



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mr Freddie New
Co-Founder and Head of Policy
Bitcoin Policy UK
71-75 Shelton Street
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1 October 2024

Dear Freddie,

Thank you for your letter of 12 September, regarding the Financial Conduct Authority's (FCA) continued prohibition on retail access to exchange traded products that reference Bitcoin.

This decision is a matter for the FCA as the relevant independent regulator. As set out on its website:

<https://www.fca.org.uk/news/statements/fca-updates-position-cryptoasset-exchange-traded-notes-professional-investors>, the FCA continues to believe cryptoasset exchange traded notes and cryptoasset derivatives are ill-suited for retail consumers due to the potential harm they pose.

I understand that investing in cryptoassets like Bitcoin is very popular in the UK, and that in other jurisdictions, notably the US, this can now also be done via a number of spot Bitcoin exchange traded funds which are a regulated product. However, as you know, investing in cryptoassets carries risks for consumers, and I support the FCA's efforts to ensure there are appropriate consumer protections for investors purchasing cryptoassets.

More broadly, the Government is committed to creating the right conditions for supporting innovation and growth in the financial services sector and I recognise the issues you have raised are important for investors and industry. That is why work is being undertaken to consider more comprehensive financial services regulation for cryptoassets, and the Treasury remains closely engaged with the regulators on this matter.

Thank you for sharing your views on this issue. I look forward to providing further information about the Government's approach to the cryptoasset sector in due course and in the meantime I have shared your letter with the relevant policy team.

Yours sincerely,

TULIP SIDDIQ MP
ECONOMIC SECRETARY TO THE TREASURY