



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon the Baroness Kramer
House of Lords
London
SW1A 0PW

13th October 2025

Dear Baroness Kramer,

I am writing in response to the question you asked in the debate of 17 September on the Financial Services (Overseas Recognition Regime Designations) Regulations 2025. You asked about the government's intentions for recognising regulatory standards for stablecoins in other jurisdictions because of the implications for UK monetary sovereignty. I apologise for not having an answer for you at the time.

The government's immediate priority is to deliver the domestic financial services regulatory regime for cryptoassets, including stablecoin. Any consideration of future overseas recognition arrangements in relation to this would depend on that domestic framework being in place.

The establishment of any new Overseas Recognition Regimes, and any designations under those regimes, will always be subject to Parliamentary scrutiny, as these need to be enacted through legislation. Parliament has already had the opportunity to scrutinise regimes for insurance and short selling activity, as part of its scrutiny of The Insurance and Reinsurance Undertakings (Overseas Insurance Regime, Transitional Provisions, etc.) Regulations 2024 and The Short Selling Regulations 2025. Furthermore, any future designations under Overseas Recognition Regimes will need to be compatible with the wider objectives of the UK's regulatory regime for financial services, including appropriately safeguarding financial stability, market integrity, and consumer protection.

HM Treasury conducts assessments of the relevant regulatory requirements in other jurisdictions in order to ensure designations are compatible with these objectives prior to making such designations. These assessments are supported by advice from our expert and independent financial services regulators.

I hope this answer is helpful. I am copying this letter to those who spoke during the debate and placing a copy in the parliamentary library.

With best wishes,

A handwritten signature in black ink, appearing to read 'Spencer Livermore'.

Spencer Livermore

FINANCIAL SECRETARY TO THE TREASURY

