



# Bitcoin Treasury Framework

*Jurisdiction-specific guidance for corporate Bitcoin adoption — 2026*

## ORGANISATION PROFILE

Company Type	Family Office
Company Size	Medium (51-250 employees)
Industry	Financial Services
Jurisdiction	United Kingdom
BTC Allocation	15% of treasury reserves
Risk Profile	High — Aggressive strategy, needs comprehensive risk management

### LEGAL DISCLAIMER

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Generated: 12/04/2026, 21:55:35

Sources: Mistral Medium

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**Bitcoin Treasury Adoption Framework for [Family Office Name] — 2026 and Beyond**

## 1. Regulatory Landscape — United Kingdom

### 1.1 Legal Classification of Bitcoin

In the United Kingdom, Bitcoin is classified as **property** under common law, not as legal tender or a currency. This classification was affirmed in *AA v Persons Unknown* [2019] EWHC 3556 (Comm), where the High Court ruled that Bitcoin is a form of property capable of being the subject of a proprietary injunction. The **Financial Conduct Authority (FCA)** regulates Bitcoin-related activities under the **Financial Services and Markets Act 2000 (FSMA)** but does not classify Bitcoin itself as a financial instrument. Instead, it is treated as a **cryptoasset** under the **Cryptoassets Taskforce's 2018 classification**, falling under the "exchange tokens" category.

### 1.2 Corporate Tax Treatment, Capital Gains Rates, and Reporting Thresholds

- **Corporation Tax:** Bitcoin held as an investment is subject to **Corporation Tax on capital gains** at the standard rate of **25%** (as of April 2023, following the increase from 19%). Losses can be offset against gains in the same or future periods.
- **Capital Gains Tax (CGT) for Individuals:** If the Family Office is structured as a **limited liability partnership (LLP) or trust**, individual beneficiaries may face CGT at **10% (basic rate)** or **20% (higher rate)** on disposals, depending on their income tax band.
- **Reporting Thresholds:** Disposals must be reported to **HMRC** via the **Self-Assessment tax return (SA108)** for individuals or the **Company Tax Return (CT600)** for corporate entities. There is no *de minimis* exemption; all disposals must be recorded, regardless of value.
- **Value Added Tax (VAT):** Bitcoin transactions are **VAT-exempt** under **HMRC Brief 09/14**, as Bitcoin is treated as a **means of payment** rather than a good or service.

### 1.3 Relevant Regulatory Bodies and Primary Compliance Obligations

Regulatory Body	Primary Compliance Obligation
Financial Conduct Authority (FCA)	Registration under the <b>Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs)</b> for cryptoasset firms. The Family Office must ensure any custodian or exchange used is <b>FCA-registered</b> for anti-money laundering (AML) purposes.
Her Majesty's Revenue and Customs (HMRC)	Accurate reporting of capital gains/losses, income tax (if Bitcoin is received as payment), and compliance with <b>Corporation Tax</b> obligations.
Bank of England (BoE) & Prudential Regulation Authority (PRA)	While not directly regulating Bitcoin, the BoE monitors systemic risks. Family Offices with banking relationships must ensure compliance with <b>PRA's operational resilience requirements</b> if holding Bitcoin on behalf of clients.
National Crime Agency (NCA) & Serious Fraud Office (SFO)	Compliance with <b>Proceeds of Crime Act 2002 (POCA)</b> and <b>Terrorism Act 2000</b> to prevent illicit transactions. Suspicious Activity Reports (SARs) must be filed if required.

### 1.4 AML and KYC Requirements for Institutional Bitcoin Purchases

- **Customer Due Diligence (CDD):** The Family Office must conduct **enhanced due diligence (EDD)** if purchasing Bitcoin through an **FCA-registered exchange or custodian**, including:
  - Verification of **Ultimate Beneficial Owners (UBOs)** under the **5th Anti-Money Laundering Directive (5AMLD)**.
  - Source of funds (SoF) and source of wealth (SoW) documentation for transactions exceeding **€10,000 (or GBP equivalent)**.
  - **Ongoing Monitoring:** Transactions must be screened against **sanctions lists (OFAC, EU, UK)** and **Politically Exposed Persons (PEPs)** databases.
- **Travel Rule Compliance:** Under **FCA's MLRs**, any transfer of Bitcoin exceeding **€1,000** must include **sender and recipient identification data** (aligned with **FatF Travel Rule**).

## 1.5 Key 2025 to 2026 Regulatory Developments or Pending Legislation

- **Financial Services and Markets Act 2023 (FSMA 2023):** Expected to bring **stablecoins and certain cryptoassets** under **FCA regulation** by mid-2025, though Bitcoin remains outside this scope. The Family Office should monitor **secondary legislation** for potential indirect impacts.
  - **Cryptoasset Promotion Rules (FCA PS23/6):** From **8 October 2023**, the FCA enforces strict **marketing restrictions** on cryptoassets. Family Offices must ensure any external communications (e.g., investor updates) comply with **fair, clear, and not misleading** standards.
  - **Economic Crime and Corporate Transparency Act 2023:** Enhances **UBO reporting** via **Companies House reforms**, requiring greater transparency in ownership structures holding Bitcoin.
  - **Basel III 'Pillar 3' Disclosures (2026):** While primarily affecting banks, the **Bank of England's prudential expectations** may influence counterparty risk assessments for custodians.
  - **Potential Capital Gains Tax Reform:** The **Office of Tax Simplification (OTS)** has previously reviewed CGT; a **2026 Budget** may introduce **higher rates or reduced allowances** for cryptoassets.
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## 2. Accounting and Reporting (2026 Standards)

### 2.1 Applicable Accounting Framework

The Family Office, as a UK-based entity, will apply **International Financial Reporting Standards (IFRS)**. Under **IFRS**, Bitcoin is classified as an **intangible asset** under **IAS 38** (if held indefinitely) or as **inventory** under **IAS 2** (if held for short-term trading). However, the **International Accounting Standards Board (IASB)** has not issued crypto-specific guidance, leading to **divergent interpretations**.

### 2.2 Balance Sheet Classification and Measurement Basis

- **Initial Recognition:** Bitcoin is recorded at **cost (fair value at acquisition)**.
- **Subsequent Measurement:**
- **Intangible Asset (IAS 38):** Held at **cost less impairment**. Impairment is **irreversible** under IFRS, creating a **downward-only valuation** (no upward revaluation permitted).
- **Inventory (IAS 2):** Held at **lower of cost or net realisable value (NRV)**, requiring mark-to-market adjustments if NRV falls below cost.
- **Fair Value Option (IFRS 9):** If the Family Office elects to designate Bitcoin as **held at fair value through profit or loss (FVTPL)**, it must be **marked-to-market** with changes recognised in the income statement.

### 2.3 Mark-to-Market Implications and Earnings Volatility

- **FVTPL Election:** If adopted, **unrealised gains/losses** flow through the **income statement**, introducing **significant earnings volatility**. For a **15% allocation**, a **±30% Bitcoin price movement** could impact reported earnings by **±4.5%**.
- **Impairment-Only Model (IAS 38):** Creates **asymmetric accounting treatment**—losses are recognised immediately, but recoveries are not until disposal. This may **understate economic value** in recovery periods.
- **Tax Implications:** Unrealised gains under FVTPL are **not taxable** until disposal, but **deferred tax liabilities** must be recognised (see Section 2.4).

### 2.4 Deferred Tax Accounting on Unrealised Gains and Losses

- **Temporary Differences:** Under **IAS 12**, unrealised gains create **taxable temporary differences** (future tax liability), while unrealised losses generate **deductible temporary differences** (future tax asset).
- **Deferred Tax Calculation:**
- **Example:** If Bitcoin is held at FVTPL with an unrealised gain of **£5M**, deferred tax liability = **£5M × 25% = £1.25M**.
- **Impairment:** If Bitcoin is held under IAS 38 and impaired by **£3M**, a **deferred tax asset of £750K** is recognised (subject to **probability of recovery**).
- **Disclosure:** Deferred tax movements must be detailed in **Note 5 (Taxation)** of the financial statements.

### 2.5 Financial Statement Disclosure Requirements

The Family Office must comply with **IFRS 7 (Financial Instruments: Disclosures)** and **IAS 1 (Presentation of Financial Statements)**, including:

#### 1. Nature and Extent of Bitcoin Holdings:

- Quantity held, **cost basis**, and **fair value** at reporting date.
- **Sensitivity analysis** of price movements (e.g., **±10%/20%** impact on equity).

#### 1. Accounting Policy:

- Justification for **IAS 38 vs. IAS 2 vs. FVTPL** classification.
- **Valuation methodology** (e.g., **volume-weighted average price (VWAP)** from regulated exchanges).

#### 1. Risk Disclosures:

- **Market risk** (volatility, liquidity).
- **Custody risk** (counterparty, operational).
- **Regulatory risk** (tax, AML, sanctions).

#### 1. Related-Party Transactions:

- If Bitcoin is purchased via **affiliated entities or OTC desks**, terms must be disclosed.

#### 1. Auditor’s Considerations:

- **ISA (UK) 540** requires auditors to **challenge valuation techniques**.
- **ISA (UK) 315** mandates **understanding of custody controls** as part of risk assessment.

#### External Auditor Guidance:

- **Big Four Firms (PwC, Deloitte, EY, KPMG)** have issued **cryptoasset audit frameworks** emphasising:
- **Proof of reserves** (via **Merkle tree audits**).
- **Independent price feeds** (e.g., **Kaiko, CoinMetrics**).
- **Custodian SOC 1 Type 2 reports**.

### 3. Custody and Security Architecture

#### 3.1 Self-Custody versus Qualified Custodian Trade-Offs

Criteria	Self-Custody	Qualified Custodian
<b>Control</b>	Full sovereignty over private keys; no third-party risk.	Relies on custodian’s security; potential <b>bankruptcy risk</b> (e.g., <b>FTX collapse</b> ).
<b>Operational Complexity</b>	High: Requires <b>multi-signature setups, hardware wallets, and key management</b> .	Low: Custodian handles <b>storage, transactions, and compliance</b> .
<b>Insurance</b>	Limited; requires <b>specialist underwriters</b> (e.g., <b>Lloyd’s syndicate policies</b> ).	Typically includes <b>crime insurance</b> (e.g., <b>\$100M+ coverage at Coinbase Custody</b> ).
<b>Regulatory Compliance</b>	Must independently comply with <b>AML/KYC</b> if transacting.	Custodian handles <b>FCA registration, Travel Rule, and SAR filings</b> .
<b>Cost</b>	<b>£50K—£200K/year</b> (hardware, audits, personnel).	<b>0.2%—0.75% AUM/year</b> (e.g., <b>£200K—£750K for £100M allocation</b> ).

**Recommendation:** Given the **High Risk Profile** and **15% allocation**, a **hybrid model** is optimal:

- **80% with a regulated custodian** (for security and compliance).
- **20% in self-custody** (via **multi-signature cold storage** for sovereignty).

### 3.2 Multi-Signature Setup Best Practices

- **Configuration: 3-of-5 multi-signature** (optimal balance of security and redundancy).
- **Signers:**
  1. CFO (or designated treasury officer).
  2. Head of Risk/Compliance.
  3. External director (independent).
  4. Legal counsel (or trusted advisor).
  5. Backup key (held in **shamir's secret-sharing** format).
- **Hardware: Ledger Enterprise** or **Trezor T** devices, **air-gapped** and stored in **geographically distributed safes**.
- **Transaction Policy:**
- **Dual approval** required for transactions > **£500K**.
- **Time-locked transactions** (24-hour delay for large transfers).

### 3.3 Named Regulated Custodians Operating in the UK

Custodian	Regulatory Status	Insurance Coverage	Fees (AUM-Based)	Key Features
<b>Coinbase Custody</b>	FCA-registered (MLRs)	\$320M crime insurance	0.5%—0.75%	<b>Segregated cold storage, SOC 2 Type 2, Travel Rule compliance.</b>
<b>Gemini Custody</b>	FCA-registered	\$200M FDIC + private insurance	0.4%—0.6%	<b>Offline keys, multi-jurisdictional support.</b>
<b>Kraken Institutional</b>	FCA-registered	\$100M+ (Lloyd's syndicate)	0.25%—0.5%	<b>Proof of reserves, 24/7 OTC desk access.</b>
<b>BitGo</b>	FCA-registered (via BitGo Europe)	\$250M (Lloyd's)	0.5%—0.8%	<b>Multi-signature, white-label custody for family offices.</b>
<b>Fidelity Digital Assets</b>	FCA-authorized (via FDAS UK)	\$100M+ (Aon underwritten)	0.35%—0.6%	<b>Institutional-grade reporting, tax lot tracking.</b>

Recommended Primary Custodian: Coinbase Custody (for balance of regulatory compliance, insurance, and liquidity access).

### 3.4 Cold Storage Protocols and Geographic Key Distribution

- **Storage Tiering:**
- **Deep Cold Storage (90%):** HSMs (Hardware Security Modules) in Class III vaults (e.g., Loomis or Brink's UK facilities).
- **Operational Cold (5%):** Multi-sig wallets with time-locked withdrawals.
- **Hot Wallet (5%):** Limited to £1M—£2M for liquidity, held with custodian.
- **Geographic Distribution:**
- **Primary Key Shard:** London (Brink's vault).
- **Secondary Shard:** Zurich (Loomis).
- **Tertiary Shard:** Singapore (via DBS Digital Custody partner).
- **Access Protocols:**
- **Biometric + 2FA** for vault access.
- **Legal threshold:** No single individual can access >1 key shard.

### 3.5 Insurance: Coverage Structures and Underwriters

- **Crime Insurance:**
  - **Coverage:** Theft, hacking, internal collusion.
  - **Underwriters:** Lloyd's of London (Atrium, Beazley, or Arch Syndicates).
  - **Policy Limits:** Minimum £50M (for a £100M allocation).
  - **Exclusions:** Regulatory seizures, lost keys, or market crashes.
  - **Directors & Officers (D&O) Liability:**
  - **Extension:** Ensure D&O policy covers **breach of fiduciary duty** related to Bitcoin custody.
  - **Underwriter:** AIG or Chubb.
  - **Cost:** 0.5%—1.5% of insured value/year (e.g., £250K—£750K/year for £50M coverage).
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## 4. Governance and Policy Framework

### 4.1 Board Resolution and Shareholder Approval Requirements

- **Board Resolution:** A **formal resolution** must be passed, documenting:
- **Strategic rationale** for the 15% allocation (e.g., **inflation hedge, portfolio diversification**).
- **Risk acknowledgment** (volatility, regulatory, custody).
- **Delegation of authority** to the CFO/Treasurer for execution.
- **Shareholder Approval:**
- If structured as a **limited company**, **>50% shareholder consent** is required for **material treasury policy changes**.
- For **trust structures**, **trustee unanimity** may be required (per **Trustee Act 2000**).

### 4.2 Investment Policy Statement (IPS) Clauses for Bitcoin

The IPS must include:

1. **Purpose:** "Bitcoin is held as a **long-term store of value** and **inflation hedge**, not for speculative trading."
2. **Allocation Limits:**
  - **Maximum 15% of treasury reserves** (rebalanced annually).
  - **No leverage or derivatives exposure.**
1. **Acquisition Parameters:**
  - **Only via FCA-registered custodians/OTC desks.**
  - **No direct purchases from unregulated exchanges.**
1. **Liquidity Constraints:**
  - **Minimum 5% of Bitcoin holdings** must remain liquid (in custodian hot wallet).
1. **Rebalancing Triggers:**
  - If Bitcoin **exceeds 20% of treasury** (due to price appreciation), **trim to 15%**.
  - If Bitcoin **falls below 10%**, **consider opportunistic buys** (subject to market conditions).

### 4.3 Acquisition Strategy: Lump Sum vs. Dollar-Cost Averaging (DCA)

Strategy	Pros	Cons	Recommended Approach
Lump Sum	- Lower transaction costs (0.1%—0.3% vs. 0.5%—1% for DCA).	- Timing risk (exposure to short-term volatility).	60% lump sum, 40% DCA over 6 months.
Dollar-Cost Averaging	- Reduces volatility impact.	- Higher fees; may miss bull market entry points.	Bi-weekly purchases over 6—12 months.

#### Execution Plan:

- **Initial Lump Sum (60%):** Deploy **£60M** via **OTC block trade** (e.g., **Coinbase Institutional** or **Genesis Trading**).
- **DCA (40%):** **£6.67M/month** for **6 months**, using **algorithmic execution** to minimise slippage.

### 4.4 Rebalancing Triggers and Exit Criteria

- **Rebalancing Bands:**
- **Upper Band:** 20% → Trim to 15%.
- **Lower Band:** 10% → Assess market conditions for **opportunistic buys**.
- **Maximum Drawdown Limit:** -60% from purchase price → **Strategic review** (hold, reduce, or exit).
- **Exit Criteria:**
- **Regulatory Black Swan:** E.g., **UK Bitcoin ban** (unlikely but monitored).
- **Technological Risk:** E.g., **critical Bitcoin protocol failure**.
- **Portfolio Rebalancing:** If Bitcoin **exceeds 25% of treasury** due to appreciation in other assets.

### 4.5 Audit Committee Responsibilities

#### 1. Quarterly Reviews:

- **Custodian reports** (proof of reserves, transaction logs).
- **Valuation integrity** (price feeds, impairment testing).

#### 1. Annual Deep Dive:

- **Penetration testing** of self-custody setups.
- **Counterparty risk assessment** (custodian financial health).

#### 1. External Auditor Coordination:

- Provide **audit trail** of:
  - **Private key generation/custody**.
  - **Transaction approvals** (multi-sig logs).
  - **Tax lot tracking** (FIFO/LIFO methodology).
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## 5. Risk Management (High Risk Profile)

### 5.1 Volatility Budgeting Relative to Treasury Asset Mix

- **Current Treasury Composition** (Example):
- **Cash & Equivalents**: 40% (low volatility).
- **Fixed Income**: 30% (moderate volatility).
- **Equities**: 15% (high volatility).
- **Bitcoin**: 15% (**extreme volatility**).
- **Risk Contribution Analysis**:
- Bitcoin's **90-day annualised volatility**: ~60% (vs. 15% for equities).
- **Portfolio VaR (95% confidence)**: Expected to increase by **3—5%** with 15% Bitcoin allocation.
- **Mitigation**:
- Hedge 5—10% of Bitcoin exposure via **put options** (e.g., **Deribit** or **CME**) or **collared structures**.

## 5.2 Counterparty Risk: Due Diligence Criteria

Counterparty Type	Due Diligence Checklist
Custodians	- FCA registration (FRN number verification).
	- SOC 1 Type 2 + SOC 2 Type 2 reports (last 12 months).
	- Proof of reserves audit (e.g., Armanino or Mazars).
	- Insurance policy review (Lloyd's underwriter, limits, exclusions).
OTC Desks	- Creditworthiness (e.g., Genesis Trading (post-restructuring) or Cumberland).
	- Settlement risk: Delivery-vs-Payment (DvP) only.
	- Minimum trade size: £5M+ to avoid slippage.
Exchanges	- FCA-registered (e.g., Coinbase, Kraken).
	- Cold storage % (>95% of client assets).
	- Historical hack/breach record.

## 5.3 Concentration and Liquidity Risk Management

- **Concentration Risk:**
- **Single-Asset Exposure:** 15% Bitcoin is **high but manageable** for a **High Risk Profile** family office.
- **Custodian Concentration:** No single custodian holds >50% of Bitcoin.
- **Liquidity Risk:**
- **Bitcoin Market Depth:**
- **Daily OTC liquidity:** ~\$500M—\$1B (for blocks >£10M).
- **Exchange liquidity** (Binance, Coinbase): ~\$20B daily volume.
- **Exit Strategy:**
- **Staggered sales** over 3—5 days for >£20M disposals.
- **Pre-negotiated OTC lines** with Jane Street or Jump Trading.

## 5.4 Operational and Cyber Security Risk Controls

Risk Vector	Mitigation Measure
Private Key Loss	- 3-of-5 multi-sig with geographic distribution. - Inheritance plan (e.g., Casa or Unchained Capital key recovery).
Exchange Hacks	- Only FCA-registered custodians with proof of reserves. - Withdrawal whitelisting (only to approved wallets).
Internal Collusion	- Dual control for transactions. - Background checks (BS7858 standard) for treasury staff.
Ransomware	- Offline signing (air-gapped devices). - Immutable backups of wallets (stored in Brink's vaults).

## 5.5 Scenario Analysis: 80% Price Drawdown

- Assumptions:
  - £100M Bitcoin allocation at £40,000/BTC (2,500 BTC).
  - 80% drawdown → £8,000/BTC (£20M remaining value).
  - Impact on Treasury:
  - Total Treasury: £660M (assuming £100M Bitcoin + £560M other assets).
  - Post-Drawdown: £580M (-12% total treasury).
  - Mitigation Steps:
1. **Hold:** Bitcoin has historically recovered from **>80% drawdowns** (2011, 2014, 2018).
  2. **Tax-Loss Harvesting:** Sell a portion to **realise losses**, offsetting gains elsewhere.
  3. **Opportunistic Buy:** If fundamentals remain strong, **increase allocation** at lower prices.
  4. **Liquidity Buffer:** Ensure **2 years of operational cash** is held outside Bitcoin.
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## 6. Implementation Roadmap

Step	Timeframe	Key Actions	Responsible Party
1. Internal Education and Executive Alignment	Weeks 1—4	- <b>Workshop with Bitcoin treasury experts</b> (e.g., MicroStrategy, Fidelity Digital Assets).	CFO, Board
		- <b>Risk/return modelling</b> (Monte Carlo simulations).	Head of Risk
2. Engagement of External Legal and Tax Counsel	Weeks 2—6	- <b>Retain UK crypto tax specialist</b> (e.g., PwC, Withers, or Mishcon de Reya).	General Counsel
		- <b>Obtain HMRC private ruling</b> on tax treatment.	Tax Advisor
3. Drafting and Board Approval of Investment Policy Statement (IPS)	Weeks 4—10	- <b>Finalise IPS</b> (Section 4.2).	CFO, Compliance Officer
		- <b>Board vote</b> (documented resolution).	Company Secretary
4. Custodian and Vendor Request-for-Proposal (RFP) Process	Weeks 6—12	- <b>Issue RFP to Coinbase, Gemini, Kraken, BitGo.</b>	Treasury Team
		- <b>Due diligence visits</b> (e.g., Coinbase's Ireland cold storage facility).	Head of Operations
5. KYC and AML Onboarding with Selected Custodian	Weeks 10—16	- <b>Submit UBO documentation.</b>	Compliance Officer
		- <b>Fund initial deposit</b> (£5M—£10M for account activation).	Treasury
6. Pilot Tranche Purchase and Settlement	Months 4—5	- <b>OTC test trade</b> (£5M—£10M).	CFO, Custodian
		- <b>Settlement via DvP</b> (delivery vs. payment).	Treasury
7. Integration with Treasury Management and Reporting Systems	Months 5—7	- <b>API linkage</b> (e.g., Coinbase to Bloomberg Terminal).	CTO, Finance Systems Team
		- <b>Automated mark-to-market</b> (daily pricing feeds).	Financial Controller

Step	Timeframe	Key Actions	Responsible Party
8. Ongoing Monitoring Cadence and Annual Policy Review	Month 12 onwards	- <b>Quarterly custodian audits.</b>	Audit Committee
		- <b>Annual IPS review</b> (adjust allocation bands if needed).	Board

## 7. Pre-Adoption Due Diligence Checklist

#	Item	Status	Responsible Party	Notes
1	Legal Opinion Obtained	/	General Counsel	Confirm Bitcoin classification as property.
2	Tax Advice Documented	/	Tax Advisor (PwC/Withers)	HMRC ruling on CGT/VAT treatment.
3	Accounting Treatment Confirmed	/	External Auditor	FVTPL vs. IAS 38 decision.
4	Custodian Selected and KYC Complete	/	Compliance Officer	Coinbase/Gemini onboarding.
5	Insurance in Place	/	Risk Manager	Lloyd's crime policy (£50M+ coverage).
6	Board Resolution Passed	/	Company Secretary	Documented minutes.
7	Investment Policy Statement (IPS) Approved	/	CFO	Signed by board.
8	Banking Partners Informed	/	Treasury	Notify HSBC/Barclays of Bitcoin holdings.
9	Shareholder Disclosure Prepared	/	IR/Comms Team	For annual report (if public disclosure).
10	Auditors Briefed	/	Financial Controller	Provide Bitcoin valuation methodology.
11	Reporting Procedures Established	/	FP&A Team	Daily mark-to-market, monthly board reports.
12	Emergency Liquidity Plan Documented	/	CRO	80% drawdown response protocol.

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## 8. Key Resources — United Kingdom

### 8.1 Primary Regulatory Bodies and Guidance

#### 1. Financial Conduct Authority (FCA)

- [Cryptoassets: AML/CTF Registration](<https://www.fca.org.uk/firms/cryptoassets>)
- [Guidance on Cryptoassets (PS19/22)](<https://www.fca.org.uk/publication/policy/ps19-22.pdf>)

#### 1. Her Majesty's Revenue and Customs (HMRC)

- [Cryptoassets: Tax for Businesses](<https://www.gov.uk/guidance/cryptoassets-tax-for-businesses>)
- [Cryptoassets: Tax for Individuals](<https://www.gov.uk/guidance/check-if-you-need-to-pay-tax-on-cryptoassets>)

#### 1. Bank of England (BoE)

- [Financial Stability in Focus: Cryptoassets](<https://www.bankofengland.co.uk/financial-stability-in-focus/2021/cryptoassets>)

### 8.2 Industry Associations

#### 1. CryptoUK

- Industry body for **UK cryptoasset firms** (members include **Coinbase, Gemini, Kraken**).
- [Website](<https://www.cryptouk.io/>)

#### 1. The CityUK — Digital Assets Working Group

- Advocacy for **institutional adoption** of digital assets.
- [Website](<https://www.thecityuk.com/>)

### \*\*8.3 Professional Service Firms with Bitcoin Treasury Expertise

#### 1. PwC UK — Crypto & Digital Assets Team

- Tax structuring, accounting, and custody due diligence.
- Contact: **Henry Chien (Director, Crypto)**

#### 1. Deloitte UK — Blockchain & Digital Assets

- Treasury integration and risk management.
- Contact: David Myers (Partner, FSI Consulting)

#### 1. KPMG UK — Cryptoasset Services

- Audit and assurance for Bitcoin holdings.
- Contact: Salman Bhai (Director, Fintech)

### 8.4 Essential Reference Documents

#### 1. MicroStrategy's Bitcoin Treasury Playbook

- [Bitcoin for Corporations](<https://www.microstrategy.com/en/bitcoin>)

#### 1. Fidelity Digital Assets — Institutional Bitcoin Investment Thesis

- [The Investment Case for Bitcoin](<https://www.fidelitydigitalassets.com/>)

#### 1. IASB Staff Paper — Cryptoassets and IFRS (2021)

- [Agenda Paper 2021](<https://www.ifrs.org/>)

#### 1. KPMG — Accounting for Cryptoassets Under IFRS

- [KPMG Crypto Guide](<https://kpmg.com/uk/en/home/insights/2021/11/accounting-for-cryptoassets.html>)

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## 9. Market Context and Strategic Outlook (2026)

### 9.1 Post-2024 Halving Supply Dynamics

The **April 2024 Bitcoin halving** reduced block subsidies from **6.25 BTC to 3.125 BTC**, constricting new supply to **~450 BTC/day**. With **institutional demand accelerating** (via **spot ETFs and corporate treasuries**), the **supply-demand imbalance** is projected to intensify through 2026. Historical data suggests **halving cycles precede 12–18 month bull markets**, with **2025–2026 targeting £60,000–£100,000/BTC** in base-case scenarios.

### 9.2 Impact of Spot Bitcoin ETFs on Corporate Treasury Access

The approval of **US spot Bitcoin ETFs (January 2024)** has **legitimised Bitcoin as an institutional asset class**. For UK family offices:

- **Liquidity:** ETFs (e.g., **BlackRock's IBIT**, **Fidelity's FBTC**) provide **regulated exposure**, but **direct custody remains superior** for **tax efficiency and sovereignty**.
- **OTC Market Depth:** ETF flows have **increased OTC liquidity**, enabling **£50M+ block trades** with **<1% slippage**.
- **Custody Competition:** Traditional custodians (e.g., **BNY Mellon**, **State Street**) are entering crypto, **driving down fees** for institutional clients.