



# CUMMINGS PEPPERDINE ON HOW TO GET CRYPTO HELP FROM THE FCA

## 1 BACKGROUND

It can be frustrating to have built up a plan for an innovative new project only to find that getting help from the FCA is nigh on impossible (or extremely unlikely).

To address these issues, in October 2014 the FCA launched Innovate and its Innovation Hub with the two-fold purpose of:

- a. providing provide direct support to innovative firms (whether they are regulated or not) that are trying to launch new products and services into the market that the FCA believes might benefit consumers; and
- b. being the centre for the FCA's innovation policy.

Several initiatives sit under the umbrella of the FCA Innovation Hub. The FCA's intention is to provide innovation services that allow innovative firms to better understand the FCA's rules, processes and guidance. To give an example, the Regulatory Sandbox offers financial technology firms (known as 'FinTechs') the chance to test innovative propositions in a live environment with the FCA there to give informal steers on rules and guidance and assistance. The FCA has said that it wants to keep ahead of developing trends and potential harms in the market and to adjust internal FCA policy and process accordingly.

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## 2 INNOVATION PATHWAYS

One of the initiatives in the FCA Innovation is Innovation Pathways.

'Innovation Pathways' combines the FCA's direct support and advice unit services. In April 2022, the chief data, information and intelligence officer Jessica Rusu described the unit as one which would support firms that wanted to provide the market with, "positive innovations and consumer outcomes ...". Ms Rusu added that to help firms, the FCA will place, "... a greater focus on sharing insights into our data and the support provided to firms."

Additionally, in an explanatory document on its website, the FCA said Innovation Pathways would help firms understand the complexities of regulation, the implications for their business model, and how to launch a regulated business.

Support is provided to innovator businesses that are considering applying for authorisation or a variation of permission, require support when doing so (and up to a year after authorisation), or do not need to be authorised but might benefit from the FCA's support (for example, by helping firms understand the rules or supporting them as they shape their business model in more detail). Depending on the needs of the firm and the FCA's available resource, its support can range from a phone call to clarify how our rules apply to a specific business model to ongoing support to help an innovative start-up prepare for authorisation.

Their help may involve access to FCA subject matter experts and informal steers that to clarify grey areas of regulation and the implications for innovative proposals, or the allocation of a dedicated case manager or (once an application has been submitted) an authorisations case handler.

The FCA can also help businesses understand the regulatory regime and the challenges they may face when developing an innovative product or business model. An explanation of how to apply for Innovation Pathways support is set out on the FCA's website (see below)

## 3. INNOVATION PATHWAYS

Applications for support can be made by firms of any size, at any stage of development and from all sectors of financial services, whether or not they are authorised. This includes technology firms, start-ups, traditional incumbent financial services firms including banks and insurers.

There are set eligibility criteria which the FCA uses to determine whether a firm should benefit from Innovation Pathways support.

The criteria include:

- a. whether the business model is genuinely innovative; and
- b. whether the innovation is likely to provide clear benefit to consumers and if the firm has a genuine need for support (FCA: Innovation Pathways eligibility criteria).

The FCA has also published an Innovation Pathways Guide.

Before applying for support, firms are encouraged to read the FCA's existing rules and guidance to check whether their question is covered.

Applications by firms for Innovation pathways support is by online application. Applicants must ensure that their advice propositions comply with the five eligibility criteria, being:

- a. scope;
- b. genuine innovation;
- c. consumer benefit;
- d. readiness; and
- e. need for support.

Firms which apply successfully to the FCA's Innovation Pathways will be assigned a dedicated case manager to provide insight, clarity and feedback on their business model, and will receive support to navigate their way through FCA processes and understand its rules.

Applications are accepted from firms throughout the year.

## 4. FCA GUIDANCE

The FCA has produced some useful guidance on its webpages. Links are set out below:

[www.fca.org.uk/firms/innovation/our-innovation-services](http://www.fca.org.uk/firms/innovation/our-innovation-services)

[www.fca.org.uk/firms/innovation](http://www.fca.org.uk/firms/innovation)

[www.fca.org.uk/firms/innovation/innovation-pathways](http://www.fca.org.uk/firms/innovation/innovation-pathways)

[www.fca.org.uk/firms/innovation/innovation-pathways/eligibility-criteria](http://www.fca.org.uk/firms/innovation/innovation-pathways/eligibility-criteria)

[www.fca.org.uk/firms/innovation/innovation-pathways/apply](http://www.fca.org.uk/firms/innovation/innovation-pathways/apply)

For more information, visit our website to read our [Pep Publications](#) and listen to [The Hugely Popular Cummings Pepperdine Crypto Questions](#)

To learn more about how Cummings Pepperdine can help you, call:  
Claire Cummings on 07734 057 327  
or Michael Borrelli on 07535 994 132

To sign up for our newsletters and alerts for our events, just click here:  
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## THE TEAM

Cummings Pepperdine is a leading advisor in crypto. We are one of a select few that advises a large and diverse global client base in the crypto space and the only to provide a complete crypto solution building on the three key areas of law, tax and FCA with legal underpinning at every point.

In law, we have a team of qualified and regulated solicitors and barrister who retains right of audience.

In tax, we have one of the only crypto tax advisors who is both a qualified solicitor and qualified chartered accountant.

In regulation, our team comprises specialists in crypto compliance monitoring structures and governance oversight who are known to the FCA for the quality of their work.

The team is led by Claire Cummings, a leading solicitor specialising in crypto law and the current and evolving regulation. Claire is on the advisory boards of a crypto exchange and an NFT gaming guild and is also a member of the Global Digital Finance working group on



**Claire Cummings**

stablecoins. Claire has also acted as compliance officer, MLRO and director of an FCA regulated fund manager and qualified under SIB to trade derivatives. As a leading expert in crypto, Claire is a sought after speaker and has published multiple articles on the legal and regulatory issues surrounding cryptocurrencies and the crypto eco-system. Claire is named at the Top 10 influencer in London for hedge funds (2&20, 2022) and is included in the CityWealth Crypto Top 100

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The Cummings Pepperdine Online Training Programme, includes sections focussing on how to get Crypto help from the FCA , has been designed by a specialist board of compliance consultants, solicitors, chartered accountants, tax advisors and regulatory consultants. We believe that we are the only firm which offers training created by this range of qualified advisors.

[Click here now to make it all work](#)

[Watch our introductory video](#)

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