



Financial Promotions & Advisory Framework

Version 1.1 | Effective 15 January 2026

Introduction

This framework provides Institute standards for financial promotions and client advisory communications involving cryptoassets. It addresses the FCA October 2023 promotional ban (PS22/10), Section 21 FSMA approval requirements, and best practice for compliant client communications.

Authority: This framework is the authoritative reference for TCCA examination content on Domain 4.4 (UK Regulatory Obligations). All examination marking criteria and model answers are derived from this framework.

1. Promotion vs Advice: The Critical Distinction

Understanding when communication constitutes a 'financial promotion' versus personalised advice is fundamental to regulatory compliance.

INSTITUTE POSITION: Promotion vs Advice

The Institute's position is that one-to-one personalised advice based on a client's specific circumstances is NOT a financial promotion. It is regulated advice under COBS 9 (suitability). Generic communications inviting or inducing investment ARE financial promotions regardless of delivery channel.

Common Misapplication (Exam Risk): Candidates incorrectly state 'any communication about crypto requires Section 21 approval'. This conflates promotions with advice and will lose marks.

Table 1: Promotion vs Advice Decision Grid

Communication Type	Classification	Section 21 Approval Required?
Website/social media post: 'Invest in Bitcoin today!'	PROMOTION	YES
Email to mailing list: 'Crypto portfolio allocation guide'	PROMOTION	YES
Webinar to public: 'Bitcoin investment strategies'	PROMOTION	YES
One-to-one meeting: Recommendation based on client's risk profile	ADVICE (not promotion)	NO - suitability rules (COBS 9) apply instead
Phone call to existing client: 'Given your goals, consider 3% Bitcoin allocation'	ADVICE (not promotion)	NO - must document suitability
Email to client: 'You asked about Ethereum - here's my analysis for your situation'	ADVICE (not promotion)	NO
WhatsApp to prospective client: 'Bitcoin is a great investment!'	PROMOTION (even if one-to-one)	YES - generic invitation to invest
Blog post (public): 'Why we recommend crypto diversification'	PROMOTION	YES

Key Test: Is the communication (1) personalised to the recipient's specific circumstances, or (2) generic/capable of being sent to multiple persons? If (2), it's likely a promotion requiring Section 21 approval.

2. Section 21 FSMA Approval Requirements

Section 21 FSMA prohibits unauthorised persons from communicating financial promotions. Cryptoasset promotions must be approved by an FCA-authorised firm.

INSTITUTE POSITION: Section 21 Approval Gateway

The Institute's position is that ALL cryptoasset financial promotions require Section 21 approval unless covered by a specific exemption. There is no 'small promotion' exception. A single social media post inviting crypto investment requires approval.

Minimum Acceptable Standard:

- Obtain approval from FCA-authorised firm before publishing
- Retain approval documentation for 5 years
- Approver must have relevant cryptoasset expertise
- Approval must be substantive, not rubber-stamp

When Approval Becomes Unsuitable: Approving firms that accept all submissions without material review risk FCA enforcement. Approval must include substantive assessment of balance, clarity, and risk warnings.

Table 2: Common Section 21 Exemptions

Exemption	Applicability
Authorised person exemption	FCA-authorised firms can issue own promotions (subject to COBS compliance)
High net worth individuals	Self-certified (income >£100k or net assets >£250k)
Sophisticated investors	Self-certified based on professional experience
Certified sophisticated investors	Certified by authorised firm based on knowledge/experience
One-to-one personalised advice	NOT a promotion - suitability rules apply instead

Critical Note: Self-certification exemptions require signed statements. Verbal claims of sophistication do not suffice. Retain certifications for 5 years.

3. Risk Warning Placement Rules

INSTITUTE POSITION: Risk Warning Standards

The Institute's position is that risk warnings must be clear, prominent, and unambiguous. Burying warnings in footnotes, using small fonts, or separating warnings from promotional content is non-compliant.

Mandatory Risk Warning (FCA Requirement):

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong.

Specific Placement Requirements:

- Warning must appear BEFORE or ALONGSIDE promotional content (not after)
- Font size must be AT LEAST as large as main promotional text
- Contrasting colour or background for visibility
- Cannot be hidden behind 'click to view' or collapsed sections
- Social media: warning in first screen/fold, not buried in comments

Common Misapplication (Exam Risk): Candidates place warnings at bottom of page in 8pt font or separate 'risk page'. This is non-compliant. Warning must be immediate and prominent.

4. Prohibited Practices

The following practices are prohibited regardless of risk warning presence:

Prohibited Practice	Why Prohibited
Guaranteed returns or capital protection	Factually incorrect - crypto has no guarantees
'Get rich quick' or urgency tactics ('invest now or miss out')	Induces impulsive decisions without due consideration
Celebrity endorsements without disclosure	Exploits trust without informed basis
Comparison to traditional assets without context	Misleading if crypto's higher risk not explained
Past performance projections ('Bitcoin rose 300% in 2023')	Misleading - past performance $\neq$ future results
'Low risk' or 'safe investment' claims	Factually false - crypto is high risk by definition
Targeting vulnerable persons (e.g., debt-ridden seeking 'solutions')	Exploitative and likely unsuitable

Fundamental Principle: Promotions must be balanced, clear, and not misleading. When in doubt, err towards caution. Aggressive promotions attract FCA enforcement.

5. Best Practice for Compliant Communications

Positive Practices:

- Lead with risk warnings, not promotional content
- Provide balanced information (risks and potential benefits)
- Explain why crypto is high-risk (volatility, total loss possibility, regulatory uncertainty)
- Clarify crypto is speculative and unsuitable for most retail investors
- Direct to detailed risk disclosures (not just brief warnings)
- Avoid sensational language or hype
- Include contact for questions/concerns

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This framework is the authoritative reference for TCCA examination Domain 4.4