Press release

UK Must Act Now to Lead Globally in DLT-Based Capital Markets, Says AFME

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The Association for Financial Markets in Europe (AFME) today called on the UK Government and regulators to adopt an ambitious, coordinated strategy to secure a global leadership position in Distributed Ledger Technology (DLT)-based capital markets.

AFME welcomes the UK's initial steps towards DLT adoption, including the Digital Securities Sandbox, the DIGIT Pilot sovereign debt programme, and plans for enhanced international cooperation via the US-UK Taskforce for Markets of the Future. These initiatives demonstrate the UK's potential to become a hub for on-chain global capital markets.

However, AFME warns that **without a clear national vision and urgent coordinated action**, the UK risks falling behind other international financial centres that are accelerating adoption of DLT-based solutions and **DLT-based activities will move away from the UK.**

Coco Chen, Associate Director of Technology and Operations at AFME, said: *"The UK has all the ingredients to lead the next generation of capital markets globally. DLT offers the opportunity to make markets more efficient, innovative, and accessible, but to fully realise this potential, the UK needs to deliver on an ambitious vision, implement timely policy frameworks, and pursue proactive public sector deployment. Given the pace of policy changes and innovation internationally, the time to act is now."*

AFME's paper outlines a three-pronged strategy to secure UK leadership in DLT-based markets:

1. **Clear, consistent, and timely policy frameworks** to enable DLT adoption across capital market participants.
2. **Regulatory and legal frameworks** to enhance the UK's attractiveness as a global hub for DLT-based asset and crypto asset trading.
3. **Proactive public sector deployment of DLT**, including DIGIT's delivery, cash settlement solutions, and enabling corporate access to digital finance.

DLT adoption promises far-reaching benefits, from faster, safer settlement and greater market access for investors and corporates, to spillover effects into the wider UK economy, supporting innovation and economic growth. AFME stresses that without immediate action, the UK risks losing its competitive edge in international capital markets.

AFME is calling on the UK Government, regulators, and market participants to adopt this vision and implement decisive measures to ensure the UK capital markets remain globally pre-eminent and at the forefront of DLT-based innovation.

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The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives.

For more information, please visit the AFME website: www.afme.eu