



Crypto Roadmap - crypto regulatory regime goes live in 2026

26 November 2024

After a hiatus, the government and the FCA have laid out their plans for cryptoasset regulation. The new regulatory regime is expected to go live in 2026

Two important updates on the next steps for UK crypto regulation have been published:

- Tulip Siddiq MP has set out the government's approach to cryptoasset regulation in a [keynote address](#) at the 'Tokenisation Summit: UK government's approach to tokenisation and regulation' where she also discussed initiatives including the Digital Securities Sandbox and the issuance of a digital gilt instrument (DIGIT) announced in the [Mansion House speech](#) on 14 November 2024 (see our blog post on Mansion House [here](#)).
- The FCA has published a [blog post](#) on how stakeholder roundtables have helped shape its approach to regulating certain areas of crypto, and an indicative [roadmap](#) of key dates for the development and introduction of the UK's crypto regime. The FCA has also [published a research report](#) on consumer attitudes and behaviours towards crypto.

These publications provide the long-awaited next steps on the development of a UK crypto regulatory regime. It is welcome news for the industry which has been seeking clarity on timing since the last update published by HM Treasury in October 2023 (see our briefing [here](#)), and since the new government came into power in the summer. And although much of the detail will be in the upcoming draft legislation and FCA papers, the industry will now be able to start planning.

We set out below some key takeaways from the latest government and FCA updates:

Approach to regulation: The government plans to implement the HMT proposals *'in full'*, including the creation of various new regulated activities for cryptoassets (eg operating a cryptoasset trading platform and associated regimes for admission to trading and market abuse – see our summaries of the HMT proposals in [February 2023](#) and [October 2023](#)), but the **regulatory treatment of fiat-referenced stablecoins has changed** (see below).

Same timetable for both stablecoin and the wider cryptoasset regulatory regime: The government has rejected the phased approach to cryptoasset regulation previously proposed by HM Treasury, whereby fiat-backed stablecoins used in payments would be regulated first (Phase 1), with the regulation of the wider cryptoasset industry to follow (Phase 2).

Instead, the government intends to proceed with the regulation of stablecoin at the same time as the rest of the regulatory regime for cryptoassets.

Regulatory treatment of stablecoins:

- This regulation of stablecoin is still expected to involve the creation of a new FCA regulated activity under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (**RAO**) for the **issuance** of fiat-backed stablecoins which are issued in the UK. The FCA plans to consult on the management of backing assets and redemption of stablecoins in Q1/Q2 2025.
- The **custody** framework will apply to both stablecoins and the broader perimeter of cryptoassets at the same time.
- **The government does not intend to bring stablecoin into UK payments regulation** as this approach would have placed additional regulatory burdens on certain stablecoin activities in a way that would not be proportionate based on the current use cases.

Cryptoasset staking services do not constitute collective investment schemes: The government plans to remove the current legal uncertainty in this area. HM Treasury plans to engage firms on **draft legal provisions for the cryptoasset regime including stablecoins 'as early as possible next year'** and the FCA plans to publish a discussion paper on staking in Q1/Q2 2025 and a consultation paper in Q4 2025 – Q1 2026.

Crypto regulation starts in 2026: The FCA Roadmap envisages that the new regulatory regime, including the authorisation gateway, will be in place in 2026. Given final FCA rules will only be published, and the authorisation gateway opens, in 2026, it is likely that the new crypto regime will only start to apply towards the latter half of 2026. Cryptoasset firms must start planning and engage with the detail when draft legislation and FCA papers are published.

FCA Crypto Roadmap

Q4 2024	FCA DP on admission and disclosures, and market abuse	<ul style="list-style-type: none"> • Admission and disclosures – admission/rejection processes, disclosures, liability, due diligence, National Storage Mechanism (NSM) • Market abuse – systems and controls, information sharing, inside information disclosure
'As early as possible next year'	HMT draft legislation	<ul style="list-style-type: none"> • HMT to engage firms on draft legal provisions for the cryptoasset regime including stablecoins
Q1/Q2 2025	FCA DP on trading platforms, intermediation, lending and staking and prudential requirements	<ul style="list-style-type: none"> • Trading platform rules including location, access, matching and transparency requirements • Intermediation rules including order handling and execution requirements • Lending rules including ownership, access and disclosures • Staking including ownership and disclosures

- **Prudential** considerations for cryptoasset exposures
- **Stablecoins** – backing assets and redemption
- **Custody** – record-keeping, reconciliations, segregation of assets and use of third parties
- **Prudential** – introduction of a new prudential sourcebook, including capital, liquidity and risk management
- **Systems and controls** including operational resilience and financial crime
- **Consumer duty**
- **Complaints**
- **COBS**
- **Governance** including SMCR

FCA CP on stablecoins, custody and prudential requirements

Q3 2025

FCA CP on conduct and firm standards for all RAO activities

FCA CP on admissions and disclosures, and market abuse

As DP above

Q4 2025 – Q1 2026

FCA CP on trading platforms, intermediation, lending and staking and prudential requirements

- As DP above + **Resolution**
- **Remaining material for prudential sourcebook** including **groups** and **reporting**

2026

FCA Final Rules
Application gateway opens
Cryptoasset Regulatory Regime goes live

All PS published