

# Digital Assets Insights

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Welcome to Digital Assets Insights, a weekly collection of news, analysis and commentary brought to you in partnership with [Ninepoint partners](#). We hope you find this content valuable. Please direct any comments or questions to [douglas@blockchainresearchinstitute.org](mailto:douglas@blockchainresearchinstitute.org)

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## Digital Assets Insights

Digital assets are one of the defining characteristics of Web3. We are very happy to be partnering with [Ninepoint Partners](#) to bring you news and commentary about digital assets and their role in the emerging Web3 era. Some of the content featured in Digital Asset Insights is also featured in Ninepoint Partner's [Digital Asset Digest](#).

For more information about digital assets, please see our research papers [Digital Asset Revolution](#), [Token Taxonomy: The Need for Open-Source Standards Around Digital Assets](#), and [A Taxonomy of Digital Assets](#).

You might also find our latest book "[Digital Asset Revolution](#)" interesting.

For more information on The BRI's new Web3 program please contact us at [here](#) or send us a note at [info@blockchainresearchinstitute.org](mailto:info@blockchainresearchinstitute.org)

## News

### Ethereum's Shanghai Upgrade Unlocks \$31 Billion in Staked Ethereum

On April 12th, Ethereum's Shanghai Upgrade unlocked 18 million staked Ethereum, worth approximately \$34.2 billion, from its blockchain, enabling 560,000 validators to unstake their funds. The upgrade follows Ethereum's Merge, which ditched a proof-of-work (POW) process and replaced it with an environmentally friendly transaction-validation method called proof of stake (POS). The POS approach rewards validators with freshly minted Ethereum for locking up their crypto. Shanghai also features upgrades to the execution layer of Ethereum, which could help further reduce gas fees for transactions. Following the upgrade, the market may experience a heightened supply of Ethereum, causing a temporary price dip, as validator providers reshuffle and re-evaluate their positions with their now "unlocked" Ethereum.

### Binance.US Struggling to Find New American Banking Partners Amidst Regulatory Action

Binance.US, the U.S. arm of the industry-leading cryptocurrency exchange Binance, is struggling to find American banking partners to handle its customers' deposits following the recent failures of crypto-friendly Signature Bank and Silvergate Capital. The U.S. Commodity Futures Trading Commission (CFTC) sued Binance on March 27th for "wilful evasion" of American laws, prompting distraught investors to withdraw \$1.6 billion from the exchange. Binance.US has been attempting to establish new relationships with Cross River Bank and Customers Bancorp but banks have been reluctant to partner over Binance's regulatory risk and uncertainty concerns. Despite unsuccessful attempts to establish relationships with other banks thus far, Binance.US has stated they are "onboarding new partners while upgrading internal systems to create a more stable fiat platform and offer additional services."

**Crypto Exchange Bitget Launches \$100 Million Fund to Drive Web3 Adoption in Asia**  
Crypto exchange Bitget has launched a \$100 million Web3 fund to support Asian-based startups as countries in the region build their frameworks for the development of Web3. The move follows increased efforts by several East Asian countries, including Hong Kong and Japan, to promote crypto in recent months. Bitget has supported innovative projects and the development of Web3, and the fund's launch reflects the company's ongoing efforts to drive crypto adoption, according to Managing Director Gracy Chen. The exchange is debt-free and has the sufficient cash flow to fund the initiative, as per a Bitget spokesperson. The fund follows Bitget's \$30 million investment in the decentralized, multi-chain wallet BitKeep.

### Japan's Web3 Project Team Releases White Paper to Boost Ecosystem's Growth

The ruling Liberal Democratic Party's Web3 project team in Japan has released a white paper proposing recommendations to promote the country's crypto industry. The paper suggests clear accounting standards, a DAO law, and greater tax reforms. It highlights the urgent need for guidelines for Web3 companies to find auditors and a transparent procedure for token issuers to present information necessary for reviewing and developing proposals for yen-backed stablecoins. The paper also suggests public-private partnerships to set guidelines on legal business models for fantasy sports services relating to non-fungible tokens (NFTs) and crypto visas for skilled workers. The document recommends that a Web3 minister should take charge of promoting policies and cooperation with other countries.

## Commentary

### Why Web3 Matters – Four Principals for a Better Web

**By Alex Tapscott**  
Managing Director, Digital Asset Group at Ninepoint Partners  
Co-Founder Blockchain Research Institute

Digital asset prices have had a tremendous start to 2023, reawakening some animal spirits as investors weigh the potential for another bull market. To be sure, investors should cheer the move higher, but as with every spike in prices, we must also remind ourselves why Web3 as a technology and industry is so important to the future of business, culture and more. What do these price moves reflect, beyond speculative fervor?

The Web, and with it the Internet, is entering a new era, known as Web3. A refresher: Web1 was the so-called "Read-web," a way to consume information digitally. Static and primitive by today's standards, it was nevertheless a major breakthrough that democratized access to information for those with an internet connection. Web2, or the read/write web, was built on the early success of Web1. In Web2, the web became not only a medium for the presentation of information but also a powerful tool for communication and collaboration online. If Web1 democratized access to information, then Web2 democratized publishing for all internet users, ushering in the era of user-generated content. Web2 impacted many industries, such as media and retail, but the data and value that users generated online were captured by intermediaries including financial services companies and technology firms, who became gatekeepers for the digital economy, enacting barriers, imposing tolls, and extracting wealth from commerce online, in turn stifling innovation, undermining privacy, and harming economic freedom. The Web's promise has gone unfulfilled - until now.

Web3, the "Read-Write-Own Web" is a decentralized Internet where individuals can securely trade assets like money, securities, intellectual property, and art privately and peer to peer. The potential for Web3 is a more fair, private, decentralized, resilient, and inclusive system for economic and social interactions that will empower individuals, entrepreneurs, creators, and enterprises. This is made possible through its utilization of blockchain technology, the first digital medium for value, enabling the movement, storage, and management of digital assets.

I have spent some time reflecting on what makes Web3 special and have distilled it down to four core principals. They are:

- Ownership:** Digital assets, or "tokens" give internet users an economic stake in their digital existence. They enable property rights online. For the first time in human history, two or more individuals can transact peer to peer without an intermediary. This is possible because of tokens. Tokens can best be thought of as containers for value, just as websites are containers for information. And just as there is a nearly infinite number of different websites, there is a nearly infinite number of different tokens representing ownership in everything from money to stocks, art, collectibles, data, natural assets, and much more (see next section on tokens)
- Commerce:** Web3 is enabled by blockchains, a digital medium for value. With new digital assets at our disposal, innovators can reimagine many business models and marketplaces with this technology, everything from financial services to cultural industries. For example, in financial services, decentralized finance (aka DeFi) is reimagining many traditional financial markets such as lending, trading, funding and the moving & storing of value while stablecoins, digital assets backed by Fiat currencies, clear trillions in dollar value per year in transactions on blockchains such as Ethereum. In cultural industries, NFTs (non-fungible tokens) are enabling new ways for creators to monetize their art and connect with fans.
- Identity:** In Web2, internet users create data, but they do not own that data and cannot monetize it. Instead, that data is monetized by data aggregators like social media companies who repurpose and repackage it for advertisers. Advertising became one of Web2's great business models, at the expense of privacy and the user experience. Data is one of the most important asset classes of the digital age, but until now there has been no way for users to safeguard it and use it for their own sake. In Web3, individuals own their own data and can use it as identifiers, creating a self-sovereign identity.
- Governance:** Many Web3 based products and services allow users to earn ownership of those products and services by way of a token. Ownership aligns the interests of users with the products they rely on. It also gives them economic ownership and with it a say in the governance of those platforms. For example, in DeFi, early users of applications such as Compound, Uniswap and others were rewarded for helping to bootstrap the usefulness of those applications by earning a token. Web3 extends the Silicon Valley maxim that to attract the best talent, you need to share in the upside and apply it globally to anyone who uses Web3 applications.

In the coming weeks, I will be making a renewed focus on Web3 and its impact on enterprises, including public companies. As with previous eras of the Web, Web3 has the potential to reshape and reimagine many businesses and industries. There will be opportunities for investors and with humility, I hope to be a helpful guide.

## Podcasts



You can find "[W3B Talks](#)", our podcast series on Web3 and its impact on business and society [here](#). You can also find it on your favourite podcasting platforms such as [Spotify](#), [Amazon Music](#), [Google Podcasts](#), and [Apple Podcast](#).

Recent episodes include:

- Web 3 and Real Estate with Sanjay Raghavan
- The Circular Economy and ReFi with Tian Zhao
- The Role of Smart Contracts and AI in Automation with Florian Herzog
- Tackling the Agricultural Crisis with Jon Task
- Using Oracles to Integrate Climate Data into Decision Making with Manavi Garg



Check out the latest episode of DeFi Decoded with Alex Tapscott and Andrew Young: [Web3 vs Climate Change: Carbon Credits Go Digital with Gregory Landua of the Regen Network](#)

You can see other episodes on Youtube [here](#).

## About the Blockchain Research Institute

*Navigate, accelerate, and lead the blockchain revolution.*

The [Blockchain Research Institute](#) is a global think-tank exploring the promise of Web3 and blockchain technology for business, government, and society. Our syndicated program is funded by an international community of member organizations, including enterprises, governments, and technology start-ups from around the world.

We're always looking for new organizations to collaborate with, through a number of initiatives.

- [BRI Member Program](#)
- [BRI Global Partnership Program](#)
- [Web3 and Blockchain World Conference](#)

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