

The taming of the crypto Wild West: a look at the UK's alternative plans to MiCA

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It has been over two years since the UK's Cryptoassets Taskforce – which brought together the Financial Conduct Authority (FCA), the Bank of England (BoE) and the UK Government (via HM Treasury (Treasury)) – put out its final report. In it, the Taskforce confirmed cryptoassets merited no special treatment in the UK's regulatory landscape: they either fitted pre-existing types of regulated products – e-money, specified investments, financial instruments – or they did not. If they did, they would be treated as any other such product; if they did not, no dedicated regime existed to pull them into the regulatory fold. Although UK regulated firms would still need to comply with certain conduct rules in respect of their unregulated crypto-business (including systems and controls provisions in the FCA's Handbook; and the UK's Senior Managers and Certification Regime), the split between regulated and unregulated business followed familiar lines.

This Client Alert assesses the UK's new proposed approach to cryptoasset regulation, its impact on firms, and draws parallels to the EU's proposed Markets in Crypto Assets Regulation (MiCA).



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