



# EMERALD ADVISERS, LLC "ON DA BLOCK"

## WEEKLY RECAP OF THE HAPPENINGS IN DEFI, DIGITAL ASSETS AND BLOCKCHAIN

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### Networks

1. Blockchain interoperability network Axelar said it would deliver cross-chain communications for Polygon's Supernets, which are customizable networks without any operational costs that enable developers to build their projects quickly on the supernets without any barriers to entry. <https://www.coindesk.com/tech/2022/10/26/axelar-and-polygon-supernets-team-up-to-provide-cross-chain-interoperability/>

### Regulation

1. The jostling between the CFTC and the SEC continued in New York on Monday, with CFTC Chair Rostin Behnam saying he sees ether as a commodity – not a security. <https://blockworks.co/cftc-chair-says-ether-is-a-commodity-hints-that-sec-disagrees/>

2. Lawmakers in the UK voted to recognize cryptoassets as regulated financial instruments and products on Tuesday, October 25, as part of a proposed amendment by Parliamentarian Andrew Griffith, the financial services and city minister, to the draft Financial Services and Markets Bill. *Kraken Intel & Insights - Tuesday, Oct. 25, 2022*

3. U.S. Sen. Elizabeth Warren (D-MA) and Rep. Alexandria Ocasio-Cortez (D-NY) asked regulators to clarify their rules on former employees taking roles in the crypto industry. *Kraken Intel & Insights - Tuesday, Oct. 25, 2022*

4. The European Parliament is in the process of setting up a report, which will nudge the Commission to start a legislative process for supervising NFTs. The Parliament has no power to propose new bills but can indicate to the Commission that it should cover a particular topic with an 'own-initiative' report. The policymaker says it could take six months before drafting a concrete report. <https://www.theblock.co/post/180000/nfts-need-custom-regime-eu-parliaments-draftsperson-upcoming-report>

5. The Monetary Authority of Singapore (MAS) proposed a slew of new rules to rein in the local crypto industry, including setting capital and reserve requirements for issuers of stablecoins. The measures also seek to ban issuers from engaging in "other activities that introduce additional risks," like lending or staking. In two documents open to public consultation until December 21, the proposed stablecoin rules are accompanied by intentions to limit certain retail investors from accessing crypto markets.

<https://www.coindesk.com/policy/2022/10/26/singapore-central-bank-proposes-stablecoin-rules-to-reign-in-crypto-sector/>

## Mining

1. Ten bitcoin miners are queuing up to borrow from a special-purpose DeFi lending pool created by Maple Finance as the struggling industry explores creative ways to get through the bear market, with some 25 on the waitlist. *Kraken Intel & Insights - Tuesday, Oct. 25, 2022*

## General News

1. Rishi Sunak, who shepherded the UK's new crypto ambitions during his time as finance minister, will take over as the country's next Prime Minister following Liz Truss' exit from office last week. During his time as finance minister under former PM Boris Johnson, Sunak announced he wanted to turn the UK into a crypto hub. He helped usher in the Financial Services and Markets Bill, which, if passed into law, could give local regulators broad power over the crypto industry - starting with bringing asset-pegged crypto like stablecoins into the scope of payments regulations. *Kraken Intel & Insights - To The Moon - Oct. 24, 2022*

2. Gary Gensler, chair of the Securities and Exchange Commission, took yet another shot at the crypto industry in a speech Monday, commenting on what he perceives to be the disproportionate power wielded in the sector by centralized cryptocurrency exchanges.

<https://decrypt.co/112817/sec-chair-gensler-crypto-centralized>

3. Star finance writer Matt Levine devoted an entire *Businessweek* issue to crypto. That may be game over for hardline skeptics.

<https://www.coindesk.com/layer2/2022/10/26/what-bloombergs-crypto-opus-means-for-the-next-bull-market/>

4. Circle announced a partnership with Axelar focused on using USDC and cross-chain applications. Avalanche, Cosmos, Ethereum, Polygon, and Sui will be the first chains integrated with Axelar's General Message Passing (GMP). *Kraken Intel & Insights - To The Moon - Oct. 24, 2022*

5. On-chain data shows ETH supply appears on trend to deflate to pre-Merge levels due to the protocol burning more coins than created for the last few weeks. *Kraken Intel & Insights - To The Moon - Oct. 24, 2022*

6. Western Union has filed crypto-related trademark applications with the United States Patent and Trademark Office, trademark attorney Mike Kondoudis said. The applications made by Western Union imply that the company intends to launch its very own virtual currency exchange and cryptocurrency token. The financial services company also has plans to expand into managing and administering digital assets. <https://blockworks.co/western-union-trademark-filings-signal-crypto-web3-exploration/>

## NFTs

1. Crypto bank SEBA extended its digital asset custody services to blue chip NFTs, including Bored Apes and CryptoPunks.

<https://www.coindesk.com/business/2022/10/26/swiss-based-crypto-bank-seba-offers-custody-of-blue-chip-nfts/>

2. According to Polygon and Dune Analytics, social platform Reddit has silently rolled out new features and onboarded 2.8 million new wallets to Web3 interested in acquiring its new profile picture (PFP) NFTs. Users have minted more than 86,000 NFTs.

<https://blockworks.co/reddit-makes-pfp-nfts-cool-again-marketplace-trading-volume-surges/>

## DeFi

1. Community members of the DeFi protocol MakerDAO voted to move forward with founder Rune Christensen's bold plan to overhaul how the protocol works and make it more decentralized. *Kraken Intel & Insights - Tuesday, Oct. 25, 2022*

## Metaverse

1. Norwegian governmental agency Brønnøysund Register Center collaborated with Big Four accounting firm Ernst & Young (EY) to step into the metaverse with a new virtual office location. <https://cointelegraph.com/news/norwegian-gov-t-agency-opens-metaverse-office-in-collaboration-with-ey>

## Hacks/Exploits

1. A phishing scammer known as Monkey Drainer reportedly stole the equivalent of about 700 worth Ethereum (~\$1 million) in crypto and non-fungible tokens (NFTs) on October 25. <https://www.coindesk.com/business/2022/10/25/phishing-scammer-has-drained-1m-in-crypto-and-nfts-in-past-24-hours-says-on-chain-sleuth/>

## CBDCs

1. Federal Reserve Governor Christopher Waller says he is not a big fan of the Fed issuing a central bank digital currency (CBDC). "It's just a checking account at the Fed," said the governor. Federal Reserve Chairman Jerome Powell recently said that the central bank has not decided whether to issue a digital dollar. <https://news.bitcoin.com/fed-governor-waller-skeptical-of-central-bank-digital-currencies-says-hes-not-a-big-fan-of-the-fed-issuing-digital-dollar/>

2. Japan Credit Bureau (JCB), a Japanese analog to international payments systems like Visa or Mastercard, announced the start of its central bank digital currency (CBDC) infrastructure testing. The project will assumable prepare the payments platform for a national CBDC, which the Bank of Japan (BoJ) is currently testing. The infrastructure project, announced by the company in local media, will come under the title JCBDC and aims at adjusting the JCB's existing credit card infrastructure for CBDC payments.

The France-based provider of facial recognition technology IDEMIA and Malaysian Softspace will collaborate with JCB in the platform's development. *Kraken Intel & Insights - To The Moon - Oct. 24, 2022*

3. Turkey is poised to launch a central bank digital currency (CBDC) next year. Turkey's Presidential Annual Program for 2023, presented on Monday by the Presidential Strategy and Budget Directorate, contains the discussion of a central bank digital currency. The announcement came a year after Turkey's central bank announced in September 2021 that it was considering issuing a CBDC to complement its existing payments infrastructure, in a project entitled "Central Bank Digital Turkish Lira Research and Development." <https://www.coindesk.com/policy/2022/10/25/central-bank-of-turkey-plans-to-launch-a-cbdc-in-2023/>

4. The Bank for International Settlements (BIS) revealed in a report Wednesday that a six-week pilot project to evaluate a CBDC's utility in foreign exchange transfers successfully had 20 different commercial banks conduct over 160 payments worth around \$22 million. Liquidity was one key concern for the banks involved. <https://www.bis.org/publ/othp59.htm>

5. Officials in Kazakhstan continue their close relationship with Binance, as the National Bank plans to integrate its CBDC on the BNB Chain. <https://cointelegraph.com/news/kazakhstan-to-build-central-bank-digital-currency-on-bnb-chain>

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