


# Seminar programme 2026



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- Thank you for joining today's '**New UK crypto regime: trading platforms, admission to trading and market abuse regime**' seminar. We will begin shortly.
- On joining the session your microphone will be muted and your video turned off. You will not be able to activate these during the session.
- To submit a question please click on  and type your question into the chat box that appears.
- The session is being recorded. The slides and recording will be made available online at [seminars.aoshearman.com](https://seminars.aoshearman.com).
- If you experience any technical issues, please submit these to the host via the Q&A chat box or please call +44 203 088 3400.

# New UK crypto regime:

## Trading platforms, admission to trading and market abuse regime

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Nick Bradbury, Partner, London FSR

Elias Allahyari, Senior Associate, London FSR

Edana Richardson, Senior Knowledge Lawyer, London Finance / International Capital Markets

Louise Bralsford, Knowledge Lawyer, London FSR



**JANUARY 2026**

# Agenda

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- 01 Current state of play
  - 02 Trading platforms
  - 03 Public offers and admission to trading
  - 04 Disclosures
  - 05 Market abuse regime
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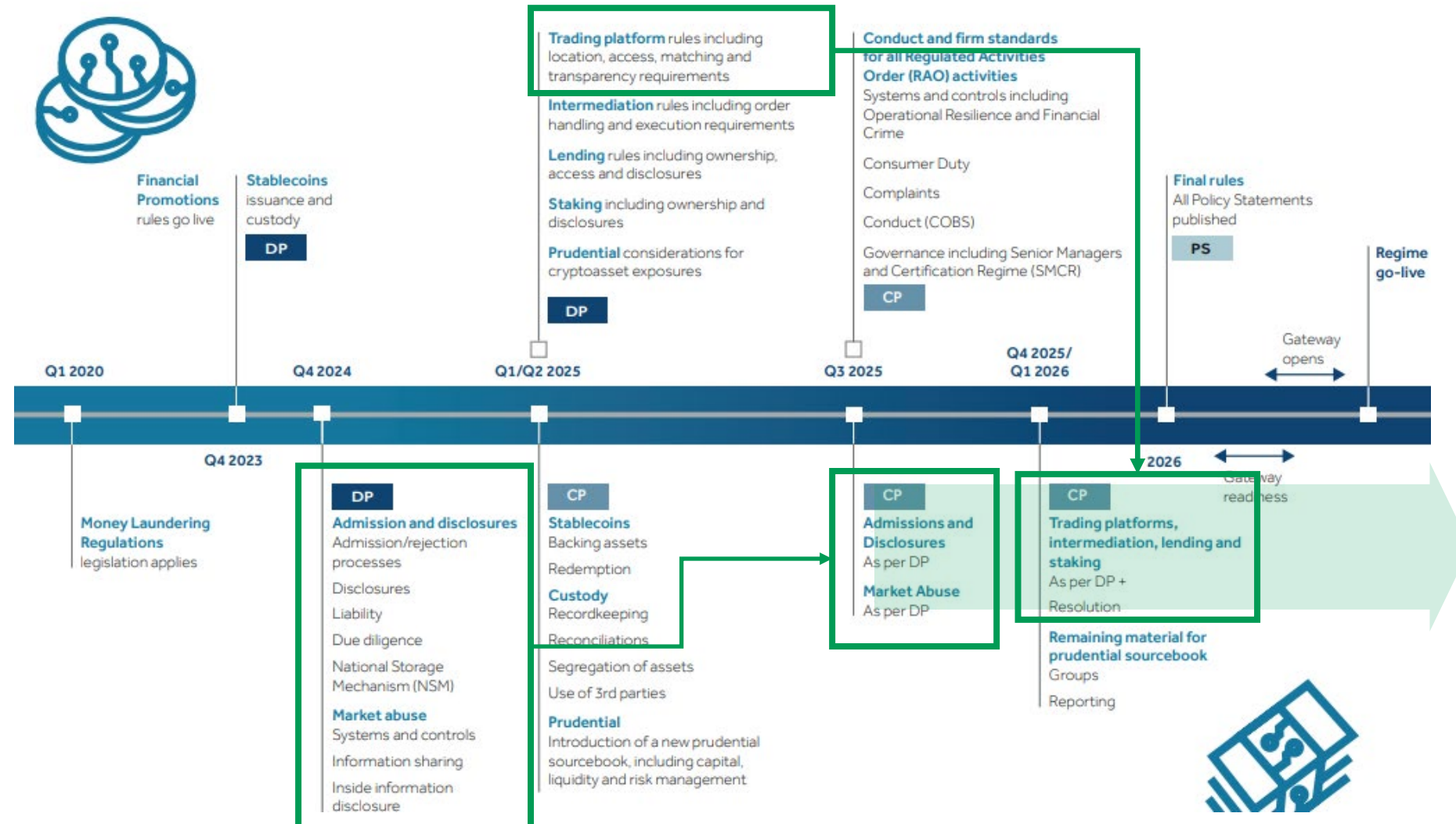


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# Background



# Current state of play



## Key dates ahead

- ♦ **12 February 2026** deadline for responding to CP 25/40 and CP 25/41
- ♦ **12 March 2026** deadline for responding to CP 26/4
- ♦ **September 2026** application gateway expected to open
- ♦ **25 October 2027** regime goes live
- ♦ **October 2029** end of transitional and savings provisions

- ♦ CP 25/40 and 25/41
- ♦ Plus CP 26/4

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# Trading platforms



# CATP operator restrictions

## KEY UPDATES: EXECUTION AND TRADING

DP25/1 suggested prohibiting UK CATP operators from trading as principal on their own platforms, from trading as principal off-platform, and from having group affiliates trade on the group's platform.

The CP25/40 proposals (set out in draft CRYPTO 6.6) are more permissive.



Firms may execute orders against proprietary capital on firm-operated CATP **on a matched principal basis**, subject to the non-discretionary rules of the CATP and minimising settlement risk



Firms may execute orders **against proprietary capital or engage in matched principal trading outside** firm-operated CATP, subject to client disclosure and conflicts management



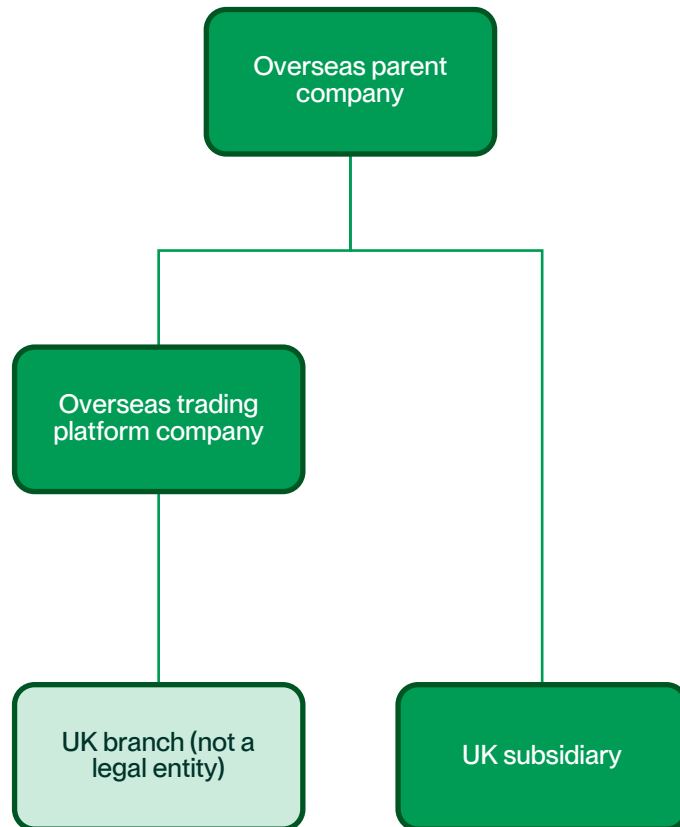
Firms **may not offer credit** to clients

The discussion paper suggested prohibiting UK CATP operators from **admitting own tokens** but **the consultation proposes to allow this**, subject to compliance with rules in relation to admissions and disclosure, market abuse, systems and controls and conflicts of interest.

The consultation also proposes applying the substance of the **personal account dealing** rules in COBS 11.7 to CATP operators.



## Discussion paper structure proposals *for overseas firms with retail clients*



- ♦ **UK branch:**
  - ♦ handles functions which are central to a CATP's operation i.e. core matching execution activities to facilitate access to international liquidity
  - ♦ overseas firms would need to meet fundamental threshold conditions and general FCA expectations
- ♦ **UK subsidiary:**
  - ♦ handles client-facing functions like customer on-boarding and e-money issuance, or other ancillary/complementary activities
  - ♦ enables the FCA to supervise adequately

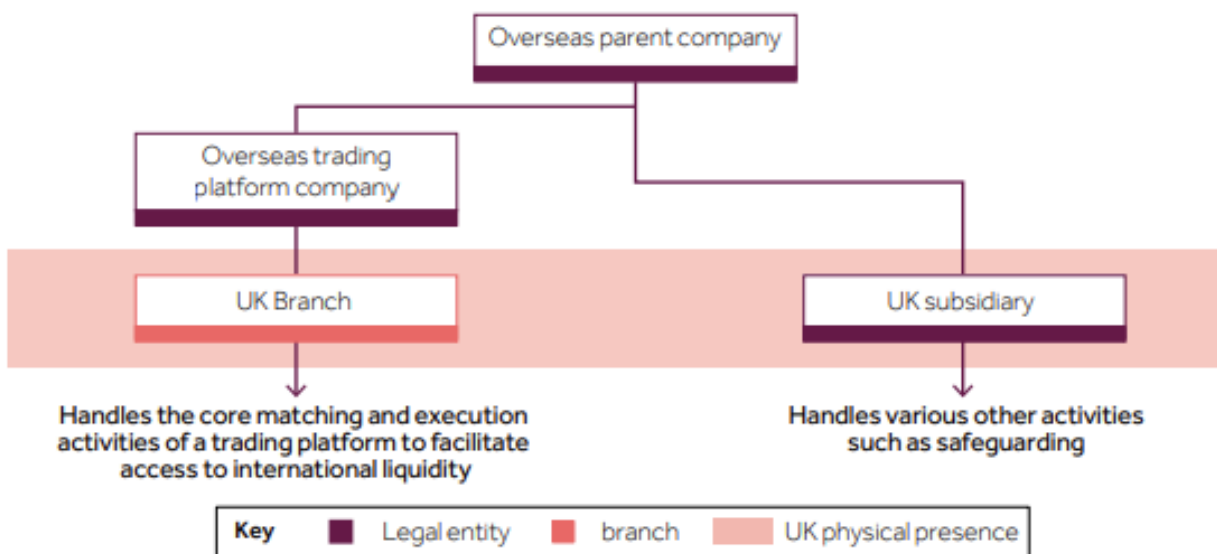


# Overseas CATP operators: CP26/4

The FCA's baseline expectation is that firms requiring FCA authorisation to carry out their regulated cryptoasset activities **will do so from a UK legal entity**.

However, the FCA is consulting on guidance for **exceptions**, including for firms operating a cryptoasset trading platform.

Figure 1 – CATP serving UK customers through branch model



*“While firms have a degree of choice on the form of their UK presence, we remain of the view that UK retail customers should always have a relationship with a UK legal entity.”*

FCA CP 25/40  
PARA 2.15



## EXCEPTIONS FOR REGULATED ACTIVITIES CARRIED OUT BY A BRANCH

In addition to the business model which includes a branch **and** a subsidiary, the FCA is proposing guidance on **circumstances where regulated activities could be conducted from a branch**, and would not be expected to be carried out from a UK legal entity in order to meet the threshold conditions.

## MATCHED PRINCIPAL TRADING

- ♦ A CATP operator may provide matched principal trading services provided it has a principal dealing permission
- ♦ **Principal dealing** permission usually requires a UK legal entity
- ♦ FCA is proposing that UK authorised branches of overseas CATP operators may hold a restricted permission based on UK branch presence, provided other threshold conditions are met
- ♦ Note that this is only for matched principal trading, not for proprietary trading more broadly
- ♦ Firms making use of this option would hold a **restricted principal dealer permission**

## SETTLEMENT

- ♦ A CATP operator may rely on a 'float' held in a settlement wallet provided it has a safeguarding permission
- ♦ **Safeguarding permission** usually requires a UK legal entity
- ♦ FCA is proposing that UK authorised branches of overseas CATP operators may hold a restricted permission to operate a settlement wallet, subject to certain conditions
- ♦ Note that there is further discussion of this activity in CP 26/4 (separately from proposed guidance)
- ♦ Firms making use of this option would hold a **restricted safeguarding permission** to facilitate CATP settlement

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# Public offers and admission to trading



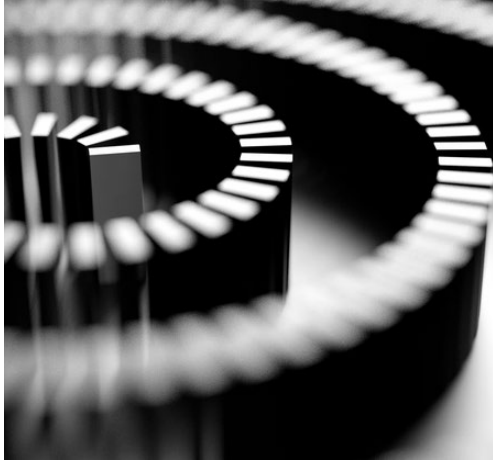


# Public offers and admissions regime for qualifying cryptoassets

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**Follows approach recently adopted in the new UK prospectus regime**

Applies to **qualifying cryptoassets** ← cryptoassets not classified as specified investments in the Regulated Activities Order

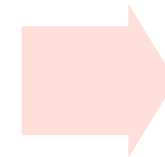


## Public offer and admissions regime for **bonds and other similar securities**

### **POATRs create a blanket prohibition on offering relevant securities to the public in the UK**

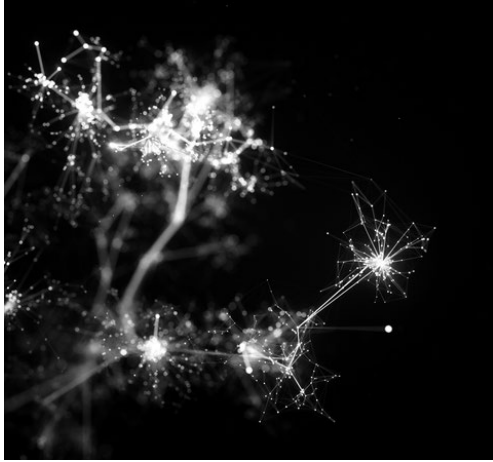
Exceptions include:

- ◆ Offers to qualified investors (QIs)
- ◆ Offers to fewer than 150 persons in the UK (other than QIs)
- ◆ Offers where minimum denomination per unit is at least £50,000
- ◆ **Offer conditional on the admission of the transferable security to trading on a UK regulated market / primary MTF**



To be admitted to trading on a UK regulated market, an approved prospectus is generally required

Details on prospectus set out in PRM



## Public offer and admissions regime for qualifying cryptoassets

### Cryptoassets Regulations create a blanket prohibition on offering qualifying cryptoassets to the public in the UK

Exceptions include:

- ♦ Offers to qualified investors (QIs)
- ♦ Offers to fewer than 150 persons in the UK (other than QIs)
- ♦ Offers where minimum denomination per unit is at least £100,000
- ♦ **Offer conditional on the admission of the qualifying cryptoasset to trading on a UK qualifying cryptoasset trading platform**



To be admitted to trading on a UK qualifying cryptoasset trading platform, a QCDD is needed

Details on QCDD set out in CRYPTO

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# Disclosures



# Overview of key requirements in the draft Cryptoasset Regulations 2025



## REGULATION 11 OF THE DRAFT CRYPTOASSET REGULATIONS 2025

Requirement for material information disclosed by, or on behalf of, the person responsible for the offer and addressed to a person considering buying/subscribing to be included in any QCDD that is required (either under FCA rules or CATP operator rules)

Applies in relation to public offers relying on an exemption under Part 1 of Schedule 1 of the Regulations, where total consideration is at least £500,000

## REGULATION 12 OF THE DRAFT CRYPTOASSET REGULATIONS 2025

Provides that designated activity rules may prescribe who is deemed responsible for a QCDD or supplementary disclosure document

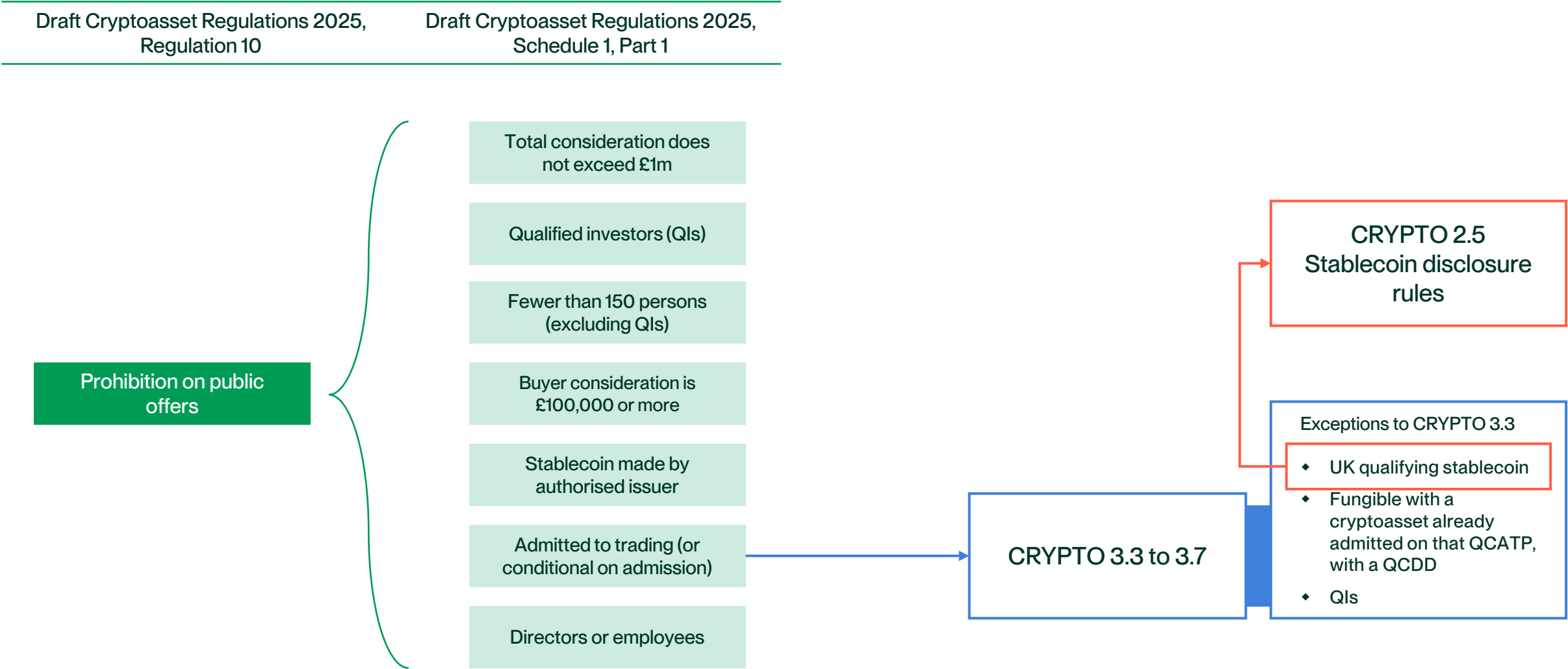
## REGULATION 13 OF THE DRAFT CRYPTOASSET REGULATIONS 2025

General requirements as to content:

- ♦ specified features
- ♦ associated risks
- ♦ features relating to stable value, where relevant
- ♦ matters relating to the person responsible for the offer, the creator, the person on whose behalf the asset was created, and the issuer, where relevant, if this goes to price/value
- ♦ matters relating to control of the asset
- ♦ underlying assets



# Qualifying cryptoasset disclosure documents (QCDD)



# Stablecoin disclosure

## CRYPTO 2.5

CP 25/41 updates the previously proposed CRYPTO 2.5 to integrate the QCDD requirements. This results in two main types of disclosure.



**Website disclosure** – this must include prescribed general information, backing asset pool information, redemption information, review information, risk information, issuer/token identification information



**QCDD disclosure** – FCA guidance confirms that if it meets the website disclosure content requirements, it is likely to comply with regulation 13 of the draft Cryptoassets Regulations



**Plus: obligations to review and update** stablecoin information which is published on the firm's website and in the stablecoin QCDD



# Proposed FCA rules on *QCDD content*



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01 Qualifying stablecoin rules in **CRYPTO 2.5.13 onwards**

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02 Guidance on complying with regulation 13 requirements in **CRYPTO 3.3.9 onwards**

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03 Requirement for UK QCATP operators to include content requirements in their rulebooks in **CRYPTO 3.3.1**

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04 Rules and guidance for UK QCATP operators on content requirements in **CRYPTO 3.4**

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05 UK QCATP operator requirement to require summary of key information in **CRYPTO 3.4.9R**

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# Liability and compensation

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## FORWARD-LOOKING STATEMENTS

Proposed FCA rules at CRYPTO 3.7 set out requirements for **protected forward-looking statements**

Protected forward-looking statements benefit from an exemption from liability in the draft Cryptoasset Regulations 2025 (para 9 of Schedule 2, part 2)

# Admission to trading: *points of difference (examples)*

## QUALIFYING STABLECOIN

### CRYPTO 2.6.1R

- ♦ Issuer requirement to object or confirm no objections within five days of receiving notification of an application of admission to trading

### CRYPTO 3.8 (non-exhaustive)

- ♦ QCATP operator requirement to have and publish the stablecoin hyperlink
- ♦ QCATP operator fee charging restrictions
- ♦ QCATP operator may not refuse admission on the basis of QCDD quality/accuracy of information
- ♦ QCATP operator requirement to notify issuer (if non-issuer requestor)
- ♦ QCATP operator held to the same standard when determining whether to proceed with admission



## NON-STABLECOIN QUALIFYING CRYPTOASSETS

### CRYPTO 3.2

- ♦ **Due diligence** by UK QCATP operators before admission to trading including conflicts of interest mitigants and assessment of whether admission is likely to be detrimental to the interests of retail investors
- ♦ Some requirements not applicable to QI offers
- ♦ (No requirement to publish key findings)

### CRYPTO 3.3.5 onwards

- ♦ **Checks** on QCDDs before admission

# Advertisements

CP 26/4 proposes new rules and guidance at CRYPTO 3.12 for advertisements (and other disclosures of information)



## **SCOPE**

Does not apply to communications where a QCDD is not required to be published by CRYPTO 3.3, or communications that relate to a UK qualifying stablecoin



## **CONSISTENCY**

Requirements around consistency with QCDD and SDD



## **REFERENCE TO THE QCDD**

Requirements around referring to and identifying the QCDD and SDD



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# Market abuse



# Scope

## REMINDER

Proposed CRYPTO 4.1.6R reminds firms that the scope of the UK cryptoasset market abuse regulation is not the same as the UK market abuse regulation.



Relevant qualifying cryptoassets and related instruments **are not** financial instruments



In particular, a cryptoasset derivative may or may not be caught by the definition of financial instrument



Derivatives firms trading in cryptoassets may need to apply both regimes to their business





# Market abuse in qualifying cryptoassets *and related instruments*

DRAFT CRYPTOASSET REGULATIONS 2025			CP 25/41 DRAFT CRYPTO 4
DESIGNATED ACTIVITIES	KEY RULES	EXCLUSIONS/CARVE OUTS	FCA RULES
<p><b>Regulation 20:</b> designated activities are:</p> <ul style="list-style-type: none"><li>♦ use and disclosure of inside information</li><li>♦ market manipulation</li></ul>	<p><b>Regulation 22:</b> prohibited use of inside information (insider dealing)</p> <p><b>Regulation 24:</b> prohibition on the disclosure of inside information</p> <p><b>Regulation 26:</b> public disclosure of inside information</p> <p><b>Regulation 28:</b> prohibition of market manipulation</p>	<p><b>Use of inside information</b></p> <ul style="list-style-type: none"><li>♦ legitimate cryptoasset market practices</li><li>♦ circumstances specified by the FCA</li></ul> <p><b>Disclosure of inside information/ market manipulation</b></p> <ul style="list-style-type: none"><li>♦ legitimate cryptoasset market practices</li><li>♦ journalism (but subject to certain conditions)</li></ul> <p><b>Public disclosure of inside information</b></p> <ul style="list-style-type: none"><li>♦ delayed disclosure</li></ul>	<ul style="list-style-type: none"><li>♦ General guidance</li><li>♦ Detecting, preventing and disrupting market abuse (platform operators and intermediaries)</li><li>♦ Public disclosure of inside information (issuers, offerors and platform operators)</li><li>♦ Legitimate cryptoasset market practice</li><li>♦ Insider lists</li></ul>

# “Inside information” definition: Comparison with UK MAR

## UK MARKET ABUSE REGULATION

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**Article 7** defines “inside information” as information which is:

- precise;
- not public;
- directly/indirectly relates to:
  - ✓ **issuer (s)**; or
  - ✓ **financial instrument (s)**; and
- which, if made public, would likely have a significant effect on the price of the financial instruments or related derivatives

## DRAFT CRYPTOASSETS REGULATIONS 2025

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**Regulation 18** defines “inside information” as information which is:

- precise;
- not public;
- directly/indirectly relates to –
  - ✓ a **relevant issuer** of a relevant qualifying cryptoasset or related instrument;
  - ✓ a **person responsible** for the offer of a relevant qualifying cryptoasset or a related instrument;
  - ✓ an **operator** of a qualifying cryptoasset trading platform on which a relevant qualifying cryptoasset is— (i) admitted to trading, or (ii) subject to an application seeking admission to trading; or
  - ✓ a **relevant qualifying cryptoasset** or related instrument; and
- which, if made public, would likely have a significant effect on the price of that relevant qualifying cryptoasset or related instrument

# Exclusions

NB There is no specific exclusion for market makers, but those engaging in market making activity may be able to rely on the draft rule in CRYPTO 4.4.12

## STABILISATION

The FCA is proposing that coin-burning and crypto-stabilisation will be a legitimate market practice for:

- ♦ regulation 22 (insider dealing)
- ♦ regulation 24 (disclosure of inside information) and
- ♦ regulation 28 (market manipulation)



Legitimate market practice  
(proposed CRYPTO 4.11)

## LEGITIMATE REASONS

Draft CRYPTO 4.11.11 R specifies, **for regulation 28 (market manipulation) only**, that a type or kind of behaviour will be a legitimate cryptoasset market practice where it is **undertaken for legitimate reasons**.

The FCA has proposed guidance on when behaviour is unlikely to be considered legitimate.

# Application of FCA rules

## ISSUERS OFFERORS CATPS

Requirements on

- ♦ timely disclosure of inside information
- ♦ creating and maintaining insider lists

## CATPS INTERMEDIARIES

Requirements on

- ♦ systems and controls to prevent, detect and disrupt market abuse to monitor orders and transactions, including generating and analysing alerts
- ♦ **large CATPs** subject to rules on on-chain monitoring and cross-platform information sharing



Requirements  
in the  
Cryptoasset  
Regulations

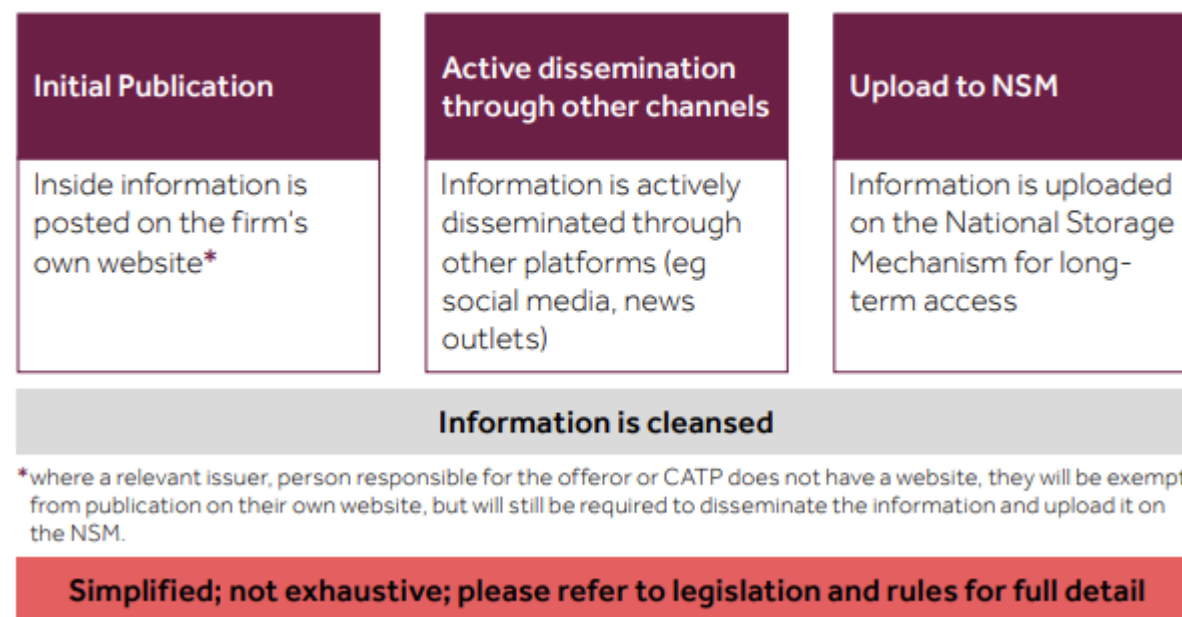
*“The issuer is crucial to the UK MAR obligation to publicly disclose inside information[...]*

*However, this is less straightforward when dealing with cryptoassets with no easily identifiable ‘issuer’.”*

**FCA DP 24/2  
PARA 3.18**

# Inside information dissemination

Figure 5: Inside information disclosure



In the longer term, the FCA may consider more formal channels for dissemination of inside information but consider that this approach is proportionate for the current maturity and scale of the cryptoasset market

# Insider list templates (overview)

## DEAL-SPECIFIC / EVENT BASED

- ◆ Date and time of list creation
- ◆ Date and time of last update
- ◆ Date of transmission to FCA (if applicable)
- ◆ Insider name
- ◆ Work telephone number
- ◆ Name and address of issuer/person responsible for offer/CATP operator
- ◆ Function and reason for being insider
- ◆ **Date and time inside information obtained and date and time access ceased**
- ◆ Date of birth
- ◆ National identification number (if applicable)
- ◆ Personal telephone numbers and address
- ◆ **Cryptoasset wallet address**



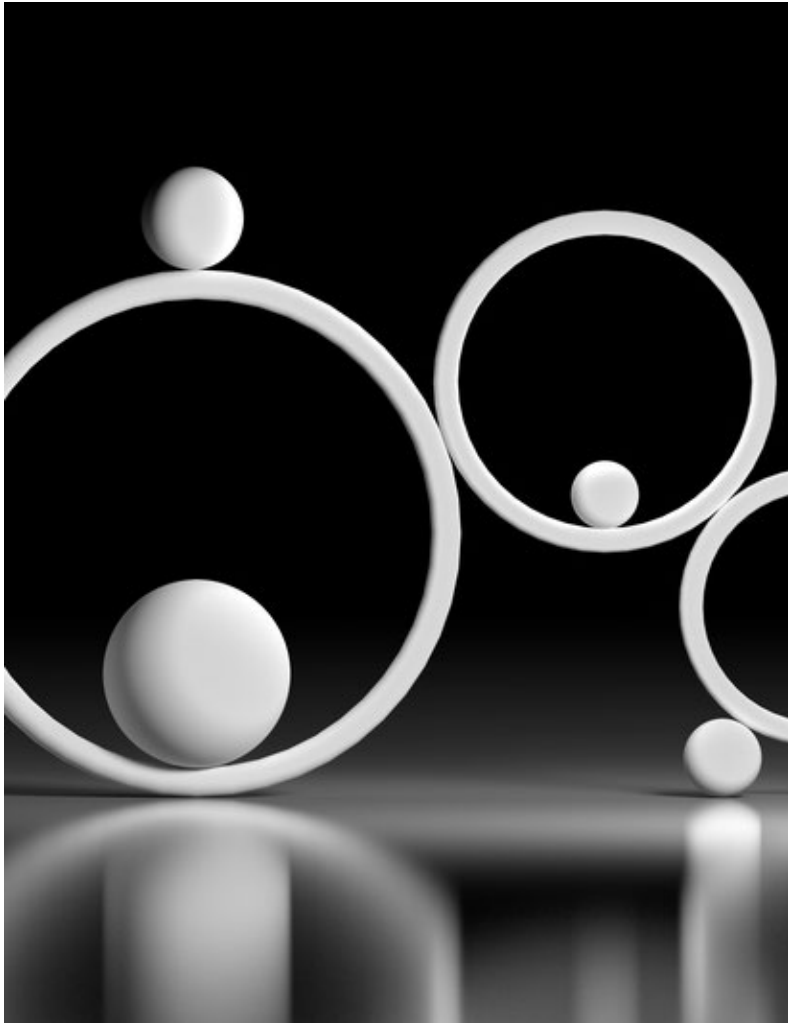
## PERMANENT

- ◆ Date and time of list creation
- ◆ Date and time of last update
- ◆ Date of transmission to FCA (if applicable)
- ◆ Insider name
- ◆ Work telephone number
- ◆ Name and address of issuer/person responsible for offer/CATP operator
- ◆ Function and reason for being insider
- ◆ **Date and time person included on permanent section**
- ◆ Date of birth
- ◆ National identification number (if applicable)
- ◆ Personal telephone numbers and address
- ◆ **Cryptoasset wallet address**

# Systems and controls to prevent, detect and disrupt market abuse

Category	CRYPTO 4.7 CATPs	CRYPTO 4.8 INTERMEDIARIES
Surveillance on application for admission to trading	Monitoring activities and communications relating to qualifying cryptoassets that are subject to an application for admission to trading to detect market abuse	Not applicable
Surveillance of orders and transactions	Monitoring all orders received and transmitted as well as trading activities executed on the trading platform to detect market abuse	Monitoring all orders received and transmitted as well as transactions executed
Notification of suspicious orders	Receiving and assessing notifications of suspicious orders from intermediaries	Assessing whether to notify a CATP of suspicious orders and transactions
Prevention and disruption	Preventing and/or disrupting market abuse activity	Preventing and/or disrupting market abuse activity

Adapted from CP 25/41, para 3.61 (page 52)



# Large CATP operators

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## PROPOSED GLOSSARY DEFINITION

A firm which:

- (a) operates a UK QCATP
- (b) has average revenue, to be calculated at 12-month intervals, of more than or equal to £10,000,000 a year, for 3 previous years having regard to:
  - (i) all its activities, including but not limited to operating a UK QCATP; and
  - (ii) where applicable, revenue arising from periods when the business was carried on by or in any predecessor entity.





## **LARGE CATP OPERATORS**

# Sharing information to counter market abuse

**Regulation 32** of the draft Cryptoasset Regulations 2025 sets out requirements for information sharing.

The FCA is proposing **for large CATPs to be required to disclose information to other large CATPs** where they have reasonable grounds to suspect market abuse has occurred/is occurring/is likely to occur, and it is necessary to disclose the information to detect, prevent or disrupt it.

### **Cross-platform sharing to prevent, detect and disrupt market abuse**



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