

Digital Assets Insights

Hi there,

Welcome to Digital Assets Insights, a weekly collection of news, analysis and commentary. Most of this content first appeared in [Digital Asset Digest](#), a publication of [Ninepoint Digital Asset Group](#). We hope you find this content valuable. Please direct any comments or questions to douglas@blockchainresearchinstitute.org.

Follow us on our other platforms



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 by clicking [here](#) or send us a note at info@blockchainresearchinstitute.org

News

Coinbase Takes on SEC in Lawsuit for Regulatory Clarity

Coinbase is suing the Securities and Exchange Commission (SEC), asking a federal court to compel the financial regulator to respond to its demand for more transparent crypto regulations. Coinbase filed a petition last July and sought answers to 50 specific questions that would provide "clarity and certainty regarding the regulatory treatment of digital asset securities," stating that new rules would benefit the health of US capital markets by allowing for a more efficient allocation of capital. The move follows a Wells Notice from the SEC last month claiming that Coinbase's staking products are unregistered securities.

Judge Rules in Favour of Yuga Labs in Bored Ape Yacht Club Trademark Lawsuit

Yuga Labs, the creator of Bored Ape Yacht Club, has won a legal battle against Ryder Ripps and Jeremy Cahen for trademark infringement over their RR/BAYC non-fungible token (NFT) collection. The federal judge ruled in Yuga Labs' favour, stating that the company is entitled to monetary damages and injunctive relief. The defendants claimed their project, which included identical copies of the original Bored Ape Yacht Club pictures, was a parody and protected by the First Amendment. However, the court agreed that the defendants had committed false designation of origin and affirmed Yuga Labs' position. This verdict sets an important precedent for NFTs, with Yuga Labs describing the final judgement as a "landmark legal victory for Web3."

EU Parliament Approves Crypto Legislation in Landslide Vote: MiCA and Transfer of Funds

The European Union Parliament has approved the Markets in Crypto Assets (MiCA) crypto licensing regime and the Transfer of Funds regulation. The vote, which saw a majority of 517 to 38 in favour of the legislation, paves the way for the EU to become the first major jurisdiction to introduce a comprehensive crypto law. The MiCA regulation requires crypto wallet providers and exchanges to seek a license to operate across the bloc, while the Transfer of Funds regulation requires crypto operators to identify their customers to combat money laundering. The rules will come into effect in 2024, and the European Securities and Markets Authority will draft secondary legislation under MiCA.

House Republicans Push to Shift Regulatory Oversight of Payment Stablecoins From SEC

House Republicans have released draft legislation aimed at shifting regulatory oversight of payment stablecoins away from the Securities and Exchange Commission (SEC) and towards federal and state bank and credit union regulators. The move comes amid frustration from the GOP and industry executives over SEC Chair Gary Gensler's approach to digital assets. The proposed legislation, which could also govern digital asset markets, subjects nonbank stablecoin issuers to regulatory examinations, imposes a one-to-one backing of legal tender or short-term Treasury bills, and includes anti-money laundering (AML) and know-your-customer (KYC) requirements.

Commentary

Texas Hedged: Preview of Consensus 2023 in Austin, TX

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

I am in Austin, Texas this week for Consensus 2023, one of the world's largest and most important (and longest running) Web3 event. After outgrowing its New York digs, the event has, for the past couple of years, effectively taken over Austin, Texas. In such a volatile industry, the mood of the event over the years has whipsawed from euphoric to catatonic. I expect this year we'll find ourselves somewhere in the middle. 2022 was Web3's annus horribilis, but 2023 has seen a rebound. Next week's edition of Digital Asset Insights will dive into all my observations and insights from the event.

This year's festivities occur at a pivotal moment for the industry and for the event's organizer CoinDesk (owned by Digital Currency Group), which is rumored to be for sale. Perhaps we get an announcement that the industry's leading media organization has found a suitor, or not.

For the industry, Consensus goes live against a backdrop of heightened regulatory scrutiny in the United States, and a significant pause in venture funding of both Web3 ventures specifically and tech start-ups generally. Following the collapse of Silicon Valley Bank and others, many are wondering whether the good times for tech have come to an end, at least for now. The Web3 fundamentals paint a muddled picture: On the one hand, NFT volumes on the Ethereum Network are down to 20-month lows, while the value held in smart contracts on Ethereum has surged over 70 percent this year (see quantitative section). Bitcoin miners are on firmer footing after the bounce in prices, and some analysts are positioning themselves ahead of the so-called 'halvening,' when the amount of new bitcoin paid to miners declines by 50 percent per block.

The headline in the U.S. has been that regulators are taking a harder line, but once again there is nuance to this discussion too. Within the SEC, one commissioner Hester Pierce has been a vocal critic of her own agency's enforcement-oriented approach to the industry, while the CFTC has been generally more accommodating. Attendees will perhaps glean more from CFTC Commissioner Christy Goldsmith Romero, a headline speaker at the event. At the political level, Republicans are increasingly aligning with the industry (see news section) and taking the SEC to task for its approach. I don't expect these issues to get resolved any time soon, but Congressman Patrick McHenry, another event speaker, may shed some light on this debate. Given the rhetoric out of D.C., it is only natural we're fixated on the U.S., but even that shows signs of waning.

Indeed, for now, Consensus is the industry's keystone event, and Austin, Texas remains one of the industry's hotspots, but as the industry grows and becomes more international, I wonder if a U.S. event will remain relevant in the future. Yat Siu, another speaker, will likely make the case that the future of Web3 is in Asia, where internet users, enterprises and even some governments are far more open minded. As we've written previously, Hong Kong has made a radical shift to openly embracing Web3 as it fears its influence in finance and tech is waning post Covid. The EU, hardly the vanguard of entrepreneurial risk taking, has even introduced a workable, albeit flawed, new framework for the industry. As perhaps a sign of the times, there is a rumor that Consensus plans to relocate outside the U.S. (perhaps even to Canada) in the future. I've said it before and I'll say it again: Web3 is happening to everything, everywhere, all at once. At next year's Consensus, we could find ourselves ditching the barbeque for beavertails, bratwurst or dim sum.

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:

- LACChain: Enterprise Blockchain in Latin America with Ilan Melendez
- 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



Check out the latest episode of DeFi Decoded with Alex Tapscott and Andrew Young: [From NASA's Lab to Web3's Frontier: A Cosmic Journey with Chjango Unchained of Interchain.FM](#)

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](#)

For all inquires, please email douglas@blockchainresearchinstitute.org