

Mr Varun Chandra
Prime Minister's Special Adviser on Business & Investment
10 Downing Street
London, SW1A 2AA

1st April 2025

Dear Varun,

On behalf of the UK Cryptoasset Business Council, Global Digital Finance, The Payments Association, Digital Currencies Governance Group, Crypto Council for Innovation and techUK we are writing to highlight the value proposition of the digital asset and wider blockchain ecosystems to the UK economy and urge for greater strategic focus and alignment to deliver investment, growth and jobs.

For background, we are a coalition of leading UK and global trade bodies representing the full spectrum of the digital economy - from pioneering start-ups to multi-billion-pound enterprises. Collectively, our members drive trillions in market value, contribute billions to the UK economy, and create thousands of highly skilled jobs nationwide. As champions of responsible and secure innovation, we are shaping a future-proof, globally competitive UK economy, one that fosters growth, creates opportunities, and strengthens consumer protections in an evolving digital landscape.

Recent geopolitical events, namely the election of Donald Trump, have precipitated a global digital race to capture the economic and societal benefits of this new wave of technology. Many jurisdictions, such as Singapore, UAE and Hong Kong, have implemented Government-led strategies to attract and onshore such businesses. It is vital that the UK is cognisant of these developments and remains flexible and proactive in its approach. In this regard, the UK's positive commitment to a US-UK economic trade deal focused on technological cooperation presents a significant opportunity to mirror the United States' ambition in fostering leadership in blockchain, digital assets, and other emerging financial technologies.

In response, we, the undersigned, have put forward clear and practical recommendations that this Government should implement that would help deliver on strategic Government priorities whilst signalling confidence in the UK's digital economy. We would welcome the opportunity to meet and discuss these proposals further.

We fully support the Labour Party's commitment to establishing a "*pro-innovation regulatory framework*" and look forward to the realisation of this ambition. We are equally encouraged by Labour's commitment to tackling the UK's longstanding investment shortfall. The Labour Party's manifesto affirmed that Labour will "*use every available lever*" to drive the investment needed to unlock economic growth.

The future of digital assets is bright, with [analysis](#) projecting that blockchain technology could boost the UK economy by £57 billion over the next decade, with the public sector set to receive the biggest boost. Only the US and China are projected to see greater gains. This surge is fuelled by increased institutional adoption, driven by a growing awareness of its transformative potential and rapidly expanding range of applications. A recent PwC report, ['Time for Trust: The Trillion-Dollar Reason to Rethink Blockchain'](#), estimates that blockchain could boost global GDP by £1.39 trillion by 2030 through enhanced tracking, tracing, and trust. The report further identifies this year as the tipping point when blockchain technologies will reach large-scale adoption across the global economy.

The UK's legal framework and judiciary are another vital factor. Recently, the Law Commission's findings on Digital Assets shows this jurisdiction's willingness to utilise our legal system by creating a third category of property. This, in turn, shores up the status of securities tokens, cryptocurrencies, reconstruction of collateral agreements, carbon credits, etc, which can unlock incredible investment opportunities. If our legal industry can bend to future proof our economy, now is the time to utilise both the technology and our common law system for the good of the country at large.

As digital innovation continues to reshape traditional industries, digital assets and blockchain technologies must be recognised as a strategic priority in government communication and policy. Consequently, we suggest:

1. To ensure the UK remains a hub for innovation and attracts firms to build and scale here, the UK should follow the lead of the US and appoint a 'blockchain' special envoy. This role would drive policy alignment, foster innovation, and send a strong signal to global markets that the UK is committed to remaining globally competitive. Blockchain's transformative potential spans multiple sectors - finance, supply chains, healthcare, and beyond - yet no single government department has clear ownership of its advancement. A dedicated special envoy would bridge this gap, coordinating efforts across departments to ensure a cohesive approach that balances regulation with growth. Beyond domestic policy, this role would act as a global ambassador, positioning the UK as the premier investment destination. By leading international collaboration, attracting investment, and creating a structured feedback loop between government and industry, the special envoy would ensure that regulation and innovation evolve hand in hand.
2. Just as the Government has taken proactive steps with AI technology across multiple sectors, we urge similar action for digital assets and blockchain technology. A dedicated 'Government Action Plan' should be developed to identify key opportunities and challenges, with a strong focus on attracting investment. This could include initiatives, such as a 'white-glove' concierge service to attract high-potential firms, explore public sector integration, ecosystem development, international branding and positioning opportunities and competitive tax and investment opportunities.
3. Emerging technologies do not exist in isolation. HM Government must acknowledge the synergy among blockchain, quantum computing, and AI. These disciplines offer distinct capabilities that, when integrated, will profoundly influence the future landscape of technology, finance and defence. This convergence holds the key to tackling societal challenges, while ushering in unprecedented levels of innovation and productivity. Blockchain and AI work best in tandem - AI enhances blockchain's efficiency, while blockchain ensures transparency and trust in AI decision making, from smart contracts that self-execute based on AI predictions to decentralised AI models that operate without a single point of failure. To fully unlock this potential, the UK must recognise these synergies and foster close collaboration between its blockchain and AI leadership. By doing so, the UK can cement its position as a leader in the next wave of technological transformation. By leveraging these technologies in unison, the UK will bolster the blockchain thesis by fortifying security, scalability, and functionality, thereby catalysing broad-based adoption and support. For example, the Land Registry and Companies House could benefit from holding key documents on chain to ease the process of property and share transfers.
4. Effective policymaking depends on well-informed decision-makers. Digital assets and blockchain technology are evolving at breakneck speeds, yet gaps remain in the Government's understanding and coordination across departments. To address this, we propose the creation of a high-level industry-government-regulator engagement forum. This formal mechanism would ensure cross-

sector collaboration and help shape a forward-thinking blockchain policy that keeps the UK at the forefront of innovation.

The UK is uniquely positioned to develop forward-thinking policies and regulations that enable value creation and fair distribution. Looking at digital asset fundamentals, according to research from Chainalysis, [between July 2023 and June 2024](#), the UK received £172bn in on-chain transactions, underscoring its position as the largest digital asset economy in Central, Northern, and Western Europe. Moreover, [FCA research](#) found that 12% of UK adults, equating to seven million individuals, own digital assets, up from 10% the previous year. Yet, from an investment standpoint, only 8% of global VC funding into related firms went to the UK.

More broadly, British culture, rooted in individualism, creativity, and independence, aligns well with the innovative principles driving emerging technologies, like Web3. As a major global economy, the UK is large enough to have meaningful influence yet agile enough to implement well-calibrated regulations more swiftly than the EU. With deep pools of talent, access to capital, world-class academic institutions, and sophisticated regulators, the UK provides an environment where digital assets and blockchain innovation can thrive. While some jurisdictions have struggled to provide regulatory clarity, leading to uncertainty and an exodus of innovators, the UK is making tangible progress in crafting a clear and proportionate regulatory framework. This approach is already attracting investment and talent, strengthening the UK's position as a global hub for the next generation of internet technologies. It is vital that we ensure this continues, or we risk jurisdictions like the US, Singapore and Hong Kong stealing a march.

We, the undersigned, look forward to hearing from you on this matter and hope you can meet with us to explain the opportunities and challenges and what steps the UK can take to attract growth, jobs and investment.

Yours sincerely,



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