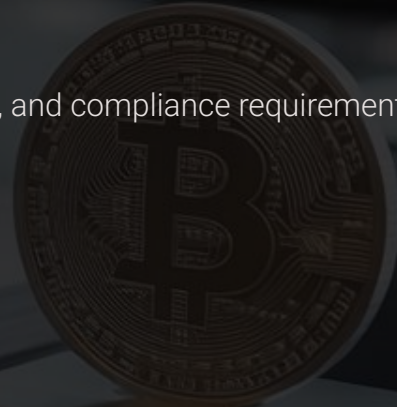


# Crypto Legal Insights: Compliance and Regulatory Updates

Stay informed with the latest developments in cryptocurrency regulation, SEC updates, and compliance requirements across global markets.



# United States CFTC and US SEC Extend Form PF Compliance Date to 1 October 2026

On 17 September 2025, the United States Commodity Futures Trading Commission (US CFTC) and the United States Securities and Exchange Commission (US SEC) issued a **joint statement extending the compliance date** for amendments to Form PF, the confidential reporting form for private fund advisers. The new deadline of 1 October 2026 replaces the previous date of 1 October 2025. This regulatory adjustment reflects the agencies' decision to allow more time for review under the 20 January 2025 Presidential Memorandum and responds to industry concerns about compliance costs and regulatory uncertainty.

# Key Details of the Form PF Extension



## Timeline Changes

The amendments to Form PF, first adopted on 8 February 2024, were set to take effect on 12 March 2025, later delayed to 12 June 2025 and then to 1 October 2025. With this extension, advisers now have until 1 October 2026 to comply, granting an additional year to prepare their reporting systems.



## Regulatory Foundation

Form PF was introduced under Sections 404 and 406 of the **United States Dodd-Frank Wall Street Reform** and Consumer Protection Act of 2010. It requires private fund advisers to file confidential reports on exposures, leverage, and risks to assist regulators in systemic risk monitoring.



## Enhanced Requirements

The amendments broaden the reporting requirements for all Form PF filers, particularly large hedge fund advisers, mandating more detailed information on liquidity, borrowing, and counterparty exposures. The extension does not expand asset classes but delays enforcement.

# Impact on Market Participants

## Benefits for Industry

- Private fund advisers, hedge funds, and private equity managers benefit from reduced immediate compliance pressure
- The delay allows additional time for internal system upgrades, data integration, and cross-border alignment with other global regulatory regimes
- Reporting thresholds embedded in the 2024 amendments remain intact but will not be enforceable until the new deadline

## Key Clarifications

- The amendments do not introduce new derivatives permissions
- The focus of Form PF remains on data reporting and systemic risk oversight rather than trading approvals
- The joint statement does not reopen consultation but highlights that the extension is part of a substantive review
- The new compliance date is 1 October 2026, extending obligations by twelve months beyond the previous deadline

# United Kingdom FCA Publishes Consultation on Standards for Crypto Firms

On 17 September 2025, the United Kingdom Financial Conduct Authority (UK FCA) published its consultation paper titled **Application of FCA Handbook for Regulated Cryptoasset Activities**. The consultation sets out proposals for minimum standards that crypto firms must meet, covering operational resilience, systems to combat financial crime, and consumer protection. The proposals are designed to mirror obligations already imposed on traditional financial institutions while ensuring proportionality to maintain the competitiveness of UK-based crypto firms. The consultation also opens debate on whether the United Kingdom Consumer Duty should extend to crypto entities, requiring firms to deliver demonstrably fair outcomes for consumers.

# Regulatory Objectives of the Consultation

## Minimum Standards

Establish mandatory minimum standards for crypto firms, focusing on resilience, governance, and systems to prevent financial crime.

## Consumer Duty Extension

Seek stakeholder input on extending the United Kingdom Consumer Duty, a regime requiring firms to deliver good consumer outcomes, to cryptoasset businesses.

## Complaints Reform

Explore reforms to complaints handling, including whether consumers should gain access to the United Kingdom Financial Ombudsman Service.

## Competitive Balance

Balance the need for consumer protection and investor confidence with the regulator's aim to preserve the international competitiveness of the UK crypto industry.

# Practical Implications and Timeline

## Practical implications for market participants

- Crypto firms operating in the United Kingdom will be required to strengthen operational frameworks, governance structures, and complaint-handling processes in line with FCA standards.
- Consumer-facing businesses should prepare for higher expectations around fairness, transparency, and disclosure obligations, particularly if the Consumer Duty is extended to crypto.
- Consumers engaging with crypto products in the UK could benefit from stronger protections, clearer rules of redress, and enhanced trust in regulated platforms.
- International firms entering the UK market will need to adjust compliance strategies to reflect the FCA's proportionate but rigorous regulatory perimeter.

## Consultation process

- Feedback on the discussion paper is due by 15 October 2025.
- Feedback on the consultation paper is due by 12 November 2025.
- Final rules are expected in early 2026 following parliamentary passage of enabling legislation.

# United States SEC to Host Webinar for Large Firms on Regulation S-P Compliance

On 16 September 2025, the United States Securities and Exchange Commission (US SEC) announced a **dedicated compliance webinar** for large firms focused on the amended Regulation S-P obligations. The event, scheduled for 25 September 2025 from 1 p.m. to 2 p.m. ET, is the first in a three-part series tailored to different registrant categories. Subsequent sessions will address transfer agents and small firms, aligned with their respective compliance deadlines under the 2024 Regulation S-P amendments. The outreach aims to clarify new obligations for safeguarding consumer data and to support industry preparedness in implementing enhanced privacy and information security protections.



# Regulation S-P Webinar Details

01

---

## Regulatory Background

The United States Securities and Exchange Commission adopted amendments to Regulation S-P in 2024 to strengthen data protection obligations across the financial services sector.

03

---

## SEC Leadership

Acting Director of the Division of Examinations, Keith Cassidy, emphasised the SEC's goal of balancing investor protection with practical compliance, underscoring cooperation with firms.

02

---

## Webinar Structure

The September 25 webinar will feature staff from the Divisions of Examinations, Investment Management, and Trading and Markets. Presentations will explain updated compliance requirements, outline examination procedures, and address questions submitted by participating firms.

04

---

## Access and Materials

Registration for the webinar is optional but encouraged, with advance submission of questions permitted. A live webcast link will be available on the SEC's official website on 25 September 2025, and supporting materials will be published on the Reg S-P Compliance Outreach webpage.

# United States SEC Appoints Four New Members to Investor Advisory Committee

On 16 September 2025, the United States Securities and Exchange Commission (US SEC) announced the **appointment of four new members to its Investor Advisory Committee**. The Committee, created under Section 39 of the **United States Securities Exchange Act of 1934**, advises on regulatory priorities, investor protection, and the integrity of U.S. securities markets. Each new appointee will serve a four-year term, joining the existing sixteen members. The United States SEC noted that another round of applications for future appointments will be issued in 2026, reflecting its continued commitment to investor engagement in policymaking.

# New Committee Members and Structure



## Committee Function

- The Investor Advisory Committee functions as a statutory body mandated by the United States Securities Exchange Act of 1934 to provide formal recommendations to the Commission.
- The Committee now consists of twenty members, combining financial market practitioners, policy experts, and industry leaders.
- The appointments followed a public call for expressions of interest earlier in 2025, part of the SEC's structured recruitment process.
- The United States SEC confirmed it will open a new call for candidates in 2026, allowing for rotation and fresh perspectives.



## New Appointees

- C. Rodney Comegys of Vanguard
- James R. Copland of the Manhattan Institute
- John A. Gulliver of the Committee on Capital Markets Regulations
- Sergio G. Rodriguera Jr. of Straylight Systems, Inc.

Each member will serve a four-year term, ensuring continuity and diverse expertise in the Committee's work. Chairman Paul S. Atkins highlighted the breadth of experience the new members bring, underlining the Commission's focus on strengthening investor protection and market integrity.

# United States SEC Appoints James Moloney as Director of Division of Corporation Finance

On 10 September 2025, the United States Securities and Exchange Commission (US SEC) announced that **James J. Moloney will assume the role of Director of the Division of Corporation Finance, effective October 2025**. His appointment marks a significant leadership transition as the Division prepares to modernise disclosure frameworks and corporate governance standards. Moloney, a former SEC attorney and long-time partner at Gibson Dunn & Cutcher, brings a dual perspective from public service and private practice. Cicely LaMothe, who has been serving as Acting Director, will return to her role as Deputy Director.

# James Moloney's Background and Qualifications

## Background and professional history

- Began his career at the US SEC (1994–2000), serving as attorney-advisor and later special counsel in the Office of Mergers & Acquisitions.
- Principal author of the proposing and adopting releases for Regulation M-A, governing mergers, acquisitions, tender offers, and proxy solicitations.
- Spent 25 years at Gibson Dunn & Cutcher, co-chairing the securities regulation and corporate governance practice.
- Advised clients on disclosure obligations, mergers, acquisitions, proxy contests, governance issues, and going-private transactions.

## Academic qualifications

- LL.M. in Securities Regulation (with distinction), Georgetown University Law Center.
- J.D. cum laude, Pepperdine University, where he was an editor of the Pepperdine Law Review.
- B.S. in Business Administration, Boston University.

# United States SEC Chairman Paul S. Atkins Elaborates on Project Crypto and Digital Asset Regulation at OECD Roundtable in Paris

On 10 September 2025, United States Securities and Exchange Commission (US SEC) Chairman Paul S. Atkins addressed the OECD Roundtable on Global Financial Markets in Paris, outlining the regulator’s evolving approach to digital assets under Project Crypto. Atkins characterised crypto as a permanent feature of global finance, emphasised the need to move away from enforcement-led policy, and committed to providing clear and predictable regulatory frameworks. His remarks signal a decisive pivot in United States digital asset oversight, aligning with global regulatory trends while prioritising investor protection and market innovation.

- **Moving beyond enforcement-first approaches**, Chairman Atkins criticised prior reliance on enforcement, noting it had driven innovation overseas. Project Crypto will instead prioritise structured, codified rulemaking designed to restore trust for entrepreneurs and investors.
- **Recognising that crypto’s time has come**, Atkins declared that crypto has become a defining element of global financial markets. He stressed the importance of integrating digital assets within the regulated system to support long-term capital formation.
- He further stated that most crypto tokens do not constitute securities, committing the US SEC to provide clear boundaries.
- The United States SEC will provide codified, transparent regulatory frameworks rather than unpredictable enforcement actions, to promote confidence, stability, and a fair competitive landscape.

## Rules Over Raids

Prioritize codified rulemaking over enforcement-first tactics

## Clear Boundaries

Define which tokens are securities with transparent rules



## Market Integration

Integrate digital assets into regulated financial markets

## Coordinated Innovation

Harmonize cross-agency rules to enable trading, lending, staking

# United Kingdom FCA Brings First Court Appearance for Three 'Finfluencers' in Global Crackdown on Illegal Promotions

On 10 September 2025, the United Kingdom Financial Conduct Authority (UK FCA) **announced** that three individuals – Charles Hunter, Kayan Kalipha, and Luke Desmaris – appeared before the United Kingdom Westminster Magistrates' Court. Each has been charged with one count of unauthorised promotion of high-risk financial products, contrary to Section 21(1) of the United Kingdom Financial Services and Markets Act 2000. The case marks the first UK FCA-led prosecution of so-called "finfluencers" for unlawful investment promotions and sits within a coordinated global crackdown on illegal social media-driven marketing of speculative trading products.

# Details of the Finfluencer Prosecution

1

## The Charges

The charges concern the unauthorised promotion of contracts for difference (CFDs), a high-risk derivative that the UK FCA has consistently warned can lead to substantial investor losses. The defendants are accused of encouraging social media followers to invest in forex and CFD trading without holding the required FCA authorisation.

2

## Legal Framework

Each charge is brought under Section 21(1) of the United Kingdom Financial Services and Markets Act 2000, which makes it a criminal offence to communicate an invitation to engage in investment activity without FCA approval. A conviction on indictment under Section 21(1) carries penalties including a fine and/or imprisonment of up to two years.

3

## Court Proceedings

All three defendants pleaded not guilty before the Westminster Magistrates' Court and are scheduled for a further hearing at the United Kingdom Southwark Crown Court on 8 October 2025. The court appearance follows a June 2025 international enforcement operation coordinated by the UK FCA with nine regulators across six countries.

- ❏ The UK FCA has repeatedly highlighted that CFDs are complex, leveraged instruments, with around 80% of retail customers losing money. This case demonstrates the UK FCA's willingness to escalate its enforcement response against unauthorised promotions on social media, signalling a tougher stance on finfluencers who misuse their platforms to promote speculative investments.



# United States SEC Chairman Paul S. Atkins Issues Statement on Court Ruling Affecting Rule 10c-1a and Rule 13f-2

On 5 September 2025, the United States Securities and Exchange Commission (US SEC) Chairman Paul S. Atkins issued a **statement** following a ruling by the United States Court of Appeals concerning two 2023 rulemakings: Rule 10c-1a on securities lending reporting and Rule 13f-2 (with Form SHO) on short position reporting. The Court remanded the rules for further economic analysis but did not vacate them, leaving temporary exemptions and phased compliance deadlines in place. Chairman Atkins confirmed that US SEC staff have been directed to re-evaluate the rules, consider cumulative impacts, and prepare recommendations for potential changes or timeline adjustments.

## Background of rules and ruling

- October 2023: The United States SEC adopted Rule 10c-1a, requiring securities lending reporting, and Rule 13f-2, requiring short position reporting with Form SHO.
- 25 August 2025: The Fifth Circuit Court of Appeals in *National Association of Private Fund Managers v. SEC* ruled that the Commission had not adequately analysed the cumulative economic impact of both rules.
- 5 September 2025: Chairman Paul S. Atkins responded, directing SEC staff to reassess the rules in light of the ruling and consider adjustments.

## Current compliance deadlines and regulatory implications

### Compliance deadlines currently in force

- Rule 13f-2: compliance implementation by 2 January 2026.
- Rule 10c-1a: reporting compliance by 28 September 2026.
- Rule 10c-1a: dissemination compliance by 29 March 2027.

### Regulatory implications for market participants

- The rules remain effective, but firms should expect potential revisions or deferrals following staff review.
- Compliance planning should remain flexible, as the SEC may reduce burdens or shift timelines depending on its reassessment.
- Securities lenders and short sellers must still prepare for enhanced reporting obligations beginning in 2026 unless changes are announced.