

MEDIA RELEASE

DECA members engage in crucial dialogues on cryptocurrency regulation with Australian Government leaders

SYDNEY, Monday, 22 July 2024: The Digital Economy Council of Australia (DECA, previously Blockchain Australia) recently took part in two significant events aimed at influencing the future of cryptocurrency regulation in Australia. On July 11th, DECA members attended a dinner with Shadow Treasurer Hon Angus Taylor MP, followed by a lunch with Treasurer Hon Dr Jim Chalmers MP and Dr. Andrew Charlton MP on July 16th.

These engagements provided a platform for an open exchange of issues, ideas, and perspectives, ensuring that the voices and concerns of DECA's members were heard.

"As part of its commitment to being the leading body for Australia's digital economy, DECA continues to foster bipartisan collaboration within the Australian political landscape," said Amy-Rose Goodey, Managing Director of DECA.

"Our recent research, unveiled at Blockchain Week last month, confirmed that fit-for-purpose regulation is the single most pressing concern for industry participants. As a member-focused organisation, we are dedicated to listening to our members and providing unique opportunities to proactively engage in regulatory dialogue. These meetings were a testament to that commitment.

"We are pleased that our members welcomed the opportunity and that positive discussions took place," Ms Goodey added.

Dr. Andrew Charlton MP, Federal Member for Parramatta, and Chair of Parliamentary Friends of Blockchain said: "Blockchain technology has the potential to transform Australia's economy, adding up to \$60 billion annually. Its ability to enhance transparency, trust, and efficiency across sectors like logistics, healthcare, and finance is unparalleled.

Dr. Charlton emphasised the need for a modern regulatory framework that creates a conducive environment for innovation, jobs, and investment while ensuring consumer protection.

"Australia's strengths as a regional financial hub must be leveraged in the digital economy. Developing digital skills and attracting tech talent through strategic action and collaboration between government and industry is essential to unlocking the full potential of blockchain technology for Australia," he further added.

However, Caroline Bowler, CEO of the leading home-grown cryptocurrency exchange BTC Markets, expressed concerns about the pace at which Australia is advancing on the legislative front compared to the rest of the world.

"Based on my recent travels to Southeast Asia, Europe, and the US this year, it is evident that financial services worldwide have progressed in the crypto and digital assets space, while we continue to play catch-up locally," Ms. Bowler stated.

"As a home-grown exchange, we observe that for Australian businesses to develop and seize the opportunities present globally, we must look at offshore markets, thereby taking skills, intellectual property, and investment overseas."

Government leaders in attendance acknowledged these concerns, recognising that such an outcome would be detrimental to the Australian economy. They were receptive to industry calls for prioritising digital financial services, balanced with the ongoing legislative agenda.

Jackson Zeng, CEO of cryptocurrency brokerage Caleb and Brown, endorsed The Treasury's October 2023 proposal paper titled "Regulating Digital Asset Platforms," which advocates for regulating Digital Asset Service Providers under the Australian Financial Services Licence (AFSL).

"Digital Asset Service Provider members unanimously agree that addressing custody risk remains the highest priority for millions of Australian consumers. The introduction of 'minimum standards for holding assets' and 'additional standards for token holders' addresses this primary concern and should be prioritised for parliamentary legislation," said Mr. Zeng.

Lisa Wade, CEO of DigitalX, the ASX-listed fund manager specialising in cryptocurrencies, shared her optimism following the recent engagements.

"These discussions gave me hope that the government is truly listening and recognises our vital role in the future Australian economy—and that the future of the economy is digital. I saw clearly that as an industry, we must collaborate with the government to overcome significant capacity hurdles.

"What was inspiring to me is that there is a pathway for partnership. I believe DECA can live up to its new name and drive the work forward by assisting the government in drafting the legislation we need," Ms. Wade said.

A recent survey conducted by Protocol Theory and commissioned by DECA found that fit-for-purpose regulation was "extremely important" to 57% of those surveyed and "very important" to a further 31%. This underscores the critical need for Australia to advance its legislative framework to ensure the growth and sustainability of its digital economy.

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About Digital Economy Council of Australia (DECA)

Digital Economy Council of Australia (DECA) is the national voice for businesses and innovators utilising blockchain and distributed ledger technology (DLT). Its mission is to drive the integration of these technologies and enhance Australia's position in the global digital economy. The organisation has launched several working groups dedicated to policy, education, and industry growth, driving focused initiatives and responding to regulatory consultations.

In February 2024, DECA celebrated its tenth anniversary as an organisation. The milestone marked a decade of its commitment to fostering innovation, education and policy development in the digital economy.