

Crypto-asset Staking

In order to clarify that crypto-asset staking is not considered a collective investment scheme, the UK Treasury has amended the Financial Services and Markets Act 2000 (FSMA). This change will be effective on 31 January 2025. It distinguishes staking as a technical process essential for blockchain validation, rather than an investment activity.

This clarification provides a regulatory framework for participants in proof-of-stake networks such as Ethereum and Solana. It allows these crypto-asset market participants to engage in staking without the stringent oversight associated with investment schemes and related obligations. This regulatory update clarifies some definitions for “qualifying crypto assets,” leaving aside previous uncertainties that could have led to staking being misclassified alongside pooled investments. Classifying staking under collective investment scheme rules would have required compliance with stricter related regulations.

These changes apply uniformly across England, Scotland, Wales, and Northern Ireland.

<https://www.legislation.gov.uk/uksi/2025/17/made>

What Version ?

Latest available (Revised)

✓ Original (As made)

▼ Opening Options ?

▼ More Resources

Status:

This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

STATUTORY INSTRUMENTS

2025 No. 17

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Collective Investment Schemes) (Amendment) Order 2025

<i>Made</i>	8th January 2025
<i>Laid before Parliament</i>	9th January 2025
<i>Coming into force</i>	31st January 2025

The Treasury make the following Order in exercise of the powers conferred by section 235(5) of the Financial Services and Markets Act 2000⁽¹⁾.

Citation, commencement and extent

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Collective Investment Schemes) (Amendment) Order 2025.

(2) This Order comes into force on 31st January 2025.

(3) This Order extends to England and Wales, Scotland and Northern Ireland.

Crypto-asset Staking

Amendment of the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001

2. In the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001(2), after paragraph 21(3) of the Schedule (arrangements not amounting to a collective investment scheme), insert—

Qualifying cryptoasset staking

22.—(1) Arrangements for qualifying cryptoasset staking do not amount to a collective investment scheme.

(2) In this paragraph—

“blockchain validation” means the validation of transactions on—

- (a) a blockchain; or
- (b) a network that uses distributed ledger technology or other similar technology;

“qualifying cryptoasset” has the meaning given by paragraph 26F (qualifying cryptoasset) of Part 2 (controlled investments) of Schedule 1 to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005(4);

“qualifying cryptoasset staking” means the use of a qualifying cryptoasset in blockchain validation.”.

Anna Turley
Vicky Foxcroft

Two of the Lords Commissioners of His Majesty's Treasury

8th January 2025

EXPLANATORY NOTE

(This note is not part of the Order)

This Order inserts a new paragraph 22 into the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (S.I. 2001/1062) (“the CIS Order”). The Schedule to the CIS Order specifies the kinds of arrangements which do not amount to a collective investment scheme as defined in section 235 of the Financial Services and Markets Act 2000 (c. 8).

New paragraph 22 clarifies that arrangements for qualifying cryptoasset staking do not amount to a collective investment scheme. Staking is a consensus mechanism used by “proof of stake” blockchains. Blockchains are distributed ledgers on which various computers performing the function of “validator nodes” collaboratively enter and validate transactions to achieve consensus on the network's state. Qualifying cryptoasset is defined by reference to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (S.I. 2005/1529).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

-
- (1) 2000 c. 8.
 - (2) S.I. 2001/1062, to which there are amendments not relevant to this Order.
 - (3) Paragraph 21 was inserted by S.I. 2001/3650.
 - (4) S.I. 2005/1529. Paragraph 26F of Part 2 of Schedule 1 was inserted by S.I. 2023/612.