metric: • count per *client* protocol pair at initial opt-in/enablement or contractual renewal that resets economic terms; • exclude granular position top-ups/partial re-stakes under an existing arrangement; • if a *client* opts into multiple protocols, count each protocol once: multiple wallets on the same protocol under one arrangement count once.
(5)	The total value of *qualifying cryptoasset staking* arrangements where the *firm* is also *safeguarding cryptoassets* for *clients* for the staked *qualifying cryptoassets*	The total market value, in GBP, at period end, of *client cryptoassets* safeguarded by the *firm* and staked on behalf of *clients* (where the *firm* has a safeguarding obligation). For this metric: • value positions using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; • include *cryptoassets* staked directly by the *firm* or via sub-custodians where the safeguarding obligation to *clients* remains with the *firm*; and • where a *client* receives a *cryptoasset* as part of the *qualifying cryptoasset*

		staking service, the *firm* should use the value of the underlying *qualifying cryptoasset* used in the *qualifying cryptoasset staking* service to calculate total market value at period end.
(6)	The total value of *qualifying cryptoasset staking* arrangements where the *firm* is not also *safeguarding qualifying cryptoassets*	The total market value, in GBP, at period end, of *client cryptoassets* staked by *clients* in arrangements facilitated by the *firm* where the *firm* is not *safeguarding cryptoassets* for the *client* for the staked *qualifying cryptoasset* at the time of staking. For this metric: • include only staking that is initiated, routed or otherwise facilitated through the *firm's* systems (so the *firm* can evidence amounts); • exclude off-platform/self-directed staking that the *firm* neither facilitates nor observes; • value using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • where a *client* receives a *cryptoasset* as part of the *qualifying cryptoasset staking* service, the *firm* should use the value of the underlying *qualifying cryptoasset* used in the staking service to calculate total market value at period end.
(7)	The types of *qualifying cryptoassets* used in *qualifying cryptoasset staking*	Report the amount of the top 10 *qualifying cryptoassets* staked by *clients* in a *qualifying cryptoasset staking* arrangement, ranked by market value (GBP) at period end. 'Type' refers to a *qualifying cryptoasset* on a specific network that uses distributed ledger technology (eg, blockchain); and may include reference to the *digital token identifier*, such as the Digital Token Identifier system outlined in ISO standard 24165. For this metric:

		• value *qualifying cryptoassets* using end-of-day prices on the last *business day* of the period – use a consistent, auditable price source; and • where multiple *qualifying cryptoassets* tie for 10th place, use internal rank rules and note methodology.
(8)	Total revenue during the reporting period from *arranging qualifying cryptoasset staking*	The total revenue, in GBP, earned from *arranging qualifying cryptoasset staking* activities for the reporting period, recognised per the *firm*'s accounting policies. For this metric: • report net revenue retained by the *firm* (eg, fees/commissions/agent spreads) and exclude staking rewards credited to *clients*; and • exclude revenue from unrelated activities.

Annex G

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

[*Editor's note*: This Annex takes into account the changes introduced by the Complaints Reporting Instrument 2025 (FCA 2025/53), which comes into force on 31 December 2026.]

1 Treating complainants fairly

…

1.1 Purpose and application

Purpose

1.1.1 G This chapter contains *rules* and *guidance* on how *respondents* should deal promptly and fairly with *complaints* in respect of business:

(1) …

<u>(1A) carried on from establishments in the *United Kingdom* by *third country firms*, in respect of the activities of *operating a qualifying CATP* which is a *UK QCATP*, where *complaints* are made by complainants established or habitually resident in the *United Kingdom*.</u>

…

Application to firms

1.1.5 R This chapter does not apply to:

(1) …

…

(3A) …

<u>(3B) a *third country firm* carrying on activities of *operating a qualifying CATP* which is a *UK QCATP*, or ancillary to such activities, in respect of *complaints* made by *eligible complainants* who were not, at the time of the acts of omissions complained of, established or habitually resident in the *United Kingdom*.</u>

…

1.6 Complaints time limit rules

…

1.6.2C R …

Stablecoin issuers: complaints received by appointed third party

1.6.2D G For the purpose of *DISP* 1.6.2R, when a *complaint* relating to the activity of *issuing a qualifying stablecoin* to which *CRYPTO* 2.3.15R(4) applies is received by an appointed third party, the *respondent* should have appropriate management controls and take reasonable steps to respond within eight weeks of the third party receiving the *complaint*.

…

1.10 Complaints reporting rules

1.10.1 R …

(4) …

(5) *DISP* 1.10 and *DISP* 1.10A do not apply to a *firm* carrying out any of the following activities, in relation to *complaints* relating to those activities:

(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 deals in qualifying cryptoassets*; or

(h) *arranging qualifying cryptoasset staking*.

1.10.1-A G

…

1.10.1-B G A *firm* to which *DISP* 1.10.1R(5) applies must, in relation to the relevant *complaints*, submit information to the *FCA* about the number of *complaints* it has received in accordance with the requirements in *SUP* 16.35.6R(1) and (2).

…

2 Jurisdiction of the Financial Ombudsman Service

…

2.3 To which activities does the Compulsory Jurisdiction apply?

…

General

2.3.3 G *Complaints* about acts or omissions include those in respect of activities for which the *firm*, *payment service provider*, *electronic money issuer*, *CBTL firm*, *designated credit reference agency* or *designated finance platform* is responsible (including business of any *appointed representative*, ~~or~~ *agent* or other *person* acting on its behalf for which the *firm*, *payment institution*, *electronic money institution*, *designated credit reference agency* or *designated finance platform* has accepted responsibility).

…

[*Editor's note*: The amendments to DISP 2.5.1R take into account the changes introduced by the Deferred Payment Credit Instrument 2026 (FCA 2026/2), which come into force on 15 July 2026. The amendments to the text shown below in DISP 2.5.1R(2) seek to clarify this provision and proposed changes.]

2.5 To which activities does the Voluntary Jurisdiction apply?

2.5.1 R The *Ombudsman* can consider a *complaint* under the *Voluntary Jurisdiction* if:

…

(2) it relates to an act or omission by a *VJ participant* in carrying on one or more of the following activities:

(a) an activity ~~(~~other than ~~*auction regulation bidding*, *administering a benchmark*, *meeting of repayment claims*, *managing dormant asset funds (including the investment of such funds)*, *regulated pensions dashboard activity*, *operating an electronic system for public offers of relevant securities*, *providing targeted support* and *deferred payment credit activity*) carried on after 28 April 1988 which~~:

(i) ~~was not a *regulated activity* at the time of the act or omission, but~~ *auction regulation bidding*;

(ii) ~~was a *regulated activity* when the *VJ participant* joined the *Voluntary Jurisdiction* (or became an *authorised person*, if later)~~ *administering a benchmark*;

(iii) *meeting of repayment claims*;

(iv) *managing dormant asset funds (including the investment of such funds)*;

(v) *regulated pensions dashboard activity*;

(vi) *operating an electronic system for public offers of relevant securities*;

(vii) *providing targeted support*;

(viii) *deferred payment credit activity*;

(ix) *issuing a qualifying stablecoin*;

(x) *safeguarding cryptoassets*;

(xi) *arranging cryptoasset safeguarding*;

(xii) *operating a qualifying CATP*;

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

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

(xv) *arranging deals in qualifying cryptoassets*; and

(xvi) *arranging qualifying cryptoasset staking*),

carried on after 28 April 1988 which was not a *regulated activity* at the time of the act or omission, but was a *regulated activity* when the *VJ participant* joined the *Voluntary Jurisdiction* (or became an *authorised person*, if later).

…

(c) activities, other than ~~*regulated claims management activities*, activities ancillary to *regulated claims management activities*, *meeting of repayment claims*, *managing dormant asset funds (including the investment of such funds)*, *regulated pensions dashboard activity*,~~

~~*operating an electronic system for public offers of relevant securities*, *providing targeted support* and *deferred payment credit activity*~~:

(i) *regulated claims management activities*;

(ii) activities ancillary to *regulated claims management activities*;

(iii) *meeting of repayment claims*;

(iv) *managing dormant asset funds (including the investment of such funds)*;

(v) *regulated pensions dashboard activity*;

(vi) *operating an electronic system for public offers of relevant securities*;

(vii) *providing targeted support*;

(viii) *deferred payment credit activity*;

(ix) *issuing a qualifying stablecoin*;

(x) *safeguarding cryptoassets*;

(xi) *arranging cryptoasset safeguarding*;

(xii) *operating a qualifying CATP*;

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

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

(xv) *arranging deals in qualifying cryptoassets*; and

(xvi) *arranging qualifying cryptoasset staking*,

which (at ~~15 July 2026~~ 25 October 2027) would be covered by the *Compulsory Jurisdiction*, if they were carried on from an establishment in the *United Kingdom* (these activities are listed in *DISP* 2 Annex 1G);

…

…

2.6 What is the territorial scope of the relevant jurisdiction?

Compulsory Jurisdiction

2.6.1 R (1) The Compulsory Jurisdiction covers *complaints* about the activities of a *firm* (including its *appointed representatives*), of a *payment service provider* (including *agents* of a *payment institution*), of an *electronic money issuer* (including agents of an *electronic money institution*), of a *CBTL firm*, of a *designated credit reference agency* or of a *designated finance platform* which:

(a) (except for *regulated claims management activities* ~~and~~, activities ancillary to *regulated claims management activities* and activities of a *third country firm* referred to in (d)) are carried on from an establishment in the *United Kingdom*; ~~or~~

(b) are carried on from an establishment in an *EEA State*, in the case of a *TP firm,* a *TA EMI firm*, a *TA PI firm* or a *TA RAISP firm* with respect to services provided into the *United Kingdom*; ~~or~~

(c) are, or are ancillary to, *regulated claims management activities*~~.~~; or

(d) are carried on from an establishment in the *United Kingdom* by a *third country firm* where the *complaints*:

(i) relate to the activities of *operating a qualifying CATP* which is a *UK QCATP*, or activities which are ancillary to such activities; and

(ii) are made by *eligible complainants* who were, at the time of the acts or omissions complained of, established or habitually resident in the *United Kingdom*.

…

Location of the complainant

2.6.5 G ~~A~~ (Except for *complaints* referred to in *DISP* 2.6.1R(1)(d), a *complaint* can be dealt with under the *Financial Ombudsman Service* whether or not the complainant lives or is based in the *United Kingdom*.

2.6.5A G For *complaints* referred to in *DISP* 2.6.1R(1)(d) (about the operation of a *qualifying CATP* which is a *UK QCATP*), a *complaint* can only be dealt with under the *Financial Ombudsman Service* where the *eligible complainant* was established or habitually resident in the *United Kingdom* at the time of the act or omission to which the *complaint* relates.

…

2.7 Is the complainant eligible?

…

Eligible complainants

…

2.7.6 R To be an *eligible complainant* a *person* must also have a *complaint* which arises from matters relevant to one or more of the following relationships with the *respondent*:

…

(18) the complainant is a *customer* of the *respondent* in relation to *regulated pensions dashboard activity*~~.~~;

(19) the complainant is or was a *holder* of a *UK qualifying stablecoin* issued by the *respondent*.

…

[*Editor's note*: The amendments to DISP 2 Annex 1 take into account the changes introduced by the Deferred Payment Credit Instrument 2026 (FCA 2026/2), which come into force on 15 July 2026.]

2 Annex 1 Regulated Activities for the Voluntary Jurisdiction at ~~15 July 2026~~ 25 October 2027

2 Annex 1 G This table belongs to *DISP* 2.5.1R

The activities which were covered by the *Compulsory Jurisdiction* (at ~~15 July 2026~~ 25 October 2027) were:

…

The activities which (at ~~15 July 2026~~ 25 October 2027) were *regulated activities* were, in accordance with section 22 of the *Act* (Regulated Activities), any of the following activities specified in Part II and Parts 3A and 3B of the *Regulated Activities Order* (with the addition of *auction regulation bidding*, *administering a benchmark* and *dealing with unwanted asset money*):

…

(2) …

(2A) *issuing a qualifying stablecoin* (article 9M);

(2B) *safeguarding cryptoassets* (article 9N(1)(a));

(2C) *arranging cryptoasset safeguarding* (article 9N(1)(b));

(2D) *operating a qualifying CATP* (article 9S);

(2E) *dealing in qualifying cryptoassets as principal* (article 9T);

(2F) *dealing in qualifying cryptoassets as agent* (article 9W);

(2G) *arranging deals in qualifying cryptoassets* (article 9Y);

(2H) *arranging qualifying cryptoasset staking* (article 9Z6);

…

…

4 Standard terms

…

4.2 Standard terms

…

Application to DISP 1 to DISP 3

4.2.3 R The following rules and guidance apply to *VJ participants* as part of the *standard terms*, except where the context requires otherwise:

…

(2) *DISP* 2 (Jurisdiction of the Financial Ombudsman Service), except:

…

(fa) …

(fb) *DISP* 2.7.6R(19);

…

…

…