

**CRITICAL LEGAL ANALYSIS OF THE USAGE OF
CRYPTOCURRENCY IN SRI LANKA, CANADA, AND
UNITED KINGDOM**



by

**SIRIMALWATTE GEDARA JAYAKODIGE NADEESHA
CHAMINI**

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ABSTRACT

This dissertation critically analyzes cryptocurrency in Sri Lanka, comparing it with Canada and the UK to identify best practices for virtual currency investment and transactions. It highlights the advantages and disadvantages of cryptocurrency versus traditional currency, focusing on technological foundations and global adoption. The primary objective is to demonstrate the necessity of cryptocurrency adoption in Sri Lanka, addressing regulatory ambiguity that hinders its potential for financial inclusion. By examining regulatory frameworks in Canada and the United Kingdom, the study aims to compare legal, economic, and technological aspects of cryptocurrencies. Despite limitations like sparse local literature, the research argues that legalizing cryptocurrency could enhance Sri Lanka's economic growth and stability.

The study uses Saunders' Research Onion Model, adopting a pragmatic philosophy, deductive approach, and qualitative methods, including literature reviews and interviews with 25 finance and business professionals. It finds that while Sri Lanka's Central Bank warns of risks, Canada and the United Kingdom have established regulations to protect investors. The dissertation advocates for Sri Lanka to develop a comprehensive regulatory framework to ensure secure cryptocurrency investments. Future research should explore decentralized finance, blockchain applications, global regulatory trends, and socio-economic impacts. Recommendations include refining legal frameworks, imposing taxation, and launching public education campaigns to foster informed cryptocurrency usage.