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## UK Firms Urge Stablecoin Strategy and Legal Clarity

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A coalition of more than 30 cryptocurrency companies, including Coinbase, Kraken, and VanEck, has urged Finance Minister Rachel Reeves to draft and adopt a national stablecoin strategy. In an open letter, the firms stressed that the UK must act quickly to avoid becoming a “rule-taker” in digital finance rather than a “rule-maker.”

The letter is critical of the UK’s current characterisation of stablecoins as “crypto-assets with reference to fiat currency,” arguing that this definition focuses on form rather than functionality. As analogised by the signatories, it is akin to defining a cheque as “paper referencing currency,” even though both are established negotiable instruments backed by regulated entities.

Meanwhile, the UK Parliament is advancing the **Property (Digital Assets etc) Bill**, which would formally recognise digital assets, including cryptocurrencies and stablecoins, as a new category of personal property under English law. The bill completed its second reading in the House of Commons on **16 July 2025** and now proceeds to further scrutiny in a Committee of the whole House.

Proponents say the legislation provides much-needed legal clarity, facilitating secure ownership, easier transfer, and better dispute resolution for digital assets. It also supports the UK’s ambition to reinforce its status as a global leader in digital finance.

But the UK faces headwinds in the stablecoin arena. The market for pound-pegged stablecoins remains negligible, estimated at just around £461,000 compared to the vast

global stablecoin ecosystem, which exceeds \$280 billion. This imbalance underscores the urgency behind industry calls for reform and innovation.

The broader regulatory landscape is shifting, too. The UK government has proposed new rules to bring cryptocurrency exchanges and intermediaries under formal regulation, aiming for transparency, consumer protection, and operational resilience. These measures are expected to be finalised before the end of 2025.

Moreover, the government may exempt overseas-issued stablecoins from its regulatory regime so long as providers meet UK standards on transparency and consumer protection. This approach signals the UK's commitment to fostering innovation while maintaining market safety.

With global markets accelerating their crypto regulation, UK stakeholders argue that decisive action now is crucial if Britain is to retain its competitive edge in financial services.