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Five associations form industry alliance to guide the UK's digital currency future

Joint policy statement, UK Forum for Digital Currencies

Five associations have come together to form a new alliance – the UK Forum for Digital Currencies (UK FDC) – which aims to develop better policies, practice and regulation around digital and currencies. Members include the [City of London Corporation](#), [Digital Pound Foundation](#), [The Payments Association](#), [TheCityUK](#) and [UK Finance](#).

Digital currencies have been gaining rapid momentum over the past few years and have the potential to change how society thinks about and uses money. The UK FDC recognises this growing interest and the adoption of new forms of digital money across the globe and how it will open many opportunities for the UK to remain competitive in fintech, while leading financial innovation with the right regulatory framework.

By combining the expertise and extended network of the five associations, the group seeks to enable a safe and secure environment for innovators to grow and attract international investment into the UK. It will do this by:

- Collectively advocating for the development of a diverse, effective and competitive ecosystem for both publicly and privately issued digital currencies in the UK; and for a legal and regulatory framework that promotes innovation while also balancing considerations of financial stability, consumer protection and market integrity.
- Collectively welcoming and standing ready to support the government's plan to make the UK a global cryptoasset technology hub, which follows a balanced approach to innovation and risk and is consistent with the mantra, 'same activity, same risk, same regulatory outcome'.
- Collectively supporting the development of the right incentives and the right design requirements for the industry to better serve all stakeholders in the long term.
- Welcoming the process and approach set up by HM Treasury and the Bank of England regarding retail CBDC and their commitment to partner with the private sector. The UK FDC will seek to act as a critical friend and partner in this process, helping to coordinate industry input and ensuring the long-term competitiveness of the UK.
- Helping create a constructive bridge between the trade associations representing both incumbents and the new emerging players in the payments sector, which

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potentially could present challenges and disruption to the traditional financial services ecosystem. This could mitigate actual risks and alleviate any perceived risks through education and the ability to jointly advocate for appropriate policy and proportionate regulation.

- Recognising the diverse constituents each association represents and, where feasible, collaborating and aligning educating programmes and policy advocacy around developing the UK's regulatory framework and understanding the operational impacts, challenges and potential solutions. To this end, the UK FDC intends to:
 - Develop a common terminology which embraces existing definitions used in the sector into a single lexicon;
 - Recommend high-level domestic standards and policies that can both influence and work in conjunction with the emerging international ones;
 - Facilitate discussion and engagement between the UK existing financial services and the crypto industry to help reduce the barriers between and increase mutual understanding of rules and processes; and
 - Develop and promote a series of thought leadership events to educate law and policymakers on the benefits coming from this emerging sector that can help the government to deliver growth and attract investments.

About the UK FDC

The UK Digital Forum for Digital Currencies (UK FDC) is a forum for discussion and collaboration around the industry's response to digital currency developments in the UK. This includes the potential for a Central Bank Digital Currency (CBDC), as well as the regulatory approach to stablecoins and other variable value cryptoassets.

Each association has its own respective work on digital currencies and cryptoassets, and the UK FDC an opportunity to coordinate where it is complementary to avoid unnecessary overlap. Each association also retains the independence to act on its own respective strategic objectives for the members that it represents.

Members of the UK FDC are:

- City of London Corporation
- Digital Pound Foundation
- The Payments Association
- TheCityUK
- UK Finance