

25 July 2024

SENT VIA EMAIL ONLY

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chancellor,

Re: Bitcoin Strategies for Nation States

Congratulations on your appointment - we wish you every success in your new role.

We write further to our correspondence with Andrew Griffith MP ([28 September 2023](#)) and Bim Afolami MP ([3 January 2024](#)), each in their former capacity as City Minister, and in relation to the restrictions being imposed on customers of Chase Bank and on retail investors in terms of access to certain exchange traded products.

We remain concerned that while HM Government is currently well-positioned to capitalise on the significant holdings of Bitcoin that it retains on behalf of the nation, this asset and the ecosystem of businesses relating to it remain only partially understood by decision-makers. Furthermore, we note that the previous Government's policies in relation to Bitcoin, far from creating the 'crypto hub' that was the intention, in fact resulted in the industry being driven off-shore, and in additional [restrictions and burdens](#) being placed on UK citizens who hold and use Bitcoin, together with a consequential loss of jobs, tax revenue and international reputation.

The UK is currently the third largest nation state holder of Bitcoin in the world. Its 61,000 Bitcoin have a current market value in excess of three billion pounds.¹ HMRC research shows that millions of UK citizens currently hold Bitcoin². The contention of our organisation is that not having a Bitcoin policy today is the equivalent of not having an internet policy in 1994.

Unlike the UK, other nations are beginning to realise this³. Republican Presidential Candidate Donald Trump will speak this month at the largest Bitcoin conference in the world⁴. He will be joined by the Independent Presidential Candidate Robert F Kennedy Jr, and the former

¹ <https://platform.arkhamintelligence.com/explorer/entity/uk>

² <https://www.gov.uk/government/publications/individuals-holding-cryptoassets-uptake-and-understanding>

³ <https://bitcoin-im-bundestag.de/bitcoin-strategies-for-nation-states/>

⁴ <https://www.reuters.com/technology/donald-trump-address-bitcoin-2024-conference-july-27-2024-07-11/>

Presidential Candidate, Vivek Ramaswamy⁵. State legislatures in the United States are passing legislation to protect the right to self custody and the right to mine Bitcoin⁶. Nation states, among them Bhutan, the UAE and El Salvador, are beginning to mine Bitcoin at a state level⁷. Yet the United Kingdom is nowhere in this conversation.

Today, we publish a strategy manifesto, setting out matters of crucial importance for the UK and for its citizens in relation to Bitcoin.

A link to this paper is here: [Bitcoin Strategies for Nation States.pdf](#)

We argue that the UK and HM Government currently have a genuine first mover advantage, holding as they do a very significant amount of Bitcoin and being ideally placed to capitalise on this holding both financially, with our deep and world-renowned expertise in financial matters, and also in terms of the new Government's energy and infrastructure plans - quite apart from the benefits to financial inclusion and general financial education that may result from increased governmental support for the Bitcoin ecosystem.

From the perspective of infrastructure and our net zero goals, Bitcoin mining is an ideal partner for sustainable grids, and nation states that exploit this will be well placed to become and to remain leaders in this space.

Bitcoin Policy UK is a not-for-profit, non-partisan and independent organisation, including among our members lawyers, accountants, engineers and those with backgrounds in AI, financial services and education. We would be only too pleased to assist HM Government in any research, consultation or investigation into the Bitcoin industry and into Bitcoin itself. We look forward to working with you over the coming years to ensure that the UK is able fully to capitalise on its advantageous position in this industry.

Yours sincerely,

Freddie New

Co-Founder and Head of Policy
Bitcoin Policy UK

Cc. Rt Hon Tulip Siddiq, City Minister

⁵ <https://bitcoin2024.b.tc/2024/speakers>

⁶ <https://www.satoshiaction.io/work>

⁷ <https://d-central.tech/the-seismic-shift-why-nation-states-are-turning-to-bitcoin-mining/>