Country: United Kingdom

 Committee: ECOFIN (Economic And Financial)

 Agenda Item: Regulating the crypto eco-system

The United Kingdom recognizes the importance of the crypto ecosystem in enabling innovative technologies and providing new opportunities for economic growth. However, as with any emerging technology, there are also risks and challenges that need to be addressed in order to ensure that the benefits can be fully realized.

Therefore, the United Kingdom believes that it is necessary to regulate the crypto ecosystem in a way that balances innovation with consumer protection, market integrity, and financial stability.

To achieve this, the United Kingdom supports the following measures such as; Establishing clear legal definitions and classifications for different types of crypto assets, based on their underlying characteristics and functions. This will help to provide clarity for market participants and ensure that the appropriate regulatory framework is applied. Introducing licensing and registration requirements for crypto exchanges, custodians, and other service providers to ensure that they are subject to appropriate levels of oversight and supervision. Implementing anti-money laundering (AML) and counter-terrorist financing (CTF) measures for crypto assets, including Know Your Customer (KYC) and transaction monitoring requirements. This will help to prevent the misuse of crypto assets for illicit purposes.

Strengthening the powers of regulatory authorities, such as the Financial Conduct Authority (FCA), to take enforcement action against market abuse and other misconduct in the crypto ecosystem.

Encouraging international cooperation and coordination to ensure a consistent approach to regulating the crypto ecosystem across different jurisdictions.

The United Kingdom believes that these measures will help to create a more transparent, trustworthy, and resilient crypto ecosystem that can support innovation and economic growth while minimizing risks to consumers, investors, and financial stability.

To conclude, the United Kingdom is committed to working with its international partners to develop a regulatory framework that supports the growth of the crypto ecosystem while protecting consumers and promoting market integrity.