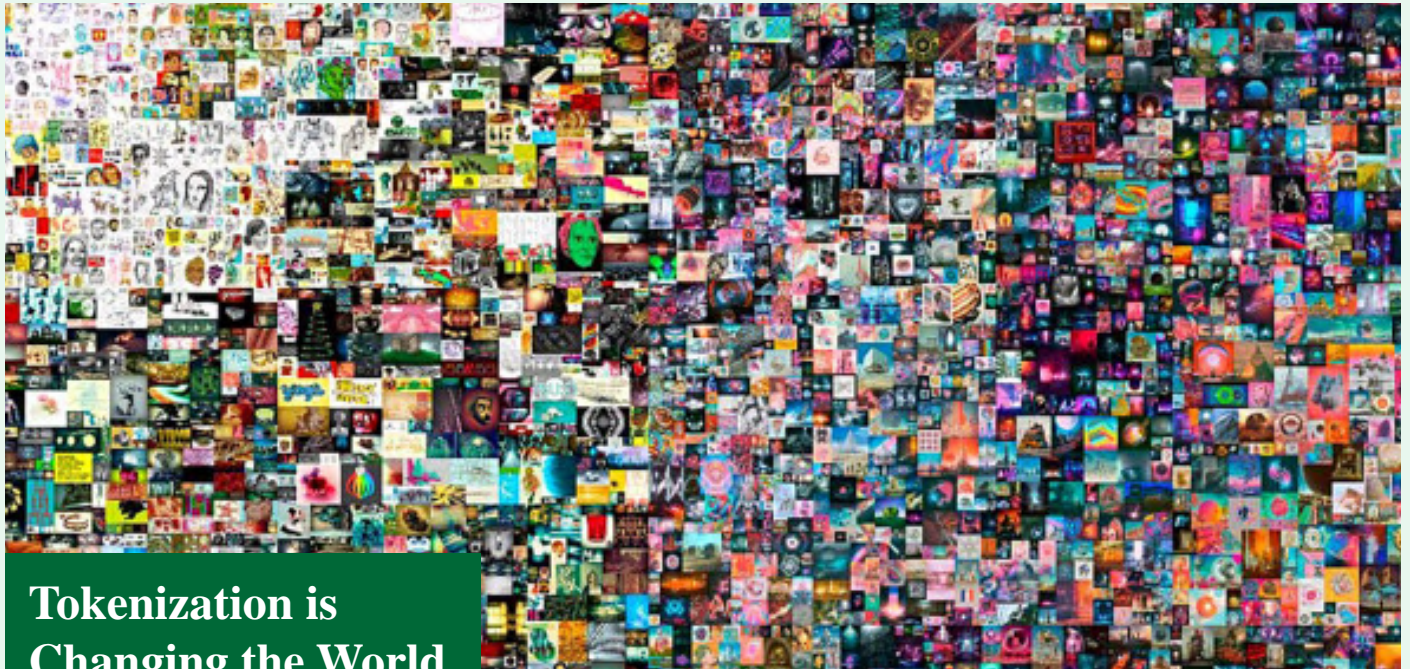


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Tokenization is Changing the World, From Finance to Art

Blockchain technology, driven by the ability to tokenize assets, has gained traction and is being adopted by mainstream institutions in various fields. Asset tokenization is the process that involves creating a digital representation of an asset on a blockchain to verify and track its authenticity and ownership history. A token represents then the ownership of an asset or the fraction of an asset. This technique can be applied to almost any asset, such as securities, licenses, certificates, real estate, and art.

LEGAL

Differences in Crypto Regulation between the US and the EU

As the topic of cryptocurrencies becomes increasingly relevant, regulations and guidelines are starting to emerge in Western countries, although in different ways between the United States and Europe.

CRYPTO CRIMES

Former Coinbase Product Manager Sentenced to Prison

Coinbase's former product manager, Ishan Wahi, was sentenced to two years in prison for his involvement in an insider trading scheme.

INTERNATIONAL

German Startup to Launch Europe's First ,DeFi-Native Bank'

Unstoppable Finance is planning to become the next pioneer in the crypto industry by establishing Europe's first fully regulated DeFi bank.

ALL ABOUT BITCOIN

Happy Bitcoin Pizza Day

Bitcoin Pizza Day is celebrated every 22 of May by the blockchain community. It marks the birthday of the first transaction done in Bitcoin. Honoring the Bitcoin pizza day, we are dedicating this section to the past, present, and future of Bitcoin. To investigate what makes bitcoin special, we spend one hour in the House of Satoshi, a Bitcoin store with crypto ATMs, and talked with the people there.



CRYPTOCURRENCY

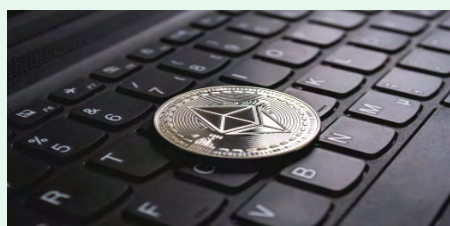
Ethereum's Resilience Tested: Blockchain Faces Transaction Finalization Issue

Arnold, Luna

The Ethereum mainnet stumbled across a temporary outage that made the blockchain unable to finalize transactions for approximately half an hour. The developers of the mainnet communicated this issue via Twitter. Users of the original proof-of-stake blockchain of Ethereum, the Beacon Chain, reported that although their transactions were partially processed, there were issues with the transaction confirmations for 25 minutes around 4 p.m. on May 11. During this short time, the non-finalized transactions faced some risks of being altered.

After the finalization was working again smoothly, Ethereum contributors began discussing the leading cause of this issue. Some speculations that there was not enough client diversity with a notable presence on the blockchain were made, making connections to past incidents regarding outages and attacks. At that time, two main consensus clients dominated the network with 38% each of the entire market.

One of the latest suggestions was an accumulation of outdated attestations, according to a Twitter user named Superphiz, who claimed to be an Ethereum Beacon Chain community health consultant. "As the chain grows, more validators submit attestations that are out of date," he stated on Twitter on May 15 about the finality incident, "This data can put strain on nodes to keep up, and it caused some to choke. The resolution is to be more careful about what old attestations are processed. »



Ethereum's resilience tested.

Coinbase Pauses Ethereum Staking Reward Withdrawals for Up to Three Days

Prétat, Grégoire

Coinbase has temporarily paused the payment of rewards for its Ethereum (ETH) staking service due to a technical issue. Following the incident that happened on May 16, the company publicly announced that it is actively working to resolve the problem, which should not last more than 3 days.

The rewards encountered a delay on Coinbase, as the platform's systems were unable to support ETH addresses from external validators. This led to a backlog of withdrawals,

which has caused frustration and fear among the crypto community.

However, Coinbase reassured users that the rewards are still being accrued. Once the technical complication is resolved, the pending rewards will be distributed to users. Coinbase is actively working to resolve the technical complication and ensure the smooth functioning of its ETH staking service while providing innovative solutions for users through the introduction of utility tokens like Coinbase wrapped staked ETH (cbETH).

Good News for BRC-20 Users: Token Surpasses \$1 Billion Market Cap

Wagner, Cendrine

Within less than two years of its release, the BRC-20 Bitcoin reached a \$1 billion market capitalization milestone on May 9, 2023. The token was initially created by a Twitter user known as Domo on March 8, 2022. Since then, it has gained considerable popularity due to its novel form of a fungible token that utilizes Ordinals and Inscriptions to develop and manage token minting, token contracts, and token transfers on the Bitcoin Blockchain.

"Ordinals" is a numbering system that enables tracking and transferring tokens by assigning a unique number to each

Satoshi, or 0.00000001 Bitcoin. "Inscriptions" contrarily add a layer of data to each Satoshi, allowing users to create unique digital assets on Bitcoin's base chain.

Ethereum's blockchain features a broader and more comprehensive set of token standards compared to Bitcoin's. However, this has not stopped users from purchasing BRC20-tokens, with over 14'000 tokens deployed. Nonetheless, Domo has stated on Twitter that the standard is "worthless" and that users should not waste their money on "mass minting this fun experience."

Should the UK classify cryptocurrencies as gambling?

Dang, Nadia

On May 17, 2023, it is reported according to the UK Treasury Committee that trading cryptocurrencies should be classified as gambling instead of financial services due to the risks that these digital currencies embody. The UK Treasury Committee created a report with arguments about why cryptocurrencies should be regulated differently than before. The report stated that cryptocur-

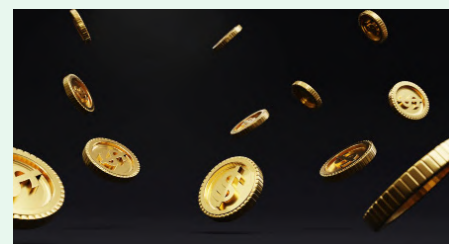
rencies such as Bitcoin or Ether are highly price sensitive and pose a high risk of losing the invested money. Furthermore, there is a lack of backing for these digital currencies, as they have no intrinsic value and are not backed by a currency or any assets. Due to these facts, the UK committee demands a more suitable regulation for cryptocurrency trading, saying "We therefore strongly recommend that the Government regulates retail trading and investment activi-

ty in unbacked crypto assets as gambling rather than as a financial service, consistent with its stated principle of ‘same risk, same regulatory outcome.’”

The report of the Treasury Committee further explains that trading with crypto can be addictive like gambling and as a result, traders might lose all their assets. Therefore, more effective regulation is

required to ensure that clients are protected. Because if cryptocurrencies are classified as financial services, people might think that the crypto world is safe, even though it is a highly volatile market.

With the report of the Committee, the governmental regulation of cryptocurrency could be influenced by these recommendations earlier this year.



Should UK classify crypto as gambling?

CRYPTO CRIMES

What's the Reality of Crypto Crime?

Céline Pontiggia

The U.S. Department of Justice (DOJ) agency is constantly finding crypto connections in its criminal investigations. But how deep does the problem go and how much should we blame the blockchain? The DOJ has taken an active role in investigating crypto connections in criminal cases, led by Eun Young Choi and the National Cryptocurrency Enforcement Team (NCET). The recent aggressive stance of the DOJ towards the crypto industry suggests a possible decidedly-antagonist shift in the government approach. The NCET's primary objective is to combat cyber and money laundering crimes in the crypto space, prioritizing user safety. For example, the DOJ's national security division is examining allegations of Binance violating U.S. sanctions by granting access to Russian customers. While the crypto industry has been frequently associated with major scandals and fraudulent activities, NCET primarily focuses on addressing smaller issues, such as social media scams, darknet misuse, and online fraud. Even though these issues may impact individual victims, the financial losses incurred can still be substantial. The FBI estimated that in 2022, \$2.57 billion of the \$3.31 billion stolen through investment fraud was related to crypto scams. Such scams not only result in financial losses but also tarnish the reputation of the entire crypto industry.

However, estimating the scale of online crime in the crypto world is challenging, leading to varying estimates that range from under 1% to nearly half of all crypto activity. These estimates play a crucial role in determining the necessity for regulations and policies to curb illicit behavior. One approach to estimating



The FBI estimated that in 2022, \$2.57 billion of the \$3.31 billion stolen through investment fraud was related to crypto scams.

the prevalence of crypto crime involves identifying suspect crypto addresses and calculating their trade volume. Nevertheless, illicit users often prefer to remain hidden, making it difficult to obtain accurate figures. Thus, estimates differ depending on factors such as the types of transactions considered and the methodologies used to identify illicit actors. Chainalysis, for instance, provides lower estimates by focusing on known or suspected illicit addresses. On the other hand, researcher Sean Foley takes a more comprehensive approach, considering user networks and behaviors to determine involvement in illegal activities, suggesting higher figures. Critics caution against associating innocent users with criminal activity solely based on financial transactions, while Foley defends his methods, advocating for the consideration of multiple indicators collectively to assess potential illicit behavior. The lack of consensus on the scale of crypto crime has implications for regulators and policymakers. While illicit activities in the crypto world may be dwarfed by real-life money laundering through conventional finance, regulators are concerned about the proportion of illicit transactions within the crypto sector. The rapid growth of virtual assets and their increasing popularity further raise

concerns about the future scale of the problem. The Financial Action Task Force (FATF), responsible for developing money laundering norms, acknowledges the substantial variations in estimates and believes that existing figures likely underestimate the reality. Nevertheless, the transparency offered by blockchain technology allows for a better understanding of illicit activities compared to offline financial crime statistics.

Despite arguments claiming that blockchain's transparency makes it an ineffective tool for crime, crypto-related crimes do exist. The disconnect between the promises made about crypto and the actual experiences of individuals affected by fraud and illicit activities remains a point of concern. In fact, at a conference hosted by the Financial Times, Choi stated recently that “We [the NCET] are seeing cryptocurrency and digital assets really touch every aspect of criminal activity we investigate.” These activities include ransomware attacks, confidence games, and sanctions evasion. Misinformation surrounding the technology (for example, “FOMO” and hype”) and the perception that blockchain is not used for crimes can also contribute to individuals falling victim to crypto fraud.

In conclusion, determining the preci-

se scale of crypto crime remains a complex task. The wide range of estimates reflects the various methodologies and factors involved. As policymakers and regulators seek to address illicit activities in the crypto world, obtaining accurate and reliable data becomes crucial for developing effective policies and regulations. Despite the risks and challenges associated with crypto, its open-source nature is what makes it innovative and necessary. The fact that scams and hype

surround the industry is a testament to its potential. Additionally, blockchain's public and transparent nature means that law enforcement agencies will inevitably focus on monitoring it. This attention helps bring expectations closer to reality and promotes a safer environment. Those within the crypto industry must become more informed and proactive in addressing these challenges to ensure the industry's growth and legitimacy.

Scam Protection Trial will soon be Launched by Australian Big Four Bank

Dang, Nadia

On May 18, one of Australia's Major banks named Westpac reported that they will soon launch its first trial phase of scam protection, which was created to protect customers from scams related to cryptocurrencies. Besides, Westpac has set new policies for customers which restrict them from transferring funds to exchanges like Binance, the largest cryptocurrency exchange. Scott Collary, Westpac's group executive of customer services and technology, stated that this restriction can save a significant amount of the client's money.

These measures can help to lower the risks of financial losses and can tackle fraudulent activities which are associated with crypto. Furthermore, Westpac aims to increase the safety of its customers by implementing the-

se measures. The reason for this is the high rate of investment scams, which account for approximately 50% of client losses. In the year 2021, there were over 12'000 cases of scams reported to the Austrian Consumer and Competition Commission. The total loss is estimated to be more than \$129 million.

It is further reported that about one-third of all scams involve scammers luring their victims to directly transfer money to cryptocurrency exchanges. The introduced trial phase of scam protection by the Australian big four banks is said to contain a feature that alerts customers if there is a potential mismatch of account name and account number. Furthermore, the system can detect if a transaction has a previous history with Westpac or not.



Westpac will launch a trial phase of scam protection.

Former Coinbase Product Manager Sentenced to Prison for Insider Trading

Wagner, Cendrine



Ex-Coinbase Product Manager Imprisoned for Insider Trading.

Coinbase's former product manager, Ishan Wahi, was sentenced to two years in prison for his involvement in an insider trading scheme. The hearing took place in the United States District Court for the Southern District of New York on May 9, 2023, and is officially the first of its kind, as there have been no previous prosecutions involving insider trading with cryptocurrency.

The 32-year-old is accused of obtaining confidential information from Coinbase, which was shared with his brother Nikhil Wahi and friend Sameer Ramani. The data was used to purchase tokens before their public release, which allowed them to sell them at a much higher price once they were listed. The scheme enabled the three men to achieve \$1.5 million in profit between June 2021 and August 2022.

Both Brothers were arrested in July 2022 as they attempted to fly to India to flee their country. Ishan and Nikhil were charged with securities fraud, wire fraud, and obstruction of justice.

Insider trading is a serious crime that threatens market fairness and harms investors. Cryptocurrency markets, which lack strong regulations, are especially vulnerable to manipulation and insider trading. As the popularity of cryptocurrency increases, regulators must take measures to combat insider trading and ensure market integrity.

LEGAL

International interoperability of regulations is key to mass adoption



Global regulations' interoperability crucial for mass adoption.

Prétat, Grégoire

The 49th G7 summit took place in Hiroshima, Japan from May 19th until May 21st. The group considered how to help developing countries CBDCs that are consistent with international standards. The regulation of international interoperability is essential to achieve mass adoption. Once this step is completed, cryptocurrency and digital assets should become mainstream.

The G7 and G20 are currently making progress on this concern by setting establishing international regulatory standards around cryptocurrencies, digital assets, and CBDCs. Indeed, last February the G20 tasked assigned the Financial Stability Board (FSB), the International Monetary Fund (IMF), and the Bank for International Settlements (BIS) to create crypto regulatory framework recommendations that could be applied globally. According to the document which summarizes the G20 meeting, these recommendations are set to be released by July.

As discussions progress, it is crucial for policymakers to find a balance between harnessing the benefits of CBDCs and safeguarding against potential risks to ensure the stability, resilience, and integrity of the monetary and financial system.

Understand the differences in crypto regulation between the US and the EU

Prétat, Grégoire; Pontiggia, Céline

Europe is taking the lead. On May 16, EU Finance Ministers unanimously approved the Markets in Crypto Assets (MiCA) regulation, marking a significant milestone in the adoption of Europe's landmark crypto regulation. The final legislative hurdle was cleared during a meeting of the EU's Economic and Financial Affairs Council (EcoFin) with no objections raised.

The regulation is set to become law this summer and will be published in the EU's official journal. An implementation period will follow, allowing regulators and companies to familiarize themselves with the new rules before they take full effect. Some provisions concerning stablecoins will be enforced after a year, while others will be implemented within 18 months.

Alongside MiCA, EcoFin also adopted regulations related to information accompanying fund transfers and certain crypto-assets. These regulations also extend anti-money laundering rules to cryptocurrencies and require tax authorities to share information to prevent tax evasion in cross-border crypto transactions.

The main differences between the two regulations

As the topic of cryptocurrencies becomes increasingly relevant, regulations and guidelines are starting to emerge in Western countries, although in different ways between the United States and Europe. While the U.S. has taken a hard line stance against crypto, the EU has introduced a robust legal framework. Let us take a closer look at the major differences between the EU and the US concerning cryptocurrency regulation:

1. Regulatory Approach

o The EU has taken a „whole-of-government“ approach to deal with crypto. In April, the EU introduced a legal framework known as MiCA (Crypto-Asset Markets Directive) which is considered the first major attempt to provide a comprehensive set of rules for crypto companies. This provides clearer guidelines for the crypto-asset industry, including utility tokens, in-

stitutional providers, and stablecoins.

o Despite a coordinated effort involving elected representatives, unelected regulators, policymakers, the Federal Reserve, and the Biden administration to address crypto-related issues, the US has not yet implemented a proper comprehensive crypto law. The US's regulatory approach, represented by the SEC (Securities and Exchange Commission), results in more aggressions toward cryptocurrencies. The SEC, under the leadership of Gary Gensler, has been actively targeting cryptocurrency startups and exchanges, imposing fines, and enforcement actions.

2. Legal Certainty

o The MiCA regulation in the EU aims to provide legal certainty for startups and companies operating in the crypto industry.

o The US regulatory environment is described as lacking a clear playbook, resulting in legal uncertainty for crypto projects and exchanges. Gary Gensler has also indicated that existing financial rules may already cover decentralized tech, but he faces opposition from those advocating for new rules.

3. Compliance

o EU's MiCA offers a clear playbook for compliance, enabling easier market access and cross-border operations within the EU. MiCA requires crypto firms, such as wallet providers and exchanges, to obtain a license from the EU and comply with money laundering and terrorism finance safeguards when serving EU-based customers.

o Compliance with US regulations, including registration requirements, can be costly and time-consuming. Moreover, the ongoing debate in the US and regulatory uncertainty, with authorities working to legitimize and regulate cryptocurrencies has not yet resulted in a unified licensing regime, making understanding and compliance difficult.

4. What is a Security?

o The EU's MiCA framework covers utility tokens but does not explicitly address security tokens, leaving some legal uncertainty in that regard.

o The SEC considers almost every token as a security, based on the Howey test, which defines an investment

contract. This classification subjects tokens to stringent regulations in the US.

5. Implications for Startups

o The EU's MiCA regulation introduces harmonized standards and facilitates market entry for startups, enabling them to navigate the legal framework more easily. However, certain aspects of MiCA, such as the submission of white papers for approval, may still pose challenges and increase costs for startups.

o Compliance with regulations can be more challenging and costly for startups in the US compared to the EU because of the uncertainty and the lack of clear regulations.

6. Privacy VS. Customer Safety and National Security:

o Some have expressed concerns about the reporting standards imposed by MiCA, which may weaken privacy for crypto users in the name of customer safety and national security.

o In the US, there are discussions around common-sense oversight and the need for exchanges to register with the SEC while ensuring robust customer identification systems.

7. Potential Impact on Innovation and Market Leadership

o While the US has been historically known for its innovative crypto startups, the regulatory hostility from the SEC could drive developers and projects to relocate to Europe, which has already emerged as a significant crypto hub.

o The EU's regulatory advantage may lead to its emergence as a market leader in the crypto asset industry.

The increase in VC funding for EU-based cryptocurrency startups is already being felt

The European crypto market has experienced a significant increase in



US vs EU crypto regulation.

venture capital (VC) funding in recent months, thanks to the groundbreaking crypto regulation implemented in the European Union. Indeed, the proportion of VC investment in European crypto projects has surged nearly tenfold within a year, rising from 5.9% in Q1 2022 to 47.6% in Q2 2023.

Despite the United Kingdom no longer being part of the EU, London-based crypto startups have demonstrated notable success in securing VC funding during 2023, as highlighted in a study conducted by investment firm Rockaway. Following London, the next prominent hubs for VC funding were Zurich and Berlin.

Europe's landmark crypto regulation could serve as a model for the US

On May 10, Hester Peirce, a commissioner at the Securities and Exchange Commission (SEC) expressed her admiration for the speed at which the European Union is addressing digital currencies. Following the implementation, last month, of the comprehensive framework for the regulation of crypto assets in the European Union, MiCA. This law aims to ensure that crypto transfers can always be traced and for suspicious transactions can be blocked. If it would cover transactions above €1000 from so-called self-hosted wallets when they interact with hosted wallets, and the rules do not apply to person-to-person transfers made without a provider or between providers acting on their behalf.

Peirce claimed that it can serve as a model for the US. She added that the UK's efforts to build a crypto-friendly regulatory regime could also serve as an inspiration to the US. The European model allows for innovation by informing customers of the risks without putting hard limits like the US tends to do. Implementing such a solution will take a bit longer than in Europe, but EU politicians have previously spoken about their desire to share their experiences of crypto regulation with US counterparts. Financial Commissioner Mairead McGuinness last year even called for a global crypto agreement, led by the EU and the US. However, for the moment, the clearer regulatory environment, which should arise with the MICA rollout, will probably attract more companies to the old continent.

Texas is taking steps to ban CBDC

Prétat, Grégoire

On May 12, the 88th legislature in Texas introduced a bill to prohibit the use of Central Bank Digital Currency (CBDC) in the state, citing concerns about its implications. CBDC refers to the digital representation of a country's fiat currency, with the liability lying with the central bank rather than commercial banks.

The bill highlights the potential risks associated with CBDC, particularly in terms of the relationship established between the Federal Reserve and the public through the issuance of retail CBDCs. It raises concerns about increased government surveillance and control over individuals' cash holdings and transactions.

Opposition to government-controlled digital currencies, including CBDC, has gained traction among government officials. Florida Governor Ron DeSantis previously banned CBDC in the state, and Senator Ted Cruz has expressed his concerns for the CBDC implementation to be dangerous for society. In March, Senator Cruz introduced a bill to prevent the Federal Reserve from adopting CBDC.



Central Bank Digital Currency will be banned by Texas.

SWITZERLAND

Fairytale career of Swiss “Crypto Prince” turns sour

Triet, Robin

From fleeing his country and living in social housing to becoming the youngest self-made millionaire in Switzerland and making interviews with NZZ in the Dolder Grande. By the end of the same year, Dadvan Yousuf faces two serious investigations. The first includes allegations about money laundering and investment fraud, for which the public prosecution office in Bern officially started their investigations in May. The second is a FINMA investigation about Yousuf's Dohrnii Foundation. Two years after beginning the investigation, on May 05, 2023, the FINMA issued a cease-and-desist order against the founder of the foundation.

Dadvan Yousuf is considered to be the youngest self-made millionaire in Switzerland. He rose into the public light, after the NZZ made a portrait of the then-21-year-old, calling him the “cryptos sorcerer apprentice” or “Crypto Prince.” Yousuf was born in Iraq but fled the country with his mom and two siblings when he was 3 years old. They fled to Switzerland, where they were granted refugee status one year later. At the age of 11 years, when Yousuf first heard about Bitcoin, he started selling his toys to invest his money. He bought 15 Bitcoins and stayed in the game ever since. By the time he started his apprenticeship, he claims to have built a trading software for cryptocurrencies.

FINMA verdict

In Spring 2021, Dadvan Yousuf founded the Dohrnii Foundation. With this foundation, Yousuf wanted to build an education platform for crypto enthusiasts where people can learn more about new technologies and trading. This platform aims to give access to education but can also be used as a direct marketplace. To raise capital for his new idea, he started an Initial Coin Offering (ICO), comparable to an initial public offering. Still, instead of shares, the company is sold in tokens. Yousuf launches Dohrnii tokens and collects the money without the company being active in its operative field.

In May 2022, the FINMA opened an investigation, claiming they acted as

a financial intermediary without the needed permit. One year later, in May 2023, FINMA closed the enforcement proceedings stating that Yousuf and his Foundation were involved with several activities subject to authorization. First, the released token would have needed a special permit. That comes, although, in an interview with Inside Paradeplatz, Yousuf states that he made the necessary legal checks before releasing the token, and at that time, everything was fine. Additionally, the FINMA concludes that by selling their tokens, the founders and the foundation illegally acted as financial intermediaries. Furthermore, the Dohrnii Foundation and its founders failed to comply with their duty to provide information to the FINMA.

As a result of overindebtedness, the foundation had to file for bankruptcy in March 2023. Therefore, FINMA no longer must take any measures against the foundation. The only measures they need to take are documenting the breach of the law and issuing a cease-and-desist order against the founder. In their press release, the FINMA states that the verdict is not final and may be appealed by the parties to the federal administrative court.

Investigation of Public prosecution office in Bern

Not only the FINMA was interested in Yousuf's affairs, but the law enforcement authorities are also scrutinizing the crypto prince. The first suspicion

came in 2021 after an anonymous report was handed in to the money laundering office. Before that but in the same year SRF Investigative published the result of their investigation, claiming that Yousuf persuaded investors to purchase his own cryptocurrency without intending to implement the project. Yousuf allegedly transferred the alleged illegal proceeds to accounts in Liechtenstein and invested part of the profits in cryptocurrencies. The published SRF report, further claims that his transactions are linked to blacklisted addresses and could therefore, be subject to terror financing. The report also questions the Bitcoin purchases that 11-year-old Yousuf made. In his stories, there are cracks; the prices and process of obtaining these bitcoins do not seem legit. The report also discusses Contradictory statements about the apprenticeship diploma. In the interview with Inside Paradeplatz, Yousuf denies the allegations. In a portrait with Weltwoche, Yousuf is described as a victim, and the sources of the SRF investigative team were scrutinized.

A few months after SRF published the report, the public prosecutor's office of the Canton of Bern opened proceedings against Dadvan Yousuf on suspicion of commercial fraud and money laundering. After further investigations, the public prosecutor's office formally opened a criminal investigation on 3 May 2023. For now, the presumption of innocence applies.



Swiss 'Crypto Prince' Faces a Bitter Twist in Once Fairy-Tale Career.

“Blockchain to Go”: a new BBVA in Switzerland initiative to learn more about crypto

Pontiggia, Céline

BBVA in Switzerland, a subsidiary of Banco Bilbao Vizcaya Argentaria, is launching an educational initiative called „Blockchain to Go“ to provide individuals and companies with the knowledge necessary to navigate the world of cryptocurrencies and blockchain technology. As one of the world’s largest financial institutions, BBVA operates globally, offering a wide range of banking and financial services through its network of branches and digital channels. The initiative aims to make blockchain knowledge accessible to all users by pro-

viding easy-to-understand learning materials. The „Blockchain to Go“ learning pills will be published weekly on BBVA’s website, covering various concepts related to Finance 2.0. The goal is to promote understanding and adoption of this new technology as BBVA recognizes the importance of education in staying updated and informed in the rapidly evolving field of decentralized finance. BBVA in Switzerland has already taken steps to meet the needs of its private banking customers by incorporating digital assets into its banking offerings,

ensuring high-security standards. In 2021, the subsidiary expanded its value proposition by introducing a trading and custody service for cryptocurrencies such as Bitcoin and Ether. They also launched a fully digital investment account called New Gen. This move by BBVA in Switzerland reflects the institution’s commitment to embracing new technologies and meeting the demands of customers who are increasingly interested in cryptocurrency investments. It also emphasizes the importance of diversification in the investment world.

INTERNATIONAL

Anchorage Digital Launches Decentralized Snapshot Voting for Institutional Investors

Prétat, Grégoire

Anchorage Digital, the only federally chartered digital asset bank in the United States, is diving into decentralized finance (DeFi) governance. On May 16, the bank is adding support for Snapshot voting to let its institutional clients participate in governance decisions using tokens held in custody. The San Francisco-based bank announced that its customers would now have the opportunity to participate in decentralized voting.

Institutional investors have shown interest in engaging in digital governance for projects, and Anchorage Digital aims to facilitate this process. Snapshot voting is a decentralized system used in the DeFi space to gather opinions from users and allow them to shape the direction of a project with no gas fees required.

Diogo Mónica, Co-founder and President of Anchorage Digital explained that their federally regulated governance offering allows institutions to actively participate in shaping the future of specific projects and the broader ecosystem. By offering to vote from qualified custody, Anchorage Digital Bank simplifies the governance process for leading institutions in the digital asset space. This launch empowers institutional investors and advances decentralization within the digital asset ecosystem to gather community input.



A digital asset bank in the US lets its institutional clients participate in governance decisions.

Learn more about the different governance models in the DeFi space

DeFi protocols operate within a governance system where there is no central authority. Several governance models exist in the DeFi space, each aimed at decentralizing decision-making and improving transparency and reliability.

One governance model is founder control, where the creators of a DeFi protocol retain majority control over its operations. This allows for quick decision-making, but may lack decentralization.

Another model is council control, where a group of core developers or selected community members formulate plans and set the direction for the protocol. Bitcoin and Ethereum follow this governance model.

Liquid democracy, although not widely practiced in DeFi, allows token holders to delegate their voting rights to trusted representatives, similar to corporate voting.

Governance tokens are a commonly deployed model in DeFi platforms. Each token represents a vote, and token holders can use their voting power to support or oppose proposals. The outcome of voting determines whether a proposal should be implemented on the platform. Governance tokens serve as a voting mechanism, increasing community involvement in decision-making processes. In the case of Anchorage Digital, this DeFi platform was chosen.

Overall, DeFi governance models strive to make protocols more decentralized, transparent, and reliable by shifting control to active users and stakeholders.

German Fintech Startup to Launch Europe's First ,DeFi-Native Bank'

Arnold, Luna

Since the recent passing of Europe's new Markets in Crypto Assets (MiCA) regulations, some companies have already taken action to keep up with the Decentralized Finance (DeFi). A good example is the Berlin-based fintech startup called Unstoppable Finance. The firm is planning to become the next pioneer in the crypto industry by establishing Europe's first fully regulated DeFi bank. The startup is currently known for operating its self-custodial crypto wallet Ultimate, which lets users trade cryptocurrencies and interact with self-custody assets from their smartphones. Most recently, Unstoppable Finance plans to issue a fiat-backed euro stablecoin following the guidelines of the MiCA legislation, ensuring sufficient reserves to address any potential backups.

The startup should become a bridge between traditional finance and the decentralized economy by operating as a "full bank" without being dependent on traditional banking risk management. It will ensure to maximize the security and stability of its stablecoin, which will maintain a value pegged to a fiat currency and be classified as an "e-money token". Co-founder of Unstoppable Finance and CTO Peter Grosskopf, who has also been part of the founding team of Solarisbank, the first tech company to have a German digital banking license in the past, stated that "With the advent of stablecoins, money became programmable, settling in seconds around the clock, and providing transparency into transaction ledgers. Now is the time to leverage this huge innovation and rebuild the financial system into the one we'd build today."

The actual launch date remains uncertain since they still need to acquire all the necessary licenses obligated by the MiCA. One certain thing is that the issuance of the fiat-backed stablecoin is undoubtedly going to mark a significant milestone for Unstoppable Finance.

Safety vs. Convenience: Ledger Wallet's Secret Recovery Service Causes Backlash

Arnold, Luna

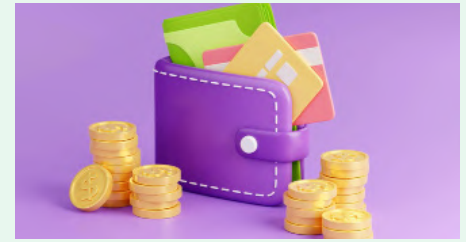
The crypto hardware wallet provider named Ledger recently announced a new seed phrase recovery service to its users, which received a strong backlash among several crypto community members, some of which are Ledger wallet owners themselves. They argue that this service contradicts Ledger's dedication to privacy and security and longstanding marketing strategy, stating that users' private key will never leave their devices.

Ledger Recover

Hardware wallets from the Paris-based provider are "cold storage" devices, known to be the most secure way to hold cryptocurrencies since they are not required to be online like browser-based wallets from MetaMask. Users are only required to keep their seed phrase safely written down on a sheet of paper, which is provided in the beginning during the set-up of a wallet and consists of a random string of words. The seed phrase acts like a secret recovery key that enables only access to the funds, so it is important not to lose it. To minimize the risk of the key falling into the wrong hands and to have a retrieval solution in case it gets lost, Ledger offered "the Ledger Recover," an optional subscription service involving third-party custodians. The seed phrase will get encrypted and divided into three fragments, stored within 3 separate companies: Ledger, Coincover, and a third independent backup service provider. For users to regain access to their wallets, they would have to get at least two of the three parts reassembled.

Response from Crypto Community

The recovery system sparked controversy among critics, who were concerned about involving third-party custodians, which not only cancel out the whole purpose of a hardware wallet, but they also see it as a violation of privacy principles. Another concern was stated by the tech lead of the triaging team of the platform Immunefi: "Exposing your seed phrase and then allowing anyone with your ID or Passport to regain access to the locked funds is a bad security posture," he said to the newsletter platform Decrypt, "ID theft is common



The Recovery Service sparket Backlash.

and that would expose crypto users to a new form of attack." Similarly, other critics referenced previous incidents, in which Ledger already had security breaches, causing to leak customer information such as their home addresses and phone numbers. Consequently, many users are having doubts about entrusting them with their private keys.

"You're saying this is not what customers want. Actually, this is what future customers want,"

- Ledger CEO Pascal Gauthier.

As a response, Ledger's leadership, such as Ledger CEO Pascal Gauthier held an hour-long Q&A hearing on Twitter to answer any concerns and to ensure the recovery service's safety. The event had more than 50'000 listeners, and the speakers reminded the Web3 community that this will be a complete opt-in feature that will not affect them if they are not interested in implementing the new solution. Additionally, Gauthier pointed out its importance for new crypto users, who are expected to be millions of people. Consequently, there is going to be a higher chance of lost or forgotten private keys, which makes the feature "go through an identification confirmation service to recover and restore it," stated the company on Twitter.

Ledger Recover has again shown the ongoing and challenging task of blockchain-based companies to maintain the balance between the core ideals of the crypto community regarding privacy and security and the everchanging crypto ecosystem. Over time, blockchains are constantly being upgraded, making any devices, especially hardware wallets, necessary to adapt simultaneously.

Passwordless crypto wallet was launched

Dang, Nadia

On May 11, 2023, a new crypto wallet based on the security technology of Amazon, was launched in Apple's App Store by Kresus. Also known as a hardware security module, this technology provided by Amazon is said to guarantee safety by storing users' private keys in the system. Furthermore, clients can get access to their wallets by using so-called "magic links" and a two-factor authentication without the need to enter the password or recovery phrases. A magic link is a unique URL that is used for the authentication of a user and can only be used once. It verifies a user's identity without the need for a password and serves as an alternative login method. Normally, most crypto-currency wallets require a password or recovery phrases in order to have access to the account. However, this login method can be troublesome if one forgets their seed word. In this case, users will not be able to get access to their account again.

With the launch of this new crypto wallet, these hurdles can be improved by the storage of the user's private key with all the sensitive information on the specialized computer called Amazon Hardware Security Module (HSM). This access method makes the wallet even more secure since the user will need to sign in through a link click from the email. Hence, there is no use for hackers to steal the password anymore because they will not be able to have access to the account. Kresus also enables their user to register a Kresus domain name, which allows them to send cryptocurrency directly to others more easily and less complexly. Moreover, the CEO of Kresus stated their company's goals: "We're really trying to offer something that is truly a better mousetrap for any Web3 user where you can move all of your things from multiple places into one place, have it be very accessible but highly secure [...] but also a gateway portal for people who aren't comfortable yet on Web3 because they're terrified they'll be locked out." The CEO mentioned the advantages of using this wallet and highlighted that the company wants to offer a practical solution for its users that is secure and accessible.

Tokenization is Changing the World, From Finance To Art

Pontiggia, Céline

Blockchain technology, driven by the ability to tokenize assets, has gained traction and is being adopted by mainstream institutions in various fields. Asset tokenization is the process that involves creating a digital representation of an asset on a blockchain to verify and track its authenticity and ownership history. A token represents then the ownership of an asset or the fraction of an asset. This technique can be applied to almost any asset, such as securities, licenses, certificates, real estate, and art. Tokenization is already being implemented by financial powerhouses like BlackRock, Goldman Sachs, BNY Mellon, and JP Morgan, leading to increased efficiency, reduced transaction times, and improved access for investors.

Fractionalization

Tokenization of on-chain assets allows for market liquidity and greater investor freedom in capital markets. Previously illiquid and expensive assets like real estate and fine art can now be tokenized, unlocking their value and opening doors for new investment opportunities. Assets that were previously out of reach for most investors, due to their high costs, can now be divided into multiple tokens, with each representing a share of the asset. This breakthrough significantly reduces the minimum capital requirements, making assets more accessible and affordable for a wider range of individuals to participate in investment opportunities. This "fractionalization" is a crucial aspect of tokenization, dividing shares of commodities into smaller pieces, democratizing access to assets. Asset tokenization addresses the issue of friction in the financial infrastructure, making financial institutions and infrastructure more efficient while increasing access to capital markets. Traditional friction is a significant barrier to capital formation and wealth growth, limiting the participation of small investors. However, blockchain technology and fractional assets not only reduce costs, but also enable less wealthy investors to explore and engage in previously inaccessible investment opportunities. Moreover, tokenization enables and simplifies secondary market trading for



Fille au béret (1964) by Pablo Picasso, one of the first tokenized artwork

investors. Indeed, an investor must usually invest a lot of time and resources in order to find a suitable buyer and make holdings liquid again. With tokenization, an investor can easily sell her/his share of the asset or artwork on a secondary marketplace and make the investment liquid before a final sale. This offers great flexibility for investors and decreases the holding period, enabling also for more flexible portfolio diversification.

From Finance

Tokens have gained immense popularity in the field of finance due to their versatility and practicality. As digital representations of assets, currencies, or utility, tokens have revolutionized transactional processes, opened doors for decentralized finance (DeFi) innovations, and offered new fundraising opportunities through Initial Coin Offerings (ICOs) or Security Token Offerings (STOs). ADDX, Asia's largest private markets exchange, has used blockchain to tokenize and fractionalize multi-asset securities, including private equity and hedge funds. By leveraging customizable smart contracts, ADDX has simplified complex transactions and enabled smaller investors to participate. Another example is Goldman Sachs, which arranged for the European Investment Bank to issue digital bonds worth \$125 million on a private blockchain, reducing settlement time from five days to just 60 seconds. The ability to speed up settlement times can lead to cost reduction and significantly enhance market efficiency.

Passing through Real Estate

The tokenization of real estate enables broader access to investors, removing barriers of geography and capital size. By representing fractional owner-

21-year-old man imprisoned for buying a car with Bitcoin

Dang, Nadia

On May 11, a 21-year-old French man had spent money on a Ferrari and faced 18 months in prison and \$3.7 million fine in Morocco. The crypto user was arrested and convicted last year because he bought a luxury car with Bitcoin, which is considered to be illegal in the country. The accused man named Thomas Clausi was charged with fraud and sent to serve in jail by the Casablanca Court of Appeal. The man's verdict was confirmed by his lawyer about a week ago. It is reported that he still has one month left in jail and will be released after serving his prison time. The Moroccan law prohibits the use of cryptocurrency and sees this action as an unauthorized fund transfer. Clausi's illegal actions came to light as a Moroccan woman accused him of fraud. He paid her with Bitcoins worth approximately \$437'000 in exchange for the Ferrari car.

Even though Morocco is known for its strict cryptocurrency law, the country is seen as the most active in terms of trading with cryptocurrency, in particular Bitcoin. It is stated by a Singaporean cryptocurrency provider that approximately 900'000 people are trading with these digital currencies. Due to the fact that crypto trading is getting more popular in Morocco, the country began to focus on the regulation of cryptocurrencies which will provide a clearer definition of rules and guidelines for the use of crypto.



He illegally bought a luxury car with Bitcoin.

ship through tokens, new pools of investors can participate and benefit from the appreciation of real estate values. These tokens can also serve as a means for investors to accumulate funds for future home purchases. For example, micobo, a digital marketplace for real estate investments and asset managers, ensures secure and compliant investor onboarding, adhering to legal and financial regulations. The real estate industry is already witnessing transformations as desirable properties are being presented through crypto asset and security token investments. With its numerous advantages, global players are embracing this growth opportunity.

To Art

On October 2021, Sygnum, a digital asset bank based in Switzerland, and Artemundi, an unconventional art investment business, collaborated to tokenize the 1964 Picasso painting „Fille au béret“ valued at \$3.68 million. Through tokenization, the artwork was divided into 4,000 Art Security Tokens (ASTs), with each AST priced at DCHF 1,000. This marked the first time the ownership rights in any artwork were broadcast onto the public blockchain by a regulated bank, enabling investors to purchase and trade “shares” in the artwork. This groundbreaking development significantly lowers the minimum

capital required to invest in an exclusive asset like an authentic Picasso painting, thereby making it more accessible to a broader range of investors. Since then, other works from renowned artists like Salvador Dali, Jeff Koons and Andy Warhol have been tokenized by Sygnum and Artemundi. This advancement holds the promise of granting a wider audience the opportunity to invest in previously inaccessible exclusive assets, while also providing issuers with a larger investor base. It is worth noting that, unlike NFTs, ASTs are exchangeable (or fungible).

Conclusion

Despite the rapid proliferation of tokenized assets, challenges remain for widespread adoption. Building these platforms involves technical complexity, particularly in cryptography and developing authorized and private blockchains for enterprise use. This difficulty, coupled with the novelty of the technology, poses challenges for leaders in existing institutions to adopt and update their systems. However, influential business leaders and even governments are making breakthroughs with blockchain technology, indicating a growing race to adopt these advancements. The benefits of this technology are substantial, and innovators are constantly finding new ways to solve complex business challenges through token platforms.

Bank of Canada Consults Public on Digital Canadian Dollar Possibility

Wagner, Cendrine

The Bank of Canada (BoC) has officially launched a public consultation with the goal of potentially releasing a digital Canadian dollar. The consultation, open to all Canadian residents, will run from May 8 until June 9, 2023, and is set to explore the idea of a Canadian digital dollar as the world becomes increasingly digital. Senior Deputy Governor Carolyn Rogers stated: “As Canada's central bank, we want to make sure everyone can always take part in our country's economy. That means being ready for whatever the future holds.”

However, the BoC has pointed out that they do not seek to replace cash or are currently developing a central bank digital currency (CBDC). They intend to

remain flexible and ready should they ever want to move forward with this idea.

The consultation aims to collect ideas to understand which features Canadians value in designing a digital dollar. This will allow the Canadian government to correctly assess the potential development of a digital currency that will adequately meet the needs of its citizens while ensuring a secure and reliable environment.

While the consultation does not necessarily promise the development of a Canadian digital dollar, it is a noteworthy step toward exploring this subject. Canada is only one of many countries that is currently considering launching a CBDC.

ALL ABOUT BITCOIN

Happy Bitcoin Pizza Day

Triet Robin

Bitcoin Pizza Day is celebrated every 22 of May by the blockchain community. It marks the birthday of the first transaction done in Bitcoin. Honoring the Bitcoin pizza day, we are dedicating this section to the past, present, and future of Bitcoin. To investigate what makes bitcoin special, we spend one hour in the House of Satoshi, a Bitcoin store with crypto ATMs, and talked with the people there.

On May 22, 2023, the blockchain community celebrates "Bitcoin Pizza Day." On this day in 2010, Bitcoin was used for the first time as a means of payment. The young programmer Laszlo Hanyecz wanted to find out what the new digital currency can do and if he can buy something physical with it. Hanyecz uses a Bitcoin-forum that was also used by Satoshi Nakamoto to ask if anyone is willing to deliver him two big pizzas in exchange for 10'000 Bitcoins. In the forum, he states that: "I just think it would be interesting if I could say that I paid for a pizza in Bitcoins." One day later, Hanyecz posted that he had successfully traded 10'000 Bitcoins for two big pizzas and attached a picture of him and his kids smiling at the pizza.

This was the first recorded trade with Bitcoin. At the time, the 10'000 traded Bitcoins had a value of 41 US Dollars. Today they would be worth 268 million US Dollars. This historic event showcases two essential concepts of Bitcoin. Firstly, Bitcoin is suitable as a payment option. Secondly, Bitcoin is deflationary; if you push consumption into the future, you

can buy more with the same money.

What happened to the two key players? Hanyecz works as an IT employee. When being asked if he regrets the transaction, he playfully counters that someone had to get the ball rolling. The lucky pizza delivery boy now works as an engineer and says that he used all the Bitcoin for videogames.



Hanyecz and his kids enjoying the pizzas that cost 10'000 bitcoins.

One hour in the House of Satoshi at Langstrasse

Triet Robin

To understand what makes Bitcoin so special, we went to a cryptocurrency ATM/ Bitcoin Store at House of Satoshi that is located at Langstrasse, and talked to the people using the machines. We found one person withdrawing Bitcoin (Customer) and got the chance to speak to the store staff (Boss & Protégé). The interviewees wanted to stay anonymous. Therefore the names in brackets will be used. Before diving into their answers, I want to describe the scene to you.

House of Satoshi, I had seen the address before: Langstrasse 138. Once arrived, I realized that the ATM is located right next to the Olé Olé bar, which just celebrated its 10-year anniversary. From what I read online, I was thinking it was more of a coffee shop with some ATMs that were not used very frequently, in

which crypto enthusiasts would meet and share their newest knowledge and ideas. When I arrived, I was surprised that they did not serve any beverages. There was a big table when entering, and the man sitting at the table had the best view of the Langstrasse one could have. Next to him on the table, there was a big printer. He was working. I went up to him and asked my questions. As I was interviewing him, customers entered. It was a mother with her daughter. She asked the man, who had a boss like confidence to him if he could explain the system to her. She wanted to give Cash to the ATM to then get Bitcoin. She explained that she had a cold wallet at home and wished to transfer these Bitcoins to that wallet. The store owner answered that the ATM gives you a private key on paper. He recommended using the application called Exodus, to import the private paper key and then

send them to her cold wallet. The customer then went to the machine but quickly returned, complaining that the fees were quite high. After sorting it out with the boss, she did her transactions, gave me an interview, and left the store. Just like that, the mother and her daughter were leaving the store as Bitcoin owners. I continued talking with the boss until his apprentice came. The boss owner had to leave for a phone call and suggested interviewing his Ukrainian protégé.

Boss:

When did you first hear about Bitcoin?

I would say around 2014. In 2015 we established the first Bitcoin/ Blockchain conference in Switzerland, where we had Vitalik Buterin and Nicolas from Bitcoin Suisse on stage. And when I say we, I do not mean the House of Satoshi but our other company. We were on the topic of Fintech



The House of Satoshi store at Langstrasse. Photographed by Dominique Meienberg

and digitalization of the financial sector.

When you heard first about Bitcoin, what was going through your head?

Coming from a financial background, it was quite an interesting case. It solved the double spending problem that we have seen in the past years, since 1998 in the internet sphere. Friedman already said in 1999, after the launch of the internet, that the next step would be to have a payment system that is purely digital, which was then fulfilled with the launch of Bitcoin, 10 years later.

Are your ATMs the first ones in Switzerland?

No. I am not sure which was the first, but it started in around 2013 in a café in the Niederdorf. At the time, the ATMs were just Bitcoin buy only, but then they changed the regulations so that Bitcoin has to be bought and sold. In 2015, new machines were on the market that allowed us to buy and sell different cryptocurrencies like Ethereum or Monero.

How did you come up with the idea to open an ATM?

Due to the lock down, we had our space here. We could not do anything but pay rent, so we looked into the possibility of offering ATMs and the regulations at that time stated that the access to an ATM has to be granted, therefore we decided to install ATMs.

Where do you see the benefits of Bitcoin?

Availability and you can calculate it as a resort of storage, with fiat, you do not

know how much money they will create. Furthermore, there are still two billion people unbanked worldwide, and crypto helps getting people access to finance. You know, you cannot compare Switzerland to other countries in South America and Africa, where Bitcoin is used quite often also as a protection against inflation. 7 years ago, for example, with Lira, the Turkish currency, you could have bought a VW Golf car, and with the same amount today, you can buy an iPhone. With the recently installed MICA law, we see also that the government does not have fun because they lost control over the behavior of people using crypto. They seem to be afraid of crypto being used for criminal activities, but a study made by Cambridge University has shown that only 1% of all crypto is being used for criminal purposes. Dollars, Diamonds, and other means were used way more for criminal activities and money laundering.

Talking about criminal activities, your store/ATM is located right at Langstrasse, what is your main clientele?

The clientele varies from 18 to 90 years of age, from students to immigrants sending money home. Which actually goes way faster than with the Western Union and is not subjected to inflation and hundreds of bank commissions. So you just exchange it when you need it in the daily life. It is just like a potato in the old times. In Terms of experience there is also a good mix, we have a lot of plebs coming in. But what we see is that Bitcoin is the most famous, therefore we really like the

motto: Bitcoin comes first. Because bitcoin was the first case, and it still works, and you can also not compare it to other coins. Ethereum for example follows another idea and comparing the two is like comparing Apple and Samsung. Ethereum has a totally different background, it was developed for smart contracts which enables doing international trade and eliminating the third-party risk, because it does not matter who is on the other side as it is automated. Bitcoin is an infrastructure enabler and Ethereum is just the currency to pay for the transactions on the smart contracts.

Where do you see the challenges that cryptocurrencies are facing?

Acceptance in the market. Even though it all started 15 years ago it is still in the beginning, you can compare crypto today to the internet after 8 years. We are at about the same level and at the starting point. At that time on the internet, you were just able to get simple information and there was no online shop or whatsoever. When you look into the US the non-acceptance becomes apparent. In Texas they wanted to levy more taxes for mining companies, which is just a scam because the US government needs money, because there is a trend of the dollar fading as an international trading currency.

How is Switzerland doing in terms of acceptance?

Generally, we are very open for blockchain and new technologies. In Zug and Lugano, you can pay your taxes in crypto. Lugano had a big meetup last year and ever since you can actually use lightning network a lot to pay with cryptocurrencies.

Do you see sustainability as a challenge for Bitcoin?

The narrative that Bitcoin is not sustainable is just a rumor. More than 60% are already mined with alternative energy. The discussion of how Bitcoin uses too much energy is the wrong approach. Pornhub uses more energy than Bitcoin. In general, we should discuss the energy consumption in a digital world and not isolate and focus on Bitcoin only. Then also I do not know how much energy traditional banks use, where they still work on systems that are more than 50 years old.

Customer:**When did you hear first about Bitcoin?
And what did you think about it?**

I first heard about it one and a half years ago in a podcast from Christian Bischoff, where he talked about Bitcoin or cryptocurrencies. And because I did not know what it was, I listened to a podcast, which sparked my interest. Before opening my own wallet, I was listening to podcasts like a crazy person, even at work. It was an American and Austrian podcast for weeks and fell down the rabbit hole.

What will you be using the Bitcoin for?

For my daughter for in 10 years, when she grows up, then these Bitcoins or Satoshis might be able to help her build a fortune.

Do you see any challenges for Bitcoin?

No, there I am not afraid. However, I think that the original freedom and discretion of crypto will be more difficult because of all the logins and everything is being disclosed with taxes so if you make wins, you must tax it. This thought of freedom is getting neglected. What I think is the best thing, is that the people who are interested in crypto always think one step ahead. I learned a lot about politics, the economy and social justice by listening to those podcasts. The monetary aspect was not even the main driver for me but more the thought of freedom in a worldwide setting.

Do you want to add anything?

No, but I think everyone should get involved with it as it enriches your life.

Protégé**When did you hear first about Bitcoin?**

I heard it from my friends, and they

were buying Bitcoin when it costed about 8'000 and then the value rapidly increased. Bitcoin was also all-over social media and was praised as the big future. I started involving myself in around 2018/2019, at that time I opened an account on Binance. In the Ukraine it was a hidden gem at that time.

What was your thought on DTL when you first heard about it?

My first thought was: Where can I buy this and how can I navigate through this market?

I assume you own cryptocurrencies; do you use them on a regular basis?

No, right now we do not have that possibility. Yesterday I was asking in a café if I could pay with crypto and they told me no and that they do not have the needed processor to make payments in cryptos. But actually, there is possibility to go around that problem. Crypto.com offers a credit card, where you have crypto in the background, and it gets switched to the needed currency at the point of payment.

Where do you see the benefits of Bitcoin?

Right now, I am not seeing much in Bitcoin. It is like a Monnalisa, it is the icon of crypto. The benefits of Crypto in general and for example Tether, is that people can use it to transfer large amounts of money from one country to another because banks ask you to many questions and you do not feel comfortable when using banks.

So, in the future you do not see Bitcoin as the main crypto currency?

Hard to answer, but what I see now is there must be some movable asset

but without it being tracked right away. For example, if you cross the border with 100 K cash in a bag, you can be stopped by the control but if you are moving with a leger wallet, cold wallet then it is another situation. Actually, I am more for stable coins and for moveable things. Right now, I own Bitcoin, Ethereum, Ripple and ADA. More or less good coins, but after almost one year bearish market who knows.

What a portfolio. For Bitcoin specifically, where do you see the challenges? Do you think the use of Bitcoin will decrease and other currencies will be used more?

I actually do not think a lot about Bitcoin. I am more for stablecoins because there must be a stable asset. Without the stability, the market cannot fix profits. That is where I see the big potential. Furthermore, stablecoins are very useful to exchange crypto and to fix your profit or loss. You cannot come with a huge amount of cash to exchange it into Bitcoins. That is the main problem that people are facing right now. How can you buy Bitcoins, how can you buy pixels in the computer? There must be some digital stable asset, where you can transfer your money.

Thank you! Do you want to add anything?

Of course, go exchange Crypto in the House of Satoshi. *laughs No just kidding, of course, always stay curious and invest some time in getting to know the new technology, you never know maybe it will become the next big thing. However, when you invest be careful.

MARKET ANALYSIS

Market Analysis

Prétat, Grégoire

Current top Cryptocurrency and Oracles Tokens by Market Capitalisation.

	Price	30d change	Trading Volume 24h	Marketcap	Market Share
Bitcoin	\$ 27'268.80	- 1.54%	\$ 13'896 Mio.	\$ 528'519 Mio.	46.4217%
Etherum	\$ 1'851.27	- 1.11%	\$ 6'675 Mio.	\$ 222'871 Mio.	19.5579%
Tether	\$ 1.00	+ 0.02%	\$ 21'430 Mio.	\$ 82'991 Mio.	7.2855%
BNB	\$ 313.5	- 5.23%	\$ 395 Mio.	\$ 48'860 Mio.	4.2904%
USD Coin	\$ 1.00	+ 0.00%	\$ 3'161 Mio.	\$ 29'439 Mio.	2.5843%
Chainlink	\$ 6.65	- 8.10%	\$ 136 Mio.	\$ 3'385 Mio.	0.2978%
Band Protocol	\$ 1.46	- 14.10%	\$ 4 Mio.	\$ 184 Mio.	0.0164%
UMA	\$ 2.08	+ 8.33%	\$ 13 Mio.	\$ 148 Mio.	0.013%
iExec RLC	\$ 1.60	+ 3.33%	\$ 8 Mio.	\$ 116 Mio.	0.0102%

INTERNAL

Bridging Business and Law with Oliver Erni

Pontiggia, Céline; Wagner, Cendrine

Hi Oliver! Welcome to the SCL internal interview. Tell us something more about yourself.

My name is Oliver and I'm currently a Master student at the business faculty of the University of Zurich. My major is business, and my minor is law. In my free time, I enjoy being active in nature, such as skiing, hiking, or cycling.

Describe yourself in 3 words.

I mean, it's not easy to describe yourself in 3 words. However, I would describe myself as open-minded, ambitious, and reliable.

Describe your regulation team in 3 words.

In three words: goal-oriented, curious, and professional. My team members are Valentin, Anne-Sophie, Alex, and Jasmin. Jasmin has recently joined our team. I really like to work with them. Our team consists of many different characters, so I think we complement each other very well. We are very focused on completing our tasks. Furthermore, each of us is very curious. Thus, we frequently challenge ourselves by questioning our approach. Although our way of working is very professionally, we also enjoy socializing with each other.

How do you organize your team?

We hold meetings on a regular basis. Sometimes we meet in person, other times we discuss issues in videocalls. We try to stay connected with each other, although each one might be assigned to a different task. In my opinion, communication is crucial while working in a group.

How is the atmosphere in your team?

What do you enjoy most?

We understand each other very well and the atmosphere is, as already mentioned, very pleasant and professional. Obviously, we have different personality traits. However, we complement each other very well. Being part of a student project and having this opportunity to work in a group with a shared goal is an aspect I very much enjoy.



Oliver Erni, the curious manager of the Regulation team

What motivated you to join this blockchain project?

The blockchain technology hasn't been implemented yet in many fields. However, in my opinion it's only a matter of time until this will be the case. In future, we might be confronted with this technology on an everyday basis without even being aware of it. Based on that, the project is a great opportunity to learn more about the blockchain technology.

So, why are you interested in blockchain?

As already mentioned, I think the technology becomes more relevant in future. The technology will offer many opportunities - not only from a business perspective, but also from a legal perspective. Additionally, the features of the technology, such as decentralized storage or transparency, are also reasons why I'm so enthusiastic about it.

You study business (major) but also law (minor). What are the reasons for this combination?

I'm really interested in both business and legal topics. In my studies, I can apply both. On the one hand, I can conduct legal reviews and on the other hand, I can analyze financial statements and make calculations based thereon. The combination of these two disciplines makes it really interesting.

Can you explain the goals and objectives of the project you are working on in your regulation team?

In our team, we focus on selected regulatory processes of the banking industry. Furthermore, we try to integrate the existing regulatory processes to a cryptocurrency. In other words, we come up with a prototype which enables connecting the existing regulatory processes with a newly created cryptocurrency. Based thereon, our goal is to develop a smart contract that connects the existing regulatory processes with a cryptocurrency. Our smart contract receives the information required from banks via oracle. Ultimately, this should result in a "clean" cryptocurrency ("White Ether") that meets the same regulatory standards as conventional money.

Is this aimed just for Switzerland or for general regulatory processes?

We're currently focusing on the following regulatory policies: "Know Your Customer" and "Anti- Money Laundering". We're rather focusing on the Swiss regulatory processes. However, these processes correspond to global standards. Although there are country-specific peculiarities in this respect, by and large the implementation of these policies is very similar to each other in an international context. Therefore, our prototype can also be transferred to other countries.

What specific challenges have you faced while working on this project?

We have no computer science background. That's why we had to learn the applicable coding language. But I rather see this challenge as a chance to learn something and to create something new.

We know that you didn't start as manager, but you were promoted to one during the process. How has that experience been for you so far?

Are there any major differences? It's a different role because you oversee the group and thereby you have to organize and coordinate the project. So, that's the major difference. This experience is very helpful because I'll be able to use these newly gained organizational skills in my professional career.

What is the most interesting or unique aspect of your thesis?

I would like to pick two aspects. One is leading a group, as a manager, whereby I'm learning to organize and coordinate a team. And secondly, as I already said, learning more about the blockchain technology and its technical features.

What are you gaining from this experience?

Hopefully, each member of the project will gain valuable experience of working together. In my opinion, being able to work in a group is a crucial requirement for our professional careers. Personally, I've gained leadership, communication, and organizational skills from this great experience. Furthermore, I have now a better understanding of the technical principles of blockchain technology.

What is the best advice you can give to your fellow SCL students?

I think it's always important that you stay curious and open-minded. For example, our group had to develop a smart contract. Thereby, we had to understand and learn a new coding language.

Thank you very much Oliver for your valuable insights and time!

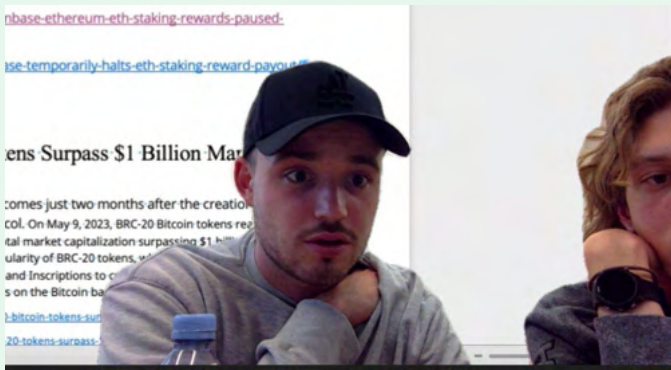
Share with us fun pictures or fun stories of your SCL activities!

Pontiggia, Céline

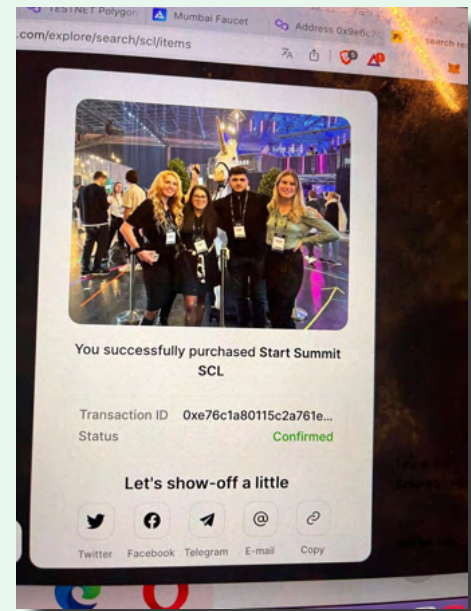
We are excited to showcase the best ones in our upcoming edition of The SCL Times. Kindly send your next submissions to either Céline or Cendrine.



At the Mehr Livepräsenz event, the real VIP was our Erik.



The perfect background for a call is the draft of The SCL Times



Officially, SCL's first NFT was „created“ and „bought“.

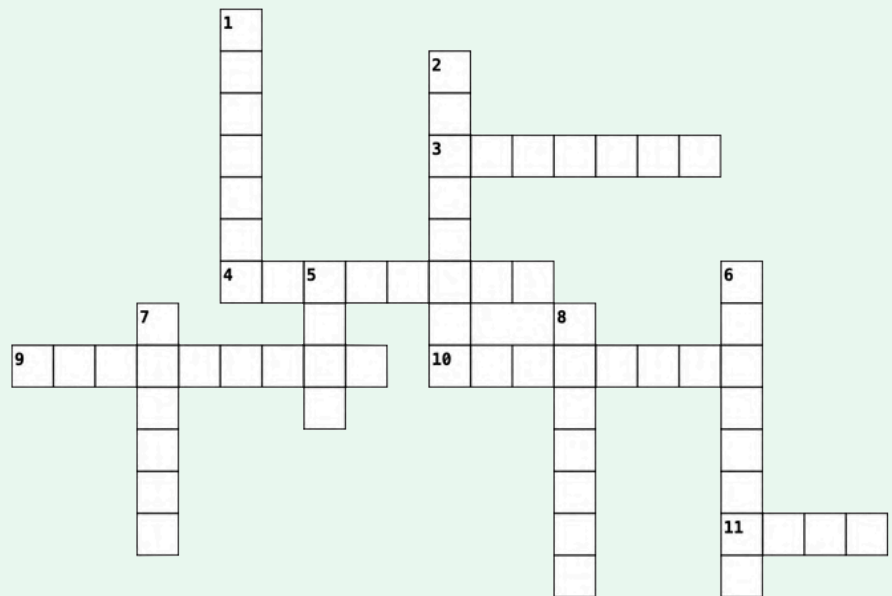
SCL-Crossword

Dang, Nadia

First read the news and try to complete our SCL crossword puzzle!
Send us the solutions to gregoire.pretat@uzh.ch to find out if your answers are correct!

Down

1. Which country has strict rules regarding cryptocurrencies?
2. Which company has temporarily paused the payment of rewards for its Ethereum staking service?
5. Who created the Bitcoin token?
6. Trading cryptocurrencies should be classified as?
7. Who is the youngest self-made millionaire in Switzerland?
8. Which bank wants to launch a scam protection?



Across

3. What kind of trading is a serious crime that threatens market fairness?
4. How is the numbering system called that allows tracking and transferring tokens by assigning a unique number to each Satoshi?
9. Where will the 49th summit take place?
10. Which mainnet stumbled across a temporary outage?
11. Which organization primarily focuses on addressing smaller issues?

Impressum

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