



“Between Scylla and Charybdis ‘Laissez-Faire”’: Lessons on the Regulation of New Technologies from a Comparative Analysis of the Regulation of Bitcoin in the United States and the United Kingdom”

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This paper is an explorative study aimed at discovering the lessons that can be learnt from a comparative analysis of the United State (U.S)’s and the United Kingdom (UK)’s approach to the regulation of Bitcoin. The study commences by giving an overview of the Bitcoin ecosystem in order to identify the key regulatory concerns associated with the Digital Currency. Here, it is observed that the key issues Bitcoin regulation need be concerned with are (a) the safety and soundness of exchanges, (b) addressing pseudonymity, (c) harnessing innovation and (d) incorporating the regulation of the Dark Web. The extent to which these key issues are addressed, along with the identification and analysis of the regulatory strategy in place, form the basis of the Comparative Framework used in the study.

This methodology shows that the U.S.’s primarily Command and Control strategy has robustly addressed the issues of pseudonymity and the safety and soundness of exchanges whilst doing little to harness innovation. By contrast, the UK’s mainly *laissez-faire* strategy has led to the promotion of innovation without rigorously addressing the concerns about the safety and soundness of exchanges and pseudonymity. Additionally, the analysis of the respective regulatory strategies has shown the strengths and weaknesses of each approach to be consistent with the expected outcomes presented in literature on Regulation. In this way, the study’s locus is on the key lessons that can be found on steering this course between the Scylla of weaknesses of Command and Control and the Charybdis of the shortcomings *laissez-faire* in the regulation of Bitcoin with wider application to the legal approaches to the regulation of cyberspace, the internet and emerging technologies.