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UK Financial Promotion Rules for Cryptoassets: Longer Implementation Period for Certain Requirements

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On 7 September 2023, the United Kingdom's Financial Conduct Authority ("**FCA**") set expectations ahead of its new financial promotion rules for cryptoassets (which we wrote about here).

From 8 October 2023, new rules for the marketing of cryptoassets come into force. The new requirements include the need for marketing materials to be "clear, fair and not misleading", labelled with prominent risk warnings, and to not inappropriately incentivise people to invest. These rules apply to firms wherever they are based globally.

The FCA has signalled that, in response to industry readiness, it will consider giving cryptoasset firms until 8 January 2024 to implement the features that require greater technical development, with the core rules still coming into effect from 8 October 2023.

The rules with a longer implementation period could include:

- the 24-hour cooling period;
- the client appropriateness testing; and
- the client categorisation features.

Firms must first apply for this extended implementation period, which would then allow them time to make the required back-office changes successfully. The rules and the approach to implementation are aligned with the approach taken last year, when the FCA introduced rules for marketing other high-risk investments (which we wrote about here and here).

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