

Date: Monday 5th June

UK Parliament publishes report into Crypto industry.

A cross party group of MPs and Lords in the UK Parliament has published a report on the need for regulation of cryptocurrency and digital assets.

Summary:

- *Cryptocurrency is here to stay and needs regulation to protect consumers, say MPs and Lords*
- *The growth of the cryptocurrency and digital asset sector, without comprehensive regulation, presents considerable risks.*
- *The UK has a finite window of 12-18 months to ensure early leadership on cryptocurrency regulation*

The All Party Parliamentary Group (APPG) for Crypto and Digital Assets Group, a cross party group of MPs and Lords in the UK Parliament chaired by Dr Lisa Cameron MP, has today published a comprehensive report on the need for urgent regulation of the cryptocurrency and digital asset industry in the UK following its official inquiry into the sector.

The 52 page report - 'Realising Government's Vision for the UK To Become a Global Hub for Cryptocurrency & Fintech Innovation' - is the first report of its kind compiled jointly involving Members of Parliament and the House of Lords on the cryptocurrency and digital assets industry.

The report makes a total of 53 recommendations to Government on a number of key areas including the UK's approach to regulation of cryptocurrency; the role and current approach of UK regulators including the Bank of England, the FCA and the ASA; the potential offered by Central Bank Digital Currencies - 'a Digital Pound'; and risks faced in terms of Consumer Protection and Economic Crime.

The APPG, which was formed in response to growing interest and scrutiny of the sector in Parliament and exists to help policymakers better understand the ever evolving world of cryptocurrency and digital assets and explore the urgent need for UK regulation, launched its Inquiry in August of 2022 following the UK Government's announcement of its landmark vision to make the UK the global hub for cryptocurrency investment.

As part of its inquiry the APPG sought views from across the sector including from operators, regulators, industry experts and the general public on the need for regulation of the sector. The group also held a series of public evidence sessions in Parliament to hear from experts on the considerations that need to be made in order for the Government to achieve its vision for the sector.

Of the 53 recommendations for Government made in the report, the main findings include:

- The rapid growth of cryptocurrency and digital assets in recent years and the increased interest and adoption amongst consumers and investors, suggests that cryptocurrency is here to stay and needs to be regulated to protect consumers;
- The cryptocurrency and digital assets industry presents a number of potential opportunities and the UK is well placed to harness these opportunities but it will require cross governmental strategic planning to realise them.
- The growth of the cryptocurrency and digital asset sector, without comprehensive regulation, also presents considerable risks particularly in terms of consumer protection, economic crime, and financial stability.
- Cryptocurrency and digital assets are best regulated within existing and new financial services regulations, which has a track record in mitigating risks to consumers and investors.
- Other countries around the world are moving quickly to develop clear regulatory frameworks for cryptocurrency and digital assets. The UK must move within a finite window of opportunity within the next 12-18 months to ensure early leadership within this sector.
- Significant concerns remain regarding whether regulators currently have the resources, capacity and technical expertise required to deliver on their responsibilities. All UK regulators related to the sector should have dedicated and properly resourced cryptocurrency and digital assets units.
- Government requires a coordinated approach across all Departments towards regulation of cryptocurrency, digital assets and blockchain technologies. Government should consider the appointment of a 'Crypto Tsar' who can help coordinate across departments to ensure a consistent approach.

Announcing the launch of the report, Chair of the Crypto and Digital Assets APPG (APPG), Dr Lisa Cameron MP, said:

"As chair of the Crypto and Digital Assets All Party Parliamentary Group in Parliament, I am delighted to present the group's inaugural report considering the potential opportunities and challenges of realising the Government's vision for the UK to become a global hub for Cryptocurrency and Digital Assets.

Following the Government's announcement of its vision for the UK to become a global hub for cryptocurrency, the APPG launched our Inquiry to help identify the issues that policymakers will need to consider moving forward.

I am grateful to everyone who has contributed to our initial APPG Inquiry: to industry, the world of regulation and the banking sector; they have shared their views and expertise which has helped to inform this report and have informed our recommendations to Government.

Given the rapid growth of cryptocurrency and digital assets, the timing of this report is vital to protect consumers whilst ensuring the UK's leadership in this sector can be realised."

ENDS

Media Contacts:

For media enquiries and interview requests please contact the APPG secretariat at appg@cryptouk.io or Chair of the APPG Lisa Cameron MP at lisa.cameron.mp@parliament.uk

Notes to Editors:

- The Crypto and Digital Assets All Party Parliamentary Group (APPG) was launched on 15th November 2021.
- Details of the group are published in the [official APPG register](#) and on the [APPG webpage](#).
- The elected officers of the APPG are:

Officers		
Role	Name	Party
Chair & Registered Contact	Dr Lisa Cameron	Scottish National Party
Vice Chair	Lord Taylor of Warwick	Non-affiliated
Vice Chair	Alexander Stafford	Conservative
Vice Chair	Antony Higginbotham	Conservative
Treasurer	Lord McNicol of West Kilbride	Labour
Officer	Philip Davies	Conservative
Officer	Simon Fell	Conservative
Officer	Lord Cromwell	Crossbench
Officer	Lord Vaizey of Didcot	Conservative
Officer	Alun Cairns	Conservative
Officer	Baroness Verma	Conservative
Officer	Lord Haskel	Labour
Officer	Baroness Neville-Jones	Conservative
Officer	Sir Bill Wiggin	Conservative
Vice Chair	Mr Marcus Fysh	Conservative

About Lisa Cameron MP, Chair of the Crypto and Digital Assets APPG:

- Dr Lisa Cameron is the Scottish National Party MP for East Kilbride, Strathaven and Lesmahagow.
- Lisa is Chair of the Crypto and Digital Assets All Party Parliamentary Group (APPG) in Westminster.

Secretariat:

- CryptoUK, an independent trade body which represents the UK Crypto and Digital Assets sector, provides the secretariat for the APPG. CryptoUK aims to work constructively with Parliamentarians, Government, Regulators and the wider sector to advance the UK's approach to regulation of the crypto and digital assets sector.