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OCTOBER

CRYPTOVALUES

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Crypto-Newsletter N. 10  
updated to 31th October 2021

## REGULATORY NEWS

Proposals for global stablecoins are stimulating debate in financial sectors, both insofar as stablecoins would have to comply with the same safeguards as their more traditional competitors in payments and insofar as they may also pose particular development, as well as macro-economic and cross-border challenges for many countries.

Moreover, despite the skepticism he has always shown, even the Russian President has admitted that cryptocurrencies can be a means of payment.

Increasingly, there are initiatives, from one side, to provide easy access to companies with significant exposure to Bitcoin, as demonstrated by the SEC's approval of the Tech ETF and, from the other side, to regulate and supervise new business providing crypto-relating services (as done by the Bank of Spain).

Below, there is a review of the main initiatives adopted in various countries.

### October 3rd, 2021:

During the last two weeks, two conflicting models have been proposed for interoperability among CBDCs and other digital assets.

Technically, these hybrid architectures add very little to existing toolbox of Distributed Ledger Technologies, but they mark a change in the policy of traditional finance about CBDC innovation.

From one side, there is Tony McLaughlin, Managing Director for Transaction Banking at Citibank, who suggests that central banks, commercial banks, and e-money providers should establish a shared ledger, the Regulated Liability Network.

On the other side, the team of Visa specialists, who, envisioning a future payment network that may be built on top of DLT networks but without the limitations highlighted, propose a payment route that can be used to support digital token transfers called Universal Payment Channels (UPC)".

## REGULATORY NEWS

### October 6th, 2021:

Stablecoins would have to comply with the same safeguards as their more traditional competitors in payments under proposals from regulators as authorities get to grips with a rapidly evolving sector.

The IOSCO group of securities regulators and the Bank for International Settlements, a global forum for central banks, set out on October 6th how current rules for major clearing, settlement and payments services should also be applied to “systemic” or heavily used stablecoins. [Here](#) the consultative paper.

The proposals, in public consultation before being finalised early next year, put into practice what regulators have long called for: the same rules for the same type of business and accompanying risks.

### October 7th, 2021:

The United States Securities and Exchange Commission, or SEC, has approved the Volt Crypto Industry Revolution and Tech ETF, providing investors with easy access to companies with significant exposure to Bitcoin.

The exchange-traded fund is intended to track so-called “Bitcoin Industry Revolution Companies”, which are defined as entities that hold a majority of their net assets in BTC or derive a majority of their earnings from Bitcoin mining, lending or transacting, according to [the Sec’s prospectus](#).

### October 14th, 2021:

The Russian President Vladimir Putin said that, even if they are too unstable to be used to settle oil contracts, cryptocurrencies still deserved a place as a means of payment.

*“It’s too early to talk about that for now because cryptocurrency can of course be a payment unit, but it is very unstable. To transfer funds from one place to another, yes, but I think it’s still premature to trade, especially to trade energy resources,”* he said, pointing out that this is not really a liberalization, but rather a form of tolerance.

## REGULATORY NEWS

**October 24th, 2021:**

The Central Bank of Nigeria has announced that, following a trial in a sandbox environment, its CBDC project, eNaira, has completed its development phase and is ready for use.

The paper is available [here](#).

The currency represents a claim of the central bank directly on users. Nevertheless, the network of commercial banks will be fundamental in its distribution and diffusion (two tiered CBDC architecture).

**October 26th, 2021:**

The Bank of Spain has issued [instructions](#) on how to register with the central bank to offer crypto-related services in the country.

Institutions are instructed to apply through an electronic registry, after which the central bank will take up to three months to consider the application.

The process was first announced by Spain's central bank in June, with a promise that instructions on how to proceed would be issued in due course.

**October 26th, 2021:**

Jelena McWilliams, the chairperson of the Federal Deposit Insurance Corporation, or FDIC, announced, in the [remarks at Money 20/20](#), the agency is working with other regulators in the United States to explore "*under what circumstances banks can engage in activities involving crypto assets.*" McWilliams said the FDIC, in coordination with the Federal Reserve and the Office of the Comptroller of the Currency, is looking to provide regulatory clarity for banks handling crypto assets, including stablecoins.

The FDIC is going to issue "a series of policy statements" in the coming months on guidance for banks.

## REGULATORY NEWS

**October 26th, 2021:**

The Nucleo Speciale Tutela Privacy e Frodi Tecnologiche (Special Unit for the Protection of Privacy and Technological Fraud) of the Guardia di Finanza in Rome has concluded a sophisticated technical investigation into the world of the Black Market of the Dark Web, identifying the administrators of the notorious DeepSea, a platform for the on-line sale of all kinds of illegal goods, under the coordination of the Public Prosecutor's Office of Brescia.

During the operation, Bitcoin (BTC) and Monero (XMR) worth approximately EUR 3.6 million, three luxury cars worth approximately EUR 370,000, nine branded watches worth approximately EUR 90,000, as well as various computer devices used to commit the offences were also seized.

**October 28th, 2021:**

The Council of Ministers met on October 28th, and gave implementation to the Directive (EU) 2019/770 of the European Parliament and of the Council of May 20th 2019, on certain aspects of contracts for the supply of digital content and services.

The measure introduces new provisions in the Consumer Code referred to in Legislative Decree No. 206 of 2005, in order to bring the Italian legislation in line with Directive 2019/770, which regulates certain aspects of contracts for the supply of digital content and digital services concluded between a consumer and a professional, including the conformity of the goods with the contract, remedies in case of lack of conformity or non-delivery, as well as the modification of the digital content or service.

[Here](#) the council press release.

## REGULATORY NEWS

October 29th, 2021:

The Monetary and Economic Department of the Bank for International Settlement issued, on October 29th 2021, a report, entitled "*What does digital money mean for emerging market and developing economies?*".

Considering that proposals for global stablecoins have put a much-needed spotlight on deficiencies in financial inclusion, and in cross-border payments and remittances in emerging market and developing economies (EMDEs), stablecoin may also pose particular development, macroeconomic and cross-border challenges for these countries and have not been tested at scale.

Several EMDE authorities are weighing the potential costs and benefits of central bank digital currencies (CBDCs).

The authors of the working paper argue that the distinction between token-based and account-based money matters less than the distinction between central bank and non-central bank money.

Fast-moving fintech innovations that are built on or improve the existing financial plumbing may address many of the issues in EMDEs that both private stablecoins and CBDCs aim to tackle.

## BUSINESS NEWS

Businesses and partnerships in the digital, innovation and cryptocurrency sectors are constantly growing, in the most diverse areas: from fashion to soccer to investment funds.

Below, there is a review of the main initiatives adopted in various countries.

### October 7th, 2021:

Serpenti Metamorfoosi, an installation celebrating the beauty of nature and the Bulgari snake through the reworking of artificial intelligence data into dynamic 3D sculptures, has opened in Piazza Duomo in Milan.

The artist, Refik Anadol, used more than 200 million images of nature and 160 million images of flowers to create what will be remembered as the first large-scale, luxury NFT immersive artwork based on artificial intelligence.

### October 8th, 2021:

Bakkt ("Bakkt"), a trusted digital asset marketplace that enables consumers to buy, sell, send and spend digital assets, announced a partnership with Google to extend the reach and usability of digital assets to meet rapidly evolving consumer demand and preferences.

Bakkt users will be able to add their virtual Bakkt Visa Debit Card ("Bakkt Card") into Google Pay to purchase everyday goods and services online, in-store, or wherever Google Pay is accepted.

Digital assets such as bitcoin will be converted to fiat currency for these payments to occur.

### October 13th, 2021:

S.S. Lazio S.p.A. has signed an agreement with Binance, that becomes the Club's new Main Jersey Sponsor, for the sponsorship of the game uniform.

The agreement with Binance will last for two years, with an option for a third year, and will bring the club around €30 million over the three-year period.

## BUSINESS NEWS

**October 13th, 2021:**

Neosperience, in collaboration with its subsidiary and partner WizKey, announces the birth of NFT-Commerce ([www.nft-commerce.eu](http://www.nft-commerce.eu)): the first platform that allows brands to create, manage and sell their intangible assets independently without intermediaries through NFT technology.

**October 13th, 2021:**

Italian fintech company K2 Capital srl has been launched: it is an innovative startup that will offer services related to blockchain and tokenization of corporate and real estate assets.

**October 19th, 2021:**

H&M and lablaco Launch the First Blockchain-Based IoT Rental Service Powered by SPIN.

Circular fashion pioneer company lablaco and H&M Mitte Garten store in Berlin inaugurated together the new Internet of Things (IoT) based technology, offering customers to exclusively rent and swap a special collection.

Customers will be able to rent, by booking and paying in store, one of 12 pieces from the collection offered for this trial.

The item chosen during the shopping session can be kept for between five days and three weeks, after which it must be returned.

The item will then be checked, sanitised and returned to the store.

**October 21st, 2021:**

A few days after their launch, the first U.S. Bitcoin futures exchange-traded fund risks becoming too popular for its own good.

The Proshares Bitcoin Strategy ETF is already on track to breach a limit on the number of futures contracts it is permitted to hold by the Chicago Mercantile Exchange, according to data compiled by Bloomberg. After two days trading BITO owns nearly 1,900 contracts for October, and CME rules cap the number of front-month contracts one entity can own to 2,000.

## BUSINESS NEWS

### October 21st, 2021:

Meta4 Fund Management, a Miami-based crypto-currency investment management firm, announced the launch of a new fund to invest in non-fungible tokens (NFT) and aims to raise \$100 million with one of Silicon Valley's top venture capital firms Andreessen Horowitz as its lead investor.

### October 22nd, 2021:

Walmart Inc. has started a pilot program in which shoppers can buy Bitcoin at Coinstar kiosks in some of its U.S. stores.

The test with Coinstar, which is known for the machines that let customers exchange U.S. coins for paper bills or gift cards, began earlier this month.

The pilot includes 200 kiosks in Walmart stores.

That's part of a broader initiative by Coinstar, which has teamed up with a cryptocurrency cash exchange called Coinme to offer Bitcoin at more than 8,000 kiosks.

### October 23rd, 2021:

J.P. Morgan has released a report called "Payments are eating the world".

The report points out how today almost every digital activity relies on a payment system and introduces the so called "POWER + Framework", i.e. the five main themes of the future of payments:

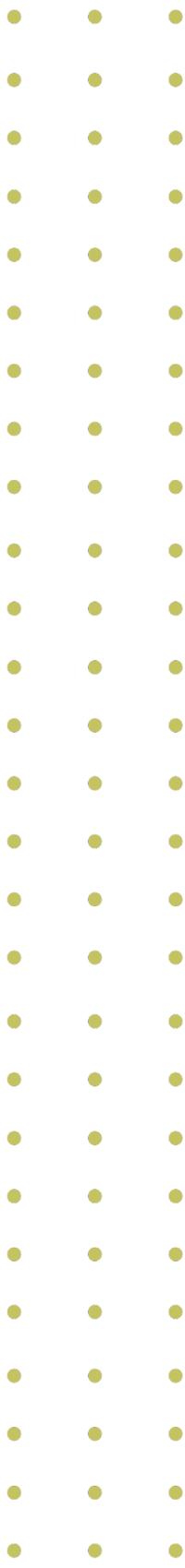
P: platforms (super apps, chinese vs global);

O: online (e-commerce, digital identity);

W: wallets (cryptocurrencies, stablecoins, tokens);

E: embedded (IoT, connected cars, wearables);

R: real time (global trade, money transfers and remittances).



## BUSINESS NEWS

October 25th, 2021

On October 25th, Mastercard and Bakkt announced a multifaceted partnership to make it easier for merchants, banks and fintechs in the U.S. to embrace and offer a broad set of cryptocurrency solutions and services.

Among other things, MasterCard's willingness to go beyond the classic functions of buying, selling and storing cryptocurrency is striking.

Through loyalty plans, consumers will be able to earn and spend cryptocurrency rewards that could replace traditional loyalty points and seamlessly convert their cryptocurrency to pay for purchases.