Digital Economy Council of Australia

GLOBAL DIGITAL ASSET REGULATORY SUMMIT 2024

RECAP REPORT

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Executive Summary

The Global Digital Asset Regulatory Summit offered a comprehensive look at how different countries are tackling the regulatory challenges posed by digital assets, drawing comparisons to Australia's evolving landscape. The summit provided a unique opportunity to contrast the regulatory frameworks of jurisdictions such as the United States, the European Union, Hong Kong, Singapore, the UAE, Nigeria, and more, against Australia's approach. The discussions made it clear that there are significant gaps in Australia's regulatory environment compared to global leaders.

Regulatory Clarity is Crucial for Innovation:

Countries like Switzerland, the European Union (EU), the United Arab Emirates (UAE), Singapore, Japan, and Hong Kong are striking the right balance between clear regulations and fostering innovation. Their regulatory frameworks are attracting talent and investment while maintaining market integrity.

Cross-Jurisdictional Cooperation:

As digital assets operate globally, cooperation between countries is crucial. The summit highlighted how countries are increasingly aligning their regulations, with frameworks like the EU's MiCA offering a model for other regions.

Over-Regulation Pushes Talent Overseas and Leaves Consumers Vulnerable:

Excessively strict regulations can drive companies to less regulated markets, exposing consumers to greater risk.

Over-Regulation Drives Economic Impact Overseas:

Excessively strict or unclear regulations push talent and businesses to favorable jurisdictions like Switzerland, Singapore, and the UAE, resulting in a brain drain and a loss of economic growth, innovation, and investment opportunities for the home country.

Emerging Markets Adopt Quickly:

Emerging markets in Asia and Nigeria are rapidly adopting digital assets. However, regulatory uncertainty in these regions creates both opportunities and challenges for innovation.

Consumer Protection Must Evolve with Innovation:

As new digital asset products and services emerge, consumer protection measures must adapt. Ensuring transparency, security, and clear information will be crucial to building trust in the sector globally.

US

Fireside Chat - US Blockchain Association

Jackson Zeng
Caleb & Brown

Sarah Milby
US Blockchain Association

Regulatory uncertainty continues to challenge the digital asset industry in the U.S., with outdated frameworks and unclear oversight stifling innovation. As DeFi and NFTs expand, the need for modern, targeted regulations is critical to support growth and ensure clarity for businesses and developers.

The first session of the Global Digital Asset Regulatory Summit highlighted a key issue that continues to challenge the digital asset industry in the United States: regulatory uncertainty. As innovation in the sector accelerates, the lack of clear, comprehensive guidelines has left developers, decentralised platforms, and centralised exchanges operating in a space that is often ill-suited to existing financial laws.

One of the central points of the conversation was the ongoing confusion caused by the dual-regulator system involving the SEC and CFTC. Without a clear determination of which agency governs which assets, businesses are left navigating unclear regulatory waters. This has been particularly evident in recent enforcement actions taken by the SEC against staking products, forcing some major exchanges to halt operations. These cases underscore the challenge of applying decades-old regulations to new, evolving technologies.

Another important topic was the growth of decentralised finance (DeFi). As DeFi continues to expand, regulators are grappling with how these protocols fit into existing frameworks, or if new regulatory approaches are needed. The discussion also touched on the regulatory uncertainty surrounding non-fungible tokens (NFTs), where questions remain about how to categorise them—whether as digital collectibles, securities, or something entirely new.

Ultimately, the session emphasised the need for regulatory clarity, starting with centralised exchanges and custodians, before addressing the more complex areas of DeFi. The conversation reflected the reality that while technology in the digital asset space is moving quickly, the regulatory frameworks needed to support it are still catching up. Without clear direction, businesses in the U.S. may face continued challenges, impacting their ability to innovate and grow.

US

Panel - The US Regulatory Environment

Amanda Wick
Women In Crypto

Steve Vallas
Blockchain APAC

Katie Mitchell
Coinbase

Anya Murphy
Refine Intelligence

Lana Schwartzman
Notabene

Regulatory Uncertainty and Economic Impact

The lack of clarity between the SEC and CFTC regarding which agency oversees specific assets has left businesses uncertain about compliance, particularly around stablecoins. Panelists emphasised that the US, despite its global influence, is lagging behind other jurisdictions, such as the European Union, which are moving ahead with clearer regulations. The economic impact of this regulatory lag is significant, as major companies, like Circle, are already looking to expand abroad where regulatory environments are more supportive. The consensus was that a lack of decisive regulatory action in the US is driving innovation and business opportunities out of the country, limiting the potential growth of the digital asset industry.

Political Influence and Industry Response

The conversation also delved into the political landscape, highlighting the bipartisan nature of the issue. While the US regulatory framework for digital assets remains unclear, the influence of upcoming elections could reshape the regulatory approach. Both parties have shown varying levels of interest in cryptocurrency, with notable candidates expressing strong views on Bitcoin and other digital assets. However, the panelists stressed the importance of keeping crypto a bipartisan issue to ensure long-term industry growth. Despite the uncertainty, economic incentives continue to drive the market, especially in areas like ETFs, where recent approvals have led to significant inflows. The panel concluded with a call for the US to recognise the global shift toward digital finance and to act more decisively to retain its leadership role in the industry.

Steve Vallas - Blockchain APAC

"The US doesn't need to wake up; it just needs to stir. Its outsized influence on global markets means that even small shifts in regulatory approach could lead the way, whether people like it or not."

Katie Mitchell - Coinbase

"There is a stark contrast between how firms are courted and welcomed into markets like Asia Pacific and the Middle East, compared to the regulatory uncertainty in the United States. It could potentially dissuade new upstarts from building in the U.S."

NZ Fireside Chat - The New Zealand Regulatory Landscape

Bryan Ventura
Hamilton Locke

Jeremy Muir
NZ Blockchain Association

Paul Quickenden
Easy Crypto

The New Zealand panel discussed the country's flexible regulatory environment, challenges with debanking, and stringent AML/CFT requirements, emphasising the need for clearer regulations to support innovation and business growth in the digital asset sector.

The key theme was the contrast between New Zealand's flexible regulatory environment and the more stringent frameworks in other countries, particularly Australia and the United States. Panelists noted that while New Zealand has yet to introduce specific digital asset laws, its existing regulatory structures, including financial product definitions and anti-money laundering (AML) laws, have been effective in addressing many of the challenges faced by the industry.

The conversation highlighted the country's "benign neglect" approach—regulators are open to dialogue but have yet to aggressively push for new regulations specific to digital assets. This has created a regulatory landscape where innovation can flourish, but businesses are still cautious, particularly around AML compliance and securing banking relationships. The panelists emphasised that, while New Zealand's approach allows for flexibility and accessibility, more comprehensive regulations would provide greater legitimacy to the industry, making it easier for companies to raise capital, secure insurance, and build trust with consumers.

Paul Quickenden, Chief Commercial Officer at Easy Crypto, pointed out that New Zealand's stringent anti-money laundering and counter-terrorism financing (AML/CFT) laws have made it particularly difficult for crypto businesses to establish and maintain banking relationships. He explained that some exchanges and businesses entering the market are surprised by the high compliance requirements, leading to difficulties in securing basic banking services. The panel expressed concern that this regulatory landscape is not just a hurdle for small firms, but also poses a broader challenge for the industry's ability to innovate and operate smoothly.

Jeremy Muir - MinterEllison

"We're in what I often describe as an environment of benign neglect. The regulators aren't rushing to make changes, but they're positively interested in developments, especially from a consumer protection perspective"

GLOBAL

The Global Regulatory Landscape: An Overview

Michael Bacina
Piper Alderman

Greg Medcraft
Global Digital Finance

Economic Impact and the Role of Technology

Medcraft stressed the immense economic potential unlocked by embracing digital asset technology. Countries that have established regulatory clarity, such as the UK and Singapore, are positioning themselves as global leaders, driving efficiency and innovation in financial services. Medcraft noted that the automation and tokenisation of assets can lead to reduced costs, increased transaction speed, and liquidity. In emerging markets like Brazil, the focus has been on financial inclusion, with tokenisation offering new financial products for underserved populations. However, Medcraft warned that self-regulation, while useful, often lacks enforcement, advocating instead for a co-regulation approach where industries and regulators work together to maintain high standards and compliance to scale the digital financial revolution effectively.

Regulatory Engagement and Global Leadership

A major theme of the discussion was the importance of effective regulatory engagement and how it shapes the future of digital asset regulation globally. Medcraft emphasized the need for regulators and the industry to work collaboratively, citing examples where successful engagement has led to progressive frameworks.

In particular, he highlighted the UK's regulatory sandbox and Singapore's market license regime as prime examples of effective collaboration between regulators and industry, allowing innovation while maintaining oversight.

Medcraft noted that while some regions, like the United States, rely heavily on enforcement actions and prescriptive regulations, other jurisdictions, including Europe and Asia, have adopted more principle-based and cooperative approaches. These approaches not only foster innovation but also build trust between regulators and the digital asset industry, ultimately creating more robust and adaptive regulatory frameworks. He also pointed out that Australia's involvement in global task forces such as IOSCO enables it to contribute to and benefit from these international developments.

Singapore & Hong Kong

Ron Tucker
IDAXA

Angela Ang
TRM Labs

Chengyi Ong
Chainalysis

Sean Lee
Crypto Council

Hong Kong and Singapore are setting the standard for digital asset regulation, offering clear frameworks and active industry collaboration. Yet, challenges remain, especially around OTC trading, third-party custody, and cross-border supervision.

Regulatory Clarity in Hong Kong and Singapore

The panel highlighted the significant progress made by regulators in Hong Kong and Singapore in providing clearer frameworks for the digital asset industry. In both jurisdictions, the buzzword is clarity. Angela Ang from TRM Labs noted how the Singapore Monetary Authority (MAS) has been implementing more robust regulations, with custody service providers now required to meet stricter licensing requirements. Meanwhile, Hong Kong has introduced its virtual asset service provider (VASP) licensing regime, further cementing its commitment to developing a secure, regulated digital asset ecosystem. The willingness of both regulators to engage with the industry has fostered a collaborative approach that is helping to shape comprehensive rules in areas like stablecoins, OTC trading, and custody solutions.

Remaining Challenges and Areas for Growth

Despite the strides in regulation, the panel acknowledged that challenges remain. Sean Lee from the Crypto Council highlighted that, while Hong Kong is making significant progress, there are still gaps, particularly around third-party custody solutions and OTC trading. Both areas require further regulatory clarity to enable larger institutional players to confidently participate. Another recurring theme was the need for ongoing collaboration between technologists, policymakers, and regulators. Chengyi Ong from Chainalysis pointed out that cross-border supervisory collaboration is the next step, given the international nature of many digital asset companies operating in both Hong Kong and Singapore. The panel agreed that while no jurisdiction has perfected its regulatory regime, the willingness to engage and adapt remains a key strength in these regions.

Japan

Hiroki Morita
SettleMint

Keisuke Kimura
Japan Crypto Business Association

The fireside chat on Japan highlighted the significant progress made in establishing regulations around stablecoins and digital assets. Japan has taken a proactive stance, updating its Payment Services Act to cover stablecoins, separating regulations for issuers and intermediaries. This regulatory clarity has allowed banks, money transfer services, and trust banks to issue stablecoins under specific guidelines. Japan's clear definitions for stablecoins, including digital money types and crypto assets types, showcase its advanced regulatory framework. The Financial Services Agency (FSA) continues to push for regulations that facilitate innovation while maintaining stringent safeguards, providing a blueprint for other nations navigating the complexities of digital asset regulation.

The session also discussed emerging use cases for stablecoins in Japan, with both retail and institutional adoption gaining momentum. Hiroki Morita from Settlemint highlighted that institutions like Sony Bank are pioneering innovative applications, including issuing stablecoins on public blockchain networks like Polygon. The focus on stablecoins for retail payments, money transfers, and even community tokens reflects Japan's forward-thinking approach. The collaboration between banks and technology companies signals a broader shift toward tokenisation and blockchain adoption. As Japan's stablecoin ecosystem continues to evolve, its regulatory clarity and practical use cases are setting the stage for broader mass adoption.

Japan has made significant strides in regulating digital assets, particularly stablecoins, through updates to its Payment Services Act. This framework provides clear guidelines for issuers and intermediaries, allowing banks and trust companies to issue stablecoins under specific regulations. The Financial Services Agency (FSA) continues to prioritise innovation while maintaining safeguards. Emerging use cases, such as retail payments and institutional adoption by companies like Sony Bank, highlight Japan's forward-thinking approach. With strong collaboration between financial institutions and technology companies, Japan is positioning itself as a leader in stablecoin adoption and digital asset regulation, fostering an ecosystem primed for mass adoption.

Indonesia, Vietnam & Philippines

Leah Callon-Butler
Emfarsis

Mr. Quynh Do
Vietnam Blockchain Association

Mark S. Gorriceta
Blockchain Council of the Philippines

Asih Karnengsih
Asosiasi Blockchain Indonesia

Indonesia and Vietnam: Growing Interest and Regulatory Gaps

In Indonesia and Vietnam, the discussion highlighted a rapidly growing interest in blockchain, but with distinct regulatory challenges. Indonesia has recently classified crypto as a financial instrument and created a sandbox for blockchain innovation. However, gaps in regulatory clarity still push some companies to establish entities abroad. Vietnam, despite lacking a formal legal framework for digital assets, has seen immense growth in the use of crypto, with over 7% of the population holding digital assets. The Vietnam Blockchain Association is working closely with the government to develop a legal framework, expected in 2025, to foster innovation and attract further investment.

The panel discussion highlighted the Philippines as a frontrunner in adopting crypto-friendly regulations. As early as 2017, the Central Bank of the Philippines issued regulations for virtual currency exchanges, later evolving into guidelines for Virtual Asset Service Providers (VASPs). This early embrace of blockchain technology has positioned the Philippines as a regional leader, with regulators implementing a sandbox framework to pilot new projects. Notably, the recent approval of the PHPC, a peso-backed stablecoin, reflects the country's willingness to innovate. The panel also touched on the significant role of remittances, with blockchain poised to streamline cross-border payments, reduce fees, and improve transaction speed.

KEY TAKEAWAYS:

- **Philippines as a Leader:** Early adoption of blockchain regulations and sandbox initiatives have set the Philippines apart.
- **Remittance Innovation:** Blockchain is streamlining cross-border payments, benefiting the Philippines' significant remittance market.
- **Indonesia's Regulatory Progress:** Recent classifications of crypto as financial instruments show regulatory movement, but challenges remain.
- **Vietnam's Growth:** With over 7% of its population using crypto, Vietnam is a rapidly growing market, awaiting regulatory frameworks.

INDIA

Michi Chan
Crypto.com

Dilip Chenoy
Bharat WEB3 Association

India's Approach to Digital Asset Regulation

Dilip Chenoy discussed how India's Supreme Court overturned a 2018 crypto ban, which was a turning point for the sector. Since then, various government bodies have implemented measures, including regulations by CERT-IN (India's cybersecurity agency) and advertising standards by the Advertising Standards Council of India. A notable step forward was the introduction of taxation on digital assets, including a 30% tax on profits and a 1% tax deducted at source (TDS) on transactions, though these measures have sparked mixed reactions from investors and businesses alike.

The conversation also covered challenges faced by exchanges, particularly in complying with cybersecurity reporting and managing the burdensome tax framework, which has led some international exchanges to leave the Indian market.

Despite regulatory developments, Chenoy identified several ongoing challenges. The strict tax regime has driven some businesses to operate overseas or find ways around compliance, tarnishing the industry's image. Additionally, there remains a lack of regulatory distinction between investment-related and non-investment use cases of digital assets, stifling broader blockchain innovation.

The issue of debanking has also slowed growth, as many crypto businesses struggle to access banking services. However, Chenoy noted India's strong grassroots crypto adoption and its potential to become a global Web3 hub. With its vast tech talent and increasing interest in blockchain, the future of India's digital asset sector remains promising, particularly as the government prepares to release a comprehensive regulatory consultation paper.

Dilip Chenoy

"The 30% tax and 1% TDS are significant barriers, driving businesses to relocate or reconsider their involvement in the Indian market. The tax framework needs rethinking to support sustainable growth."

AUSTRALIA

Australia's digital asset sector faces major hurdles, including regulatory uncertainty, debanking issues, and difficulties securing local professional indemnity insurance.

The Australian digital asset regulatory landscape is fraught with challenges and significant uncertainty. The panel highlighted that, despite the sector's rapid growth, the lack of a comprehensive and clear regulatory framework continues to hinder progress. Regulatory bodies such as the Australian Securities and Investments Commission (ASIC) have taken action against companies like Qoin and BlockEarner, raising concerns about the inconsistent application of existing financial product laws to digital assets. This has created a sense of confusion within the industry, as businesses are left operating in a grey area without specific guidelines. The ongoing consultations have yet to yield a clear timeline or regulatory path, further complicating the environment for digital asset firms.

Structural Barriers and Business Frustrations

The panel also discussed the structural barriers facing the Australian digital asset sector, particularly around securing professional indemnity (PI) insurance and maintaining banking relationships. Many businesses are struggling with debanking, a recurring issue that has left companies without access to essential banking services. Additionally, securing PI insurance has proven difficult, with many firms needing to look offshore for coverage due to a lack of local options. These challenges are exacerbating the already uncertain regulatory environment, leaving businesses frustrated and constrained in their ability to innovate and grow. The lack of regulatory clarity is not just a barrier to entry but a potential risk to Australia's standing as a hub for digital asset innovation.

Caroline Bowler
BTC Markets

Paul Derham
HN Law

Michele Levine
Hamilton Locke

AUSTRALIA - TAX

Greg Valles
Valles Accounting

Joni Pirovich
BDASL

Damian Lloyd
Cadena Legal

Christina Allen
Curtain University

The panel highlighted Australia's growing crypto taxation challenges, focusing on unclear tax rules for DeFi and staking, increased ATO scrutiny, and the need to prepare for international tax reporting frameworks like CARF.

The Australian Taxation Office (ATO) is increasing its scrutiny of cryptocurrency transactions, data matching protocols, and enforcing compliance. However, the ambiguity in defining digital assets for tax purposes—particularly in areas like staking, DeFi, and airdrops—continues to create uncertainty for businesses and investors. The ATO's data collection and audits are intensifying, with a lack of clarity on how specific digital asset activities should be taxed, especially when it comes to capital versus revenue classification.

Consumer needs and preferences

Another major issue discussed was the global push for tax reporting standards like the OECD's Crypto-Asset Reporting Framework (CARF) and the EU's DAC 8. Australia has yet to implement specific versions of these frameworks, but businesses need to prepare for increasing tax reporting obligations globally. Moreover, the panel highlighted how cryptocurrency insolvencies, like Digital Surge, expose gaps in Australia's tax system, particularly when it comes to creditor claims and the tax treatment of asset exchanges. Despite the progress, significant gaps remain in how digital assets are treated in insolvencies and how future tax regulations will evolve to meet the growing digital economy.

Joni Pirovich - BDASL

"With international frameworks like CARF on the horizon, businesses in Australia need to prepare for more stringent tax reporting requirements, even though local guidelines are still catching up."

Damian Lloyd - Cadena Legal

"The biggest challenge right now is the lack of clarity around how staking, DeFi, and even airdrops are treated for tax purposes. Businesses are navigating without clear guidance, and it's causing confusion across the board."

AUSTRALIA - Consumer Protection and Market Integrity

Tim Edwards
HopgoodGamin Lawyers

Liam Hennessy
Clyde & Co

Delia Burrage
Catena Digital

David Menz
Coinbase

Australia's regulatory landscape is tightening, with ASIC focusing on consumer protection and market integrity. The challenge remains balancing innovation with safeguards, as businesses must adopt proactive measures to protect users in the digital asset space.

With regulatory uncertainty still looming, companies and regulators alike are grappling with how to best protect consumers without stifling innovation. ASIC's recent enforcement actions against firms like Finder and Block Earner highlight the growing focus on ensuring market integrity and consumer safeguards. One key issue raised was the widespread information asymmetry—many consumers are entering the digital asset market without a clear understanding of the risks, leaving them vulnerable to scams and unfair practices.

David Menz from Coinbase shed light on the growing pressure to bolster market integrity in Australia following high-profile collapses like FTX. He stressed that, while regulators must act to protect consumers, they also need to strike a delicate balance. Overly aggressive regulatory approaches could push users toward unregulated markets, increasing their exposure to risk. The panel compared Australia's stance to other countries like Singapore, which has adopted stricter consumer protection models. However, Menz cautioned that Australia must find a middle ground—one that offers robust consumer protections while still fostering an environment where innovation can thrive. The consensus from the panel was clear: regulations should protect without stifling the industry's potential.

Liam Hennessy highlighted the growing responsibility of businesses in the evolving Web3 landscape, noting that post-GFC regulatory trends demand more than just transparency. He emphasised that companies must take active steps to safeguard consumers, particularly in complex sectors like blockchain. Mere disclosure isn't enough anymore—regulators are increasingly focused on ensuring that businesses uphold ethical standards and truly protect users in this rapidly developing industry. The shift signals a new era where companies will be held accountable for not just compliance, but proactive consumer protection.

AUSTRALIA - Custody

Jaime Lumsden
Hamilton Locke

Kate Cooper
Zodia Custody

Alvin Chia
Northern Trust

Rahul Advani
Ripple

Albin Wan
BitGo

Custody in the Digital Asset Landscape: Key Challenges

Unlike traditional finance, where custodians manage assets such as stocks and bonds under long-established rules, digital assets require a fundamentally different approach. As Rahul Advani from Ripple pointed out, the decentralised nature of digital assets, stored via private cryptographic keys, introduces risks that regulators are still grappling with. Loss of these keys can lead to irreversible financial loss, making security paramount. Regulators are also facing challenges in addressing new forms of asset ownership, such as fractional ownership enabled by tokenisation and smart contracts.

One of the core problems discussed was Australia's regulatory lag in establishing clear rules for digital asset custody. While Japan, Singapore, and Hong Kong have already put forward robust frameworks, Australia remains in a prolonged consultation phase. This regulatory uncertainty is holding back business confidence and market growth. Kate Cooper from Zodia Custody underscored this point, warning that Australia's delay in tackling crucial issues, such as whether cryptographic keys should be stored onshore or offshore, is undermining trust. She argued that without a clear decision on key storage, institutions are hesitant to fully embrace the market, which could cause Australia to lose its competitive edge globally.

A point raised by Alvin Chia from Northern Trust focused on the opportunities that tokenisation and smart contracts bring to the custodial space. While this offers exciting prospects, Australia has yet to address how its regulatory frameworks will adapt to these developments.

Chia pointed out that tokenisation of assets, which allows fractional ownership and more fluid market participation, requires a fundamentally different approach to custody. Australia's hesitation to regulate tokenised assets may result in missed opportunities for innovation, as institutions look to more forward-thinking jurisdictions.

One of the more exciting yet concerning topics raised was the debate over self-custody versus third-party custody, an issue that's becoming more prominent as blockchain technology matures. The panel agreed that while self-custody can empower individual users, it poses significant risks. If individuals or small firms mishandle their cryptographic keys, the financial consequences could be devastating. This discussion highlighted the need for clearer guidance on whether self-custody will be regulated differently from third-party custody in Australia, something that other regions have already begun to address.

Albin Wan, representing BitGo, emphasised the crucial need for a clear regulatory framework for custody services in Australia. He noted that while jurisdictions like Singapore and Hong Kong have introduced concrete licensing and registration regimes, Australia still lags behind, creating significant uncertainty for both operators and participants. He highlighted that the lack of an established framework makes it difficult for businesses to confidently offer services without risking enforcement actions. Wan called for urgent regulatory clarity, suggesting that key decisions—such as whether cryptographic keys should be stored onshore—could help stabilise the market and build trust in the Australian digital asset ecosystem.

UAE

The UAE is setting global standards with its pioneering digital asset regulation, led by Dubai's VARA and Abu Dhabi's ADGM. Balancing innovation and strict compliance, the country is attracting both startups and institutional players.

The panel on the United Arab Emirates (UAE) provided insight into the country's ambitious push to become a global hub for digital assets, driven by two key regulatory frameworks: Dubai's Virtual Assets Regulatory Authority (VARA) and Abu Dhabi's Abu Dhabi Global Market (ADGM). The UAE's approach to regulation is not just about attracting innovation but ensuring that businesses operate within a well-defined, compliant environment. Nathan Catania from XReg Consulting stressed that Dubai's VARA has set a new global standard by being the world's first dedicated virtual assets regulator. This regulation covers everything from exchanges and brokers to custodians, ensuring that companies meet strict guidelines on anti-money laundering (AML), consumer protection, and security.

Chloe White from Genesis Block underscored the competitive nature of obtaining a VARA license. While Dubai's regulatory clarity makes it attractive, it's also demanding, with rigorous compliance requirements. High standards for licensing and operational oversight mean that businesses must be prepared to invest heavily in compliance from the outset. This isn't just a sandbox for experimentation; it's a controlled environment where only those with the right infrastructure can succeed.

A Tale of Two Jurisdictions: Dubai vs. Abu Dhabi

Vishal Sacheendran from Binance explained that while Dubai's VARA offers flexibility and innovation for startups and international crypto giants, Abu Dhabi's ADGM framework is more tailored to institutional players. ADGM takes a more conservative approach, focusing on large-scale asset managers and financial institutions, catering primarily to high-net-worth investors. This dual landscape offers businesses a choice: Dubai's fast-paced, innovation-driven market, or Abu Dhabi's more traditional, institution-friendly environment. The panel agreed that companies need to carefully assess their strategic goals and compliance readiness before diving into the UAE's regulatory ecosystem. The opportunities are immense, but so are the expectations.

Nathan Catania
XReg Consulting

Chloe White
Genesis Block

Vishal Sacheendran
Binance

EUROPE

Steven Pettigrove
Piper Alderman

Naseem Naqvi
British Blockchain Association

Isabella Chase
TRM LABS

Ekaterina Anthony
Crypto Valley

André Casterman
XinFin Powering XDC Network

Today's fast-paced corporate world requires market understanding. This research seeks to provide an in-depth analysis of the Ingoude Company's target market, including its size, growth rate, trends, and main competitors.

While each country is tackling regulation from different angles, a common theme emerged: legal clarity is paramount. In Switzerland, Ekaterina Anthony from Crypto Valley pointed out how Switzerland's FINMA has been ahead of the curve since 2017, implementing regulations like the DLT law and ICO guidance. However, she emphasised that despite these advancements, issues still remain, such as the limited scalability of crypto transactions due to stringent KYC (Know Your Customer) requirements.

Meanwhile, in Britain, Naseem Naqvi from the British Blockchain Association highlighted that despite ambitious goals set by previous governments to turn the UK into a global crypto hub, progress has stalled. Changes in political leadership and limited legislative action have left many businesses frustrated, especially as access to banking remains a significant hurdle for crypto firms. Naqvi noted that while there's a positive rhetoric from government, the actions of regulators often fail to mirror these intentions, leaving the UK in a cautiously optimistic state.

The panel highlighted the significance of the Markets in Crypto-Assets (MiCA) regulation, which is poised to be a game-changer for Europe's fragmented digital asset markets. MiCA, set to be fully implemented by 2024, aims to create a unified regulatory framework for crypto assets across all EU member states, providing much-needed clarity for businesses and investors alike.

Isabella Chase from TRM Labs emphasized that MiCA will bring stablecoins, crypto asset service providers (CASPs), and other digital asset activities under a single legal framework, reducing the regulatory uncertainty that has hampered growth and innovation in various European countries.

One of MiCA's most significant impacts is the standardisation of requirements for CASPs, such as licensing, capital requirements, and consumer protection obligations. This is expected to facilitate cross-border activities, making it easier for crypto firms to expand within the EU, as they'll no longer have to navigate a patchwork of different national regulations. However, the panel also pointed out that MiCA brings new challenges, particularly regarding compliance, as firms will need to adhere to strict anti-money laundering (AML) and consumer protection guidelines.

Andre Casterman from XDC Network added that MiCA is particularly vital for France, where blockchain technology is being integrated into trade finance. By providing a clear legal structure, MiCA ensures that businesses in innovative sectors like trade finance can operate with confidence and scale their operations across Europe. While the regulation is generally viewed positively, the panel agreed that it will require significant adjustments, especially for smaller firms that may find the compliance burden challenging.

AFRICA

Andrea Frosinini
XDC NETWORK

Emmanuel Babalola
Bundle Africa

Nigeria's Evolving Digital Asset Landscape: Struggles and Progress

Nigeria’s journey with digital assets has been one of both promise and turmoil, as highlighted in the fireside chat on the country's regulatory path. Emmanuel Babalola outlined how, over the past few years, Nigeria has experienced rapid growth in crypto adoption, despite inconsistent and, at times, conflicting regulatory actions. The country saw a surge in crypto use, particularly peer-to-peer transactions, following the Central Bank of Nigeria’s (CBN) 2021 ban on banks facilitating crypto trades. But while the CBN cracked down on cryptocurrencies, the government simultaneously launched the eNaira, Nigeria’s own central bank digital currency (CBDC), showing a cautious yet forward-thinking approach to blockchain technology.

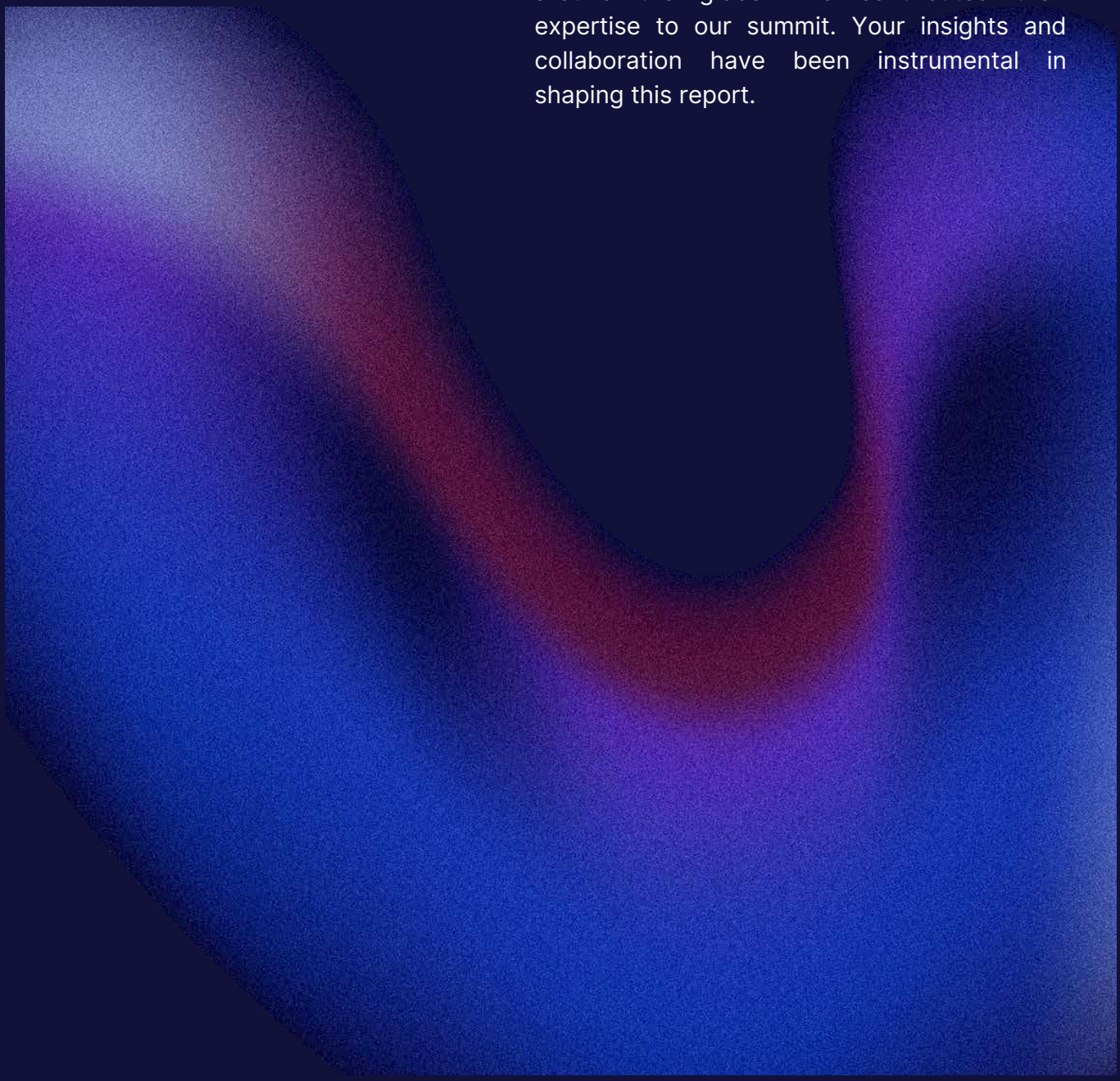
Despite the launch of the eNaira, the regulatory landscape remained a challenge. Crypto companies operated in a grey area, uncertain of their future in a country where policies could shift overnight. However, 2023 marked a turning point. Nigeria introduced a licensing framework for crypto firms, a significant step toward regulatory clarity.

The Securities and Exchange Commission (SEC) began issuing licenses to exchanges and other crypto-related businesses, signalling a more structured approach to the sector.While these regulatory developments bring optimism, Babalola acknowledged the difficulties still facing the industry.

Nigeria’s currency, the naira, has been in decline, and the government has often blamed the widespread use of cryptocurrencies for exacerbating the problem. This scrutiny adds pressure to an already volatile market. However, the panel was hopeful, recognising the importance of a national blockchain strategy to foster growth and innovation. With clearer regulations now in place, Nigeria is positioning itself to become a leader in Africa’s digital asset revolution.

Emmanuel Babalola

"Nigeria's regulatory journey has been bumpy, but the recent introduction of licensing frameworks signals a positive shift. We're moving from uncertainty to clarity, and it's setting the stage for real innovation."

Thank you!

A heartfelt thank you to all the speakers from around the globe who contributed their expertise to our summit. Your insights and collaboration have been instrumental in shaping this report.