

Christopher Collins Comments on Compliance Risks for Crypto Firms Seeking FCA Authorization

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Financial Markets and Funds Partner Christopher Collins spoke with *Law360 UK* about the challenges crypto businesses face in seeking authorization under the Financial Conduct Authority's (FCA) new cryptoasset regime. The article reports that criminals using artificial intelligence (AI) could break through the systems and controls of many crypto businesses that plan to apply during the FCA's six-month application window. The window runs until February 28, 2027, and the regime is due to go live in October 2027. Crypto businesses that do not apply during the window may have to stop operating in the UK.

The article explains that AI-driven identity fraud hits the crypto sector especially hard. As a result, applicants may need to carry out more intensive and repeated background checks and advanced blockchain monitoring. The article also notes that regulators know sanctioned individuals and countries may use crypto systems to avoid detection. A 2025 threat assessment by the Office of Financial Sanctions Implementation found that UK cryptoasset firms had under-reported suspected financial sanctions breaches.

Chris said sanctions compliance will be a priority for the regulator as it reviews applications. "The FCA has named sanctions evasion as one of the key harms the new regime is meant to reduce, and we can expect the FCA to really focus on this area when reviewing new authorization applications."

"AI Smashes Defenses Of Crypto Applicants For FCA Regime," *Law360 UK*, September 29, 2026

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