

# Digital Asset Academy Newsletter

Review the Week of January 6th, 2025

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## **Crypto, Digital Asset, & Blockchain News Column**

Categories of Focus for written articles include:

- Legislation & Regulation
- Institutional Developments
- Blockchain & Technology Projects
- Educational & Other Research Section

2024 In Retrospect

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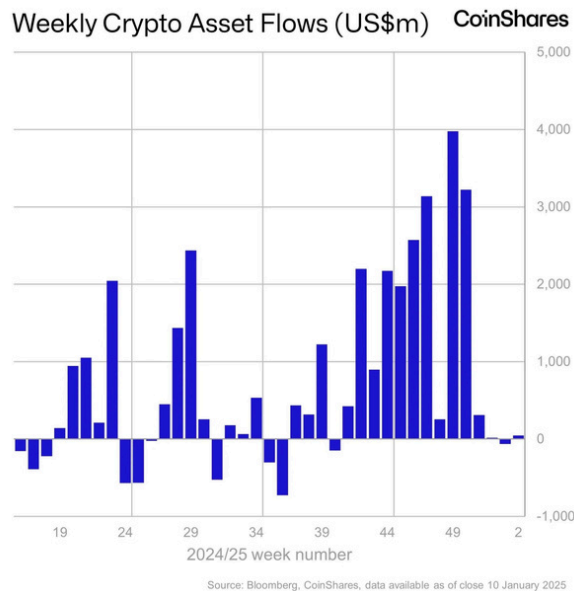
DIGITAL ASSET ACADEMY

BLOCKCHAIN EDUCATION

## Market Recap

The digital asset market is testing downwards this week. According to [coinmarketcap.com](https://coinmarketcap.com), the overall cryptocurrency market cap is at approximately [\\$3.26](#) trillion at the time of writing (01/13/25). This is an increase from the previous week's approximate value of \$3.59 trillion as of 01/06/25. The overall cryptocurrency market's 24-hour volume is approximately \$174.94 billion at the time of writing (01/06/25). This is an increase from last week's approximate 24-hour volume of \$130.93 billion (01/06/25). Over the last week, the 24-hour volume peaked at approximately \$190 billion on 01/07/25. Volume settled over the weekend and increased again on Monday (01/13/25).

Net inflows occurred this week for digital asset funds. According to [CoinShares](#), digital asset investment products received moderate net inflows of about \$48 million in the previous week. This is after the opening week of the year recording net outflows in the previous week. BTC exchange-traded products saw an inflow of approximately \$214 million, and ETH saw outflows of approximately \$255.6 million, recording the largest outflows for the week.



More states and jurisdictions are introducing measures to explore strategic Bitcoin reserves. New Hampshire and North Dakota are the newest states looking to explore strategic BTC reserves. The New Hampshire bill does not directly mention Bitcoin, however, it instead refers to the less politically polarizing term, digital assets.

The Satoshi Action Fund CEO, Dennis Porter, stated on [X](#), "Some states will require us to develop tech-neutral bills which is very common in policy. It's a way to reduce political friction. Some bills will be Bitcoin-exclusive, some will be based on market cap."

Bybit is temporarily suspending its services to Indian customers. The exchange is citing regulatory concerns and pressures by the government.

According to an [announcement](#) on January 10th, "Indian users will temporarily be unable to open new trades or access any products on the Bybit platform. The only exception will be withdrawals, which will remain available for your convenience."

Bybit is working toward achieving compliance with the government by vying for an operational license from India's Financial Intelligence Unit, FIU. They hope to achieve full compliance by receiving a license in the "coming weeks."



After testing above an area of resistance around \$99.2k, earlier last week, **Bitcoin** was unable to maintain this area. It bounced back down after attempting and failing to maintain around \$102k. Instead, it continued moving sideways within a similar

range that it's maintained over the past few weeks between approximately \$99.2k and its lower range of support between around \$91.5k - \$92k, which seems fairly strong.

Bitcoin's 24-hour volume was approximately \$72.47 billion at the time of writing (01/13/25). This week's 24-hour volume peaked on 01/08/25 at approximately \$69.99 billion. It decreased going into the weekend.



**Ethereum**, unlike Bitcoin, was unable to maintain a lower range of support as of Monday, 01/13/25. It found itself struggling over the past week after struggling around the \$3,700 range on 01/07/25. ETH has not been above this new area of resistance since mid-December. ETH continued to struggle throughout the week and found itself breaking below the range of support of approximately \$3,200 by the end of Monday, 01/13/25.

Ethereum's [24-hour volume](#) was approximately \$39.45 billion at the time of writing (01/13/25). Similar to BTC, ETH saw an increase of volume going into 01/08/25, and slowly settled throughout the week, and decreased significantly into the weekend. Its 24-hour volume for the week peaked at around 40.37 billion on 01/13/25, picking up after the weekend dip.

## **Bitcoin ETF News & Information**

### **Review of Bitcoin ETFs: January 1–10, 2025**

Bitcoin Exchange-Traded Funds (ETFs) have continued to play a pivotal role in the cryptocurrency market as they enter their second year of trading in the U.S. Here's an overview of the key statistics, trends, and developments for Bitcoin ETFs during the first ten days of 2025.

### **Key Highlights**

- Net Inflows and Outflows:
  - Net Inflows: Bitcoin ETFs recorded a total net inflow of \$307.2 million from January 1 to January 10, 2025, showcasing steady investor interest despite market volatility.
  - Outflows: Net Outflows \$614.2 million in cumulative net outflows across all U.S.-based Bitcoin ETFs from January 1st, 2024 to January 10, 2025
  - The beginning of the year saw significant outflows on January 3, with BlackRock's flagship iShares Bitcoin Trust (IBIT) experiencing its largest single-day withdrawal ever, totaling \$332.6 million, contributing to cumulative outflows of \$464.8 million over the first five trading days.
- Assets Under Management (AUM):
  - U.S.-based Bitcoin ETFs collectively hold 1.14 million BTC, valued at approximately \$106.35 billion, representing about 5.44% of Bitcoin's total supply.
  - Leading ETF by AUM BlackRock IBIT (\$52+ billion) Global Bitcoin ETFs collectively hold \$107.64 billion in AUM as of January 12, 2025, representing approximately 5.75% of Bitcoin's total market cap
- Investor Sentiment:
  - Despite early-year outflows, investor confidence remains strong, driven by expectations of increased institutional adoption and regulatory clarity.
  - BlackRock's IBIT continues to dominate inflows and AUM growth, reflecting its appeal among both retail and institutional investors.
- Regulatory Developments & Events:
  - The success of Bitcoin ETFs has spurred interest in other crypto-focused ETFs, with proposals for Solana (SOL) and XRP ETFs expected to gain traction in 2025.
  - On January 6, Calamos announced plans to launch a structured protection Bitcoin ETF (ticker: CBOJ) later in the month. This fund aims to combine Bitcoin exposure with downside protection through options strategies.

<b>Metric Value Statistics</b>	<b>Overall Holdings</b>
Total BTC Held by ETFs	~1.14 million BTC (~5.44% supply)
Total AUM for U.S. BTC ETFs	\$106.35 billion
Regional Share (Europe)	~€2.5 billion (~\$2.7 billion)
Regional Share (Canada)	~CAD \$3 billion (~\$2.25 billion)

<b>Ticker</b>	<b>Issuer (ETFs)</b>	<b>Ticker</b>	<b>Issuer (ETFs)</b>
<b>IBIT US</b>	<b>ISHARES BITCOIN TRUST</b>	<b>BITB US</b>	<b>BITWISE BITCOIN ETF</b>
<b>GBTC US</b>	<b>GRAYSCALE BITCOIN TRUST BTC</b>	<b>FBTC US</b>	<b>FIDELITY WISE ORIGIN BITCOIN</b>
<b>ARKB US</b>	<b>ARK 21SHARES BITCOIN ETF</b>	<b>HODL US</b>	<b>VANECK BITCOIN TRUST</b>
<b>BRRR US</b>	<b>VALKYRIE BITCOIN FUND</b>	<b>BTCO US</b>	<b>INVSCO GLXY BTCN ETF</b>
<b>EZBC US</b>	<b>FRANKLIN BITCOIN ETF</b>	<b>DEFI US</b>	<b>HASHDEX BITCOIN ETF</b>
<b>BTCW US</b>	<b>WISDOMTREE BITCOIN FUND</b>	<b>BITU US</b>	<b>Proshares Ultra Bitcoin ETF</b>
<b>SBIT US</b>	<b>Proshares Ultrashort Bitcoin ETF</b>	<b>ARKK US</b>	<b>ARK INNOVATION ETF</b>
<b>WGMI US</b>	<b>VALKYRIE BITCOIN MINERS ETF</b>	<b>BITX US</b>	<b>2X BITCOIN STRATEGY ETF</b>
<b>BCOIN NA</b>	<b>JACOBI FT WILSHIRE BITCOIN</b>	<b>SATO US</b>	<b>INVESCO ALERIAN GALAXY CRY</b>
<b>BTCC CAN</b>	<b>PURPOSE BTC ETF</b>	<b>BTCE</b>	<b>ETC GROUP PHYSICAL BTC</b>
<b>BITC</b>	<b>COIN SHARES PHYSICAL BTC</b>	<b>BITW US</b>	<b>Bitwise 10 Crypto Index</b>
<b>BITO</b>	<b>Proshares Bitcoin ETF</b>	<b>BTCX/B</b>	<b>CI Galaxy Bitcoin ETF</b>
<b>YBIT US</b>	<b>Yieldmax Bitcoin Option Strategy</b>	<b>BTCQ CN</b>	<b>3iQ Bitcoin ETF</b>
<b>ETH1</b>	<b>Proshares Ultra Ether ETF</b>	<b>ETHW</b>	<b>Bitwise Ethereum ETF</b>
<b>ETHX/B</b>	<b>CI Galaxy Ethereum ETF</b>	<b>ETHU US</b>	<b>2x Ether ETF</b>
<b>FETH</b>	<b>Fidelity Ethereum Fund</b>	<b>ETHE US</b>	<b>Grayscale Ethereum Trust</b>

\$42 241 612 232.09  
**\$42.24 billion**  
\$447 470

\$94 279.04 now  
\$62 473.01 dca

ALL TIME  
▲ 51.11%  
(\$14 286 812 232.09)

ALL 24H LIVE WEEK MONTH  
EL SALVADOR

\$MSTR = \$327.91 - \$80.59B  
NAV premium: 1.91x (\$186.80 @ 226.14M shares)



This image is a portfolio tracker displaying the performance of MicroStrategy's Bitcoin holdings under Michael Saylor's leadership. It shows a total portfolio value of \$42.24 billion as of January 12, 2025, reflecting a 51.11% gain since inception, equivalent to \$14.29 billion in profit. The chart visualizes Bitcoin's market price over time (blue line) alongside MicroStrategy's average purchase price (dashed green line), with green dots marking individual Bitcoin purchases.



The image tracks the monthly Bitcoin purchases and sales by the U.S. Bitcoin ETFs for all of 2024 and the beginning of 2025. (Credit to @HODL15Capital on X)

## **Publicly Listed Company Equity Tickers & Short Description**

**COIN US - COINBASE GLOBAL INC -CLASS A** - is a cryptocurrency exchange platform that allows users to buy, sell, and store various cryptocurrencies

**HOOD US - Robinhood Markets** - through its platform Robinhood Crypto, allows users to buy, sell, and hold various cryptocurrencies without commission fees in digital markets

**RIOT US - RIOT PLATFORMS INC** - is a cryptocurrency mining company

**MARA US - MARATHON DIGITAL HOLDINGS INC** - Bitcoin mining company

**CIFR US - CIPHER MINING INC** - is a Bitcoin mining company

**HUT US - HUT 8 CORP** - cryptocurrency mining and blockchain infrastructure company

**HIVE US - HIVE DIGITAL TECHNOLOGIES LTD** - cryptocurrency mining company

**CLSK US - CLEANSARK INC** - provides software and services for microgrid and blockchain technology

**BITF US - BITFARMS LTD/CANADA** - is a Bitcoin mining company

**CORZ US - CORE SCIENTIFIC INC** - blockchain and artificial intelligence company that provides infrastructure and software solutions for AI and blockchain networks

**MSTR US - MICROSTRATEGY INC-CL A** - business intelligence company that has invested heavily in Bitcoin

**NB2 GY - NORTHERN DATA AG** - focuses on the infrastructure for Bitcoin mining and blockchain applications

**SQ US - BLOCK INC** - financial services and mobile payment company that has invested in Bitcoin and offers Bitcoin trading through its Cash App

**PYPL US - PAYPAL HOLDINGS INC** - digital payment platform that has integrated cryptocurrency buying, selling, and holding for its users

**BTDR US - BITDEER TECHNOLOGIES GROUP** - technology company specializing in blockchain and high-performance computing, including Bitcoin mining

**DMGI CN - DMG BLOCKCHAIN SOLUTIONS INC** - blockchain and cryptocurrency mining company.



**DGHI US - DIGIHOST TECHNOLOGY INC** - is a cryptocurrency mining company

**Galaxy Digital Holdings Ltd. (GLXY.TO)**- is a diversified financial services firm focused on the digital asset and blockchain technology sector, listed on the Toronto Stock Exchange

**CAN US - CANAAN INC** - is a leading manufacturer of Bitcoin mining equipment

**MIGI US - MAWSON INFRASTRUCTURE GROUP** - focuses on Bitcoin mining and digital asset infrastructure

**APLD US - APPLIED DIGITAL CORP** - is a technology company that provides secure payments and authentication, including blockchain-based solutions

**BKKT US - BAKKT HOLDINGS INC** - is a digital asset platform that offers cryptocurrency trading, custody, and merchant services

**ARBK US - Argo Blockchain PLC** - involved in crypto asset mining, Infrastructure located in Quebec, Canada and serves customers in the United Kingdom

**BNXA CN - Banxa** - Global on and off-ramp payments providers.

**BIGG CN - BIGG Digital Assets** - Owns and operates and invests in crypto businesses.

**EXOD US - Exodus Movement Inc** - company specializing in blockchain and digital asset solutions. Provides wallet solutions, hardware and software solutions. Also on & off ramps.

**WULF US - Terawulf Inc** - operate environmentally friendly bitcoin mining using nuclear, hydro, or solar energy.

**BTBT US - Bit Digital Inc** - developing platform for digital assets and artificial intelligence. Does mining, eth staking, and specialized cloud services.

**IREN US - Iren Limited** - Company owns and manages next generation data centers for btc mining, AI cloud services and others.



DIGITAL ASSET ACADEMY

B L O C K C H A I N E D U C A T I O N

## **Publicly Listed Company Equity Market Recap**

### **Judge statement regarding Coinbase, SEC case**

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- A federal judge granted Coinbase an interlocutory appeal, staying the SEC's lawsuit against the company until the Second Circuit resolves a key legal question: whether an "investment contract" under U.S. securities law requires an actual contract. This decision highlights conflicting court interpretations on this issue, which is central to the SEC's broader regulatory stance on cryptocurrencies.
- The SEC had accused Coinbase of operating as an unregistered securities exchange, broker, and clearing agency. The stay is seen as a significant development for the crypto industry, as it could influence similar cases, including the Ripple appeal. The granting of the interlocutory appeal suggests the trial judge believes this issue merits higher court review.

### **Coinbase Receives CFTC Subpoena for Customer Data Related to Polymarket**

- The Commodity Futures Trading Commission (CFTC) issued a subpoena to Polymarket, a decentralized prediction market platform, as part of its investigation into whether the platform offered binary options without proper registration.
- Coinbase's involvement in regulatory cases, including the SEC lawsuit and broader crypto industry investigations, highlights the increasing tension between U.S. regulators and cryptocurrency companies over compliance with securities and commodities laws.

### **MARA Lends 16% of Bitcoin Reserves Amid Rising Interest in BTC Lending**

- Marathon Digital Holdings (MARA) has lent 7,377 BTC, representing 16% of its 44,893 Bitcoin reserves valued at \$4.4 billion, as part of a short-term lending strategy with established third parties to generate low to mid single-digit returns. This initiative reflects MARA's focus on diversifying revenue streams while managing operational risks effectively.
- The company's strong Bitcoin accumulation strategy, which includes mining 9,457 BTC and purchasing 22,065 BTC in 2024, supports its lending program. Despite the risks associated with crypto lending, MARA's conservative approach—using only a small portion of its reserves.

### **MicroStrategy Bought 258,320 Bitcoin In 2024, With Yield Up 74.3%**

- In 2024, MicroStrategy significantly expanded its Bitcoin holdings, acquiring 258,320 BTC for \$22.07 billion at an average price of \$85,450 per Bitcoin. This aggressive strategy resulted in a 74.3% yield, solidifying its position as the largest corporate Bitcoin holder and demonstrating its commitment to using Bitcoin as a treasury reserve asset.
- The company continued its acquisition strategy into early 2025, purchasing an additional 2,530 BTC for \$243 million, bringing its total holdings to 450,000 BTC. This was funded through share sales, showcasing MSTR ongoing reliance on leveraging equity and debt to fuel its Bitcoin-focused strategy.

### **Bitcoin wallet developer Exodus officially goes live on the New York Stock Exchange**

- Exodus Movement, Inc., a leading self-custodial cryptocurrency wallet provider, officially listed its Class A common stock on the New York Stock Exchange (NYSE) on December 18, 2024, under the ticker "EXOD." The uplisting from OTCQX to NYSE marks a significant milestone in bridging traditional finance with cryptocurrency innovation. On January 8, 2025, Exodus celebrated this achievement by ringing the NYSE Opening Bell, led by CEO JP Richardson.

### **KULR Increases Bitcoin Treasury, Acquires Additional 213.4 BTC**

- KULR Technology Group has expanded its Bitcoin treasury by acquiring an additional 213.4 BTC, reflecting its strategic commitment to integrating Bitcoin as part of its corporate treasury strategy.

### **Thumzup says acquired 9.783 Bitcoin for \$1M**

- On January 6, 2025, Thumzup acquired 9.783 Bitcoin for \$1,000,020 at an average price of \$102,220 per Bitcoin, inclusive of fees. The company plans to hold up to 90% of its liquid assets in Bitcoin and intends to begin paying gig-economy workers in BTC soon, leveraging Coinbase Prime as its custodian.

### **Ming Shing Group Holdings Limited Announces Subsidiary Lead Benefit (HK) Limited Purchased 500 Bitcoins**

- Ming Shing Group Holdings Limited, through its subsidiary Lead Benefit (HK) Limited, purchased 500 Bitcoins on January 9, 2025, for approximately \$47 million at an average price of \$94,375 per Bitcoin. This move is part of the company's strategy to utilize idle funds for short-term investments, aiming to capture potential Bitcoin appreciation while maintaining liquidity to support its core wet trades works business if needed.

## **Private & International Digital Asset Company Market Recap**

### **IRS hands crypto holders some 2025 relief**

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- The IRS has issued temporary relief for 2025, allowing cryptocurrency holders to choose their preferred accounting methods for digital asset sales, such as FIFO, LIFO, or HIFO, without needing to report these choices to brokers. This transitional measure addresses brokers' lack of readiness to support specific identification requirements under new regulations effective January 1, 2025.
- While the relief simplifies compliance for taxpayers by enabling them to maintain their own records instead of relying on brokers, it mandates accurate record-keeping for tax purposes. The new rules aim to standardize digital asset reporting and prepare for stricter enforcement starting in 2026.

### **How Maker DAO to Lead the Real World Assets (RWA) Sector**

- MakerDAO has strategically positioned itself as a leader in the real-world asset (RWA) sector by integrating US Treasury bonds and other RWAs into its portfolio. This approach has driven significant revenue growth, with RWAs accounting for approximately 80% of MakerDAO's fee income and generating over \$100 million in annualized revenue.
- The protocol categorizes its RWA collateral into four segments: cashlike (e.g., USDC and government bonds), clean money (e.g., renewable energy assets), miscellaneous (e.g., ERC-20 tokens), and physically resilient assets. This diversified strategy has bolstered MKR's market performance, with daily transaction volumes averaging \$94.5 million in early January 2025.

### **FalconX Expands Global Derivatives Footprint w/ Acquisition of Arbelos Markets**

- FalconX, a leading digital asset prime broker, has acquired Arbelos Markets, a top-tier crypto derivatives trading firm, to bolster its global derivatives footprint. This acquisition enhances FalconX's ability to provide deeper liquidity and bespoke derivatives solutions, positioning it as a key player in the expanding crypto derivatives market driven by institutional growth and regulatory momentum.

### **Standard Chartered launches crypto custody services in Europe**

- Standard Chartered has launched crypto custody services in Europe through a new entity in Luxembourg, leveraging its digital asset license under the MiCA framework. Initially focusing on Bitcoin and Ether, the bank aims to meet growing institutional demand while ensuring security and regulatory compliance in the EU market.

### **Crypto mogul Do Kwon pleads not guilty in first US court appearance**

- Do Kwon, co-founder of Terraform Labs, was extradited from Montenegro to the United States in December 2024 after a lengthy legal battle. He faces multiple criminal fraud charges related to the \$40 billion collapse of TerraUSD and Luna in 2022, with his trial scheduled for January 2026.
- The charges against Kwon include allegations of misleading investors about the stability of TerraUSD, which triggered a massive cryptocurrency market crash. If convicted, he could face a maximum sentence of 130 years in prison.

### **Winklevoss Twins' Gemini to Pay \$5 Million to End CFTC Case**

- Gemini Trust Co., owned by the Winklevoss twins, agreed to pay a \$5 million fine to settle a Commodity Futures Trading Commission (CFTC) lawsuit. The lawsuit alleged that Gemini provided misleading information about the susceptibility of its proposed Bitcoin futures contract to price manipulation during its 2017 approval process.
- The settlement, approved by a U.S. District Judge, allows Gemini to avoid a trial scheduled for January 21, 2025, and includes an injunction against making further false or misleading statements to the CFTC. Gemini neither admitted nor denied wrongdoing as part of the agreement.

### **Circle and Binance Enter Into a Strategic Partnership That Will Accelerate Global USDC and Crypto Adoption**

- Circle and Binance have entered a strategic partnership to accelerate the global adoption of the USDC stablecoin. Binance will integrate USDC across its platform for trading, savings, payments, and corporate treasury, leveraging its 240 million users, while Circle will provide technology, liquidity, and tools to enhance USDC's utility and trust.

### **Morgan Stanley's E-Trade plans to offer crypto trading as Trump administration signals pro-crypto stance**

- Morgan Stanley's E-Trade is exploring plans to launch direct cryptocurrency trading services, positioning itself as a major competitor to established crypto exchanges like Coinbase. This move reflects growing institutional adoption of digital assets and comes amid expectations of a more favorable regulatory environment under the Trump administration.

## **Cryptocurrency, Digital Asset, & Blockchain News Column**

This past year proved an exciting time for the digital asset space in every corner of the world. The increasing demand for regulatory clarity was a focus for 2024 and remains a priority going into 2025, proving that the industry is only beginning to carve out its way into the mainstream economy and infrastructure. In our first newsletter of the year, we will revisit some of the most significant highlights from 2024 and offer a forecast for the coming year.

### **Legislative and Regulatory Developments**

#### 1. North America

- The **United States** financial regulatory arm, the Security Exchange Commission's approved several spot Bitcoin and Ether exchange-traded funds (ETFs), solidifying the entrance of digital assets and blockchain technology into mainstream finance.

#### 2. Europe

- Adoption of regulations by the **European Commission** under the newly enacted Markets in Crypto-Assets framework (MiCA) went into motion on December 30, 2024. The framework directive is to enhance transparency and consumer protections while providing clarity on operations involving digital assets and cryptocurrencies throughout the EU.

#### 3. Asia

- **Hong Kong Monetary Authority** (HKMA) enhanced the existing regulatory framework for digital asset custodians to include greater oversight, risk management, asset segregation, AML and CTF compliance, increased cybersecurity, insurance and compensation offerings, periodic reports, and license registration.
- **Japan** defined and recognized cryptocurrency as money property, placing its regulatory authority with the Financial Services Agency (FSA). The government also amended the Payment Services Act to strengthen oversight of stablecoins and require issuers have equal collateral to issued coins.

- Out of **South Korea** came the Digital Asset Framework Act—a comprehensive law on digital assets that specifies license requirements, investor protections, reserve fund requirements, and AML/CFT compliance.

#### 4. Latin American & the Caribbean

- The **Central Bank of Brazil** proposed a release of a Central Bank Digital Currency (CBDC) called Drex for 2024, which has now been delayed until early this year.
- **Uruguay's** government passed Law 20.345, which recognized cryptocurrencies as virtual assets, thereby deferring their regulation to the Central Bank.
- The **Eastern Caribbean Central Bank** (ECCB) expanded the availability of its digital currency, DCash, to all member states.
- After becoming the first country to adopt Bitcoin as legal tender, **El Salvador** made a push for foreign investment by introducing tax-free zones for tech industries, specifically blockchain, artificial intelligence, software and application programming, and hardware manufacturing.
- El Salvador also rolled out government sponsored Bitcoin bonds known as “Volcano Bonds,” which would yield an annual 6.5% return and be used to settle debt and foster economic development.

#### 5. Middle East

- **UAE** expanded the Virtual Asset Regulatory Authority (VARA) to include regulation over tokenized assets, non fungible tokens (NFTs), and decentralized finance (DeFi) platforms.
- **Dubai's International Financial Centre** (DIFC) passed the Digital Assets Law No. 2, providing legal clarity on digital assets with regard to its classification and characteristics while outlining conditions for control of assets and asset transfers. Also included in the law was an amended Law of Security to keep the DIFC's regulations current with the changing climate.
- **Israel's Securities Authority** (ISA) released guidelines on digital assets, classifying a majority—save for NFTs, CBDCs, and stablecoins—as tokenized securities. As such, digital assets fall predominantly under the same regulatory framework as traditional securities.

## 6. Africa

- The **African Union** (AU) proposed a framework for a standardized regulation of blockchain technology across member states, emphasizing on cross-border payments, identity management, data protection, and other various government applications.
- Both **Nigeria** and **Ghana's** native CBDCs, the eNaira and eCedi respectively, experienced domestic expansion in utility as well as international utility in interoperability and cross-border payments via the African Continental Free Trade Area (AfCFTA) agreement.
- Nigeria's Securities Exchange Commission (SEC) implemented more stringent regulations for digital assets exchanges and custodians in an effort to create a safer marketplace for consumers.
- The **South African Reserve Bank** (SARB) delegated the regulation of cryptocurrencies to the Financial Sector Conduct Authority (FSCA) after classifying the assets as financial products, rather than legal tender.

## Market Movements

### 1. Bitcoin's Rapid Rise

- BTC hit a new all time high and surged past \$100k, reaching above \$108k by mid December. Predictions for BTC value have reached upwards of \$200k for 2025.
- Increased institutional interest, ETFs, and the shifts in the global regulatory climate made developed economies a more hospitable environment for BTC growth and likely contributed to this surge.

### 2. Tokenization of Assets

- 2024 saw a surge in tokenization of real-world assets (RWA) like bonds, real estate portfolios, land deeds, commodities, luxury brand goods, intraday repo transactions, corporate securities, and fine art.
- The appeal to tokenized assets, especially in institutional projects, was propelled by the speed, security, liquidity, and transparency made possible through blockchain technology.



### 3. Global Adoption of Networks and Coins

- Increased research and implementation of CBDCs by central banks around the world, has furthered the utility of digital assets and propelled its popularity. It's one of many driving factors for market movements
- increased demand for cross-border payment systems and settlement systems led to the surge in use of Ripple (XRP) and Stellar (XLM) networks, which expanded the scope of their payment solutions globally.
- Ripple's RippleNet is used in over 55 countries with settlement capabilities in over 80 markets, while Stellar's blockchain network operates in 190 countries through Singapore based Nium and Yellow Card in Africa.
- Due to the nature of blockchain technology, global adoption of networks appealed for the same reasons as tokenization. The benefits of decentralized networks were immune to the fragility of state systems, especially in developing states

### 4. Stablecoin Expansion

- Rising inflation and even hyperinflation in upper-middle income developing economies like Argentina, Turkey, and Brazil led to an increase in use of Tether (USDT) and USD Coin (USDC) to hedge against currency volatility.
- Increased use in stablecoins paved the way for settlement networks, DeFi integration, and cross-border payment systems. As a result, some states have adopted or integrated stablecoins into their traditional banking networks to gain a foothold in the fast emerging economy of digital assets.

## **Partnerships and Collaborations**

### 1. JPMorgan and Blockchain Initiatives

- JPMorgan expanded the use of its blockchain platform, Onyx, as a core component of its operations.
- The blockchain-powered JPM Coin was widely utilized for international settlements and repurchase agreements, processing over \$1 billion daily. This integration improved transaction speed and reduced operational complexities.

### 2. Goldman Sachs and Asset Tokenization

- Goldman Sachs worked with blockchain platforms to digitize traditionally illiquid assets like real estate.
- Tokenization allows for fractional ownership, improving liquidity and democratizing access to investment opportunities.

### 3. Visa and Stablecoins

- U.S. based card service provider Visa integrated USDC to simplify settlements for businesses allowing use of stablecoins. The utility for cross-border payments were fast and secure transactions that reduced reliance on traditional banking processes.

### 4. Mastercard and Crypto Payments

- Mastercard collaborated with blockchain providers to facilitate conversions from cryptocurrency to fiat.
- Cardholders were able to seamlessly use cryptocurrencies for everyday payments, integrating blockchain with retail systems.

### 5. Citigroup's Blockchain Expansion

- Citi Bank joined forces with blockchain innovators to explore the tokenization of real estate and securities for trade settlements.
- The focus is on enhancing liquidity as well as real-time settlement of financial instruments, addressing long-standing inefficiencies in equity and fixed-income markets.

## 6. SIX Digital Exchange (SDX) and the Swiss National Bank

- This partnership introduced CBDC capabilities for wholesale trading on SDX.
- Connecting digital and traditional financial markets, enhanced efficiency in bond trading and reduced settlement risks.

## 7. Ripple and Financial Institutions

- Ripple's partnerships grew globally, particularly in emerging markets like Brazil, the UAE, the African Union, and Southeast Asia
- RippleNet was employed for cross-border payment solutions, reducing costs and processing times for international transactions.

## 8. Stellar and MoneyGram

- Stellar expanded on its relationship with MoneyGram to enhance global remittance services.
- The focus was on using USDC on Stellar for quick and cost-effective transfers, particularly benefiting underserved regions.

## 9. Polygon and Financial Corporations

- Polygon collaborated with traditional finance institutions like HSBC and Deutsche Bank to explore blockchain applications.
- The focus was to develop solutions for international trade finance and identity verification through blockchain technology.

## 10. Binance and Middle Eastern Banks

- Binance partnered with banks in the Gulf Cooperation Council (GCC) region to integrate blockchain payment solutions.
- This collaboration focused on efficiency of remittances and supporting businesses through faster and more affordable payment systems.

## **Forecast for 2025**

2024 was a year of significant global strides in the regulation, adoption, and integration of digital assets and blockchain technology. Partnerships between traditional financial institutions, corporations, and governments with the digital asset and blockchain companies emphasizes the potential that this industry has to enhance financial efficiency and inclusion worldwide.

In 2025, digital assets and blockchain technology are positioned for increased institutional adoption and regulatory clarity. A global push for CBDCs, tokenized assets, and cross-border payment systems offers a unique opportunity to improve and modernize existing financial infrastructures.

Bitcoin, Ether, and other leading digital assets are poised to see a significant increase in valuation, especially as ETFs and institutional participation grows. Changing political climates, legal clarity, and shift in digital asset friendliness within regulatory agencies will foster a friendlier environment for digital asset growth.

Emerging markets will likely lead the charge to a rapid and comprehensive adoption of digital assets and blockchain tech, building frameworks around the industry, while advanced economies will be slower and focused primarily on integrating blockchain and digital assets into existing compliance frameworks. Challenges moving forward will include addressing consumer protections, security risks for centralized blockchains, laws and regulations, user friendly applications and interfaces, and equitable access to the technology. Even with these hurdles, this next year will be definitive in determining the extent to which the global community embraces digital assets and blockchain as the new financial and technological hegemony.



**DIGITAL ASSET ACADEMY**

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