



Department for
Science, Innovation
& Technology

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Viscount Camrose
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24 June 2025

Dear Viscount Camrose,

Thank you for your thoughtful contributions during the recent debate on the Communications and Digital Committee's report. I am now writing to provide a substantive response to your questions around the potential of digital assets and tokenisation to support scaling up high-growth firms, and R&D Tax Credits for creative industries. I have consulted with my colleagues in His Majesty's Treasury and the department for Culture, Media and Sport with whom policy responsibility for these two areas sits.

Digital Assets and Tokenisation

You are absolutely right to highlight the significant potential of crypto—or, as you suggest, digital assets and tokenisation to reduce market frictions, cut transaction costs, and support innovative, high-growth firms in scaling up.

It is clear that cryptoassets are here to stay. Ownership is rising both in the UK and globally, and cryptoassets and the underlying blockchain technology are becoming increasingly integrated with the traditional financial sector. That is why the government is pressing ahead with proposals to introduce a dedicated, proportionate financial services regulatory regime for cryptoassets. This will provide the regulatory certainty firms need to grow and invest in the UK, help drive innovation in our financial services sector, and ensure consumers are appropriately protected when engaging with cryptoasset services.

In April of this year, HM Treasury published the core provisions of draft legislation for this future regime. This builds on recent developments including the launch of the Digital Securities Sandbox last September and the start of engagement on the Digital Gilt Instrument (DIGIT) in March. Our flexible approach—using secondary legislation to implement cryptoasset regulation—positions the UK well to respond to international developments, including those in the US.



As the Chancellor highlighted during her Fintech Week speech, international cooperation will be essential to the UK's ambition to be a global leader in digital assets. The Chancellor has already discussed opportunities for closer engagement with US counterparts, including with Secretary Bessent, and officials continued these discussions at the recent UK-US Financial Regulatory Working Group. These discussions are exploring ways to enhance collaboration between capital markets in New York and London, including through the use of digital technologies.

We will continue to work closely with international partners as we deliver the UK's regulatory regime for cryptoassets, to seize the opportunities and address the challenges that this fast-evolving sector presents.

R&D Tax Relief

The Government recognises the importance of research and development (R&D) in driving innovation and the benefits it can bring for society, especially the vital role R&D tax reliefs play in the Government's mission to boost economic growth. All sectors, including the creative industries, can claim R&D tax relief on projects that meet the definition of qualifying R&D set out in DSIT Guidelines. In our recently published Creative Industries Sector Plan, we announced that HMRC will publish revised guidance for the R&D tax reliefs in 2025. This guidance will clarify that eligible interdisciplinary innovation can be supported by the R&D tax relief, as well as clarifying that arts activities that directly contribute to advancing science or technology by resolving uncertainties are within the definition of R&D for the reliefs.

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Thank you again for your contribution and continued engagement on these important issues. Treasury colleagues and I would be very happy to arrange further discussions on this topic should you find that helpful.

I hope this provides you with the necessary clarity and reassurance. Thank you again for your engagement. I am also depositing a copy of this letter in the Libraries of the House.

Yours sincerely,

Maggie Jones.

Baroness Jones of Whitchurch,
Parliamentary Under Secretary of State for the Future Digital Economy and Online Safety