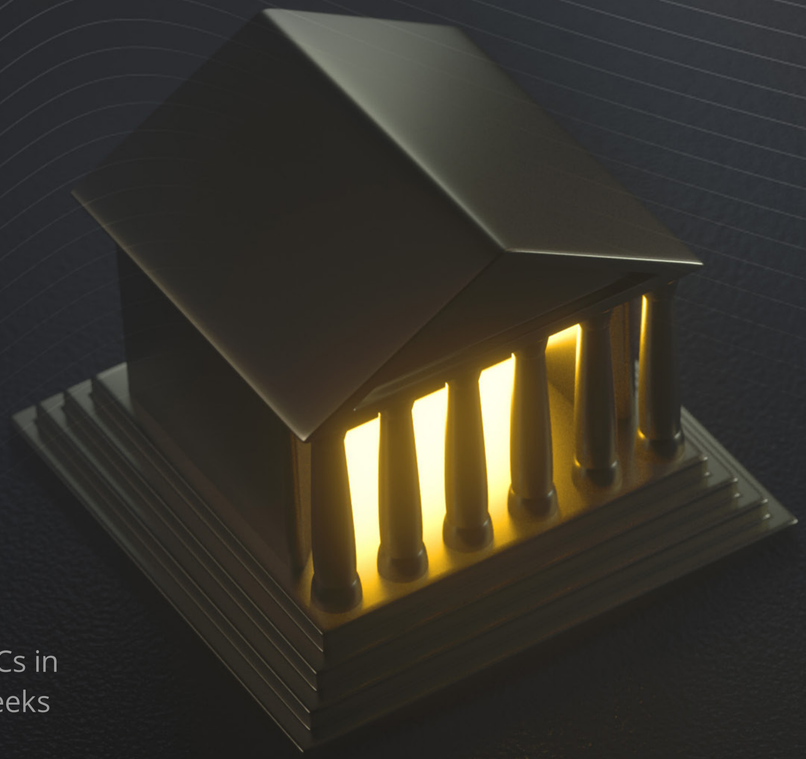
Issue 28 | July 30 – August 12, 2021

Market Insights



$45,500
the price of Bitcoin as of August, 12

26,966 ETH
burned since the London hard fork

$300 million
million blockchain companies raised from VCs in top three funding rounds in the last two weeks

Cointelegraph Consulting

Coming out of hibernation: Major events between July 30 – August 12

Key Takeaways

- The crypto market is finally seeing growth after two and a half months of frustration following the market turbulence in May. The price of Bitcoin recovered strongly in the last two weeks, with BTC fluctuating near the $45,000 level and looking to storm the $50,000 peak. With the highly anticipated EIP-1559 finally launched, Ethereum also tends up with 30% gains since the end of July.
- The US Infrastructure bill, passed this week, shakes up digital asset regulation in the US, with brokers now having to report digital asset transactions worth more than $10,000 to the IRS. The vague definition of a 'broker' has provoked an outcry among crypto proponents, though, and the clarification is yet to be seen.
- Asset managers reappraised the approach to picking assets for their Bitcoin ETFs in response to the SEC Gary Gensler's speech on Bitcoin exchange-traded products. VanEck, Invesco and Valkyrie have all revealed their plans to provide exposure to Bitcoin through Bitcoin futures contracts and other exchange traded products, even those listed outside of the US. So far, the US SEC has not approved any of the numerous filings for Bitcoin ETFs.
- As Ethereum's London hard fork is launched, Cointelegraph Research breaks down the new transaction fees system, examines its impact on miner profitability and explains deflationary burn on the network.

VC Activities

The Blockchain industry's 2021 streak of 'mega' funding rounds continues with Helium Network's $111 million funding round, and a $100 million fundraising by Matrixport. In the past two weeks venture capital has been flowing into digital asset exchanges. This includes Indian CoinDCX, Indoneasian Pintu and Luxembourg-based BlockTrade cumulatively raising $150 million for expansion.

Helium Network, a provider of decentralized wireless infrastructure, has concluded a $111 million token sale. Helium scooped up high-profile VC firms including Andreessen Horowitz, Alameda Research, Multicoin Capital and Ribbit Capital.

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Matrixport, a crypto financial services company, raised over $100 million in a Series C funding round from Tiger Global, DST Global, C Ventures and K3 Ventures. The firm is reported to hold over $10 billion of client assets as of March 2021, and it intends to go public "in three to five years".

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Mumbai-based crypto exchange CoinDCX has raised $90 million in their Series C. They are the first crypto business in India to reach unicorn status, with a valuation of $1.1 billion and a 3.5 million user base. CoinDCX plans to use the funds to scale onboarding for up to 50 million users.

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Fork in the road:

Exploring Ethereum's London hard fork and its implications for the ecosystem

Market Analysis London Hard Fork Network Impacts

The anticipated Ethereum “London” hard fork went live on Thursday last week. The software upgrade implemented significant alterations to Ethereum, with EIP-1559 garnering the most attention due to impacts on transaction fees and miner revenue.

Leading up the hard fork, the proposed upgrades met strong resistance among miners. This was due to a new transaction structure which burns a portion of miner fees. This was speculated to impact miner profits by as much as 50%, causing concerns for a chain split over weak consensus.

These concerns proved to be over exaggerated. The London hard fork has been successfully rolled out on Ethereum and accepted by an overwhelming majority of miners, nodes, pools and other network operators. There has been no significant impact on the functionality or operation of the Ethereum network. Post fork, the Ethereum Foundation is continuing to focus on switching Ethereum to a Proof-of-Stake consensus mechanism.

Transactions Fees and Auctions

EIP-1559 is the most significant upgrade among the five EIPs included in the London hard fork. It was originally proposed in April 2019, and had undergone testing since June. The dilemma most users encountered when transacting on the Ethereum network is that gas fees are volatile and can spike to hundreds of dollars per transaction. EIP-1559 is unlikely to substantially decrease transaction costs, as that is ultimately a scalability issue. However it aims to decrease transaction fee volatility and delays.

Most blockchain transaction fees operate as a first-price blind auction where senders submit sealed bids without knowing anyone else's offer. Miners then select the highest bids to process first. Senders can get short term priority by bidding significantly higher, causing a cascade across transaction fees, particularly in periods of market volatility. Fixed block sizes means the available supply of transactions cannot change in times of increased demand, further contributing to volatility. This has repercussions for DeFi protocols and users who rely on Ethereum transactions to operate and manage positions. Those who bid too low could end up with a failed transaction and unrecovered gas fees.

A problem with first-price blind auctions is that the only realistic strategy for most senders is to increase transaction fees. An alternative auction style is the uniform price blind auction, where the clearing price is the lowest accepted bid. For a set of transaction fees $N=(n^0<n^1<n^2<n^3<n^4<n^5<n^6)$ and a miner with 5 spaces, the top 5 transaction fees are chosen, and each sender is only charged the lowest bid n^2. The optimal strategy under uniform price bidding is to bid an amount equal to your fair valuation of the transaction. If the clearing price is less than your bid, your transaction is settled, otherwise you aren’t charged. However this auction style has significant weaknesses in the context of a blockchain transaction. Firstly, miners can include their own transactions in blocks to artificially inflate transaction fees. Secondly, miners could collude with groups of senders to bid high fees, and subsidize them through other means. There are similar weaknesses for second-price auctions and other mechanisms explored by the Ethereum Foundation.

EIP-1559 Transaction Fees — Base Fee and Miner Tip

EIP-1559 aims to make the minimum change to the Ethereum protocol with the maximum impact on the aforementioned auction problems. The upgrade introduces a fixed-price sale mechanism with a base fee and tip, rather than a single gas fee. Miners receive the total transaction fee minus the base fee, which is burned. This base fee is a known value calculated for each block and adjusts according to a target block size. Ethereum blocks can now vary in size from the previous 12.5M gas up to 25M, with 12.5M being the target block size. This reduces transaction delays as blocks can adjust to include more transactions as needed. If the previous block was over the targeted 12.5M, the base fee increases for the current block, and vica versa. The base fee can vary by a maximum of 12.5% between blocks. This variance in block size absorbs some of the transaction fee volatility by increasing the supply of available transactions.

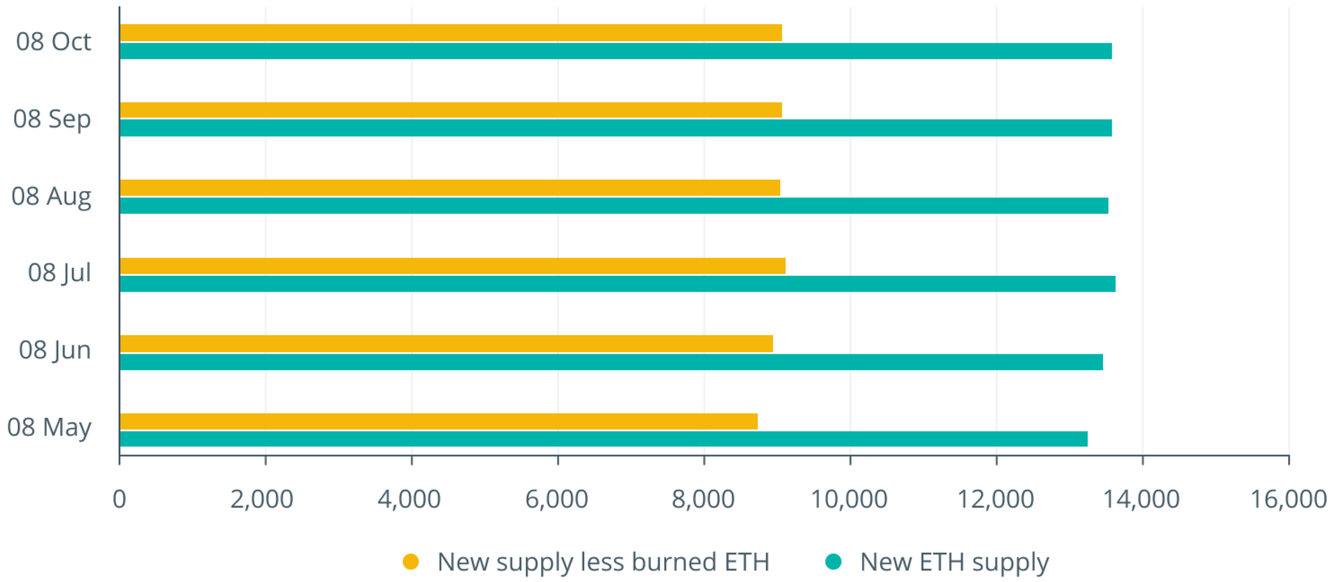
Users can also send an additional tip to miners on top of the base fee, just like a first price blind auction. This has three functions. Firstly, it enables miners to continue generating profits from selecting and ordering transactions. Second, it acts as a backup to the base fee transaction for times of extreme volatility when blocks are regularly full, which does degrade into a bidding war. However as the base fee increases and catches up to successively full blocks, tips are naturally reduced in size, creating a restoring force in the bid war. Thirdly, the tip rewards miners for the risk of uncle blocks, when blocks do not publish because of the time taken to add subsequent transactions.

Miners' incentives remain unchanged, they collect the most expensive transactions to fill blocks. Sender strategies are now clearer than under first price blind auctions. Rather than guessing fees based on recent transactions, users can refer to the base fee metric directly and add their tip. The tip amount is referenced like gas fees from past blocks, and under normal conditions there is no reason to pay more than bare minimum. This can be further improved by letting users express their fee in the form of a function with a minimum fee, increment and maximum fee. Users can then specify their needs for different times and prices. For example, linearly increase to the maximum fee over 10 blocks, or try to get through for 10 blocks with the minimum fee and then increase to the maximum.

Impact on Miner Profitability

The inclusion of first price blind bids in the form of tips, as well as the deflationary impact of burning tokens, minimised the impact on miners profitability. Although concerns circulated leading up to the London hard fork, the impact on miners has proven to be less than the simultaneous increase in Ethereum price. However the impact is not negligible with some models predicting up to 30% revenue reduction, which has caused increased attention on miner MEV (maximum extractable value). This is a measure of the maximum potential value of a block which can be extracted by reordering transactions for arbitrage profit. This can be front-running, back-running and sandwich attacks. Miners can front-run transactions by placing their own transaction directly in front of another in the block, back-running is predicting the impact of a transaction on the market and placing a transaction directly after. A sandwich attack combines both these strategies. Mining pool Ethermine implemented MEV strategies specifically to offset the revenue lost from EIP-1559. It can be argued that the positive impacts on the Ethereum ecosystem and deflation redistribute value back to miners long term.

ETH supply vs burned ETH



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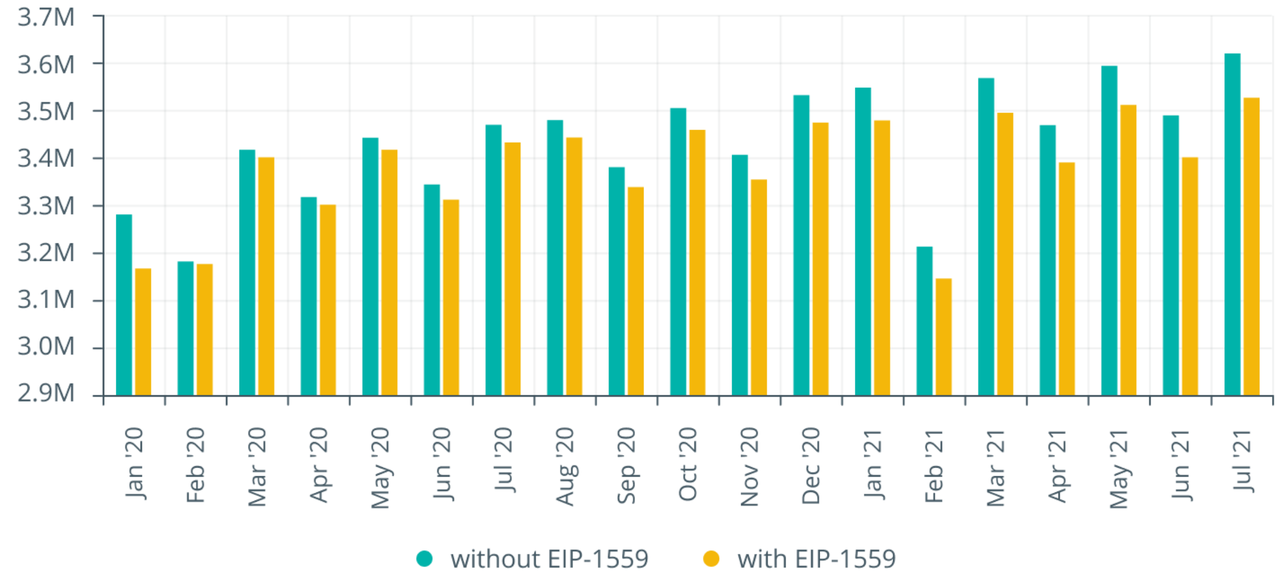
source: ***Etherscan***

Will EIP-1559 make ETH deflationary?

Ethereum does not have a hard supply limit like bitcoin but rather has ongoing inflation capped at 18m ETH per year, used to reward miners. However there are deflationary forces on the Ethereum supply as well. Firstly, the liquidity locked in DeFi, over $80b at the time of writing, removes ethereum from the tradable supply. Secondly, there is an ongoing rate of lost Ethereum. Finally there is the new EIP-1559 protocol.

Since London went live, a total of 26,965.9 Ether was burned, according to Etherchain.org. At Ether's current price, that translates to about $86 million. In the six-day period after the hard fork, the new ETH supply from block rewards was reduced by roughly 33% per day due to burning fees.

ETH supply



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source: ***Etherscan***

EIP-1559 has increased deflation in Ethereum, however it is still an overall inflationary asset. To gauge how burning base fees impacts Ether's circulating supply, we used last year's data to create a hypothetical scenario where the London hard fork was activated in 2020. In our calculation, we applied the present burn rate of 3.81 Ether per minute ceteris paribus.

This resulted in a burned supply of 3 million Ether, approximately 17% of the total inflation per year. This is a significant reduction in inflation which is projected to increase the scarcity of Ethereum in the long term.

ETH supply vs total ETH burned / Jan 2020 – Aug 2021



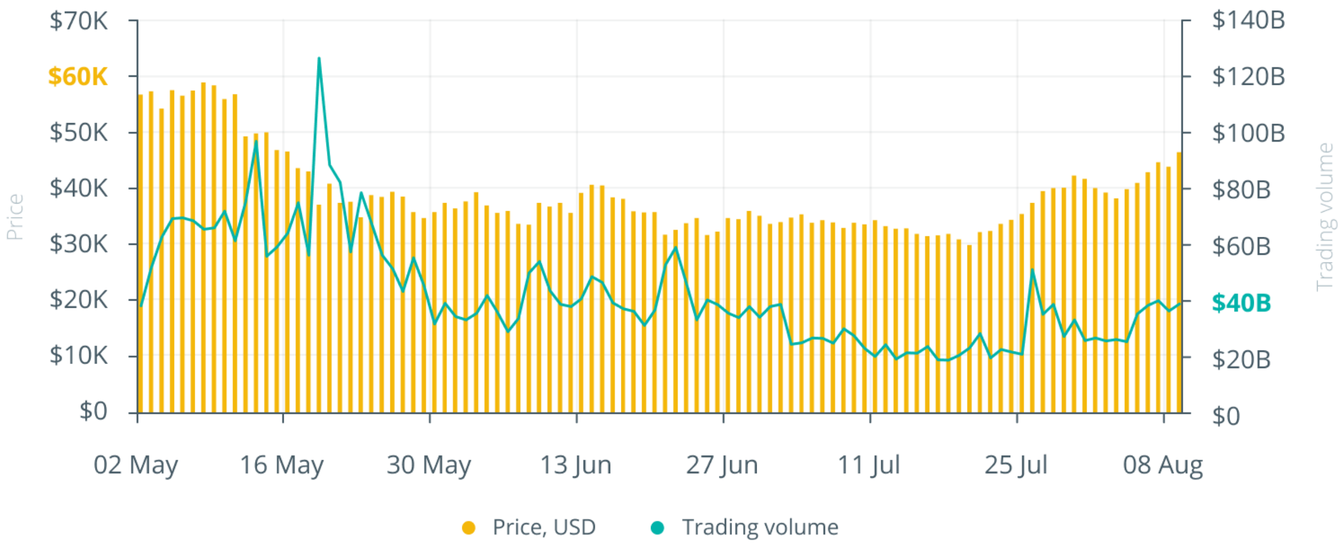
source: ***Etherscan***

At the current market price, this equates to approximately $10 billion worth of ether burned. Given the current $378 billion market cap of Ethereum this is a sizable 2.5% of Ethereum supply value removed from circulation.

Market Analysis

BTC Daily Exchange Trading Volume and Price

BTC Daily Exchange Trading Volume and Price

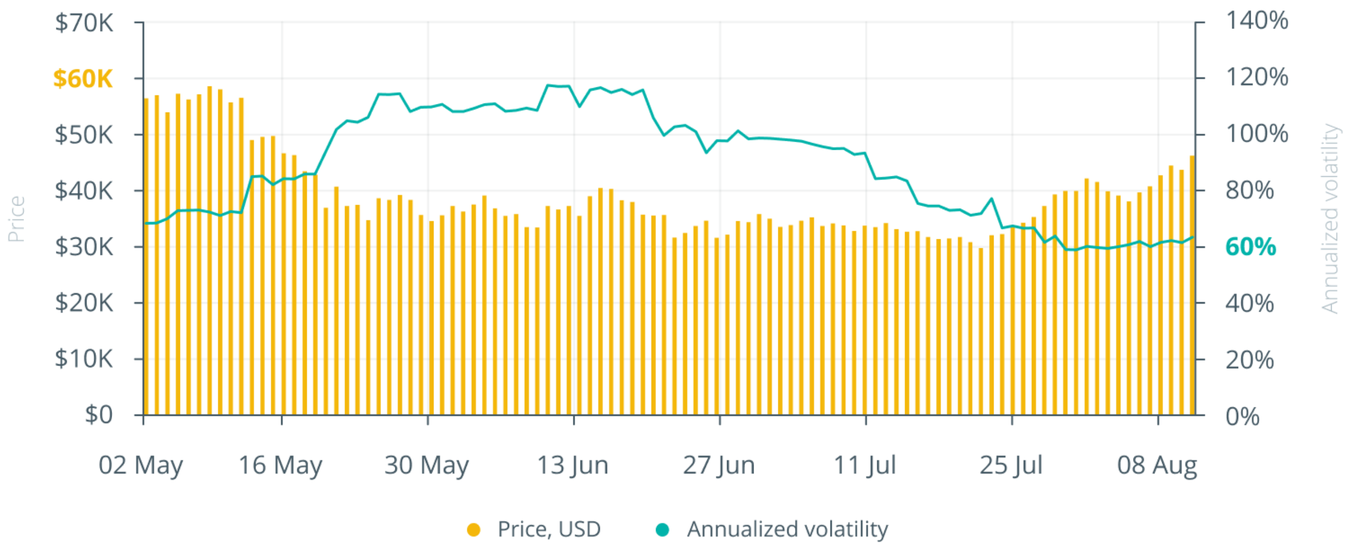


- BTC’s closing price plunged from $42,200 on July 30 to $38,100 on August 3 before quickly rebounding to $46,300 on August 9, which is equivalent to an over 20% growth in 6 day.
- BTC’s trading volume showed a pattern similar to its price as it dove from over $33 billion on July 30 to under $27 billion in the first four days of August before hitting $40 billion on August 7.

Market Analysis

BTC 30-day Annualized Volatility and Price

BTC 30-day Annualized Volatility and Price

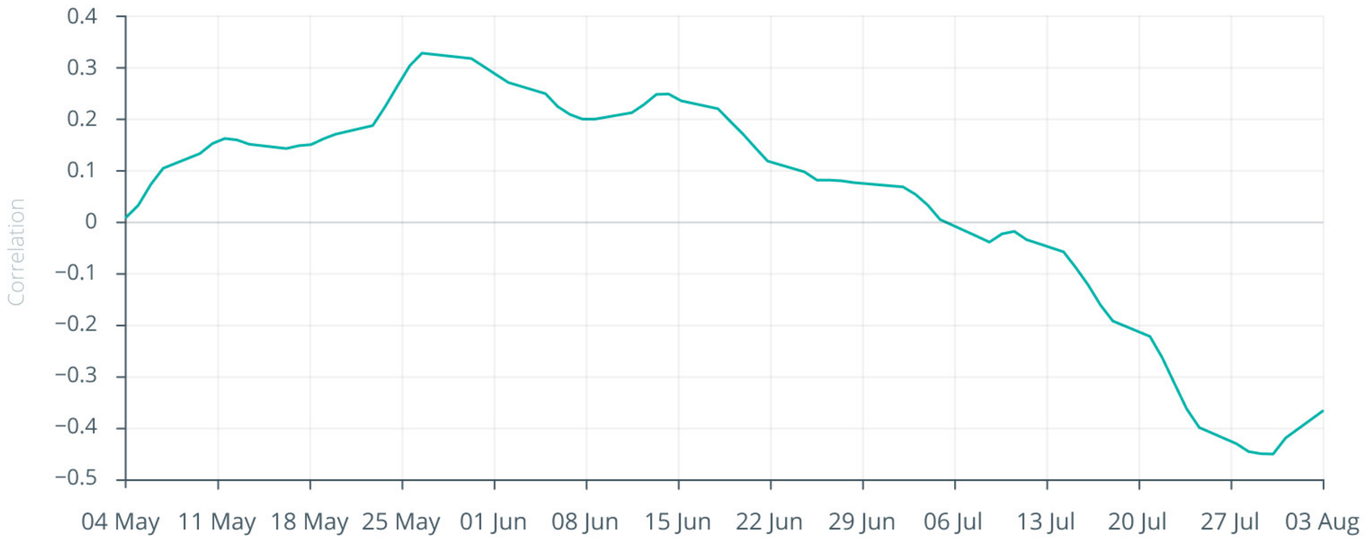


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- On August 1 BTC's 30-day annualized volatility was at just 59%, which is the lowest value in 3 months, thanks to the BTC's price stabilization at around $40,000 over the previous week.
- As BTC went on a winning streak starting from August 3 and appreciated by over $8,000 in less than a week, 30-day annualized volatility saw a slight increase and reached 63% on August 9.

Market Analysis BTC – DXY

30 days moving average correlation BTC – DXY

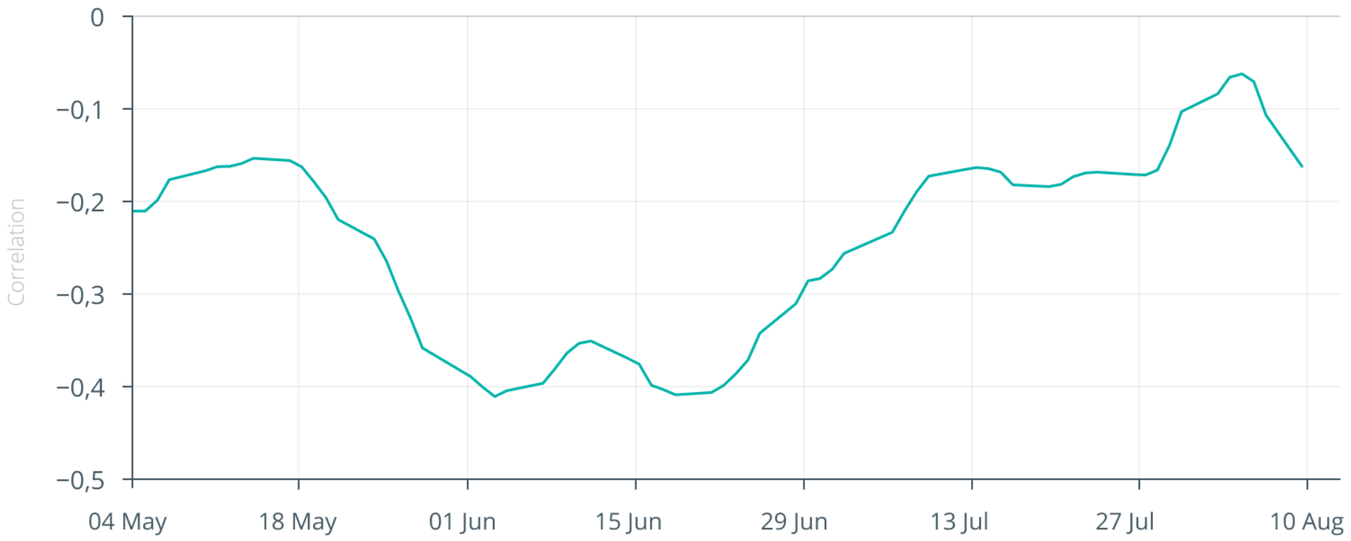


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- BTC – DXY 30-day moving average correlation continued its sharp decline until it hit −0.44 on August 5, resulting in a 0.5 in one month.
- Starting from August 6 BTC and DXY were both appreciating as BTC gained 8% and DXY gained 0.8%, thereby causing an increase of the moving average correlation.

Market Analysis BTC – Gold

30 days moving average correlation BTC – Gold

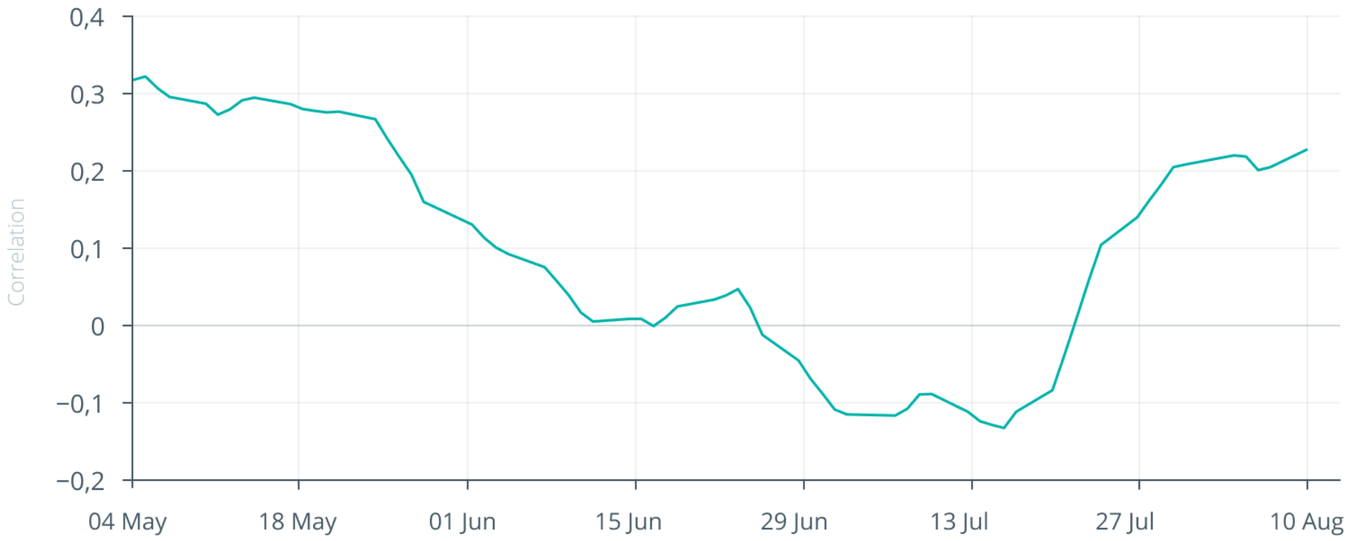


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- BTC – Gold 30-day moving average correlation had been steadily increasing for a week before peaking at −0.06 on August 4 when BTC closed at $39,700 and Gold — at $1,814.
- August 5 marked the first day of a selloff of Gold that plummeted to $1,726 on August 9, thereby pushing the 30-day MA correlation with appreciating BTC down to −0.16.

Market Analysis BTC – S&P500

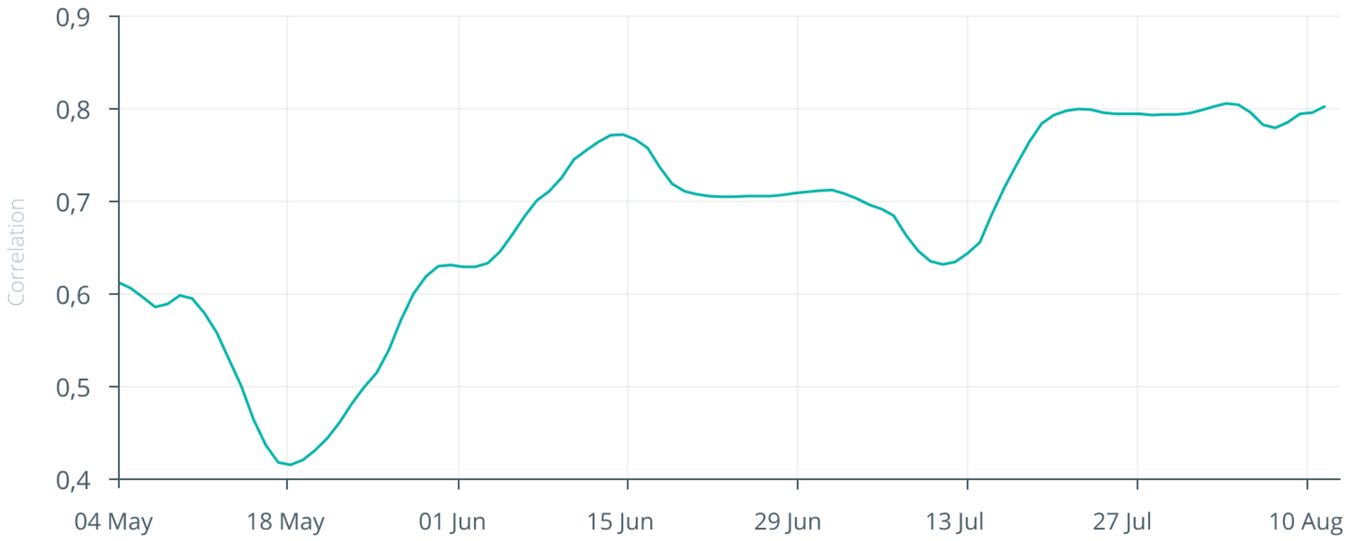
30 days moving average correlation BTC – S&P500



- S&P500’s pullback below 4,400 in the very end of July did not last long and the index resumed its uphill journey by returning to the 4,400+ level on August 3 and then reaching 4,430 on August 9
- BTC and the S&P500's 30-day moving average correlation has gone up to 0.22, which is the highest level since May 26.

Market Analysis BTC – ETH

30 days moving average correlation BTC – ETH



- BTC – ETH 30-day moving average correlation has been sticking close to 0.8 for the last three weeks with a slight decline in the beginning of August, when ETH shot up more rapidly than BTC.
- ETH has yielded a 28% gain since July 30, whereas BTC has gained almost 10% over that time.

Institutional, Venture Capital & M&A, Professional Blockchain and Regulatory Activities

Institutional Activities

Digital Asset Investments

JPMorgan now offers clients access to six crypto funds ... but only if they ask



JPMorgan Chase opened up access to six crypto funds over the past three weeks. In the latest move, the bank's private clients will now have access to **a new Bitcoin fund created by** crypto investment firm **New York Digital Investment Group.**

AUG 06, 2021

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$25B investment firm adds 'riskier' Grayscale GBTC and ETHE for clients



Automated investment firm **Wealthfront will allow** its clients **exposure to the Grayscale Bitcoin Trust and Grayscale Ethereum Trust.** Clients will be able to have up to 10% of their portfolio in Grayscale products.

JUL 30, 2021

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MicroStrategy pledges to buy more BTC despite paper loss on its holdings of $424.8M in Q2



Business intelligence and mobile software firm **MicroStrategy** has pledged **to buy more Bitcoin** despite reporting impairment losses of $424.8 million in Q2.

JUL 30, 2021

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State Street to launch crypto services for private funds clients

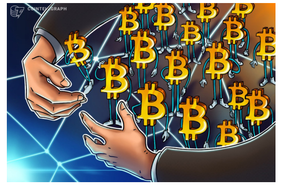


American financial services company **State Street Corporation would provide digital and crypto asset administration services for the company's private funds clients.** To unlock the services, State Street signed an agreement with Lukka, a blockchain data and software provider focused on reporting audit-ready data on cryptocurrency transactions.

JUL 30, 2021

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GoldenTree Asset Management is reportedly investing in Bitcoin



Asset management firm **GoldenTree has reportedly added Bitcoin to its balance sheet,** though the amount of this supposed investment remains unknown. The firm with roughly $45 billion in assets under management has **purchased some Bitcoin** but has seemingly **shied away from other cryptocurrency investments.**

JUL 30, 2021

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Crypto funds see 4th consecutive weekly outflows as institutions diversify holdings, says CoinShares



Institutional outflows from cryptocurrency funds intensified and **reached $19.5 million for the week ended July 30. Multi-asset funds have attracted $11.9 million in inflows over the past month,** whereas Bitcoin funds have seen cumulative outflows of $67 million over the same period, a sign that fund managers were taking profits on their Bitcoin holdings.

AUG 02, 2021

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Institutional Activities

Exchange-Traded Funds

VanEck takes a new approach with SEC, files for Bitcoin Strategy ETF



Asset manager **VanEck is filing for a Bitcoin Strategy exchange-traded fund** after it unsuccessfully attempted to launch a similar **fund four years ago. The newly proposed fund would not invest in BTC directly,** but provide **exposure through Bitcoin future contracts, pooled investment vehicles, and crypto ETFs listed and traded in Canada.**

AUG 11, 2021

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Victory Capital files SEC application for crypto ETF



Investment firm **Victory Capital Management has filed an application** with the United States Securities and Exchange Commission **for a cryptocurrency exchange-traded fund tracking the Nasdaq Crypto Index.** The index consists of eight cryptocurrencies: Bitcoin, Ether, Bitcoin Cash, Litecoin, Chainlink's LINK, Stellar's Lumen, Filecoin and Uniswap's UNI.

AUG 04, 2021

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French fund manager launches EU-regulated ETF that tracks Bitcoin price



Derivatives fund manager **Melanion Capital has launched a new, European Union-regulated fund that aims to track the price of Bitcoin at a correlation of up to 90%. The fund,** called the Melanion BTC Equities Universe UCITS ETF, tracks a basket of up to 30 stocks in crypto-oriented sectors **to reach up to 90% correlation with Bitcoin's** price.

AUG 05, 2021

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Invesco files with SEC for Bitcoin ETF without direct BTC exposure



Investment company **Invesco** is planning **to launch a new Bitcoin exchange-traded fund that** will not invest in BTC directly. The Invesco Bitcoin Strategy ETF **seeks to invest in Bitcoin futures, exchange-traded products** and **Bitcoin-linked** private investment **trusts** like the Grayscale Bitcoin Trust.

AUG 05, 2021

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New Brazilian Bitcoin ETF pledges carbon neutrality



BITH11, a new exchange-traded fund launched in Brazil by crypto-focused alternative investment firm Hashdex Asset Management, **claims to be the country's first "green" Bitcoin ETF. The fund plans to** neutralize its associated carbon emissions through **purchasing carbon credits.**

AUG 09, 2021

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Institutional Activities

Crypto Service Offerings

PayPal set to launch crypto trading in the UK and may embrace DeFi

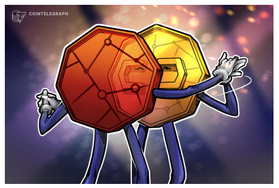


Payments platform **PayPal is looking toward the United Kingdom** as the next market in which **to expand its crypto trading services.** PayPal is also working on open banking integration to allow for faster payments.

JUL 30, 2021

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Aussie crypto exchange CoinJar partners with Mastercard for crypto cards



In a new partnership with CoinJar, **Mastercard will enable the Australian market to spend cryptocurrencies within its fiat infrastructure.** The CoinJar Card will be made available for users through digital and physical cards and Apple Pay and Google Pay integration and **CoinJar will convert the crypto into Australian dollars before making the transaction.**

AUG 03, 2021

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Digital asset platform Zipmex partners with Visa in Asia-Pacific



Crypto-fiat trading platform Zipmex has forged a strategic **partnership with Visa** in a bid **to release a Visa-branded payment card** later this year. The platform's payment network ZipSend will be integrated into Visa's worldwide network of 70 million merchants.

AUG 06, 2021

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Alchemy Pay to launch virtual crypto cards with Visa and Mastercard support



Hybrid crypto-fiat platform **Alchemy Pay would be launching virtual crypto-linked cards accepting more than 40 cryptocurrencies such as Bitcoin.** The new cards can be linked to Google Pay and PayPal digital wallets and make payments across the Mastercard and Visa networks.

AUG 09, 2021

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Cinema operator AMC plans to accept BTC by 2022



American cinema operating giant **AMC Entertainment** is aiming to accept **Bitcoin payments for movie tickets by 2022.** Adam Aron, CEO, reported strong **demand for buying movie tickets with crypto** from the firm's customers.

AUG 10, 2021

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Binance to bring Bitcoin payments to Shopify via new partnership



Binance entered a partnership with crypto-fiat hybrid payment platform Alchemy Pay **to enable peer-to-peer crypto payments at over 2 million global merchants** through its payments application Binance Pay. Payments will be available for 18 cryptocurrencies **in 40 countries.**

AUG 04, 2021

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Venture Capital and M&A Activities



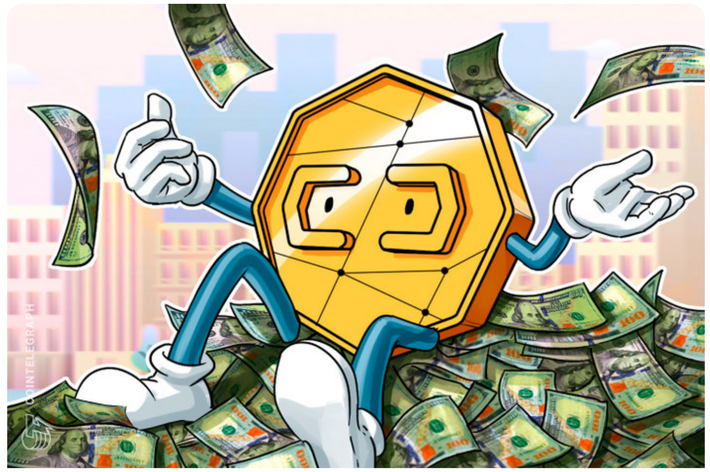
Square to acquire Australian fintech Afterpay in $29B deal

Investors: Square
Business scope: Digital payments
Headquarters: The U.S.

Acquired company: Afterpay
Business scope: Lending
Headquarters: Australia

Announcement date: August 2, 2021
Deal amount: $29 billion

AUG 02, 2021 Visit Page



5G blockchain network raises $111M in Andreessen-led token sale

Investors: Andreessen Horowitz, Alameda Research, Multicoin Capital and Ribbit Capital

Funded company: Helium Network
Business scope: Decentralized wireless infrastructure
Headquarters: The U.S.

Announcement date: August 10, 2021
Deal amount: $111 million

AUG 10, 2021 Visit Page



Former Bitmain CEO Jihan Wu raises fresh capital for new crypto unicorn

Investors: Tiger Global, DST Global, C Ventures, K3 Ventures Ventures and Animal Ventures

Funded company: Matrixport
Business scope: Crypto financial services
Headquarters: Singapore

Announcement date: August 2, 2021
Deal amount: $100 million

AUG 02, 2021 Visit Page

Venture Capital and M&A Activities



Indian crypto exchange becomes unicorn after $90M funding round

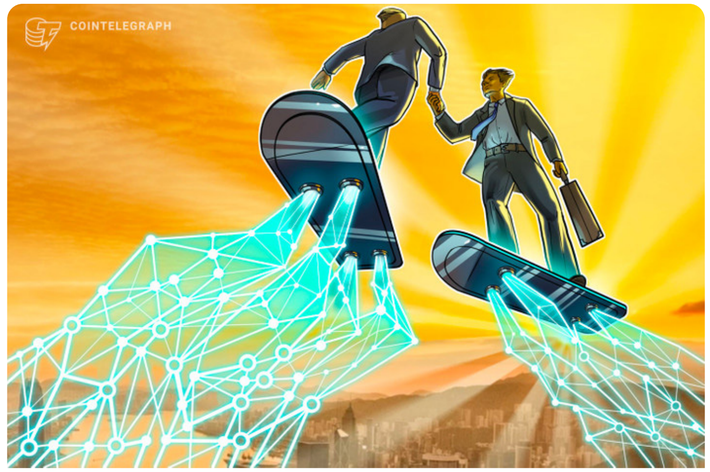
Investors: B Capital Group, Block.one, Coinbase Ventures, Polychain and Jump Capital

Funded company: CoinDCX
Business scope: Crypto exchange
Headquarters: India

Announcement date: August 10, 2021
Deal amount: $90 million

AUG 10, 2021

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Voyager Digital acquires crypto payments company Coinify

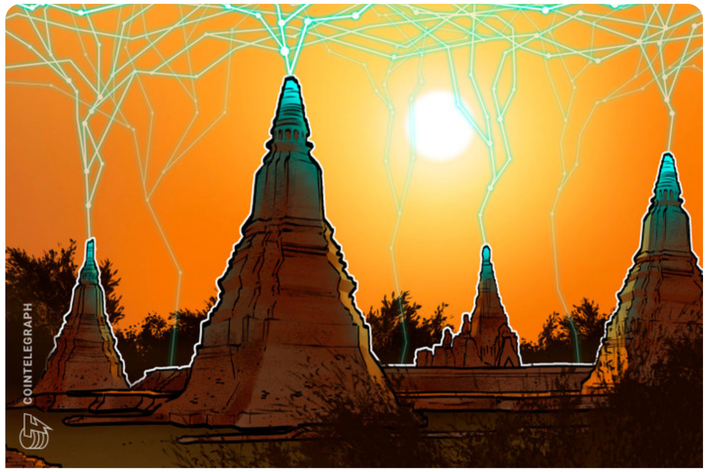
Investor: Voyager Digital
Business scope: Crypto-asset trading
Headquarters: Canada

Acquired company: Coinify
Business scope: Payments
Headquarters: Denmark

Announcement date: August 2, 2021
Deal amount: $85 million

AUG 02, 2021

Visit Page



Indonesian crypto exchange Pintu raises $35M in Series A

Investors: Lightspeed Venture Partners, Alameda Ventures, Blockchain.com, Pantera Capital, Coinbase Ventures, Castle Island Ventures etc.

Funded company: Pintu
Business scope: Cryptocurrency exchange
Headquarters: Indonesia

Announcement date: August 9, 2021
Deal amount: $35 million

AUG 09, 2021

Visit Page

Venture Capital and M&A Activities



Pantera, Coinbase Ventures and Sony back NFT-focused MakersPlace in $30M Series A

Investors: Bessemer Venture Partners, Pantera Capital, Coinbase Ventures, Sony Music Entertainment

Funded company: MakersPlace
Business scope: NFT marketplace
Headquarters: The US

Announcement date: August 4, 2021
Deal amount: $30 million

AUG 04, 2021

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Digital asset exchange Blocktrade concludes $25M investment round

Investors: Undisclosed

Funded company: Blocktrade
Business scope: Crypto exchange
Headquarters: Luxembourg

Announcement date: August 9, 2021
Deal amount: $25 million

AUG 09, 2021

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Crypto analytics firm Messari concludes $21M Series A led by Point72 Ventures

Investors: Point72 Ventures, Coinbase Ventures, Uncork Capital, Underscore VC Alameda Research, Blockchain Ventures etc.

Funded company: Messari
Business scope: Cryptocurrency data
Headquarters: The US

Announcement date: August 5, 2021
Deal amount: $21 million

AUG 05, 2021

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Venture Capital and M&A Activities



Coinbase Ventures backs Ethereum-based streaming network

Investors: Digital Currency Group, Coinbase Ventures, CoinFund, Northzone, 6th Man Ventures and Animal Ventures

Funded company: Livepeer
Business scope: Ethereum-based video streaming network
Headquarters: The US

Announcement date: July 30, 2021
Deal amount: $20 million

JUL 30, 2021 Visit Page



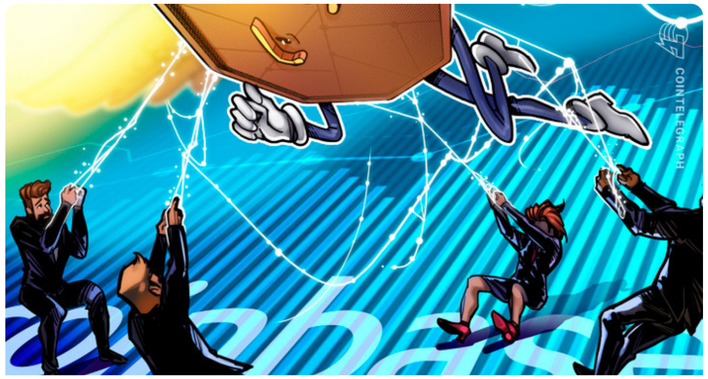
Rothschild's trust led funding round for Aspen Digital's London expansion

Investors: Rothschild Investment Trust, Liberty City Ventures

Funded company: Aspen Digital
Business scope: Crypto asset management platform
Headquarters: Hong Kong

Announcement date: August 4, 2021
Deal amount: $8.8 million

AUG 04, 2021 Visit Page



Coinbase acquires crypto exchange data aggregator Zabo

Investor: Coinbase
Business scope: Cryptocurrency exchange
Headquarters: The US

Acquired company: Zabo
Business scope: Cryptocurrency data
Headquarters: The US

Announcement date: August 5, 2021
Deal amount: Undisclosed

AUG 05, 2021 Visit Page

Cointelegraph Consulting

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Central Bank Digital Currency

Central Bank Digital Currency (CBDC)

Bank of Jamaica mints the first batch of national digital currency



Jamaica is progressing with the country's central bank digital currency as the Bank of Jamaica, or **BOJ, has minted the country's first batch of CBDC.** The BOJ is planning to **issue a total of 230 million JMD** ($1.47 million) **in the form of a CBDC** as part of a digital currency pilot ending this December.

AUG 10, 2021

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Cambodia explores cross-border transactions of CBDC-like Bakong

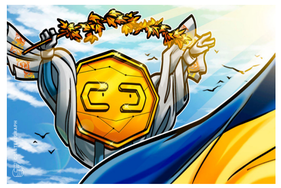


The **National Bank of Cambodia (NBC)** continues **progressing with its CBDC-like initiative** known as **Bakong,** disclosing several project milestones. **Bakong's electronic wallet reached 200,000 users** in June, doubling from three months earlier. The digital money **project has amassed nearly six million users** in the first half of 2021, including those reached indirectly through member bank mobile apps, recording a total of **1.4 million transactions worth nearly $500 million.**

AUG 06, 2021

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Ukraine central bank now officially allowed to issue digital currency



A law titled On Payment Services, **which officially enables the Ukraine's central bank to issue a CBDC, has been signed. The new law** requires close collaboration between the Ukrainian central bank and startups in the payment market and **is designed to adapt the Ukrainian legislation to the legal framework of the European Union.**

JUL 30, 2021

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Venezuela to launch CBDC in October — And cut six zeros from its currency



The Central Bank of Venezuela will launch a central bank digital currency in October. The CBDC will be accompanied by an SMS-based exchange system to facilitate payments and transfers among its users. The bank claimed that **the CBDC** will have no effect on the bolivar's value and that the overhaul **is part of a move to simplify the use of the currency.**

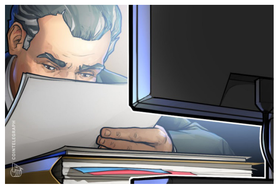
AUG 06, 2021

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Regulatory Activities

North America

New bill proposes US Treasury to have full authority over fiat stablecoins



A new bill called "The Digital Asset Market Structure and Investor Protection Act of 2021" **aims to establish statutory definitions for digital assets and digital asset securities,** bringing the former under the purview of the Commodity Futures Trading Commission and the latter under that of the Securities and Exchange Commission.

JUL 30, 2021

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SEC Chair wants robust crypto regulatory regime for the US



The chairman of the United States **Securities and Exchange Commission identified** seven **crypto-related policy changes** currently being **under examination.** These include matters concerning **token offerings, decentralized finance and stablecoins.** Other focus points for the SEC are **custody, exchange-traded funds and lending platforms.**

AUG 03, 2021

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FBI joins Mirror Trading probe in Africa to help recover US investor funds



Investigations into the South African company Mirror Trading International — widely seen as last year's most ruinous Bitcoin Ponzi scheme — **are now engaging the United States Federal Bureau of Investigation.** MTI is believed to have held around 23,000 BTC worth around $874 million at today's price.

AUG 04, 2021

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Three US Senators propose narrowing crypto tax language in infrastructure bill

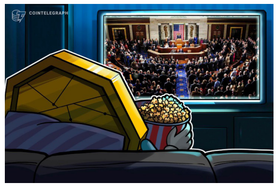


Lawmakers have written an amendment to an infrastructure bill in the United States Senate **which proposes excluding** developers, miners, or blockchain **firms in the crypto space from the reporting requirements for brokers.**

AUG 04, 2021

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Infrastructure bill passes US Senate — without clarification on crypto



The **Infrastructure bill** suggests **implementing** tighter rules on businesses handling cryptocurrencies and expanding **reporting requirements for brokers,** mandating that **digital asset transactions worth more than $10,000 are reported to the IRS.** With the definition of a "broker" being too broad, the new legislation may put new reporting requirements on software developers, transaction validators and node operators, which resulted in an outrage across the crypto sector.

AUG 10, 2021

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Ripple granted access to Binance's records in SEC securities case



The U.S. Magistrate granted Ripple CEO's motion to "obtain international discovery" of Binance records. Ripple's lawyers cited the 1933 Securities Act, stating that alleged illegal XRP sales applied only to domestic sales, whereas sales of XRP were overwhelmingly made outside the United States, which is supposed to be proved using the records of Binance.

AUG 05, 2021

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Regulatory Activities

North America

BREAKING White House supports only minor changes to crypto tax proposal



The White House has formally backed the much more limited of two competing amendments to the infrastructure deal, introduced by Senator Warner. The **amendment** aims **to exclude proof-of-work mining and sellers of hardware and software wallets from the bill.**

AUG 06, 2021

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Poloniex settles charges with SEC for operating unregistered exchange



The United States **Securities and Exchange Commission, has charged** crypto exchange platform **Poloniex for offering trading** of cryptocurrencies deemed **securities** to U.S. investors **without duly registering** as a securities broker. **Poloniex will pay a fine of about $10.3 million** while agreeing to a cease-and-desist order.

AUG 09, 2021

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Some US lawmakers want Bitcoin miners to be exempted from proposed crypto taxes



American Senator Patrick Toomey argued that **the wording of a new bill on crypto taxation could provide legislative backing for a broader crackdown on the U.S.** crypto space beyond exchanges and other businesses and target entities like Bitcoin miners and software developers.

AUG 03, 2021

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BREAKING US lawmakers behind crypto amendments to infrastructure bill introduce compromise



United States Senators putting forth differing amendments for provisions in the infrastructure deal that apply to crypto have **reached a compromise: the new amendment would exempt software developers, transaction validators and node operators,** while tax reporting requirements "should only apply to the intermediaries."

AUG 09, 2021

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SEC claims first enforcement action in $30M fraud case involving DeFi project



The Securities and Exchange Commission charged the company Blockchain Credit Partners as well as Florida residents Gregory Keough and Derek Acree, alleging they were involved **in offering and selling more than $30 million in unregistered securities** from February 2020 to February 2021. This is the **first case** involving securities using **DeFi technology** which resulted in an **enforcement action.**

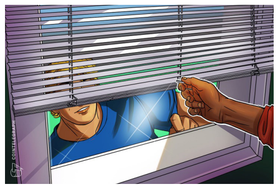
AUG 06, 2021

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Regulatory Activities

Europe, the Middle East, and Africa

Binance to shut down crypto derivatives trading in Europe



Cryptocurrency exchange **Binance** announced that it **would suspend its derivatives trading** across the European region, starting with **Germany, Italy and the Netherlands.** The exchange noted that this **move aligns with Binance's commitment to engage in a** constructive **dialogue with global regulators** regarding local requirements.

JUL 30, 2021

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German law allowing institutional funds to hold crypto comes into effect Aug. 2



Beginning on Aug. 2, 2021, German institutional funds were allowed to hold up to 20% of their assets in cryptocurrencies by law. The new law alters fixed investment rules governing Spezialfonds, which are only accessible to institutional investors.

JUL 31, 2021

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Russian court orders Sber to unblock account used for Bitcoin trading



A court in Russia has ordered Sber, formerly known as Sberbank, **to unblock account services to a client involved in Bitcoin trading.** The client's bank accounts processed multiple transactions associated with trades on cryptocurrency exchanges and was blocked afterwards.

AUG 03, 2021

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UK-based independent legal team to tackle international crypto disputes



Crypto experts across the United Kingdom's legal industry have **announced the launch of the Crypto Fraud and Asset Recovery,** a network **aimed at providing redressal against crypto-related fraudulent activities** and consisting of lawyers, barristers, forensic accountants, corporate intelligence and asset recovery experts.

AUG 09, 2021

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New Spanish bill aims to enable mortgage payments in crypto



The new draft bill introduced by **Spanish** People's Party includes a proposal **to legalize the usage of cryptocurrency and blockchain tech for mortgage and insurance purposes.** The draft law also calls Spanish banks to deploy blockchain tech for managing mortgage and insurance by automating related processes using smart contracts.

AUG 04, 2021

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Russia grants $200K to build tool for tracing crypto transactions



The Russian Federal Financial Monitoring Service has selected a contractor for developing a platform for tracking cryptocurrency activity. Under the contract's documentation, RCO, a company that was granted the contract, **will be** tasked with building a monitoring tool for **tracking the movement of digital financial assets.**

AUG 04, 2021

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New bill in Ukraine to allow payments in cryptocurrency, says official



A new crypto-currency-related **bill in Ukraine will allow payments in cryptocurrencies** like Bitcoin despite not recognizing crypto as legal tender. The bill stipulates that **local payment processors would** still **be able to provide services for converting crypto to fiat** to enable payments deriving from crypto.

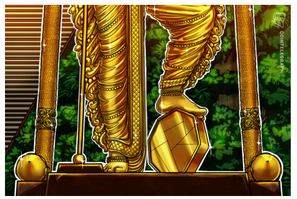
AUG 06, 2021

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Regulatory Activities

Asia Pacific

Binance banned in Malaysia, given 14 days notice to shut down operations



The Securities Commission **Malaysia has served a public reprimand against Binance, calling for the exchange** and all of its entities **to cease operations in the country.** Binance has 14 business days to comply with the order that includes disabling its website and mobile apps, as well as discontinuing any media campaign for its services in the country.

JUL 30, 2021

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Singapore grants first regulatory in-principle approval to crypto exchange



Australian crypto exchange **Independent Reserve has become the first cryptocurrency exchange in Singapore** to receive an "in-principle approval" **to operate as a fully regulated virtual asset service provider.** Singapore's regulatory regime for exchanges requires them to comply with Anti-Money Laundering measures.

AUG 03, 2021

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Binance to restrict derivatives trading for Hong Kong users



Crypto exchange **Binance would restrict access to derivatives products to Hong Kong users** in a move to be a "proactive measure" for establishing "crypto compliance best practices worldwide."

AUG 06, 2021

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Rest of the World

Uruguayan senator introduces bill to enable use of crypto for payments



Uruguayan Senator Juan Sartori has **introduced a draft bill to regulate cryptocurrency and enable businesses to accept crypto payments.** If the bill gains support, the government will introduce three types of licenses for businesses using crypto: to trade crypto, to store it and to issue "crypto-assets or utility tokens with financial characteristics."

AUG 05, 2021

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