

Rt. Hon. Emma Reynolds MP
Economic Secretary to the Treasury and City Minister
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

13 March 2025

Dear Minister,

Thank you for your letter of 18 February 2025 in response to our queries on proposals to establish a Strategic Bitcoin Reserve for the United Kingdom. We appreciate and acknowledge the details you set out therein. We will however address certain specific points set out in your letter, as it may be useful for you to be in receipt of this information as the Minister responsible for this policy area.

Firstly, while we concede that the price of Bitcoin has historically been volatile, it is important to note that this volatility has been declining over time¹ and is now merely comparable to that of other mega-cap tech stocks².

Secondly, the United Kingdom is at present strategically disadvantaged from a policy perspective as regards its position on Bitcoin, despite controlling a significant amount of the asset. The central bank of the Czech Republic, for example, has recently announced a study into the diversification of its reserves, which might include an investment into Bitcoin³. Sovereign wealth funds are now known to be accumulating exposure to Bitcoin,⁴ and many listed companies now hold it on their balance sheets⁵ as a treasury reserve asset. If, as you say, this Government is committed to creating a vibrant, competitive and innovative financial services sector, there is ample opportunity for the UK to revise its current policy stance and to exploit comparable domestic opportunities.

Perhaps most importantly, the policy position you articulated puts the UK sharply at odds with the United States. On 6 March 2025, POTUS signed an executive order (the “**Order**”) that created a Strategic Bitcoin Reserve in the US and will treat Bitcoin as a reserve asset. The Order correctly noted that *‘the Bitcoin protocol permanently caps the total supply of bitcoin (BTC) at 21 million coins, and has never been hacked. As a result of its scarcity and security, Bitcoin is often referred to as “digital gold”.’*

Furthermore, the Order states (our bold italics), that because *‘there is a fixed supply of BTC, there is a strategic advantage to being among the first nations to create a strategic*

¹ [A Closer Look at Bitcoin's Volatility](#)

² [Bitcoin's Volatility Comparable to Mega-Cap Tech Companies](#)

³ [Czech central bank to consider holding bitcoin as reserve asset | Reuters](#)

⁴ [Mubadala puts \\$437 million to work in bitcoin ETF | Pensions & Investments](#)

⁵ [Bitcoin Treasuries](#)

***bitcoin reserve.** The United States Government currently holds a significant amount of BTC, but has not implemented a policy to maximize BTC's strategic position as a unique store of value in the global financial system. Just as it is in our country's interest to thoughtfully manage national ownership and control of any other resource, our Nation must harness, not limit, the power of digital assets for our prosperity.'*

The United Kingdom currently finds itself in a similar position to the United States. We too currently control a significant amount of Bitcoin - albeit the subject of ongoing legal proceedings. We too have hitherto failed to implement policies to maximise Bitcoin's strategic importance as a unique store of value in the global financial system.

Bitcoin Policy UK agrees that we too should harness, not limit, the power of Bitcoin for our prosperity. To this end, it is absolutely imperative that His Majesty's Treasury and its Ministers take the time properly to understand the nature of this asset. It is precisely such a lack of understanding, coupled with added resistance to learning about Bitcoin, that has placed individuals, corporate entities and now nation states at a disadvantage in comparison to those who chose to study the asset early. The United Kingdom cannot afford to fall behind in this area, especially at such a pivotal moment for the global economy; and certainly not via a failure to learn how significant a technology Bitcoin really is.

We are aware that the prevailing attitude towards Bitcoin among Ministers remains one of amusement. **Nevertheless, HMG controls or will soon control Bitcoin worth circa four billion pounds.** This is roughly equivalent to the entire annual budget of the Metropolitan Police who are currently thought to hold this Bitcoin, or **enough to pay the whole of the Winter Fuel Payment for two full years.** In short, it is a sum that must be taken seriously.

We therefore urge HMT to ensure that preparatory work is undertaken well in advance of the conclusion of these relevant legal proceedings and the release of the Bitcoin into HMG custody. We offer our services and expertise to assist in any way we can in educational, technical or training work as part of this process, or in the establishment of a working group, so as to ensure that the United Kingdom is in the best possible position to capitalise upon and to maximise the benefits that may flow from being among those first nations to create a Strategic Bitcoin Reserve along with our allies the United States.

We shall in the meantime continue to share relevant sector information with you and your department in advance of any such action by HMT.

Yours faithfully,

Freddie New
Co-Founder and Chief Policy Officer
Bitcoin Policy UK