

Navigating the UK cryptoasset regulatory regime

Linklaters Financial Regulation | Digital Assets Practice

The UK's cryptoasset regulatory landscape is changing fast. Is your business ready?

Regulators are putting in place a full authorisation and conduct regime for cryptoasset businesses. TradFi and digital native firms offering cryptoasset services in or into the UK will need to navigate a new regulatory perimeter. Many will need to apply for a licence from the Financial Conduct Authority (FCA) or change their existing permissions.

The key date for compliance is 25 October 2027 but firms need to start planning for applications in 2026 to make the most of transitional arrangements that are available.

This is the latest in a growing rulebook for cryptoassets and the Linklaters Digital Assets Practice has advised clients along every step of the way. We act for some of the world's leading financial institutions as they expand into digital assets, as well as crypto-native firms seeking to build globally compliant business models.



Impact of the UK regime

The pace and volume of cryptoasset regulation requires early engagement on licensing strategy, product structuring and compliance frameworks.

- > The immediate priority is to analyse the perimeter of the UK's incoming cryptoasset regime against your existing and planned business activities.
- > A key early decision is whether to take advantage of the FCA's five-month application period which opens on 30 September 2026. Doing so maximises the chance of a smooth transition into the incoming regime and offers significant advantages compared to a later application.
- > The application process is no small task. Firms should not underestimate the importance of submitting a well-developed package of supporting materials, including comprehensive regulatory business plans, financial forecasts, IT controls forms and risk assessments, to the FCA as part of their application. In our experience **at least 2-3 months will be needed to prepare.**
- > The FCA's application period ends on 28 February 2027. Firms that are not licensed to provide regulated crypto activities when the regime takes effect on 25 October 2027 may need to restructure their operating model to avoid the risk of breaking the law.
- > Crypto native firms currently registered with the FCA must prepare for a significant step-up in regulatory compliance and supervisory intervention as they become authorised UK firms and subject to extensive existing regimes such as SMCR, the Consumer Duty and operational resilience requirements.
- > UK authorised firms will need to integrate the suite of new cryptoasset rules into their pre-existing compliance frameworks and apply for variations to their existing permissions.
- > Overseas firms with connections to the UK crypto market should carefully assess the impact of the incoming regime. The FCA has said that its default position will be that such firms must establish a UK subsidiary if they wish to provide services to UK consumers.

Our offering

Our practice covers the full spectrum of UK cryptoasset regulatory advice, including:

- > **Legal structuring:** We regularly advise on structuring products and business lines in relation to existing and incoming regulatory regimes, with particular expertise on cross-border analysis.
- > **Licence applications:** Our regulatory team is market-leading, with a proven record in helping our clients make successful regulatory applications, including registration with the FCA for cryptoasset supervision and authorisation applications for firms with business models built around cryptoassets.
- > **Conduct of business and prudential advice:** We help clients navigate and implement the ever-changing rulebook for financial services firms, with extensive experience on AML and market abuse, the Consumer Duty, Senior Managers Regime, financial promotions and regulatory capital requirements.
- > **Contentious:** We guide our clients facing regulatory interventions, investigations and enforcement action, providing strategic and commercial advice.



Key dates

30 Sept 2026:
FCA starts to
accept cryptoasset
applications

25 Oct 2027:
Cryptoasset
regime starts
to apply

28 Feb 2027: FCA closes
application period

? Why Linklaters?

We combine deep regulatory expertise with an integrated, cross-border capability that few firms can match. The Linklaters Digital Assets Practice works alongside colleagues in our other practices to deliver joined-up advice on the most complex mandates.

We are actively engaged with UK policymaking on cryptoassets. We have supported clients and trade associations, such as UK Finance, AFME, the UK Cryptoassets Business Council and the Payments Association respond to the consultation process.

We have also engaged with the regulators directly, including via FCA policy sprints and roundtables on a variety of crypto-related topics. We therefore have a clear understanding of what regulators are looking for in a successful application.

Examples of our recent work

We act extensively for several major digital asset companies, including exchanges and wallet providers, in structuring new product and service offerings, including providing related regulatory perimeter advice.

- > **Galaxy Digital:** Advising on one of the first successful UK cryptoasset registration applications and advising on its UK FCA authorisation to trade crypto derivative products.
- > **Cryptoasset custodian wallet provider:** Advising on its application for a UK AML registration, undertaking an in-depth review of AML policies and risk assessments to support the applications.
- > **A high-profile e-money institution:** Advising on the threatened refusal of FCA cryptoasset registration, which ultimately led to a successful outcome.
- > **Revolut:** Advising on its global reorganisation project and advising on its successful application for a UK banking licence.
- > **Cryptoasset exchange group:** Advising on an application to the FCA to add new types of crypto derivatives to its trading platform.

- > **Zodia Custody:** Advising Standard Chartered Bank on the development of Zodia Custody, its institutional grade cryptoasset custody business. Our role involved all aspects of regulatory advice, custody risk and insolvency advice, the legal structuring of the business, including the management and operation of private keys, and the drafting of the custody terms, as well as insurance considerations and the drafting of related insurance cover.
- > **Prop trader:** Advising on the UK perimeter analysis for a native cryptoasset proprietary trading firm trading crypto derivatives in reliance on licensing exemptions.
- > **International investment bank:** Advising on launch of a cryptoasset trading desk, including crypto derivative market-making for clients.
- > **A financial infrastructure provider:** Advising on set-up of trading, clearing and settlement of physically-settled crypto futures.
- > **A Singapore-based native crypto firm:** Advising on the application of UK financial promotions rules to spot crypto and crypto derivatives.

Key contacts



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Band 1

Financial Services: Non-contentious Regulatory
& Contentious Regulatory

Chambers UK 2026, UK

Band 1

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