

CRYPTOASSETS (CLIENT ASSETS CONSEQUENTIALS) INSTRUMENT 2026**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137B (FCA general rules: clients’ money, right to rescind etc.);
 - (c) section 137T (General supplementary powers); and
 - (d) section 139A (Power of the FCA to give guidance); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument is one of a series of instruments which introduce or amend provisions of the Handbook relating to cryptoassets. These instruments all come into force on 25 October 2027, immediately after one another, in the following order:
- (1) Glossary (Cryptoassets) Instrument 2026;
 - (2) Cryptoassets (Stablecoins) Instrument 2026;
 - (3) Cryptoassets (Admission of Qualifying Cryptoassets to Trading and Offers of Qualifying Cryptoassets to the Public) Instrument 2026;
 - (4) Cryptoassets (Market Abuse) Instrument 2026;
 - (5) Cryptoassets (Intermediaries) Instrument 2026;
 - (6) Cryptoassets (Trading Platforms, Transparency and Records) Instrument 2026;
 - (7) Cryptoassets (Lending, Borrowing and Staking) Instrument 2026;
 - (8) Cryptoassets (Safeguarding) Instrument 2026;
 - (9) Cryptoassets (Client Assets Consequential) Instrument 2026;
 - (10) Cryptoassets (Conduct and Firm Standards) Instrument 2026; and
 - (11) Cryptoassets (COREPRU and CRYPTOPRU) Instrument 2026.

Amendments to the Handbook

- D. The Client Assets sourcebook (CASS) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Cryptoassets (Client Assets Consequential) Instrument 2026.

By order of the Board
25 June 2026

Annex

Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 **Application and general provisions**

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1.2 **General application: who? what?**

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Investments and money held under different regimes

- 1.2.11 R (1) A *firm* must not keep *money* in respect of which any one of the following chapters applies in the same *client bank account* ~~or~~ *client transaction account* or backing funds account as *money* in respect of which another of the following chapters applies:

...

(c) the *debt management client money chapter*;

(d) CASS 16 (Stablecoin backing assets).

...

- (4) A *firm* must not keep *funds* in respect of which CASS 15 applies in a *client bank account*, *client transaction account* or *backing funds account* held for the purpose of any other chapter of CASS.

...

7 **Client money rules**

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7.10 **Application and purpose**

- 7.10.1 R This chapter applies to a *firm* that receives *money* from or holds *money* for, or on behalf of, a *client* in the course of, or in connection with, its:

...

- (2) *designated investment business* except issuing a qualifying stablecoin; and/or

...

...

Money that is not client money: ‘opt outs’ for any business other than insurance distribution activity

7.10.8 R ...

7.10.8A R CASS 7.10.9G to CASS 7.10.15G do not apply to a *firm* in relation to *money* within the scope of CASS 7.10.1R(2) where the relevant *designated investment business* is *qualifying cryptoasset activity*.

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7.11 Treatment of client money

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Delivery versus payment transaction exemption

7.11.14 R (1) Subject to (2) and CASS 7.11.16R and with the agreement of the relevant *client*, *money* need not be treated as *client money* in respect of a delivery versus payment transaction through a *commercial settlement system* if:

...

(b) in respect of a *client's* sale, the *firm* intends for the *money* in question to be due to the *client* within one *business day* following the *client's* fulfilment of its delivery obligation to the *firm*; and

(c) in either case (a) or (b) the delivery obligation is in relation to a *security* that is not a *cryptoasset*.

...

...

7.13 Segregation of client money

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The alternative approach to client money segregation

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7.13.54 G (1) In certain circumstances, use of the normal approach for a particular business line of a *firm* could lead to significant operational risks to *client money* protection. These may include a business line under which *clients'* transactions are complex, numerous, closely related to the *firm's* proprietary business and/or involve a number of currencies or classes of *cryptoasset* and time zones. In such circumstances, subject to meeting the relevant criteria and fulfilling the relevant

notification and audit requirements, a *firm* may use the alternative approach to segregating *client money* for that business line.

...

...

7.14 Client money held by a third party

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Client money arising from, or in connection with, safe custody assets

7.14.5 G (1) *Money arising from, or in connection with, the ~~holding of a safe custody assets~~ carrying on of any of the activities at (a), (b) or (c) by a firm which is due to clients should, unless treated otherwise under the client money rules, be treated as client money by the firm:*

(a) holding of safe custody assets;

(b) safeguarding cryptoassets which are client cryptoassets; or

(c) safeguarding cryptoassets which are relevant specified investment cryptoassets under CASS 6.

...

7.14.6 R ...

7.14.6A R If a firm has, under CASS 17.6, appointed a third party to safeguard cryptoassets that are client cryptoassets and client money arises from, or in connection with, those client cryptoassets, the firm must ensure that the third party deposits the money in a client bank account of the firm.

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7.16 The standard methods of internal client money reconciliation

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Non-margined transactions (eg, securities): individual client balance

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7.16.22 E (1) ...

(2) Each *individual client balance* for a *client* should be calculated in accordance with this table (and, where appropriate, references to designated investments should be read as including qualifying cryptoassets):

...

...

...

8 Mandates

8.1 Application

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8.1.2A R The *mandate rules* do not apply to a *firm*:

...

(2A) ...

(2B) in relation to *cryptoassets* in respect of which the *firm* is *safeguarding cryptoassets*; or

...

8.1.2B G ...

(2) ...

(2A) Similarly, in respect of CASS 8.1.2AR(2B), a *firm* that is *safeguarding cryptoassets* does not also need to comply with the *mandate rules* in relation to those *cryptoassets*, but the *mandate rules* would apply if the *firm* has a *mandate* under which it can receive a transfer of a *client's cryptoassets* from another *person* in the course of or in connection with *designated investment business*.

...

...

8.2 Definition of mandate

8.2.1 R A *mandate* is any means that give a *firm* the ability to control a *client's* assets or liabilities, which meet the conditions in (1) to (5):

...

(4) they put the *firm* in a position where it is able to give any or all of the types of instructions described in (a) to (d):

...

(c) instructions to another *person* in relation to an asset of the *client*, where that other *person* is responsible to the *client* for holding that asset (including where that other *person* is *safeguarding and administering investments, acting as trustee*

or depositary of an AIF ~~or~~₂ acting as trustee or depositary of a UK UCITS or safeguarding cryptoassets);

...

...

...

Ability to give instructions to another person

- 8.2.4 G The instructions referred to at CASS 8.2.1R(4) are all instructions given by a *firm* to another *person* who also has a relationship with the *firm's client*. For example, the other *person* may be the *client's bank*, intermediary, *custodian*, *cryptoasset wallet provider* or credit card provider. This means, for example, that any means by which a *firm* can control a *client's money* or assets for which it is itself responsible to the *client* (rather than any other *person*) would not amount to a *mandate*. This includes where the *firm* is holding a *client's money* or assets other than in accordance with CASS 5, CASS 6 ~~or~~₂ CASS 7 or CASS 17 (for example, because of an exemption in those *rules*).

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