

# Global Blockchain Business Council

Monthly FinTech Updater

Norton Rose Fulbright LLP – 28 February 2023



## Global, EU, UK and US Regulatory Developments

EU	
<p><b>ESMA updates Q&amp;As on the implementation of Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on DLT</b></p>	<p>The European Securities and Markets Authority (<b>ESMA</b>) updated its <a href="#">Questions and Answers (Q&amp;As)</a> on the implementation of Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology (DLT).</p> <p>The Q&amp;As have been updated to include the following topics:</p> <ul style="list-style-type: none"> <li>• Reporting of natural persons.</li> <li>• Issuer for DLT financial instruments that are the digital representation of a previously issued financial instrument.</li> <li>• Issuer for DLT financial instruments that are directly issued using a DLT.</li> <li>• Instrument ID for transparency publication.</li> </ul> <p><b>Published 8 February 2023</b></p>
<p><b>EBA publishes speech by Jose Manuel Campa at the AFORE's 7th annual conference on FinTech and regulation</b></p>	<p>The European Banking Authority (<b>EBA</b>) published the <a href="#">keynote speech</a> by its chairperson, Jose Manuel Campa, at the AFORE's 7<sup>th</sup> annual conference on FinTech and regulation.</p> <p>In his speech, Mr Campa acknowledges the progress made by the EU, such as the Digital Operational Resilience Act (<b>DORA</b>) and the Markets in Crypto-assets Regulation (<b>MiCA</b>). Furthermore, the proposal for the Artificial Intelligence Act and work on digital identities, demonstrate the European Commission's (<b>Commission</b>) continued ambition and thought leadership on regulation in the digital age.</p> <p>However, as we enter the implementation phase for many of these initiatives, Mr Campa suggests that we should look beyond regulation itself and reflect on three additional and inter-related elements that are essential in order to foster responsible innovation:</p> <ul style="list-style-type: none"> <li>• <b>Culture:</b> With an increased roll out of technologies by financial institutions, there needs to be a commensurate 'skilling up' on technology, risks and risk mitigation techniques at the level of the management body to set the tone because, if the culture is right, then the foundation on which responsible innovation can thrive. Similarly, for supervisors, there needs to be a culture that, on the one hand, promotes an openness towards financial innovation and, on the other, equips supervisors to understand the risks and challenges effectively in the course of supervisory evaluation procedures.</li> <li>• <b>Conduct:</b> MiCA sets out extensive requirements for issuers of asset-referenced and e-money tokens and it is expected that those requirements will apply from mid-2024. Firms anticipating launching a token during the transition phase should seek to design their procedures, reserves and so on, as if MiCA were already in force. Not only will this prevent the firm from having to implement potentially costly changes at a later stage, but it will also give any users of those tokens confidence in the compliance mind-set of the issuer.</li> <li>• <b>Communication:</b> From the design to implementation stage, financial institutions should engage in an open dialogue with their supervisors to understand any</li> </ul>

	<p>supervisory expectations toward the deployment of an innovative technology. Supervisors should also take a proactive approach to enhancing knowledge about financial innovations and building skills to effectively supervise the use of innovative technologies in the financial sector.</p> <p>The consultation phase on the vast majority of technical standards and guidelines under MiCA is anticipated to begin in October 2023. For both DORA and MiCA, the EBA is also preparing responses to the Commission’s calls for advice on issues such as oversight and supervisory fees, and significance criteria for issuers, with industry workshops planned in late spring to inform the work.</p> <p>Furthermore, the EBA expects to publish a follow-up report on the November 2021 Discussion Paper on the use of Machine Learning for internal rating based (IRB) models, and will also keep monitoring the landscape of the use of the most advanced machine learning models for IRB.</p> <p><b>Published 8 February 2023</b></p>
<p><b>ESAs hold public hearing on DORA, announce upcoming consultations</b></p>	<p>The three European Supervisory Authorities (ESAs) held a joint public hearing on the implementation of DORA. As per a follow up <a href="#">press release</a>, the event – held online – gathered over 2,000 representatives from credit and payment institutions, investment firms, (re)insurance undertakings, ICT third-party service providers and other financial entities. The focus of the joint hearing was to provide an opportunity for industry participants to engage with regulators on the new legislation, share their initial views and raise any potential areas of concern regarding the policy mandates that the ESAs have to develop over the course of 2023 and 2024.</p> <p>In its opening <a href="#">presentation</a>, the Commission provided a high-level overview of DORA and the background to the legislation. In their joint <a href="#">presentation</a> that followed, the ESAs provided a complete overview of all DORA’s implementing technical standards (ITS) and regulatory technical standards (RTSs) that they are mandated to develop, and they provided an indicative timeline for the upcoming work, including a timeframe for the upcoming industry consultation. Accordingly, the ESAs’ planning depends on the length of time they have to submit drafts to the Commission and their deadlines for doing so:</p> <ul style="list-style-type: none"> <li>• Deadline 17 January 2024 (including RTSs for risk management framework, ICT policy, classification of major ICT incidents, ITS on the register of information): public consultation to take place between mid-June 2023 and September 2023.</li> <li>• Deadline 17 June 2024 (including RTSs on sub-contracting, reporting of major ICT incidents): public consultation to take place between November 2023 and February 2024.</li> </ul> <p>In addition, the ESAs plan to hold a targeted public consultation in May 2023 on the content of their technical advice to the Commission on the criteria for assessing criticality of ICT third-party service providers.</p> <p><b>Published 6 February 2023</b></p>

<p><b>ESRB report on advancing macroprudential tools for cyber resilience</b></p>	<p>The European Systemic Risk Board (<b>ESRB</b>) published a <a href="#">report</a> on advancing macroprudential tools for cyber resilience.</p> <p>The report has been published given the recent geopolitical backdrop of heightened cyber risk, and the need to boost cyber resilience.</p> <p>The report builds on previous work by the ESRB to prevent and mitigate risks to financial stability in the event of a cyber-incident.</p> <p>The report encourages authorities to make progress on three elements:</p> <ul style="list-style-type: none"> <li>• Cyber resilience scenario testing – The ESRB encourages authorities to pilot system-wide cyber resilience scenario testing as soon as possible. Such pilots can complement other analytical tools that the authorities might be using and deepen their understanding of the risks to system-wide cyber resilience.</li> <li>• Systemic impact tolerances objectives – Defining such objectives can help authorities to assess their own coordination and action capabilities.</li> <li>• Financial crisis management tools – The report finds that the effectiveness of existing financial crisis management tools in responding to a cyber-incident depends on the severity of the impact on the financial system and on how fast it spreads.</li> </ul> <p>The ESRB will continue to work on an EU-wide strategy to help mitigate systemic cyber risk.</p> <p><b>Published 14 February 2023</b></p>
<p><b>UK</b></p>	
<p><b>BoE publishes CBEST thematic findings</b></p>	<p>The Bank of England (<b>BoE</b>) published a <a href="#">letter</a> sharing the thematic findings from the latest annual cycle of CBEST assessments conducted by itself, the Prudential Regulation Authority (<b>PRA</b>) and the Financial Conduct Authority (<b>FCA</b>) (collectively, the <b>regulators</b>) on participating banks, insurers, asset and investment managers and financial market infrastructure. CBEST focuses on an organisation’s security controls and capabilities when faced with a simulated cyber-attack.</p> <p>The regulators analysed the outcomes of the CBEST assessments and identified trends and findings descriptive of the sector’s current cyber posture. These findings are being shared so that firms can take note of the weaknesses identified and thereby address any potential similar weaknesses they may have themselves. The regulators also hope to raise awareness in firms’ senior executive teams and to inform the work of firms’ risk and audit functions.</p> <p>The findings may also be used by the regulators to structure future supervisory interaction and understand the level of engagement firms have achieved with the senior executive team, risk and audit functions on the issues identified as in need of remediation.</p> <p>For firms that have participated in the latest CBEST cycle, the remediation plans that have been agreed with supervisors will remain the primary focus for addressing their cyber resilience issues, although the thematic CBEST findings may provide additional information that can be incorporated into those plans.</p> <p><b>Published 31 January 2023</b></p>
<p><b>UK sets out plans to regulate crypto-assets and protect consumers</b></p>	<p>HM Treasury issued its latest <a href="#">proposals</a> concerning the regulation of crypto-assets. These proposals build on HM Treasury’s previous work which focused on stablecoins and the financial promotion of crypto-assets.</p>

	<p>HM Treasury has issued a <a href="#">consultation</a> and call for evidence regarding the future financial services regulatory regime for crypto-assets.</p> <p>The key takeaway is that a number of the measures in the consultation have been trailed – expansion of financial promotions regime, measures to tackle market abuse etc. – but the proposed second phase of regulation marks a significant shift in the UK’s regulatory policy with respect to crypto-assets. For the first time, there is clarity that there will be a material extension of the Financial Services and Markets Act 2000 to address key activities across the crypto-asset ecosystem, which will cause many to have to seek authorisation with the FCA in order to carry on their business. There is also an expansion in the territorial effect of the regime to cover firms both operating in and providing services to customers in the UK, thereby capturing a range of overseas firms, with the expectation that a number of them (such as those operating exchanges) will subsidiarise in the UK.</p> <p>The deadline for responding to the consultation and calls for evidence is 30 April 2023.</p> <p>HM Treasury has also issued a <a href="#">policy statement</a> on its approach to the regulation of crypto-asset financial promotions. This follows a consultation in 2020 on plans to legislate to bring certain crypto-assets into the scope of financial promotion rules. The policy statement outlines plans to introduce a temporary, bespoke exemption from the financial promotion restriction in section 21 of the Financial Services and Markets Act 2000 (<b>FSMA</b>) for certain crypto-asset promotions.</p> <p>The Government plans to introduce the statutory instrument giving effect to the planned crypto-asset financial promotions regime, including the bespoke exemption, “as Parliamentary time allows”.</p> <p>For further discussion of the Government’s crypto-asset regulation proposals, listen to Norton Rose Fulbright’s <a href="#">podcast on this topic</a>.</p> <p><b>Published 1 February 2023</b></p>
<p><b>FCA urges crypto-asset firms marketing to UK consumers to prepare for financial promotions regime</b></p>	<p>The FCA published a <a href="#">statement</a> in which it urged firms marketing crypto-assets to UK consumers to start preparing now for the new financial promotions regime. The Government announced in January 2022 its intention to legislate to bring certain crypto-asset promotions within the FCA’s remit. The FCA plans to publish its final rules for crypto promotions once the relevant legislation has been made.</p> <p>In a subsequent policy statement on 1 February 2023, the Government announced its intention to introduce a bespoke exemption in the FSMA (Financial Promotion) Order 2005 for crypto-asset businesses registered with the FCA under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (<b>MLRs</b>). This exemption will enable crypto-asset businesses which are registered with the FCA under the MLRs, but which are not otherwise authorised persons, to communicate their own crypto-asset financial promotions to UK consumers. The FCA will have supervision and enforcement powers over MLR registered crypto-asset businesses relying on the planned bespoke exemption.</p> <p>In its statement, the FCA notes that it will take “robust action” where it sees firms promoting crypto-assets to UK consumers in breach of the requirements of the financial promotions regime. This may include, but is not limited to, take down of websites that are in breach, issuing public warnings and enforcement action.</p> <p>The FCA also explains that it expects to take a consistent approach to crypto-assets to that taken in its new rules for other high-risk investments, which have been in place since 1 February 2023.</p> <p><b>Published 6 February 2023</b></p>

**HM Treasury and BoE  
consult on proposals for  
a digital pound**

HM Treasury and the BoE published a joint consultation on the [digital pound: a new form of money for households and businesses?](#)

In this consultation HM Treasury and the BoE are consulting on a proposal for a retail UK central bank digital currency (**CBDC**). A UK CBDC – or ‘digital pound’ – would be a new form of digital money for use by households and businesses for their everyday payment needs. As part of the wider landscape of money and payments it would sit alongside, not replace, cash, as a digital counterpart to familiar, trusted bank notes and coins. Unlike crypto-assets and stablecoins, the digital pound would be issued by the BoE and not the private sector.

The BoE and HM Treasury judge that it is likely a digital pound will be needed in the future and that, whilst it is too early to commit to building the infrastructure, further preparatory work is justified. They note that the case for introducing the digital pound will depend to a significant degree on how the payments landscape evolves in the coming years.

The consultation seeks feedback on the policy and technical work undertaken so far, in order to inform a future decision on whether or not to progress to building and launching a digital pound, as well as on the current proposals for its form and functions.

The consultation does not cover a wholesale CBDC, which would be used to settle high-value payments between financial firms. The concept of a wholesale CBDC is discussed in a box in Part D of the consultation, alongside the BoE’s work with industry to enhance wholesale payments through Real-time Gross Settlement (**RTGS**) renewal and the RTGS future roadmap.

The consultation proposes the following:

- If introduced, the digital pound would replicate the role of cash in a digital world, so that it is risk-free, highly trusted and accessible.
- £10 of a digital pound would always be worth the same as £10 in cash.
- The digital pound would be accessed through digital wallets offered to consumers by the private sector through smartphones or smartcards.
- The BoE would provide the central public infrastructure in the form of a ‘core ledger’ – a fast, resilient and highly secure technology platform, which would provide the minimum necessary functionality for the digital pound. Regulated private firms could then access this infrastructure, design innovative services using the digital pound, and handle all user-facing interactions.
- A digital pound would be subject to rigorous standards of privacy and data protection. Like current digital payments and bank accounts, the digital pound would not be anonymous because the ability to identify and verify users is necessary to prevent financial crime.
- A limit on individuals’ holdings would apply at least in the introductory phase. This would strike a balance between both encouraging use and managing risks, such as the potential for large and rapid outflows from banking deposits into digital pounds. These limits could be amended in the future.

	<p>The deadline for comments to the consultation is 7 June 2023. Work will now move onto a 'design phase' which will look at the technology and policy requirements for a digital pound, to ensure that its development can be accelerated if a decision is taken to build it.</p> <p>Responses to the consultation will inform the next stage of work and constitute an important step towards making a final decision on whether to build a digital pound.</p> <p><b>Published 7 February 2023</b></p>
<p><b>The digital pound – speech by BoE's Jon Cunliffe</b></p>	<p>The BoE published a <a href="#">speech</a> by Sir Jon Cunliffe (Deputy Governor, Financial Stability), given at UK Finance, on the digital pound.</p> <p>The speech begins by setting out the headline conclusions from the recent report from the BoE – HM Treasury Taskforce on the introduction in the UK of a CBDC:</p> <ul style="list-style-type: none"> <li>• On current trends, it is likely that a retail, general purpose CBDC – a digital pound – will be needed in the UK.</li> <li>• We are not yet at a point where a firm decision can be made to implement a digital pound.</li> <li>• Given the likely need for the digital pound and the lead time to introduce it, the BoE and HM Treasury will now proceed to the next stage of detailed policy and technical development – including the development of a technical blueprint. This stage will take around two to three years following which a decision will be made whether or not to proceed to the next stage and implement a digital pound in the UK.</li> <li>• The digital pound would not be the same as a crypto-asset – it would be a safe, trusted form of money accepted for everyday transactions by households and firms.</li> </ul> <p>The speech goes on to state that:</p> <ul style="list-style-type: none"> <li>• The Taskforce's view that a digital pound is likely to be needed is grounded in the view that a further decline in cash use and further development in the digitisation of money and payments is likely. Also, these developments raise important questions to which the BoE and the Government should respond.</li> <li>• The BoE has made it clear that cash will remain available to any and all that want to use it and the Government is taking powers under the Financial Services and Markets Bill to give the BoE and the FCA new powers to ensure the future effectiveness, resilience and sustainability of the cash ecosystem.</li> </ul> <p>If designed appropriately, a digital pound could complement and support new forms of private digital money and payment services, for example by acting as the 'bridging asset' between different platforms enabling convertibility. By establishing technical standards available to all, it could help ensure interoperability between different platforms. The Taskforce's assessment is that a digital pound, as an alternative, publicly issued form of digital money, available to all, would help ensure competition and innovation and drive efficiency in payments.</p> <p><b>Published 7 February 2023</b></p>
<p><b>FCA publishes feedback statement on synthetic data call for input</b></p>	<p>The FCA published <a href="#">Feedback Statement 23/1 'Synthetic Data Call for Input Feedback Statement'</a> (FS23/1).</p> <p>In March 2022, the FCA published a Call for Input seeking feedback on the benefits and limitations of synthetic data in resolving the challenges of data sharing, the use cases where synthetic data can provide benefits for innovation and the role of the regulator in the provision of synthetic data.</p>

	<p>Synthetic data is a privacy preserving technique that could expand opportunities for data sharing by generating statistically realistic, but 'artificial' data, which is readily accessible. In particular, synthetic data is useful for augmenting rare patterns and 'edge cases' that are scarce in real datasets, to better train models to respond to infrequent events.</p> <p>The Call for Input was launched after the FCA's Digital Sandbox pilots and TechSprint programme showed that firms faced difficulties in accessing and sharing data in financial services, particularly new market entrants. To help resolve these, the FCA has been looking at the potential for synthetic data to widen the scope of data sharing in a way that complies with privacy requirements.</p> <p>FS23/1 sets out the responses the FCA received in relation to four key areas:</p> <ul style="list-style-type: none"> <li>• Data access and innovation: Respondents unanimously agreed that data is crucial for innovation, although there are challenges to accessing and sharing data in financial services.</li> <li>• Key themes for synthetic data: Although respondents indicated that data protection regulation places specific conditions on the data they can share and access, they also reiterated the importance of consumer privacy, and that data access should have privacy built in by design at every stage of the process.</li> <li>• Synthetic data use cases and the requirements to meet them: Feedback indicated fraud and anti-money laundering as a key use case for synthetic data, in part due to its ability to augment rare patterns of behaviour in a dataset.</li> <li>• The role of the regulator: Respondents indicated that the regulator could perform an intermediary role in the provision of synthetic data. Feedback also strongly indicated the need for guidelines, standards and/or governance frameworks to build trust in synthetic data and encourage wider adoption.</li> </ul> <p>In early 2023, the FCA will host a joint industry-academic roundtable in partnership with the Alan Turing Institute and the Information Commissioner's Office to understand the challenges of validating synthetic data. The FCA plans to publish a paper in the coming months outlining its key findings and next steps.</p> <p>The FCA is also setting up a Synthetic Data Expert Group, which will create a framework for collaboration across industry, regulators, academia and wider civil society on issues related to synthetic data. Applications to join the group will open later in February and will be advertised on the FCA website, with the first session expected to take place in the spring.</p> <p><b>Published 9 February 2023</b></p>
USA	
<p><b>SEC proposes revisions to Advisers Act relating to custody rules</b></p>	<p>The U.S. Securities and Exchange Commission (<b>SEC</b>) <a href="#">voted to propose</a> a series of reforms which would overhaul the sections of the Investment Advisers Act of 1940 which cover the rules relating to the custody of client assets by registered investment advisers.</p> <p>Designed to be an update which reflects sweeping changes in technology and industry practice, according to an SEC press release the proposed reforms will clarify various interpretive questions surrounding the existing custody regime, most notably by confirming that crypto-assets are indeed covered by the regime.</p>

	<p>The proposed reforms would also introduce significant new conditions on the types of entities that can qualify as foreign financial institutions (which include that the SEC must be able to enforce judgments, including civil penalties, against a foreign financial institution).</p> <p>Another noteworthy element of the proposed reforms is that they would require investment advisers to demand certain contractual terms and obtain certain reasonable assurances from qualified custodians in order to help ensure that client assets are safeguarded.</p> <p><b>Published 15 February 2023</b></p>
<p><b>Federal regulatory agencies issue joint statement on liquidity risks posed by taking deposits from crypto asset entities</b></p>	<p>The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively the <b>Agencies</b>) issued a <a href="#">joint statement</a> titled “Joint Statement on Liquidity Risks to Banking Organizations Resulting from Crypto-Asset Market Vulnerabilities”. In this statement, the Agencies warned that deposits from crypto-asset entities that are for the benefit of those entities’ customers and deposits that constitute stablecoin-related reserves may not be stable during periods of market volatility in the crypto sector and may pose liquidity risks to banking organisations.</p> <p>The statement also set out various recommended risk management practices including robust due diligence, liquidity stress testing, concentration assessment, and analysing the extent to which deposits from crypto-asset entities are susceptible to unpredictable volatility.</p> <p><b>Published 23 February 2023</b></p>
<p><b>Australia</b></p>	
<p><b>ASIC announces key enforcement priorities for 2023</b></p>	<p>In its most recent <a href="#">quarterly enforcement and regulatory update</a>, the Australian Securities and Investments Commission (<b>ASIC</b>) announced its key enforcement priorities for 2023. These consist of:</p> <ul style="list-style-type: none"> <li>• misconduct that is damaging to market integrity including insider trading, continuous disclosure failures and market manipulation;</li> <li>• misconduct impacting First Nations peoples;</li> <li>• misconduct involving a high risk of significant consumer harm, particularly conduct targeting financially vulnerable consumers;</li> <li>• systemic compliance failures by large financial institutions resulting in widespread consumer harm; and</li> <li>• new or emerging conduct risks within the financial system.</li> </ul> <p>These priorities reflect the substantial increase in the enforcement and regulatory actions taken by ASIC during the course of Q4 2022, with 173 criminal charges being laid against prosecuted individuals and AUD 76.3 million in civil penalties imposed.</p> <p><b>Published 20 February 2023</b></p>
<p><b>The Treasury publishes Token Mapping consultation paper</b></p>	<p>The Treasury’s Crypto Policy Unit published a <a href="#">consultation</a> as part of its “token mapping” process, designed to develop a regulatory framework for the crypto market in Australia. One of the main aims of the consultation from is to map out the existing regulatory framework against crypto products and services, their uses and ecosystems. By doing so, it hopes to inform future policy development and encourage innovation with appropriate regulatory oversight.</p> <p>The paper initially assesses the ecosystem against a ‘functional perimeter’ which is intended to map facilities through which a person can (a) make financial investments, (b) manage financial risks or (c) make non-cash payments. Whilst certain inclusions and exclusions are mentioned, the “token mapping” seems to concentrate on a finance-related</p>

	<p>function. However, other concepts like record-keeping tokens, DAOs and even in-game crypto token items are also covered. One important outcome from this consultation is understanding whether reforms will be limited to products and services involving a ‘functional perimeter’ or whether a broader market will be captured.</p> <p>Feedback on the consultation is due 3 March 2023. The Treasury will propose a framework for custody and licensing for public comment in mid-2023 after reviewing feedback from this consultation.</p> <p><b>Published 20 February 2023</b></p>
<b>Asia</b>	
<p><b>Hong Kong SFC launches consultation on proposed requirements for crypto-asset platforms trading non-security tokens</b></p>	<p>The Hong Kong Securities and Futures Commission (<b>SFC</b>) launched a <a href="#">consultation paper</a> on the proposed regulatory requirements for crypto-asset platforms. This consultation follows on from the Anti-Money Laundering and Counter-Terrorist Financing Amendment Bill 2022 which was passed through the Hong Kong legislature in December 2022. In addition to expanding on anti-money laundering points, the proposed changes would also introduce additional licensing and conduct requirements including onboarding requirements, suitability assessments, safeguards on crypto-asset custody, and assessment of fitness and propriety.</p> <p>The deadline for responding to the consultation is 31 March 2023</p> <p><b>Published 20 February 2023</b></p>
<b>Canada</b>	
<p><b>RPAA Regulations published</b></p>	<p>The Canadian Department of Finance published the proposed <a href="#">Retail Payment Activities Act Regulations (the Regulations)</a>. The Regulations supplement the Retail Payment Activities Act (the <b>RPAA</b>) in setting out the new regulatory regime in relation to retail payments. The Regulations and the RPAA impose various requirements on payment service providers relating to registration, risk management and incident response, the safeguarding of funds, and regulatory reporting. The regime also involves a new enforcement framework under which various new offences and corresponding sanctions have been created.</p> <p>The new regime will be implemented and governed by the Bank of Canada.</p> <p><b>Published 10 February 2023</b></p>
<p><b>CSA announces additional consumer protection requirements for crypto-asset platforms</b></p>	<p>The Canadian Securities Administrators (<b>CSA</b>) published a <a href="#">notice</a> in which it described new enhanced consumer protection measures which crypto-asset platforms operating in Canada are expected to implement. Citing the “tremendous risks” exemplified in the recent turmoil in the crypto asset market, the CSA announced that unregistered crypto-asset platforms must provide an enhanced pre-registration undertaking to their principal regulator within 30 days of publication of the CSA’s notice.</p> <p>The undertaking is to include enhanced custody and segregation measures, a prohibition on offering margin, credit, or other forms of leverage to Canadian clients, and a prohibition on permitting clients to purchase or deposit value-referenced crypto assets stablecoins and proprietary tokens without obtaining written approval from the CSA.</p> <p>The CSA will off-board the Canadian clients of any unregistered crypto-asset platforms which do not provide the enhanced pre-registration undertaking and will restrict Canadians from being able to access those platforms’ products and services.</p> <p><b>Published 22 February 2023</b></p>

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