



Are we missing the bigger picture?



Bitcoin's spotlight-stealing price swings have left many understandably concerned but are we missing the potential benefits of bitcoin?



Bitcoin versus fiat money

What are the risks? And how can you mitigate them.

Whilst the media have been caught up on volatility, are we missing the bigger picture on the benefits of bitcoin and the Bitcoin Network? It's no secret that the general view on existing fiat money and the fiat money network — often held up as our only option — comes with clear risks of its own. Yet now there is a choice.

As such, it's prudent to evaluate both bitcoin and fiat currencies to leverage the strengths of each for different purposes. We take a step back to review and compare some of the potential risks; there are six risks for each monetary system, along with the type of risk and possible mitigations for each.

Fiat money risk register

Risk ID	Description	Risk Type	Possible Mitigations
F1	Inflation or currency depreciation reduces real value.	Financial	Diversify into hard assets; inflation modeling; match cost inflation to revenue inflation.
F2	Funds may be frozen or seized by banks or governments.	Counterparty	Diversify across banks/jurisdictions; hold some self-custodied assets.
F3	Capital controls or withdrawal limits restrict access.	Legal / Operational	Maintain foreign accounts; digital asset backups.
F4	Cross-border payments are costly and slow.	Operational / Cost	Use digital payment rails too; optimise infrastructure and processes.
F5	FX risk from holding weak or volatile currencies.	FX / Market	Hedge with forwards/options; currency diversification.
F6	Central banks manipulate monetary policy for non-economic reasons.	Governance / Macro	Limit long-term fiat exposure; model interest rate sensitivity impact.

...a risk register comparison

In practice, each company should consider these and other risks in the context of their specific circumstances. It is vital for corporate treasury teams to form a structured view of key monetary risks.

An internal or outsourced Chief Bitcoin Officer role could look across the organisation holistically to assess these risks and oversee mitigations. And CFOs and Treasurers need to actively assess the full spectrum of monetary risk — whether operating in traditional fiat currency or newer digital assets like bitcoin.

Bitcoin risk register

Risk ID	Description	Risk Type	Possible Mitigations
B1	High price volatility can impact financial performance.	Financial	Limit allocation; rebalance; use scenario modeling.
B2	Loss or mismanagement of private keys results in permanent loss.	Operational / Security	Use institutional custodians; agree security protocol; contingency planning.
B3	Unpredictable regulatory changes may restrict usage or require divestment.	Legal / Compliance	Monitor laws; obtain legal advice; stay flexible with structure.
B4	Converting Bitcoin to fiat may be delayed or costly during market stress.	Financial / Liquidity	Maintain fiat reserves; establish liquidity provider relationships.
B5	Cyberattacks or software bugs can jeopardise Bitcoin assets.	Cyber / Technical	Conduct security audits; use trusted platforms; cold storage.
B6	Bitcoin used as collateral can rapidly lose value, triggering margin calls.	Financial / Collateral	Use conservative LTVs; margin buffers; regular monitoring.

And finally...

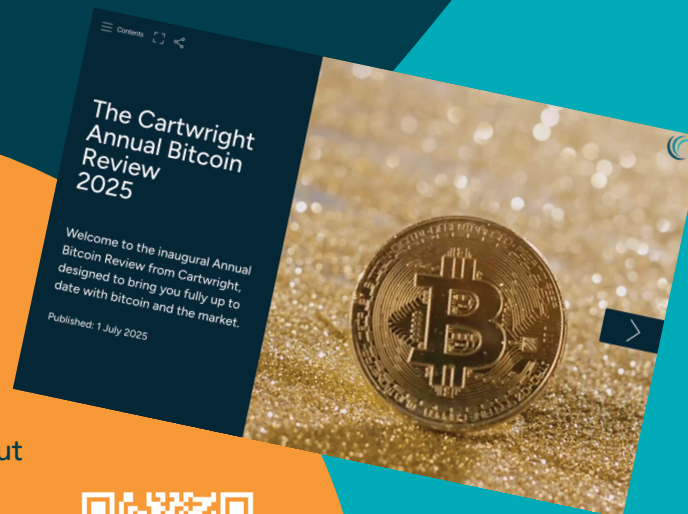
Given the risks of both bitcoin and fiat currency, most companies are likely to start by adopting bitcoin as part of their contingency planning; either as an asset and / or a payment rail alongside their existing solutions. Doing so allows bitcoin to be tested and properly incorporated before there is any need to rely heavily on it.

Call us on 01252 894883 to find out how bitcoin could work for your company.

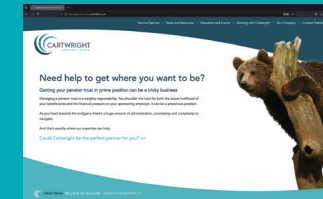


The Bitcoin Review 2025

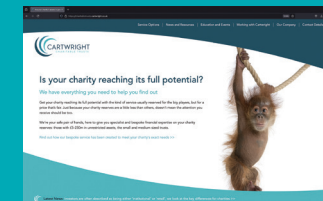
With a plethora of misinformation out there, it is time to put the record straight with a thorough and factual review of bitcoin as it celebrates its 16th birthday and begins a significant institutional adoption in the UK.



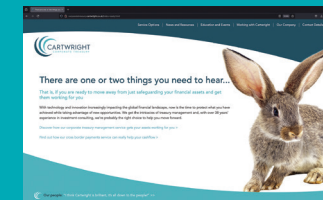
Meet the family



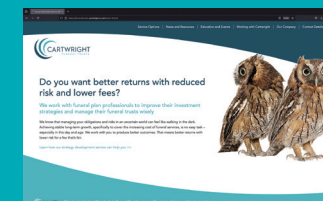
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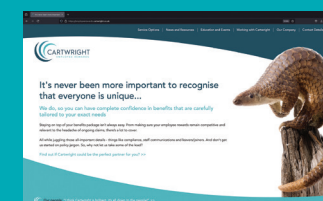
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