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3 December 2025

The Rt Hon. Lucy Rigby MP
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ
Sent electronically to: lucy.rigby.mp@parliament.uk

Dear Minister

Re: Cryptoasset Political Donations

I am writing as the president of the British Blockchain Association, the UK's longest-standing professional body for blockchain and distributed ledger technology, established in 2017, and an advocate for technological innovation in democratic processes, to express my reservations on the reports that UK ministers are exploring a ban on political donations made in cryptocurrency, with the aim of enhancing trust and democracy [1].

This proposal, as outlined in recent media coverage, appears to target anonymity risks and foreign influence but would represent a misstep, lacking evidentiary support, and counterproductive to transparency in political finance.

Under the existing UK framework, specifically the Political Parties, Elections and Referendums Act 2000 (PPERA) [2], political donations exceeding £500 must originate from a "permissible donor." This includes individuals registered on the UK electoral roll, UK-registered companies actively conducting business in the UK, or UK-based trade unions, political associations, or similar entities. Larger donations are subject to mandatory reporting and public disclosure by the Electoral Commission. These measures already incorporate robust donor-eligibility verification, transparency requirements, and enforcement mechanisms. Introducing a technology-specific ban on cryptocurrency donations is not mandated by current law and would redundantly address issues that the framework already handles effectively.

The claim that cryptoassets are inherently untraceable does not withstand scrutiny. Chainalysis's most recent Crypto Crime Report estimates that illicit activity accounts for well under 1% of on-chain transaction volume globally, a minuscule fraction compared to traditional cash systems [3]. Moreover, cryptocurrency's permanent, immutable, auditable and public Blockchain ledgers make it inherently more traceable than cash, allowing for forensic analysis that can identify and mitigate risks far more efficiently. Banning cryptocurrency donations ignores this reality and overlooks the technology's potential to enhance, rather than undermine, accountability.

If the government's objective is to foster cleaner political finance and mitigate foreign influence or opaque funding, there are evidence-based alternatives that would not discriminate against emerging technologies:



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Evidence-based alternatives

- Strengthen know-your-donor (KYD) obligations uniformly across fiat and cryptoasset donations, so that identity, source-of-funds and permissibility checks apply consistently, regardless of rail.
- Mandate on-chain disclosure of political-party receiving wallets, so that every incoming transaction is publicly visible and independently auditable in real time, a standard of transparency not available in the fiat system.
- Invest in blockchain-forensics capability at the Electoral Commission, the National Crime Agency and HMRC, to harness the traceability advantages of public ledgers rather than forgo them.
- Align with the Electoral Commission's earlier guidance on cryptoasset donations (2022) by codifying it into proportionate rules, rather than reopening the debate with a blanket prohibition [4].

A ban confined to digital assets while permitting fiat contributions would be discriminatory in effect, would curb legitimate innovation in transparent and programmable political-finance systems (including automated micro-donations and smart-contract compliance), and would send a regressive signal to the UK's growing cryptoasset-using public. According to the Financial Conduct Authority's 2024 Cryptoasset Consumer Research, approximately 12% of UK adults now hold cryptoassets [5]. A measure perceived as arbitrary by this constituency would neither advance trust in democracy nor support the Government's stated ambition for the UK to be a global hub for responsible digital-asset innovation.

We therefore urge you to reconsider this approach and prioritise targeted reforms that bolster existing systems without hindering innovation. I would welcome the opportunity to discuss this further or provide additional insights from the blockchain community.

Yours sincerely,

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References

[1] 'UK ministers aim to ban cryptocurrency political donations over anonymity risks', The Guardian, 2 December 2025:
<https://www.theguardian.com/politics/2025/dec/02/cryptocurrency-political-donations-uk-ban-election-bill>

[2] Political Parties, Elections and Referendums Act 2000:
<https://www.legislation.gov.uk/ukpga/2000/41/contents>

[3] Chainalysis, Crypto Crime Report (most recent edition):
<https://www.chainalysis.com/blog/2025-crypto-crime-report-introduction/>

[4] Electoral Commission guidance on donations in the form of cryptoassets (2022).

[5] Financial Conduct Authority, Cryptoasset Consumer Research 2024:
<https://www.fca.org.uk/publications/research/research-note-cryptoasset-consumer-research-2024>