

# Digital Assets Insights

Hi there,

Welcome to Digital Assets Insights, a weekly collection of news, analysis and commentary. Some of this content also appears 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](mailto:douglas@blockchainresearchinstitute.org).

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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](mailto:info@blockchainresearchinstitute.org)

## News

### One-Click Gaming: Web3 Game STEPN Integrates Apple Pay for Easy In-Game Transactions

Web3 move-to-earn game STEPN has strategically integrated Apple Pay as a fiat onramp for seamless in-app purchases. This integration aims to enhance accessibility and attract a broader user base to the blockchain game. By leveraging Apple Pay, players can easily connect their credit cards, eliminating the complexity of using a crypto wallet for in-game asset purchases. Shiti Manghani, COO of STEPN, believes that fiat onramps such as Apple Play will catalyze the adoption of Web3 for its next 100 million users. The integration of Apple Pay positions STEPN as a pioneering blockchain gaming app, expanding its reach to a larger audience. STEPN's hybrid approach of combining Web2 and Web3 technologies may help facilitate user adoption and help drive mainstream growth in the Web3 space.

### From America to the World: Bitcoin-Powered Payment App Strike Expands to 65 Countries

Strike, the Bitcoin-powered payments app led by Jack Mallers, is making significant strides in its global expansion. The company, aiming to be a crypto-powered alternative to Venmo or Cash App, is now available in 65 countries, in addition to its existing operations in the United States, El Salvador, and Argentina. Mallers emphasized Strike's user-friendly app and its ability to offer seamless Bitcoin and Tether transfers. The move to expand globally was partially enabled by relocating Strike's headquarters to El Salvador, which has established a regulatory framework for cryptocurrencies. Mallers also discussed Bitcoin's distinction as a commodity and the importance of competition within the decentralized ecosystem. Future plans for Strike include enhancing banking services, introducing a debit card, and addressing network congestion and higher transaction fees.

### Crypto Regulation in the North: Coinbase Hails Canada's Engagement-Based Approach

Cryptocurrency exchange giant Coinbase has praised Canada's regulatory approach to crypto, emphasizing its engagement with industry players, compared to the United States, which needs more clarity and primarily relies on enforcement for regulation. The recent U.S. regulatory crackdown has prompted companies and investors to consider relocating. While Canada's Pre-Registration Undertaking regime also applies pressure, Coinbase's VP prefers its engagement-based regulation. Having been invested in Canada for years, Coinbase plans to enhance the fiat-to-crypto experience for Canadian customers by introducing Interac payment rails. Canada's regulatory clarity and the departure of competitors like Binance make it an appealing environment for Coinbase.

### Sky Mavis Expands "Axie Infinity: Origins" Reach with Apple Store Launch

Sky Mavis, the creator of Axie Infinity, expands the availability of its card-based strategy game "Axie Infinity: Origins" by launching on the Apple App Store. This opens access to Apple users in Latin America and Asia. Previously limited to specific regions on Google Play and Mavis Hub, the game now reaches countries like Argentina, Colombia, Peru, Mexico, Venezuela, Indonesia, Malaysia, and Vietnam. With 1.5 million installations across platforms, Axie Infinity targets mobile users on Google and Apple platforms for further global expansion. This expansion is another pivotal step in fuelling the growth of Web3 game adoption by introducing a broader audience to its gaming experience.

### Decentralizing the Internet: Jack Dorsey's TBD Unveils Web5 Toolkit to Fuel New Applications

TBD, a Jack Dorsey's Block division, has unveiled a new open-source toolkit at the Bitcoin 2023 conference in Miami Beach. This toolkit is part of the Web5 project and aims to simplify the creation of decentralized Internet applications (dApps) for developers. The toolkit includes decentralized identifiers that function like email addresses or usernames, verified credentials for secure digital certificates, and decentralized web nodes for decentralized data storage. The complete Web5 platform is set to launch later this year, but developers can already start building decentralized apps on TBD's developer platform. TBD plans to introduce a remittance app using Bitcoin and stablecoins as a near-term application for their Web5 platform.

## Commentary

### The Future of Money

By Douglas Heintzman  
Chief Catalyst  
Blockchain Research Institute

There is understandably a tremendous curiosity, even a sense of inevitability, around the topic of CBDCs and stable coins. This is unsurprising considering how many governments around the world are experimenting with or investigating them. Of course, we have all been using some sort of digital currency for long time. Most of us keep savings that only exist on a banks digital ledger and make payments via debit or credit cards. According to McKinsey and company, 89% of all payments in 2022 were digital. Many of us also use more specialized and restrictive forms digital currencies such as frequent flyer and loyalty points.

Even with the narrower cryptocurrency era definition of digital currency, the space is much bigger than just CBDCs. There are also digital bearer assets such as bitcoin, protocol currencies that have value in specific ecosystems such as Ether, and stable coins such as USDC, to name a few.

CBDCs will be legal tender and backed by the government. Stable coins are pegged to a fiat currency, and if properly regulated, should have near fiat currency status. Other forms of cryptocurrency will fluctuate relative to fiat currencies according to the economic dynamic of the ecosystem to which they are associated.

CBDCs and stable coins will be the common digital currencies adopted by central and commercial banks. Their potential benefits include increasing the efficiency of payment rails and being more secure and more difficult to forge than cash. They could also be more inclusive, making financial and banking services more accessible to more of the world's population. International trade financing will be improved, and global supply chains should become more efficient. In theory, new digital currencies, will be able to leverage smart contract technology which makes them programmable. Programmable money could allow governments to execute micro and macroeconomic policy more precisely, and even enhance business-to-business interactions in ways we haven't thought of yet.

Programmability could also be a danger. Authoritarian governments that implement an account-based architecture could use their control of the public's ability to spend as a tool to exert control over their population.

Another risk is the potential impact on banks' retail financing businesses. If a significant number of depositors transfer their funds out of retail banks to a government guaranteed CBDC account, and in light of the falling confidence in regional banks in the US there may be pressure to do this, then banks will not have access to that working capital, which will not only affect their balance sheets, but their ability to provide working capital to businesses or loans for mortgages.

Finally, and perhaps the biggest concern, there is the risk of digital speed. The inefficiencies and friction in the traditional banking industry provide some braking on bank runs and contagion spread. As more and more businesses, depositors, exchanges, and financial services providers, have extremely efficient digital linkage, where funds flow with low friction, there is a magnified risk of contagion spread which could undermine public confidence and lead to instability in the banking industry.

Today, 114 countries have pilots or are actively researching CBDCs. The state of Wyoming in the US has announced a state stable coin initiative. Different jurisdictions will pick different models to best support their objectives. Before we go too far down a path that will be so fundamental to the business and societal landscape, we should pause and consider some important questions. Should digital currencies be blind and untraceable like cash, or should they give governments access to transaction records like credit card companies? Which design strikes the right balance between safety and stability, and protection of fundamental personal privacy. Which scenario will be better for the economy and which will make illegal behaviour more frictionless? Will it be easier or harder for the government to collect taxes? How do we map the KYC and anti-money laundering systems onto CBDCs and stable coins? Will there be a mass migration from commercial bank accounts to the government backed safety of a CBDC? Will this destabilize the banking sector by destroying their retail financing business? How do we upgrade the payment rail to accommodate the new system?

Digital currencies are here to stay and will become a greater and greater part of the economy. Stakeholders need to be engaged in an active dialogue to figure out how to shape the future of money.

For more on this, and the broader topic of the evolution of the blockchain space, read [my interview with BanklessTimes](#).

## 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:

- Post Quantum Cryptography for Blockchains with Pierre-Luc Dallaire-Demers
- Web3 and Gen Z with Rishab Chakraborty
- 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



Check out the latest episode of [DeFi Decoded](#) with Alex Tapscoff and Andrew Young: [Casting an Encrypted and Compliant Blockchain with Elena Nadolinski of Iron Fish](#)

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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