

# Crypto Insights

A digital assets  
newsletter

December 2024

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## Welcome to Crypto Insights – a digital assets newsletter.

The purpose of this newsletter is to provide a summary of the latest regulatory and industry-wide market developments with respect to crypto-assets and central bank digital currencies.

In the following pages, you will find a summary of the below notable developments made publicly available by the global regulatory community, industry working groups and/or infrastructure providers.

### In this edition

#### Regulatory space

- G20 crypto-asset policy implementation roadmap: progress and challenges
- BIS: Project mBridge reaches viable product stage and handed over to central banks
- IMF: CBDC data use and privacy protection
- IMF: Cyber resilience of the CBDC ecosystem
- Qatar launched the QFC Digital Assets Framework
- Abu Dhabi: Consultation paper on issuance of fiat referenced tokens
- Private sector partners join Project Agorá
- BCAP: New rule restricting broadcast ads for qualifying crypto-assets
- HKMA commences phase 2 of e-HKD pilot program and expands Project e-HKD to explore new forms of digital money
- Brazilian Central Bank announces projects selected for phase 2 of Drex pilot testing
- UAE exempts crypto transactions from value added tax
- UK introduces bill to clarify crypto's legal status
- FCA reports increase in crypto ownership and outlines regulatory plans
- BIS releases working paper on decentralized dealers
- FSB report highlights financial stability implications of tokenization

#### Markets

- Goldman Sachs plans to spin out its digital assets platform
- UBS Asset Management launches tokenized money market fund
- BlackRock highlights bitcoin's unique qualities as approved IBIT options may solidify its risk-off status
- Australia's RBA to prioritize wholesale CBDC work over retail
- SWIFT to trial live digital currency transactions next year
- PayPal to allow cryptocurrency buying, holding and selling for US merchants
- India tops Chainalysis' Global Crypto Adoption Index for second consecutive year
- Paxos launches Global Dollar (USDG) to boost stablecoin adoption
- OKX partners with Standard Chartered for institutional crypto custody
- Coinbase expands business payment options with PayPal USD stablecoin

#### Technology

- JPMorgan to launch instant FX settlement with Kinexys
- UK Finance announces success of Regulated Liability Network experimentation phase
- ANZ to launch Chainlink private transactions protocol to enhance RWA
- Archax and Ripple collaborate to tokenize abrdn money market fund on XRP Ledger
- Bitcoin project BOB outlines blockchain dominance over DeFi
- Gold enters 'Digital Gold' realm as bitcoin introduces tokenized version of the metal



## Cryptocurrency prices by market cap\*

Name	Price (US\$)	Market Cap (US\$)	Circulation Supply	60 Day Chart	60d return
Bitcoin (BTC)	\$95,308.75	\$1.89T	19,790,340 BTC		57.28%
Ethereum (ETH)	\$3,607.41	\$434.48B	120,442,286 ETH		52.95%
Tether (USDT)	\$1.00	\$134.13B	134,122,209,730 USDT		0.03%
USD Coin (USDC)	\$1.00	\$39.86B	39,862,804,998 USDC		0.00%
BNB (BNB)	\$635.43	\$91.51B	144,009,619 BNB		17.37%
XRP (XRP)	\$2.37	\$135.3B	57,051,491,087 XRP		351.66%
TRON (TRX)	\$0.2069	\$17.85B	86,302,421,327 TRX		33.81%
Cardano (ADA)	\$1.09	\$38.29B	35,085,884,197 ADA		218.65%
Solana (SOL)	\$223.60	\$106.25B	475,150,746 SOL		63.61%
Dogecoin (DOGE)	\$0.4152	\$61.04B	147,033,506,384 DOGE		297.21%

Source: <https://coinmarketcap.com/>



## Regulatory highlights

### Regulatory Space

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- IMF: Cyber resilience of the CBDC ecosystem
- Qatar launched the QFC Digital Assets Framework
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### G20 crypto-asset policy implementation roadmap: progress and challenges<sup>1</sup>

The G20 has prioritized the development and implementation of a coordinated policy and regulatory framework to address the risks associated with crypto-assets. This status report highlights the progress made in advancing the International Monetary Fund-Financial Stability Board (IMF-FSB) crypto-asset policy implementation roadmap. Most FSB member jurisdictions have either established or are in the process of developing regulatory frameworks for crypto-assets and stablecoins. To support these efforts, the IMF, FSB, standard-setting bodies (SSBs), and the Financial Action Task Force have organized various workshops, outreach sessions, and capacity-building programs to raise awareness and facilitate implementation beyond the G20.

Despite these advancements, challenges persist. Inconsistent implementation of the FSB Framework can lead to regulatory arbitrage, and cross-border crypto-asset activities from offshore jurisdictions pose significant regulatory and supervisory challenges. Non-compliance with existing laws undermines the effectiveness of the FSB Framework and other international standards. Specific regulatory requirements for stablecoins are necessary due to their susceptibility to sudden loss of confidence and potential runs. The IMF, FSB, SSBs, and other international organizations will continue to promote a globally coordinated approach to crypto-asset regulation, with the FSB planning a review of the framework's implementation status by the end of 2025.

### Bank for International Settlements (BIS): Project mBridge reaches viable product stage and handed over to central banks<sup>2</sup>

Project mBridge reached its minimum viable product (MVP) stage in mid-2024, aiming to create a multi-central bank digital currency (CBDC) platform for instant cross-border payments and settlements using distributed ledger technology (DLT). Initiated in 2021 by the BIS Innovation Hub, the Bank of Thailand, the Central Bank of the UAE, the Digital Currency Institute of the People's Bank of China, and the Hong Kong Monetary Authority, the project saw the Saudi Central Bank join in 2024. The project addresses inefficiencies in cross-border payments such as high costs and slow speeds and aims to improve financial inclusion in regions affected by the decline of correspondent banking.

<sup>1</sup>G20 Crypto-asset Policy Implementation Roadmap: Status report - Financial Stability Board

<sup>2</sup>Project mBridge reached minimum viable product stage



The mBridge Ledger, a new blockchain platform, was developed to support real-time, peer-to-peer cross-border payments and foreign exchange transactions. After a successful pilot in 2022, the project moved towards MVP by deploying validating nodes from the founding central banks and conducting real-value transactions with commercial banks. The MVP platform, compatible with the Ethereum Virtual Machine, supports real-value transactions and serves as a testbed for new technology solutions and interoperability. In October 2024, the BIS handed over the project to its partners, with numerous global financial institutions observing the initiative.

## IMF: Central bank digital currency (CBDC) data use and privacy protection<sup>3</sup>

The IMF has released a Fintech Note addressing the trade-offs between the use of CBDC data and privacy protection. The note highlights that improper management of risks—such as data leaks, misuse, and cyberattacks—could erode trust and hinder the adoption of retail CBDCs. It also points to varying privacy approaches across different jurisdictions. The document underscores the importance of institutional frameworks, data collection, access, storage policies, design decisions, and technological solutions. It advocates for the enhanced use of CBDC data through strong transparency and accountability measures, sound policies, and the implementation of privacy-by-design principles.

## IMF: Cyber resilience of the CBDC ecosystem<sup>4</sup>

The IMF has published a Fintech Note on the cyber resilience of the CBDC ecosystem, drawing on live CBDCs and experiments conducted by central banks and international institutions for domestic use. The research incorporates cybersecurity and resilience frameworks from standard-setting bodies. The note examines digital risks, including cyber threats, and their effects on an interconnected CBDC ecosystem. It also evaluates the pros and cons of commonly considered design options for implementing domestic, retail CBDCs and highlights best practices for building a cyber-resilient CBDC ecosystem.

## Qatar launched the QFC Digital Assets Framework<sup>5</sup>

The Qatar Central Bank and the Qatar Financial Centre Regulatory Authority (QFCRA) have introduced the QFC Digital Assets Framework for the creation and regulation of digital assets within the QFC. This initiative aligns with the objectives outlined in the Third Financial Sector Strategic Plan.

Developed after stakeholder consultations and the launch of the QFC Digital Assets Lab in October 2023, the Framework establishes a structure for entities to apply for token service provider activities. It also addresses the tokenization process, legal recognition of property rights in tokens and their underlying assets, custody arrangements, and the legal recognition of smart contracts.

## Abu Dhabi: Consultation paper on issuance of fiat referenced tokens<sup>6</sup>

The Financial Services Regulatory Authority (FSRA) of the Abu Dhabi Global Market (ADGM) has released Consultation paper no. 7 of 2024, proposing a regulatory framework for the issuance of fiat-referenced tokens (FRTs). This follows the introduction of its original crypto asset framework in 2018 and subsequent guidance.

The FSRA plans to model the framework on practices from other jurisdictions, such as the EU's Markets in Crypto-Assets Regulation (MiCA) and the UK's regulatory framework (see Ashurst briefings for more information). The framework will classify FRT issuance as a separate regulated activity, distinguishing FRTs from virtual assets. The consultation also addresses topics like reserve assets, stress testing, white paper requirements, and minimum capital thresholds. In addition, the ADGM is reviewing its existing regulatory framework to assess if any amendments are necessary.

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<sup>3</sup>Fintech Notes (imf.org)

<sup>4</sup>Fintech Notes (imf.org)

<sup>5</sup>Qatar Financial Centre Issues QFC Digital Assets Framework 2024 | Qatar Financial Centre (QFC)

<sup>6</sup>Consultation\_Paper\_No.\_7\_of\_2024\_FRTs.pdf (thomsonreuters.com)



## Private sector partners join Project Agorá<sup>7</sup>

BIS innovation hub provided an update that more than 40 private sector financial firms, convened by the Institute of International Finance (IIF), are joining forces with the Bank for International Settlements (BIS) and a group of leading central banks in Project Agorá to explore the potential of tokenization in improving wholesale cross-border payments.

The BIS and IIF selected these firms based on eligibility criteria outlined in a public call for participation. To qualify, firms must be regulated in one of the participating jurisdictions as a commercial bank, payment service provider, or financial market infrastructure entity; should be actively involved in cross-border payments; and have expertise in innovation. The selected firms represent a wide range of private sector partners in terms of business models, institutional size, expertise, and geography.

Project Agorá, named after the Greek term for marketplace, is a public-private collaboration that includes seven central banks: the Bank of France (representing the Eurosystem), Bank of Japan, Bank of Korea, Bank of Mexico, Swiss National Bank, Bank of England, and the Federal Reserve Bank of New York. These central banks will work alongside the private sector firms, with the IIF serving as the private sector convener.

Building on the BIS's unified ledger concept, Project Agorá will investigate how tokenized commercial bank deposits can be integrated with tokenized wholesale central bank money on a shared programmable platform. The aim is to enhance the monetary system by leveraging smart contracts and programmability, while preserving the existing two-tier structure.

## BCAP: New rule restricting broadcast ads for qualifying crypto-assets<sup>8</sup>

The Broadcast Committee of Advertising Practice (BCAP) has announced the introduction of new rule explicitly prohibiting ads for certain types of crypto-asset products from being broadcast to general, non-specialist audiences on TV and radio. While these products were already restricted under BCAP Code rule, as they are not regulated by the Financial Conduct Authority (FCA). The BCAP considers adding the category to the code will ensure that the products are restricted to appropriate specialized broadcast audiences.

The rule also adds precision by recognizing the broad and growing category of investments that did not exist when the original rule was created, while reminding broadcasters of the legal restrictions on advertising them.

Crypto-assets not classified as qualifying crypto-assets will remain subject to rule 14.5.4, which applies to unregulated investments in general. BCAP conducted a public consultation on the proposed rule change but received no responses. While the new rule provides greater clarity for both industry and consumers, it does not change the existing policy on advertising these products. The change has been approved by Ofcom and is now in effect.

## HKMA commences Phase 2 of e-HKD pilot programme and expands Project e-HKD to explore new forms of digital money<sup>9</sup>

The Hong Kong Monetary Authority (HKMA) has launched Phase 2 of the e-HKD pilot program to further explore innovative use cases for new forms of digital money, such as e-HKD and tokenized deposits, with potential applications for both individuals and businesses. As the project broadens its focus from e-HKD alone to a more comprehensive examination of the digital money ecosystem, it has been renamed Project e-HKD+. This new name reflects the evolving fintech landscape and the HKMA's commitment to fully unlocking the potential of digital money.

In phase 2 of the e-HKD pilot program, 11 groups of firms from various industries have been selected to explore innovative use cases for e-HKD and tokenized deposits across three key themes: settlement of tokenized assets, programmability, and offline payments. These firms will also assess the commercial feasibility of new forms of digital money in real-world scenarios, with potential accessibility for both individuals and businesses.

<sup>7</sup>Private sector partners join Project Agorá (bis.org)

<sup>8</sup>New rule restricting broadcast ads for qualifying cryptoassets - ASA | CAP

<sup>9</sup>Hong Kong Monetary Authority - HKMA commences Phase 2 of e-HKD Pilot Programme and expands Project e-HKD to explore new forms of digital money



The insights gained from phase 2 will help the HKMA address practical challenges in designing, implementing, and operating a digital money ecosystem that includes both public and private digital currencies. Project e-HKD+ will continue to develop the necessary technological and legal framework to support the possible future issuance of e-HKD for use by individuals and corporates.

## Brazilian Central Bank announces projects selected for phase 2 of Drex pilot testing<sup>10</sup>

The Central Bank of Brazil (BC), in collaboration with the Brazilian Securities and Exchange Commission (CVM), has announced a list of selected projects for the second phase of Drex Pilot testing. Out of 42 proposed use cases, 13 topics were chosen for development.

During this phase, the pilot platform will test financial services through smart contracts created and managed by participating third parties. Development of the selected topics will begin in the coming weeks, with discussions focusing on implementation strategies, governance of new services, and the interaction between privacy solutions and the proposed themes.

Currently, 16 consortia or companies are actively involved in testing and developing the necessary resources for the Drex platform's operation.

## UAE exempts crypto transactions from value-added tax<sup>11</sup>

The United Arab Emirates (UAE) has made a significant move to boost its digital assets industry by exempting cryptocurrency transactions from value-added tax (VAT), effective retroactively from 1 January 2018. The exemption applies to key activities like exchanges, transfers, and other crypto services, aligning the tax treatment of crypto with that of traditional financial products. This positions the UAE as a leading hub for blockchain technology and investment.

The VAT exemption offers substantial benefits for crypto businesses and investors by reducing transaction costs and eliminating extra taxation layers. This approach sets the UAE apart from more cautious regulatory environments, making it an appealing destination for crypto startups and global firms. By providing regulatory clarity, the UAE strengthens its commitment to becoming a leader in fintech and blockchain.

Beyond the VAT exemption, the UAE has introduced broader regulatory reforms to enhance the digital asset sector. These include licensing requirements for crypto service providers and stricter Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) measures, aimed at fostering a secure and transparent environment while ensuring compliance with international financial standards.

## UK introduces bill to clarify crypto's legal status<sup>12</sup>

The UK government has introduced a bill to Parliament addressing the legal status of digital assets, including cryptocurrencies, non-fungible tokens (NFTs), and tokenized real-world assets (RWAs). The bill aims to clarify that these assets are considered personal property under British law. Once enacted, it will provide legal guidelines for resolving ownership disputes, such as in divorce cases, and offer protection for individuals and companies affected by fraud or scams involving digital assets.

A key aspect of the proposal is the introduction of a new category of property, alongside the existing categories of "things in possession" (like money and cars) and "things in action" (such as debt and shares). This Bill introduces a third category of "thing" to allow for certain digital assets to attract personal property rights.

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<sup>10</sup>Central Bank publishes list of projects selected for the second phase of testing of the Drex Pilot ([bcb.gov.br](http://bcb.gov.br))

<sup>11</sup>Executive Regulation of Federal Decree Law No 8 of 2017 - Publish - 04 10 2024.pdf ([tax.gov.ae](http://tax.gov.ae))

<sup>12</sup>New bill introduced in Parliament to clarify crypto's legal status - GOV.UK ([www.gov.uk](http://www.gov.uk))



## FCA reports increase in crypto ownership and outlines regulatory plans<sup>13</sup>

The Financial Conduct Authority (FCA) has reported that 12% of UK adults now own cryptocurrency, up from 10% previously. Research reveals that 12% of adults surveyed - extrapolated to around 7 million adults in the UK - owned cryptoassets in August 2024. This is compared with around 10% (5 million) in 2022 or 4.4% (2.2 million) calculated in 2021, showing the growing interest. Awareness of crypto has also increased to 93%, with the average value of holdings rising to £1,842. The FCA's research indicates that family and friends are the most common sources of information for new crypto buyers. Only 10% of people did not do any research before purchasing. Despite the rise in ownership, many believe they can seek recourse from the FCA if issues arise, although crypto remains largely unregulated and high-risk in the UK.

In response to these findings, the FCA has begun sharing its approach to regulating crypto, including a roadmap for developing the UK's crypto regime. This includes focused consultations to ensure transparent policy development. The FCA has also taken significant actions against illegal crypto promotions, issuing alerts and taking down scam websites and apps. The FCA's efforts, including the ScamSmart and InvestSmart campaigns, aim to raise consumer awareness about the risks of high-risk investments like crypto and help them make informed decisions.

## BIS releases working paper on decentralized dealers<sup>14</sup>

This research investigates the role of different participants in providing liquidity on Uniswap V3, a major decentralized exchange (DEX). By analyzing transaction data, it identifies strategies used by both sophisticated (institutional) and unsophisticated (retail) participants. The study aims to determine if DEXs democratize financial markets by allowing broad participation without intermediaries or if they are dominated by a few large players. The findings reveal that liquidity provision is mainly concentrated among a small group of skilled institutional participants who use strategies similar to traditional bid-ask spreads, earning significantly higher profits than retail participants.

These sophisticated participants demonstrate considerable skill, especially during periods of high market volatility, capturing a larger share of trades and profits. This concentration suggests that despite the decentralized nature of DEXs, they are dominated by sophisticated participants, limiting their ability to democratize market access. The study contributes to the literature on decentralized finance and market structure by showing that DEXs may not fully achieve their promise of inclusivity.

## FSB report highlights financial stability implications of tokenization<sup>15</sup>

The report examines the potential benefits and risks of tokenization, particularly those initiatives based on distributed ledger technology (DLT). While tokenization can enhance efficiency and transparency in the financial system, it also poses potential financial stability risks. The report focuses on the tokenization of financial assets, such as tokenized money for settlements, excluding central bank digital currencies (CBDCs) and crypto-assets. It highlights that although current adoption rates of tokenization are low, they are increasing.

The report identifies several vulnerabilities associated with DLT-based tokenization, including liquidity and maturity mismatches, leverage, asset price and quality issues, interconnectedness, and operational fragilities. These vulnerabilities could impact financial stability if the tokenized financial system expands significantly. The report emphasizes the need for proper oversight, regulation, supervision, and enforcement to address these risks and ensure stability as tokenization grows.

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<sup>13</sup>FCA finds crypto ownership continues to rise as it delivers plans to regulate crypto | FCA

<sup>14</sup>Decentralised dealers? Examining liquidity provision in decentralised exchanges

<sup>15</sup>The Financial Stability Implications of Tokenisation - Financial Stability Board





## Market highlights

- Goldman Sachs plans to spin out its digital assets platform
- UBS Asset Management Launches Tokenized Money Market Fund
- BlackRock highlights bitcoin's unique qualities as approved IBIT options may solidify its risk-off status
- Australia's RBA to prioritise wholesale CBDC work over retail
- SWIFT to trial live digital currency transactions next year
- PayPal to allow cryptocurrency buying, holding and selling for US merchants
- India tops Chainalysis Global Crypto Adoption Index for second consecutive year
- Paxos Launches Global Dollar (USDG) to Boost Stablecoin Adoption
- OKX Partners with Standard Chartered for Institutional Crypto Custody
- Coinbase Expands Business Payment Options with PayPal USD Stablecoin

### Goldman Sachs plans to spin out its digital assets platform<sup>16</sup>

Goldman Sachs has announced plans to spin-out its GS DAP technology platform from its Digital Assets business, aiming to transform it into an industry-owned distributed technology solution, pending regulatory approval. This move is part of a broader vision to create a seamless and efficient distributed ecosystem for digital capital markets. GS DAP®, developed by Digital Asset, is designed to meet the needs of sophisticated market participants.

In conjunction with this announcement, Goldman Sachs has partnered with Tradeweb to integrate their trading and liquidity capabilities into GS DAP, bringing new commercial use cases to the platform. This collaboration is expected to enhance market connectivity and infrastructure, providing new opportunities for both buy- and sell-side participants. Goldman Sachs will continue to develop its Digital Assets business and advance GS DAP®'s technology to support multi-jurisdictional solutions across various asset classes.

### UBS Asset Management Launches Tokenized Money Market Fund<sup>17</sup>

UBS Asset Management has introduced its first tokenized investment fund, the UBS USD Money Market Investment Fund Token (uMINT), utilizing Ethereum's distributed ledger technology. Available through authorized distribution partners, this fund addresses the increasing investor interest in tokenized financial assets. Thomas Kaegi, Co-Head of UBS Asset Management APAC, emphasized the firm's dedication to innovation by leveraging global capabilities and regulatory collaboration.

This launch is part of UBS's broader strategy to expand its tokenization services, which includes previous initiatives like the tokenized Variable Capital Company (VCC) fund pilot and the issuance of fully digital structured notes. UBS has also completed the world's first cross-border repurchase transaction with a natively-issued digital bond on a public blockchain, highlighting its focus on enhancing fund issuance and distribution through both public and private blockchain networks.

<sup>16</sup>How Goldman Sachs Digital Assets to Spin-Out Technology Platform, GS DAP® | Goldman Sachs

<sup>17</sup>UBS Asset Management launches its first tokenized investment fund | UBS Global



## BlackRock highlights bitcoin's unique qualities as approved IBIT options may solidify its risk-off status<sup>18</sup>

The investment giant highlighted four key points from its report.

- Investors looking to allocate to Bitcoin are challenged by how to analyze it compared to traditional financial assets, given Bitcoin's unique characteristics and relatively short history.
- With its high volatility, Bitcoin is inherently a “risky” asset in isolation. However, the risks and potential return drivers it faces differ fundamentally from those affecting traditional assets, making it incompatible with conventional financial frameworks, including the “risk on” vs. “risk off” model used by some macro analysts.
- As a scarce, non-sovereign, decentralized global asset, Bitcoin is increasingly seen by some investors as a flight-to-safety option during times of fear and geopolitical disruption.
- Over the long term, Bitcoin's adoption is likely to be influenced by concerns over global monetary and geopolitical stability, U.S. fiscal health, and political stability—an inverse relationship to that of traditional “risk assets” regarding these factors.

## Australia's RBA to prioritise wholesale CBDC work over retail<sup>19</sup>

The Reserve Bank of Australia (RBA) and Treasury have released a report detailing their research on central bank digital currency (CBDC) and how it informs their current stance on CBDC issues in Australia. The report also outlines a three-year roadmap for future exploration of digital money in the country.

The report concludes that there is not yet a strong public interest case for issuing a retail CBDC in Australia, noting that Australians are generally well-served by the existing retail payments system. Unlike other regions where motivations for retail CBDCs are more pronounced, such drivers hold less relevance in Australia. However, the RBA and Treasury remain open to reassessing this position as a clearer understanding of CBDC benefits and costs develops domestically and internationally.

Additionally, the report underscores the potential role a wholesale CBDC could play, alongside other digital money forms and infrastructure upgrades, in enhancing the efficiency of wholesale markets in Australia.

## SWIFT to trial live digital currency transactions next year<sup>20</sup>

Global banking network SWIFT announced that it will begin live trials of tokenized assets and digital currencies next year, marking a step forward in integrating these assets into the broader financial system.

Banks and asset managers have been exploring the tokenization of traditional assets, like bonds, for years, aiming to leverage digital units—typically blockchain-based tokens representing a share of the underlying asset—to make trading faster, more cost-effective, and efficient by reducing the need for intermediaries. SWIFT, a key player in global banking, has already been conducting trials with both CBDCs and tokenized assets. In March, it announced plans to launch a new platform to connect developing CBDCs with the existing financial infrastructure.

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<sup>18</sup>BlackRock Highlights Bitcoin's Risk-Off Status in the Long Term

<sup>19</sup>Central Bank Digital Currency and the Future of Digital Money in Australia

<sup>20</sup>Global banks to trial Swift for digital currency transactions from 2025 | Finance News - Business Standard



## PayPal to allow cryptocurrency buying, holding and selling for US merchants<sup>21</sup>

PayPal has announced that U.S. merchants can now buy, hold, and sell cryptocurrency directly from their PayPal business accounts, though this feature will initially be unavailable in New York State. This move expands cryptocurrency functionality for millions of U.S. merchants, furthering PayPal's efforts to increase crypto's utility.

Additionally, PayPal is enabling U.S. merchants to transfer cryptocurrency externally to third-party wallets, allowing business account holders to send and receive supported tokens to and from external blockchain addresses.

PayPal has steadily expanded crypto functionality over recent years. In 2020, it enabled customers to buy, hold, and sell cryptocurrency through PayPal and Venmo. In 2023, PayPal launched a U.S. dollar-backed stablecoin, PayPal USD (PYUSD), and in April 2024, enabled PYUSD for Xoom transfers, with no transaction fees on eligible transfers abroad. Most recently, PYUSD became available on the Solana blockchain, offering users flexibility across multiple blockchain options.

## India tops Chainalysis Global Crypto Adoption Index for second consecutive year<sup>22</sup>

India has emerged as a leader in global cryptocurrency adoption for the second consecutive year, with investors navigating the country's stringent regulatory environment and high trading taxes. A report tracking adoption across four sub-categories in 151 countries revealed that India ranked prominently in the use of centralized exchanges and decentralized finance assets from June 2023 to July 2024.

The Global Crypto Adoption Index comprises four sub-indexes, each assessing countries' usage of various cryptocurrency services across 151 countries with sufficient data. The rankings are weighted based on factors such as population size and purchasing power. Each country's ranking in the four sub-indexes is averaged using the geometric mean, and this final figure is then normalized on a scale from 0 to 1. A score closer to 1 indicates a higher overall ranking for the country.

## Paxos Launches Global Dollar (USDG) to Boost Stablecoin Adoption<sup>23</sup>

Paxos, a leading regulated blockchain and tokenization platform, has introduced the Global Dollar (USDG), a US dollar-backed stablecoin compliant with the upcoming framework from the Monetary Authority of Singapore (MAS). Issued by Paxos Digital Singapore Pte. Ltd., USDG aims to meet the needs of regulated institutions by maintaining high operational standards. It is currently available on Ethereum, with plans to expand to other blockchains. USDG is backed by high-quality liquid assets, ensuring 1:1 parity with the US dollar and allowing for easy redemption.

Ronak Daya, Paxos' Head of Product, highlighted the growing enterprise interest in stablecoins and the need for a compliant solution that offers real economic incentives. USDG, supported by DBS Bank, Southeast Asia's largest bank, is set to drive global stablecoin innovation and adoption. Paxos has a history of creating trusted blockchain solutions, and USDG is their sixth digital asset, following others like PayPal USD (PYUSD) and Pax Gold (PAXG). DBS Bank will manage the reserves backing USDG, ensuring secure cash management and custody.

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<sup>21</sup>PayPal to allow cryptocurrency buying, holding and selling for US merchants | Reuters

<sup>22</sup>The 2024 Geography of Crypto Report

<sup>23</sup>Paxos Introduces Global Dollar (USDG) - Paxos



## OKX Partners with Standard Chartered for Institutional Crypto Custody<sup>24</sup>

OKX, a leading cryptocurrency exchange, has appointed Standard Chartered as a third-party custodian for its institutional clients. This partnership aims to enhance OKX's institutional services by leveraging Standard Chartered's global banking expertise and strong risk management framework. The collaboration is expected to boost institutional participation in the digital asset market, providing secure and reliable custody solutions. OKX's Global Chief Commercial Officer, Lennix Lai, and Standard Chartered's Global Head of Financing & Securities Services, Margaret Harwood-Jones, both emphasized the importance of security and compliance in this partnership.

## Coinbase Expands Business Payment Options with PayPal USD Stablecoin<sup>25</sup>

Coinbase has announced an expansion of its business payment options, allowing PayPal to pay invoices to EY using the PayPal USD (PYUSD) stablecoin through EY's Coinbase Prime account. Coinbase Prime, a brokerage platform for trades, custody, and prime services, is increasingly being explored by Fortune 500 companies for crypto payments. Stablecoins like PYUSD offer faster, cheaper, and more efficient B2B payments and treasury management by settling instantly, even across borders, and providing rewards to holders.

The announcement follows Coinbase's report of the first-ever crypto transaction between two AI agents, highlighting the potential for AI to use crypto wallets for transactions. Coinbase CEO Brian Armstrong emphasized the significance of this development for AI's ability to perform useful work. He encouraged companies working on AI and large language models to integrate Coinbase's wallet for payments, suggesting that businesses should prepare for AI-enabled checkouts.

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<sup>24</sup>OKX names Standard Chartered as institutional third-party custody partner | Standard Chartered

<sup>25</sup>[www.coinbase.com](https://www.coinbase.com)



## Technology highlights

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- UK Finance Announces Success of Regulated Liability Network Experimentation Phase
- ANZ to launch Chainlink Private Transactions protocol to enhance RWA
- Archax and Ripple Collaborate to Tokenize abrdn Money Market Fund on XRP Ledger
- Bitcoin Project BOB outlines blockchain dominance over DeFi
- Gold enters 'Digital Gold' realm as bitcoin introduces tokenized version of the metal

### JPMorgan to Launch Instant FX Settlement with Kinexys<sup>26</sup>

JPMorgan Chase & Co. will introduce instant foreign exchange (FX) settlement between the US dollar and euro in early 2025 using its newly rebranded blockchain platform, Kinexys. This service will later expand to include the British pound sterling, marking a significant advancement in digital payment infrastructure. The rebranding from Onyx to Kinexys, announced by Umar Farooq at the Singapore Fintech Festival, reflects the platform's evolution and growing capabilities. Kinexys, which processes over \$2 billion in daily transactions, will integrate with J.P. Morgan FX Services to enable near real-time currency conversions and settlements, reducing FX settlement risk and accelerating trade settlements.

Kinexys has attracted major global players like Siemens, Ant International, and BlackRock, and aims to move beyond legacy technology limitations to realize a multichain world. The platform's mission is to enhance the efficiency of moving money, assets, and financial information. Key developments include near-instant FX settlement, 24/7 programmable cross-border transactions, and enhanced intra-group funding without pre-funding requirements. Kinexys also focuses on advanced privacy measures and identity management for tokenized assets. With its proven track record and ambitious expansion plans, Kinexys is poised to accelerate the mainstream adoption of blockchain in financial services.

### UK Finance Announces Success of Regulated Liability Network Experimentation Phase<sup>27</sup>

UK Finance has successfully completed the Experimentation Phase of the Regulated Liability Network (RLN), a new financial market infrastructure designed to enhance payments and settlement capabilities through tokenisation and programmability. Since April 2024, UK Finance collaborated with eleven major financial institutions, including Barclays, HSBC UK, and Visa, along with partners like EY and Linklaters, to explore the potential benefits of this platform. The experimentation revealed several advantages, such as reducing fraud, improving home buying efficiency, and lowering the cost of failed payments.

The project demonstrated new functionalities like programmable payments and fund locking/ unlocking and highlighted the flexibility of the UK's legal and regulatory framework to support such innovations. The success of the RLN experiment underscores the potential for technology to transform customer experiences and deliver economic value. UK Finance and its members are now seeking further engagement with regulators and public bodies to continue driving innovation in payment markets, ensuring the UK remains at the forefront of payments technology globally.

<sup>26</sup>JPMorgan (JPM Coin) to Offer Instant Dollar-Euro Blockchain Trades - Bloomberg

<sup>27</sup>UK Finance announces successful outcome of Regulated Liability Network Experimentation Phase | Insights | UK Finance



## ANZ to launch Chainlink Private Transactions protocol to enhance RWA<sup>28</sup>

Chainlink has introduced its CCIP Private Transactions protocol, a privacy-focused tool designed to help financial institutions maintain confidentiality and comply with regulations when conducting transactions across blockchain networks.

The Australia and New Zealand Banking Group (ANZ) will be among the first financial institutions to pilot this capability for cross-chain settlement of tokenized real-world assets (RWAs) as part of the Monetary Authority of Singapore (MAS) Project Guardian initiative.

Cross-chain protocols enable token holders to transfer and interact with applications across different blockchains, a functionality that would otherwise be unavailable. RWAs represent tokenized versions of physical assets, such as artwork or real estate, that can be traded in the open market.

## Archax and Ripple Collaborate to Tokenize abrdn Money Market Fund on XRP Ledger<sup>29</sup>

Archax, the first FCA-regulated digital asset exchange, has partnered with Ripple to provide access to a tokenized money market fund from UK asset manager abrdn on the XRP Ledger (XRPL). This fund, part of abrdn's \$3.8 billion US dollar Liquidity Fund (Lux), is the first tokenized money market fund on the XRPL, highlighting its role in real-world asset (RWA) tokenization and institutional decentralized finance (DeFi). This collaboration aims to enhance operational cost savings and settlement efficiencies by leveraging the XRPL's capabilities.

Ripple will invest \$5 million into tokens on abrdn's Lux fund, part of a broader allocation to RWAs on the XRPL. This initiative underscores the growing adoption of digital securities and the benefits of on-chain investment and settlement processes. The XRPL's institutional-grade functionality and compliance capabilities make it an ideal platform for such innovations. Archax, using Ripple's digital assets custody solutions since 2022, continues to lead in tokenizing assets like equities and money market funds, providing institutional buyers with direct access to tokenized funds on the XRPL.

## Bitcoin Project BOB outlines blockchain dominance over DeFi<sup>30</sup>

The developers of BOB, a project built on Bitcoin, have released a new vision paper detailing a design for a hybrid layer-2 network that aims to position Bitcoin—the oldest and largest blockchain—as a foundational element for decentralized finance (DeFi). While DeFi is typically associated with newer blockchains like Ethereum and Solana, BOB argues that Bitcoin should also play a central role in this space, given its status in the crypto universe. The project describes itself as a hybrid layer-2 network because it is built on Bitcoin while offering compatibility with Ethereum. BOB is designed to create trust-minimized bridges between itself and layer-1 blockchains like Ethereum.

## Gold enters Digital Gold realm as bitcoin introduces tokenized version of the<sup>31</sup>

Bitcoin (BTC) is often mentioned as digital gold, will soon allow for the minting and trading of physical gold on its blockchain through the Ordinals protocol.

Swarm Markets, a real-world assets (RWA) platform licensed by the German regulator BaFin, has partnered with OrdinalsBot to offer investments in gold bars on the Bitcoin network. Gold will be the first RWA available on Trio, a marketplace developed by OrdinalsBot, which is scheduled to launch by the end of the year.

Swarm and OrdinalsBot's service entails inscribing satoshis with unique serial numbers corresponding to gold kilobars, enabling them to be traded on Bitcoin's Ordinals protocol.

<sup>28</sup>IOTA Kickstarts EVM Targeting DeFi, Real World Assets (coindesk.com)

<sup>29</sup>Archax provides access to abrdn money market fund on the XRP Ledger in collaboration with Ripple | Ripple

<sup>30</sup>Crypto Exchange Kraken Is Considering Going Nuclear (coindesk.com)

<sup>31</sup>Alkimiya Launches First Market for Bitcoin Transaction Fees | by Observers.com | Jul, 2024 | Medium

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## Glossary: \_\_\_\_\_

IMF	International Monetary Fund	UAE	United Arab Emirates
FSB	Financial Stability Board	AML	Anti-Money Laundering
CBDC	Central bank digital currencies	CTF	Counter-Terrorism Financing
DLT	Distributed ledger technology	NFTs	Non-fungible tokens
QFCRA	Qatar Financial Centre Regulatory Authority	RWAs	Real-world assets
FSRA	Financial Services Regulatory Authority	FCA	Financial Conduct Authority
FRTs	Fiat-referenced tokens	uMINT	USD Money Market Investment Fund Token
IIF	Institute of International Finance	PYUSD	PayPal USD
BIS	Bank for International Settlements	EY	Ernst & Young
BCAP	Broadcast Committee of Advertising Practice	DeFi	decentralized finance
FCA	Financial Conduct Authority		
HKMA	Hong Kong Monetary Authority		
BC	Central Bank of Brazil		



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