

Insights

FCA CP25/41: ADMISSIONS, DISCLOSURES AND MARKET ABUSE IN CRYPTO

Jan 26, 2026

This is the second in a series of three articles examining the UK's emerging regulatory framework for cryptoassets. Together, the series explores the expansion of the regulatory perimeter for cryptoasset activities, the new admissions, disclosure and market abuse regime, and the prudential requirements designed to strengthen the resilience of cryptoasset firms.

The FCA's CP25/41 sets out proposals for two interlinked regimes: the Admissions & Disclosures (A&D) regime and the Market Abuse Regime for Cryptoassets (MARC). Together, they implement HM Treasury's forthcoming Cryptoassets Regulations, bringing certain activities into the FCA's regulatory perimeter through the Designated Activities Regime (DAR). The goal is to strengthen transparency, protect investors and adapt market abuse rules to the unique characteristics of crypto.

ADMISSIONS & DISCLOSURES (A&D)

Under the A&D regime, cryptoasset trading platforms (CATPs) must act as gatekeepers for public offers and admissions of qualifying cryptoassets. Platforms are expected to establish risk-based admission criteria approved by their governing body, publish these on their websites and review them periodically. Decisions must weigh the risks to retail investors, considering governance, fraud indicators, Qualifying Cryptoasset Disclosure Documents (QCDD) quality and the ability to pay compensation, where liable for misleading disclosures under the statutory regime. Platforms must reject applications where risks to retail investors are significant. CATPs must conduct due diligence to verify the content of QCDDs and ensure disclosures are truthful and not misleading. Where platforms are inhibited from conducting full verification, they must document the gaps and clearly note limitations. QCDDs are mandatory for initial admissions, though exceptions exist for UK-issued qualifying stablecoins, fungible repeat admissions or professional-only trading. Any material changes before admission trigger Supplementary Disclosure Documents (SDDs) and give consumers withdrawal rights.

Where CATPs admit their own tokens or those of affiliates, QCDDs must highlight conflicts of interest, and enhanced governance and record-keeping are required. This addresses the significant

concern that platforms may be incentivised to list proprietary tokens regardless of quality or risk.

CATPs must publish both QCDDs and SDDs on their website and file the documents with a central FCA repository (e.g. National Storage Mechanism) before trading begins, ensuring a clear, auditable record. Although Consumer Duty is disapplied for A&D activities, bespoke rules require QCDDs to be clear, fair and comprehensible, with guidance on structure, language and prominence of key information.

MARKET ABUSE REGIME FOR CRYPTOASSETS (MARC)

MARC applies UK market abuse principles to cryptoassets, prohibiting insider dealing, unlawful disclosure of inside information and market manipulation. Responsibilities extend beyond issuers to offerors and platforms, reflecting the decentralised nature of crypto markets.

Issuers, offerors and CATPs must disclose inside information promptly unless a justified delay is allowed. UK-issued qualifying stablecoins follow a separate disclosure approach, aligned with [CP25/14](#), ensuring market abuse protections are consistent with earlier stablecoin proposals. Issuers must publish a stablecoin-specific QCDD and publish it on their website, the same content and update frequency (three months) as in CP25/14 apply. Safe harbours exist for certain practices, including coin burning (permanently removing cryptoassets from circulation to reduce supply) and crypto-stabilisation (price support measures during the 30 days following admission), provided disclosure requirements are met.

CATPs and intermediaries must implement proportionate surveillance and controls, including:

- Monitoring orders and transactions
- Personal account dealing rules
- Information barriers
- Employee training
- Record-keeping and audit arrangements
- The ability to sanction or off-board abusive users

Large CATPs must conduct on-chain monitoring and share information with other platforms to combat market abuse, with safe harbour for good-faith disclosures. Insider lists, including names, reasons for inclusion, timestamps and wallet addresses, must be maintained, using templates adapted from the UK Market Abuse Regime. They are also required to share information about suspected market abuse securely and promptly with other Large CATPs, under safe harbour protections, while respecting confidentiality and data laws. These measures reflect the FCA's

preference for industry-led solutions to tackle cross-platform manipulation and provide a foundation for effective oversight even in decentralised markets.

TOWARDS A MORE TRANSPARENT AND TRUSTED CRYPTO MARKET

CP25/41 represents an important step towards embedding regulation in UK crypto markets. The A&D regime strengthens transparency through QCDDs and due diligence, addressing historical gaps that allowed fraud and misselling. Yet, relying on CATPs as gatekeepers to interpret and apply these standards consistently raises practical and ethical challenges, particularly in respect of conflicts of interest.

MARC adapts UK market abuse principles for crypto, combining surveillance, insider lists and cross-platform information sharing. But relying on the industry to such a degree, could undermine the credibility of how the regulatory framework's application and enforcement. Safe harbours introduce flexibility, but carry the risk of misuse if disclosure standards are not rigorously applied.

While these are welcome changes, market abuse controls also leave blind spots, as smaller platforms are not subject to the same monitoring obligations, and applying traditional concepts to decentralised markets is inherently complex. In addition, compliance costs and the onerous requirements posed by the A&D regime may deter new entrants while adding significant operational and legal complexity for firms listing new cryptoassets.

The FCA recognises these trade-offs: regulation cannot eliminate all risk, and success will depend on iterative refinement, global alignment and industry commitment to compliance. CP25/41 signals progress towards a more transparent and trustworthy crypto ecosystem, but its effectiveness will hinge on balancing investor protection, market integrity and the UK's competitive edge.

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