# Global watchdog calls for UK to regulate crypto in same way as stocks and bonds

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Author: Kalyeena Makortoff

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The global markets watchdog has urged the UK to regulate cryptocurrencies in the same way as traditional assets such as stocks and bonds, countering MPs' calls last week for the risky investments to be treated as a form of gambling. The International Organization of Securities Commissions (Iosco) – an umbrella group of regulators from 130 jurisdictions – made the recommendation as part of the first set of international guidelines for crypto regulation. Iosco said its members, which include the UK's Financial Conduct Authority (FCA) and the Securities and Exchange Commission in the US, should be protecting investors and ensuring "market integrity" in ways that "are the same as, or consistent with, those that are required in traditional financial markets". That includes requiring trading platforms to publicly disclose how they vet crypto assets before allowing them to be traded, clearly explain how they store and safeguard clients' crypto assets, and ensure they are separated from the firm's own assets that might be used for proprietary trading. The global body, which drew on the lessons from a series of scandals including the collapse of the FTX cryptocurrency exchange last November, said this would help create "a level playing field between crypto assets and traditional financial markets". Iosco also said global standards were crucial for avoiding regulatory arbitrage – a practice in which businesses take advantage of loopholes in different countries' regulations. However, the body's recommendations run counter to those put forward by British MPs on the Treasury select committee, who said cryptocurrency trading should be regulated as a form of gambling. The committee expressed concerns that trading in crypto assets can be addictive and that investors betting on the price of unbacked assets stand to lose life-changing amounts of cash. MPs also warned that treating crypto like a traditional financial asset and regulating it via the FCA risked creating a "halo effect" that could lead consumers to believe the industry was "safer than it is" or that they were protected from financial losses, when they were not. Matthew Long, the director of digital assets at the FCA and a member of Iosco's crypto taskforce, said he acknowledged the Treasury committee's concerns, but international coordination was key to addressing many related risks. "I recognise the risks … I recognise the issues in the market, and we're trying to do something about it," Long said. "But what we're saying is we need a global solution to that, because crypto is such a global phenomenon." The final decision on how cryptocurrencies are regulated in the UK rests with the government. It is likely to place that responsibility with the FCA, which currently ensures firms comply with money-laundering rules, and will soon be tasked with monitoring adverts. However, the FCA is otherwise limited in its powers to crack down on the crypto industry. Iosco's recommendations, which are now out for consultation, are expected to be finalised by the end of the year. The Treasury committee declined to comment.