



DIGITAL ASSET ACADEMY

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Digital Asset Academy Newsletter #6

Bi-Weekly Informational and Educational Review

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Crypto, Digital Asset, & Blockchain News Column

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Institutional Developments

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*All of the information included is for educational purposes****



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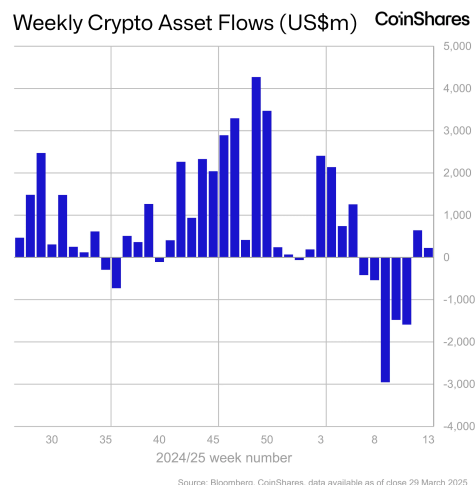
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Market Recap

The digital asset market dipped slightly over the last week. It attempted to hold higher ranges between approximately \$2.79 trillion and \$2.89 trillion, however, by Friday, 03/28/25, the cryptocurrency markets started to test downward. According to coinmarketcap.com, the overall cryptocurrency market cap is approximately [\\$2.69 trillion](#) at the time of writing (03/31/25). This is a decrease from the previous week's value of approximately \$2.87 trillion as of 03/24/25.

The overall cryptocurrency market's 24-hour volume is approximately \$76.7 billion at the time of writing (03/31/25). This is a slight decrease from last week's approximate 24-hour volume of \$78.82 billion (03/24/25). Over the last week or so, the 24-hour volume peaked at approximately \$92.19 billion on 03/28/25 as of the time of writing (03/31/25). Volume settled into the weekend but started to increase once more as the new week started (03/31/25).

Digital asset funds experienced net inflows once more this week, albeit a bit less than last week. According to [CoinShares](#), digital asset investment products saw net inflows of approximately \$226 million in the previous week. This is the second consecutive week of net inflows. BTC exchange-traded products saw an inflow of approximately \$195 million, and ETH saw an inflow of approximately \$14.5 million. The vast majority of the previous week's inflows can be attributed to Bitcoin.





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Binance has introduced a major new feature for their exchange. Users will now have access to centralized to decentralized exchange trades. This should help reduce some of the complexity that's present within the crypto space when it comes to the manual transfers that are required between DEXs and CEXs.

According to Cointelegraph, "...customers can use Circle's USDC and other supported stablecoins to acquire tokens on the Ethereum, Solana, Base, and BNB Smart Chain networks."

User experience continues to be an issue throughout the cryptocurrency space. This could help make the experience from CEX to DEX smoother, potentially resulting in it being more accessible to larger audiences.

It's also been reported that Fidelity is creating its own stablecoin. The Financial Times released a report this week (03/26/25) about Fidelity's new venture. A stablecoin is a coin that's pegged to the value of a fiat currency. The development of a stablecoin is likely connected to Fidelity's exploration into tokenized US Treasuries.

According to PYMNTS.com, "The report adds that the company has also recently filed to introduce a digital version of a U.S. money market fund at the end of May, which would put it in competition with rival asset management groups BlackRock and Franklin Templeton."



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Over the last week, BTC attempted to hold the range between approximately \$86k and \$88k, however, it was unable to maintain this range. By 03/28/25, it dipped once more below an area of support around \$84.9k. Since then, BTC has been moving between a range of approximately \$84.9k and \$81.2k. As of the time of writing (04/01/25), BTC seems to be making an attempt to test resistance around \$84.9k.

The level of volatility that the cryptocurrency space has been seeing is not exclusive to the cryptocurrency markets. Broader macroeconomic uncertainty, geopolitical shifts, and concerns surrounding tariffs could be affecting BTC's price action. It's likely that volatility in traditional financial markets could continue to have an adverse effect on digital asset markets as well.

Bitcoin experienced the usual dip in volume into the weekend, and increased on once again on Monday, 03/31/25. Bitcoin's 24-hour volume is approximately \$27.44 billion at the time of writing (04/01/25), a decrease from last week's volume of around \$32.26 billion. The 24-hour volume peaked on 03/28/25 over the last week at approximately \$34.2 billion.



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Ethereum also ended up testing downward over the past week. Following BTC, ETH was attempting to hold above support around \$1,975, however, it was unable to maintain this range and ended up dipping below support on 03/28/25.

Now, ETH finds itself once more testing a lower range of historical support around approximately \$1,775. This support seems to be holding fairly strongly as ETH is attempting to test upwards at the time of writing (04/01/25). It's likely that ETH will continue to follow BTC, albeit with a bit more volatility due to its smaller market cap.

ETH's 24-hour volume is approximately \$15.24 billion at the time of writing (04/01/25). ETH saw dips in volume into the weekend, with volume increasing once more with the start of the new week. It had a weekly peak in 24-hour volume over the last week of around \$18.17 billion on 03/28/25 and 03/29/25.



Current Bitcoin ETF Overall Review & ETF Listings

Bitcoin ETF Review: March 10th – March 31st, 2025

- The final three weeks of March 2025 proved turbulent for Bitcoin ETFs, marked by institutional profit-taking, retail accumulation at lower price levels, and regulatory developments that shaped market structure. This report analyzes net flows, investor behavior, and macroeconomic pressures during this period, combining granular ETF data with broader market dynamics.

Net Inflows and Outflows

- Bitcoin ETFs recorded cumulative net outflows of \$767.9 million from March 10th to March 31st, driven by institutional deleveraging and macroeconomic uncertainty. The breakdown reveals divergent strategies:
 - Total Outflows: \$1.12 billion
 - Total Inflows: \$352.1 million
 - Net Flow: -\$767.9 million
- This marks the second-largest monthly outflow since February's \$3.56 billion exodus, though mid-March saw a brief \$744.35 million inflow surge (March 17–21) that temporarily offset bearish pressures.

Daily Highlights

March 20: Institutional Re-Entry Sparks Rally

- Net Inflow: +\$165.1 million
 - Key Movements:
 - iShares Bitcoin Trust (IBIT): +\$171.5 million
 - Fidelity Wise Origin Bitcoin Fund (FBTC): +\$9.1 million
 - Grayscale Bitcoin Trust (GBTC): +\$4.7 million (first inflow since January)
- Bitcoin's price surged 6.2% to \$74,200, fueled by BlackRock's European Bitcoin ETP launch and Trump's softened tariff rhetoric.

March 24: Retail Accumulation Offsets Institutional Exit

- Net Inflow: +\$47.1 million
 - Key Movements:
 - FBTC: +\$78.7 million



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- Bitwise Bitcoin ETF (BITB): +\$18.3 million
- ARK 21Shares Bitcoin ETF (ARKB): -\$38.9 million
- Retail investors capitalized on Bitcoin's dip to \$68,400 (RSI: 28), with Coinbase retail volumes spiking 22% to 24,000 BTC.

March 31: Stagnation Signals Market Equilibrium

- Net Flow: \$0 million
 - Notable Activity:
 - IBIT: +\$15.1 million inflow
 - BITB: -\$19.9 million outflow
 - ARKB: -\$23.2 million outflow
- Bitcoin stabilized at \$65,320 (-2.5% daily), while active addresses held steady at 900,000, suggesting balanced supply-demand dynamics.

Investor Sentiment

Institutional Churn and Basis Trade Unwind

- The \$516.4 million outflow on February 24 set a bearish tone for March, with hedge funds exiting cash-and-carry trades as Bitcoin's futures premium narrowed to 2.8% annualized (vs. 10-year Treasury yield of 4.45%).
- GBTC outflows persisted (-\$33.2 million monthly total), though at a slower pace than February's \$151.9 million weekly redemptions. Legacy shareholders continued exiting ahead of Grayscale's fee reduction to 1.2% (effective April 1).

Retail Defies Macro Pressures

- Low-fee ETFs attracted consistent retail inflows:
 - BITB (0.20% fee): +\$24.1 million on March 20
 - VanEck HODL (0.25% fee): +\$4.7 million on March 25
- On-chain data revealed wallets holding <1 BTC accumulated 12,400 BTC during March's dips, offsetting 38% of institutional outflows.

Regulatory and Market Developments

Ripple Settlement with SEC

- Ripple reached a \$75 million settlement with the SEC on March 27, signaling a potential shift toward more collaborative regulatory enforcement under the new administration.



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- This development may influence future SEC decisions on crypto-related products, including ETFs tied to altcoins

Strategic Bitcoin Reserve Discussions

- The March 7 White House Digital Assets Summit proposed reclassifying 200,000 seized BTC as national reserves, potentially removing 1.1% of circulating supply from markets for the long-term.
- Custody reforms accelerated, with State Street announcing institutional-grade services to challenge Coinbase's 86.4% market share

Implications

Structural Shifts Outweigh Short-Term Volatility

- Institutional Rebalancing: The \$767.9 million March outflow signals continued profit-taking from Q4 2024 entrants, but BlackRock's IBIT retained dominance with \$49.67B AUM (42.7% market share). Fee competition intensified, with BITB and EZBC (0.19% fee) gaining retail traction against GBTC's 1.5% expense ratio.
- Derivatives Maturation: Expanded options liquidity enabled institutional hedging at scale, with BTC/BITB put-call ratios reaching 1.4 (vs. 0.8 in February).

Trading Statistics

- Arbitrage Plays: The 2.8% CME futures premium (annualized) offers basis trade opportunities despite narrower margins.
- Fee Arbitrage: BITB's 0.20% fee structure attracted \$976.48K daily inflows vs. GBTC's \$56.26K, despite identical underlying exposure.
- Oversold Bounces: March 31's stagnation at \$65,320 with RSI 42 suggests accumulation zones between \$63,000–\$66,000, validated by 900,000 active addresses.

This period underscored Bitcoin ETFs' maturation into a macro-sensitive asset class, where regulatory tailwinds and fee competition increasingly dictate capital flows. While March's outflows reflected cyclical deleveraging, the infrastructure built through derivatives markets and custody reforms lays groundwork for renewed institutional participation in Q2 2025.



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Metric Value Statistics	Overall Holdings
United States BTC ETFs	\$112 billion in AUM
Regional Share (Europe)	\$8.4 billion in AUM
Regional Share (Canada)	\$36.1 billion in AUM
Regional Share (Asia/HK)	\$4.5 billion in AUM

Ticker	Issuer (ETFs)	Ticker	Issuer (ETFs)
IBIT US	IShares Bitcoin Trust	BITB US	Bitwise Bitcoin ETF
GBTC US	Grayscale Bitcoin Trust BTC	FBTC US	Fidelity Wise Origin Bitcoin
ARKB US	Ark 21Shares Bitcoin ETF	HODL US	Vaneck Bitcoin Trust
BRRR US	Valkyrie Bitcoin Fund	BTCO US	Invsco Glxy BTCN ETF
EZBC US	Franklin Bitcoin ETF	DEFI US	Hashdex Bitcoin ETF
BTCW US	Wisdomtree Bitcoin Fund	BITU US	Proshares Ultra Bitcoin ETF
SBIT US	Proshares Ultrashort Bitcoin ETF	ARKK US	Ark Innovation ETF
WGMI US	Valkyrie Bitcoin Miners ETF	BITX US	2X Bitcoin Strategy ETF
BCOIN NA	Jacobi Ft Wilshire Bitcoin	SATO US	Invesco Alerian Galaxy Cry
BTCC CAN	Purpose BTC ETF	BTCE	ETC Group Physical BTC
BITC	Coin Shares Physical BTC	BITW US	Bitwise 10 Crypto Index
BITO	Proshares Bitcoin ETF	BTCX/B	CI Galaxy Bitcoin ETF
YBIT US	Yieldmax Bitcoin Option Strategy	BTCQ CN	3iQ Bitcoin ETF
ETHT	Proshares Ultra Ether ETF	ETHW	Bitwise Ethereum ETF
ETHX/B	CI Galaxy Ethereum ETF	ETHU US	2x Ether ETF
FETH	Fidelity Ethereum Fund	ETHE US	Grayscale Ethereum Trust



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Publicly Listed Companies, Private & International Insights

Bitcoin Mining Companies/ Infrastructure (And	Or) Cloud/Data Computing Companies
RIOT US - Riot Platforms Inc	HUT US - Hut 8 Corp
MARA US - Marathon Digital Holdings Inc	DGHI US - Digihost Technology Inc
CIFR US - Cipher Mining Inc	CLSK US - Cleanspark Inc
CORZ US - Core Scientific Inc	BITF US - BitfarmsLtd/Canada
BTDR US - Bitdeer Technologies Group	CAN US - Canaan Inc
HIVE US - Hive Digital Technologies Ltd	APLD US - Applied Digital Corp
DMGI CN - DMG Blockchain Solution Inc	ARBK US - Argo Blockchain PLC
MIGI US - Mawson Infrastructure Group	WULF US - Terawulf Inc
SDIG US - Stronghold Digital Mining	IREN US - Iren Limited
GREE US - Greenridge Generation Holdings	BTBT US - Bit Digital Inc
GRYP US - Gryphon Digital Mining	BTCM US - Bit Mining Ltd.

Financial/Software Solution Platforms (And	Or) Financial Services/Digital Payments
COIN US - Coinbase Global Inc - Class A	MSTR US - Microstrategy Inc-Class A
HOOD US - Robinhood Markets Inc	PYPL US - Paypal Holdings Inc
BKKT US - Bakkt Holdings Inc	GLXY CN - Galaxy Digital Holdings
BNXA CN - Banxa	XYZ US - Block Inc
EXOD US - Exodus Movement Inc	BIGG CN - BIGG Digital Assets
FLD US - Fold Holdings Inc	



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Companies Holding Bitcoin (w/ticker)	# of Bitcoin	Worldwide On Balance Sheet	# of Bitcoin BTC
Microstrategy - MSTR	528,185	Canaan - CAN	1,355
Marathon Digital - MARA	46,374	Brooker Group - BROOK	1,150
Riot Platforms - RIOT	18,692	Bitdeer - BTDR	1,143
Tesla - TSLA	11,509	Bitfarms - BITF	1,093
Cleanspark - CLSK	11,177	Cipher Mining - CIFR	1,032
Hut 8 - HUT	10,237	Core Scientific - CORZ	955
Coinbase - COIN	9,480	Ming Shing Group - MSW	833
Galaxy Digital - GLXY	8,994	Bit Digital - BTBT	769
Block - XYZ	8,485	Aker ASA - AKER	754
Bitcoin Group SE - BTGGF	3,605	SOS Ltd - SOS	675
Semler Scientific - SMLR	3,192	KULR Technology Grp - KULR	668
Metaplant - 3350	2,888	The Blockchain Group - ALTBG	620
Hive Digital - HIVE	2,805	Remixpoint - 3825.JP	616
Boya - 0434.HK	2,635	Samara Asset Group - SRAG	525
Cango - CANG	1,945	Alliance Resource Par - ARLP	457
Exodus - EXOD	1,900	DMG Blockchain - DMGI	443
BitFuFu - FUFU	1,800	Genius Group - GNS	440
Nexon - NEXOF	1,717	MercadoLibre - MELI	413
Fold - FLDD	1,485	Nano Labs - NA	400



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Publicly Listed Companies, Private & International Insights

[Cayman Islands Requires VASP License for Crypto Firms by April 2025](#)

- Starting April 1, 2025, the Cayman Islands requires all Virtual Asset Service Providers (VASPs), including trading platforms and custody providers, to obtain a license from the Cayman Islands Monetary Authority (CIMA) within 90 days, mandating disclosures on asset holdings, revenue, hardware locations, cybersecurity measures, and risk management strategies for compliance.

[Coinbase to launch first 24/7 Bitcoin and Ethereum futures in the US](#)

- Coinbase is set to launch 24/7 Bitcoin and Ethereum futures trading in the U.S., marking the first regulated round-the-clock crypto futures market in the country, with offerings including nano and large-sized contracts and plans for perpetual-style futures to align with global markets.

[Robinhood Agrees to Pay \\$30 million to settle FINRA Investigations](#)

- Robinhood has agreed to pay \$29.75 million, including a \$26 million fine and \$3.75 million in customer restitution, to settle FINRA investigations into its inadequate anti-money laundering programs, failure to address red flags of misconduct, and poor supervision of clearing systems/social media communications.

[The Ethereum Testnet, Holesky, has finally Reached Finalization](#)

- Ethereum developers resolved a configuration bug that disrupted the Holesky testnet for nearly two weeks after the Pectra upgrade, restoring finality at Epoch 119090 with over two-thirds validator participation; this milestone enables continued testing of Pectra's features, such as account abstraction, non-ETH gas payments, and increased staking limits, while highlighting Ethereum's resilience and commitment to scalability improvements.

[Deutsche Börse Group provides institutional access to crypto assets to Clearstream](#)

- Clearstream, Deutsche Börse Group's post-trade unit, will launch cryptocurrency custody and settlement services for institutional clients in April 2025, starting with Bitcoin and Ethereum, leveraging its subsidiary Crypto Finance as a sub-custodian and aiming to expand into staking, lending, and other digital asset services under the EU's MiCA regulatory framework.



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[Anchorage Digital & Copper.co, provide BTC custody services for Cantor Fitzgerald](#)

- Cantor Fitzgerald has partnered with Anchorage Digital and Copper.co to provide custody and collateral management for its \$2 billion Bitcoin financing business, aimed at offering institutional investors leverage on their Bitcoin holdings while leveraging federally regulated & secure digital asset infrastructure.

[Progress on the Preparation Phase of a Digital Euro, digital currency](#)

- The European Central Bank (ECB) plans to complete the preparation phase for the digital euro by October 2025, aiming to launch it as a central bank digital currency (CBDC) for both retail and wholesale use, with features like offline functionality and instant payments, despite concerns raised by lawmakers over reliability following recent technical issues in its payment systems.

[South Korea prepares institutional crypto investment, new guidelines due Q3](#)

- South Korea's Financial Services Commission (FSC) will release comprehensive guidelines for institutional cryptocurrency investment by Q3 2025, starting with rules for non-profits and crypto exchanges in April, marking a shift from its previous restrictive stance and aiming to boost market liquidity and institutional participation in one of the world's largest crypto markets.

[Tokenization firm Securitize taps RedStone as first oracle for onchain funds](#)

- Securitize has partnered with RedStone as its first blockchain oracle provider to integrate real-world asset (RWA) tokenized funds, such as BlackRock's BUIDL and Apollo's ACRED, into decentralized finance (DeFi) platforms by providing accurate price feeds, enhancing their use as collateral, and enabling broader DeFi applications through a modular, scalable architecture.

[Binance secures \\$2 billion from Abu Dhabi's MGX](#)

- Abu Dhabi-based MGX has invested \$2 billion in Binance, marking the largest-ever crypto company investment and giving MGX a minority stake to support blockchain technology development, while Binance aims to enhance compliance, security, and scalability in the crypto ecosystem.



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[SEC delays ETF filings for Dogecoin, XRP and others](#)

- The SEC has delayed decisions on several altcoin ETFs, including Dogecoin, XRP, Solana, and Litecoin, as it awaits the confirmation of crypto advocate Paul Atkins as its new chairman; analysts expect approvals to resume post-confirmation, final deadlines for some proposals extending to May 2025.

[SEC postpones ruling on Fidelity Ether ETF options](#)

- The SEC has delayed its decision on whether to allow Cboe BZX Exchange to list options tied to Fidelity's Ethereum ETF (FETH), extending the deadline to May 14, 2025, as part of its cautious approach to integrating crypto products into traditional financial markets, while considering features like staking and addressing regulatory concerns.

[BlackRock's BUIDL cross \\$1 billion mark, with tokenized fund onchain Treasuries](#)

- BlackRock's tokenized fund, BUIDL, has surpassed \$1 billion in assets under management within a year of its launch, becoming the largest tokenized fund backed by U.S. Treasuries, including a \$200 million allocation from Ethena Labs, and expanding its use as collateral in decentralized finance & stablecoin reserves across multiple blockchain networks.

[Goldman Sachs has acknowledged cryptocurrencies in shareholder letter](#)

- Goldman Sachs has acknowledged cryptocurrencies for the first time in its annual shareholder letter, highlighting their growing prevalence, competitive impact, and associated risks, while noting its expanded crypto activities, including a crypto desk, blockchain testing, and significant investments in Bitcoin ETFs like BlackRock's IBIT and Fidelity's FBTC.

[Gemini appointed new CFO as crypto exchange reportedly eyes IPO](#)

- Gemini has appointed Dan Chen as its new CFO, formerly of Affirm, amid plans to scale its operations and reportedly prepare for an IPO in 2025, following regulatory relief under the Trump administration and a \$5 million settlement with the CFTC.

[Acting SEC chair Uyeda directs staff to reexamine proposed crypto custody rule](#)

- Acting SEC Chair Mark Uyeda has directed staff to reconsider the proposed 2023 crypto custody rule, citing significant industry concerns.



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[CME traders show 'little interest' in Solana futures debut](#)

- CME's Solana futures launch saw underwhelming trading volume of \$12.3 million and open interest of \$7.8 million on its first day, significantly lower than Bitcoin and Ethereum futures debuts.

[Microsoft Identifies New Malware Threat Targeting Chrome Crypto Wallets](#)

- Microsoft has identified StilachiRAT, a sophisticated remote access trojan targeting 20 cryptocurrency wallet extensions on Google Chrome, including Coinbase Wallet and MetaMask, capable of stealing credentials, monitoring clipboard activity, and evading detection through anti-forensic techniques, prompting calls for enhanced security measures among crypto users.

[83% of institutions plan to up crypto allocations in 2025: Coinbase](#)

- A survey by Coinbase and EY-Parthenon reveals that 83% of institutional investors plan to increase their crypto allocations in 2025, driven by opportunities for attractive risk-adjusted returns, with XRP and Solana among the most popular altcoin holdings, alongside growing interest in stablecoins and DeFi platforms for yield generation and cross-border settlements.

[Coinbase has launched Verified Lending Pools](#)

- Coinbase has launched Verified Pools, a DeFi service on its Ethereum Layer 2 platform, Base, tailored for institutional investors by enforcing KYC checks and sanctions screening, offering non-custodial asset control, and addressing compliance and counterparty risk concerns to attract Wall Street participation in decentralized finance.

[Ripple \(XRP\) long legal battle with SEC comes to close](#)

- The SEC has officially dropped its appeal in the Ripple case, concluding a four-year legal battle and confirming that XRP is not a security, while Ripple agreed to withdraw its cross-appeal, resulting in a reduced \$50 million fine and the potential lifting of an injunction that restricted XRP sales to institutional investors, marking a significant victory for Ripple and industry.



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[Blockdaemon Acquires DeFi Connectivity Firm to Bring Institutions to Web3](#)

- Blockdaemon has acquired expand.network for a multi-million-dollar deal to enhance institutional access to DeFi by integrating expand.network's unified API, which supports over 170 endpoints like DEXs and lending protocols, enabling seamless blockchain connectivity and scaling solutions for financial institutions exploring on-chain trading and decentralized finance.

[Kraken acquires NinjaTrader for 1.5 billion dollars](#)

- Kraken has acquired NinjaTrader for \$1.5 billion, marking the largest merger between traditional finance and crypto, enabling Kraken to offer U.S. crypto futures through NinjaTrader's CFTC license, expand globally via MiFID and Australian licenses, and integrate advanced multi-asset trading tools to create an institutional-grade platform.

[Blockchain Intelligence Group Strikes Deal with NYC-Based Blockpliance](#)

- Blockchain Intelligence Group (BIG) has entered a strategic agreement with NYC-based Blockpliance to acquire its client portfolio, sales pipeline, and digital assets, strengthening BIG's presence in the U.S. and expanding into the Latin American compliance market.

[Statement on Certain Proof-of-Work Mining Activities](#)

- The SEC has clarified that proof-of-work (PoW) mining activities, including solo and pooled mining of "Covered Crypto Assets," do not constitute securities transactions under federal law, as rewards are earned through miners' computational efforts rather than the managerial or entrepreneurial efforts of others, signaling a shift toward clearer regulatory guidance for crypto.

[Coinbase acquiring Deribit talks reaches 'advanced' stage](#)

- Coinbase is in advanced talks to acquire Deribit, the largest Bitcoin and Ethereum options exchange, in a deal valued between \$4 billion and \$5 billion, which would expand Coinbase's derivatives footprint globally and involve regulatory approval in Dubai, though no final agreement has been reached yet.



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[U.S. Treasury Removes Tornado Cash OFAC Sanctions](#)

- The U.S. Treasury Department removed Tornado Cash from its sanctions list on March 21, 2025, following a federal court ruling that OFAC exceeded its authority by sanctioning immutable smart contracts under the International Emergency Economic Powers Act, while emphasizing ongoing concerns about North Korea's use of crypto for illicit activities.

[Michael Saylor's Strategy buys Bitcoin dip with \\$1.9B purchase](#)

- Strategy (formerly MicroStrategy) has acquired 22,048 Bitcoin for \$1.92 billion at an average price of \$86,969 per BTC, bringing its total holdings to 528,185 BTC worth \$35.63 billion, solidifying its position as the largest corporate Bitcoin holder globally while funding purchases through stock offerings and perpetual securities.

[Circle to launch USDC stablecoin in Japan on 26 March](#)

- Circle's USDC has become the first global dollar-backed stablecoin approved for use in Japan under the Financial Services Agency's regulatory framework, launching through SBI VC Trade on March 26, 2025, with support from major exchanges like Binance Japan, bitbank, and bitFlyer to drive stablecoin adoption and enhance Japan's digital finance ecosystem.

[SEC closes investigation into Immutable nearly 5 months after Wells notice](#)

- The SEC has officially closed its investigation into Web3 gaming company Immutable, clearing it of any enforcement actions related to the 2021 IMX token sales, marking a regulatory milestone for the crypto gaming sector and paving the way for increased innovation and investment in blockchain-based gaming solutions.

[GameStop Announces Update to Investment Policy: Bitcoin as Treasury Reserve Asset](#)

- GameStop's board unanimously approved adding Bitcoin as a treasury reserve asset, leveraging \$4.775 billion in cash reserves to diversify its portfolio, inspired by CEO Ryan Cohen's collaboration with Michael Saylor; while the move boosted investor confidence initially, it also raised concerns about risks like Bitcoin's volatility and led to plans for store closures to optimize financial performance.



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[SEC Crypto Task Force to Host Four More Roundtables](#)

- The SEC's Crypto Task Force announced four new public roundtables, scheduled between April and June 2025, to address key regulatory topics including crypto trading rules, custody standards, tokenization, and decentralized finance (DeFi), signaling a shift toward collaborative engagement and clearer regulatory frameworks under new leadership.

[DeFi security researcher implicated in \\$50M Radiant Capital hack](#)

- Nick L. Franklin, a blockchain security researcher, is suspected of aiding the Lazarus Group in the \$50 million Radiant Capital hack after investigators linked his testnet token request address to those used in the attack, raising concerns about insider involvement and vulnerabilities in DeFi security networks.

[Galaxy Digital Reaches \\$200M Settlement Agreement With NYAG](#)

- Galaxy Digital has agreed to a \$200 million settlement with the New York Attorney General over its role in promoting Terra (LUNA) without proper disclosures, including acquiring 18.5 million LUNA tokens at a discount and profiting before the ecosystem's \$60 billion collapse in 2022, while committing to enhanced compliance measures to prevent future violations.

[FDIC Clarifies Process for Banks to Engage in Crypto-Related Activities](#)

- The FDIC has rescinded its prior notification requirement for banks engaging in crypto-related activities, allowing over 5,000 FDIC-supervised institutions to participate in permissible crypto and blockchain ventures without prior approval, provided they manage risks such as cybersecurity, market stability, and anti-money laundering compliance, signaling a shift toward more favorable regulatory policies under Acting Chairman Travis Hill's leadership.

[Canaan Unveils Avalon Q at Mining Disrupt 2025: Bitcoin Mining Solution for Home](#)

- Canaan has unveiled the Avalon Q, a professional-grade Bitcoin mining machine designed for home use, featuring 90 TH/s hash power, compatibility with standard 110V household electrical systems, ultra-quiet 45dB operation, and a user-friendly plug-and-mine setup via the Avalon Family App, available for preorder at \$1,599 until April 2025.



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Cryptocurrency, Digital Asset, & Blockchain News Column

Avit: The First US Bank-Issued Stablecoin on a Permissionless Blockchain

Custodia Bank and Vantage Bank have made financial history with the launch of Avit, the first stablecoin issued by regulated US banks on a public blockchain. This groundbreaking development represents a significant convergence of traditional banking and blockchain technology, potentially reshaping how dollar-based transactions occur in the digital economy. The March 2025 launch marks a major milestone in the evolution of digital payments within the regulated banking system.

The Breakthrough and Its Significance

On March 24, 2025, Custodia Bank and Vantage Bank successfully completed America's first-ever tokenization of a bank's U.S. dollar demand deposits on a permissionless blockchain. The stablecoin, named Avit, was deployed on the Ethereum mainnet using the widely adopted ERC-20 standard, allowing for seamless integration with existing blockchain infrastructure. This achievement represents a watershed moment for the banking industry, as it bridges the gap between traditional financial systems and decentralized blockchain technology.

Unlike existing stablecoins such as Tether (USDT) and USD Coin (USDC), which are issued by private companies and often backed by cash equivalents, Avit is directly backed by actual dollar deposits held within regulated banks. This distinction is crucial, as it places Avit firmly within the existing regulatory framework of the U.S. banking system, potentially addressing many of the concerns that have surrounded privately-issued stablecoins.

The Background of Avit and Custodia Bank

The journey toward Avit's creation began in 2020, when Custodia Bank – then known as Avanti Bank & Trust – first conceptualized a bank-issued stablecoin. Originally designed for institutional investors and corporate treasurers, Avit



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was positioned as a programmable, real-time payment and settlement solution that would offer the benefits of stablecoins while avoiding the accounting and tax complications that often accompany them.

Custodia's path wasn't without obstacles. The bank faced regulatory challenges, including the U.S. Federal Reserve's denial of a master account. Regulators expressed concerns that holding Avit reserves could be perceived as central bank backing, raising potential systemic risks. Despite these setbacks, Custodia persevered, continuing its legal battle with strong industry support.

How Avit Works: The Technical Foundation

Avit operates on Ethereum, a permissionless blockchain that allows anyone to participate in the network without requiring approval from a central authority. As an ERC-20 token, Avit follows a standardized protocol that enables it to interact seamlessly with other digital assets and applications on the Ethereum network.

The process of creating and using Avit involves several key steps. First, a customer requests that their U.S. dollar deposits be converted into Avit tokens. Custodia Bank, using its proprietary Avit Management System, handles the issuance of these tokens on the blockchain. Meanwhile, Vantage Bank maintains the actual dollar reserves that back these tokens, ensuring a 1:1 ratio between Avit and U.S. dollars.

The Six-Stage Testing Process

The pilot program demonstrated Avit's functionality through six distinct stages:

1. The banks minted Avit tokens for a business customer
2. The tokens were transferred to the customer
3. The customer moved tokens into self-custody (their own digital wallet)
4. Business-to-business transactions occurred outside the banking system
5. The tokens were transferred back to Custodia Bank



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6. The tokens were redeemed for U.S. dollar deposits

This comprehensive test validated the entire lifecycle of the stablecoin, from creation to redemption, proving its viability for real-world financial transactions.

The Collaborative Partnership

The success of Avit stems from the complementary roles played by Custodia and Vantage Banks. Custodia Bank, operating as a Special Purpose Depository Institution (SPDI) based in Wyoming, managed the blockchain-related aspects of Avit. This included token issuance, custody services, blockchain transaction monitoring, and reconciliation through its Avit Management System.

Vantage Bank, headquartered in San Antonio, Texas, provided the traditional banking infrastructure. It managed the fiat reserves backing the tokens and facilitated conventional settlement services via Fedwire and ACH. As Shawn Main, chief business architect officer with Vantage Bank, explained: "Really, a stablecoin is nothing more than issuance of a cashier's check, then monitoring the circulation of that cashier's check as it floats around".

Regulatory Compliance in a New Frontier

Perhaps the most significant aspect of Avit is its full integration with existing banking regulations. Both banks ensured compliance with all applicable U.S. banking regulatory requirements, including the Bank Secrecy Act (BSA), anti-money laundering (AML) rules, and Office of Foreign Assets Control (OFAC) regulations. This required the development of specialized documentation, policies, and procedures that differ from those of current stablecoin issuers but meet federal banking standards.

This regulatory compliance represents a potential blueprint for other financial institutions looking to enter the blockchain space. As Caitlin Long, CEO of Custodia Bank, noted: "We broke ground on the legal and regulatory front, proving that U.S. banks can collaborate to tokenize demand deposits on a permissionless blockchain in a regulatorily compliant manner".



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Advantages of Avit Over Traditional Systems

The test transactions revealed several key benefits that could make Avit a compelling alternative to traditional payment systems:

- Efficiency and Cost Savings
 - Participants observed low transaction costs and fast settlement times, addressing key pain points in current banking systems. The blockchain-based approach eliminates the need for multiple intermediaries, particularly in cross-border transactions.
- Transparency and Auditability
 - All transactions on the Ethereum blockchain are publicly viewable and verifiable, creating an unprecedented level of transparency. As Main explained, "You couldn't necessarily see who, but you could see when [funds] moved and how [they] moved".
- Programmability
 - Avit tokens can be integrated with smart contracts, allowing for automated and conditional transactions that weren't possible with traditional banking systems. This programmability opens up new possibilities for financial products and services.
- Cross-Border Payment Improvements
 - International transactions stand to benefit significantly from Avit. Main highlighted this advantage: "If you think about cross-border payments, that's where stablecoin offers the most benefit. In a traditional SWIFT transaction, you might have three or four banks involved in settling and moving funds. With stablecoin, you don't need that".

Implications for the Future of Banking

The successful launch of Avit represents more than just a new financial product – it signals a potential transformation in how banking operates in the



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digital age. As the first bank-issued stablecoin on a permissionless blockchain, Avit establishes a precedent for other financial institutions to follow.

For traditional banks, Avit demonstrates how they can embrace blockchain technology while maintaining regulatory compliance. It presents a path forward that doesn't require abandoning existing banking frameworks but rather augmenting them with new technological capabilities.

For consumers and businesses, Avit promises faster, cheaper, and more transparent financial transactions. The ability to hold tokens in self-custody also gives users greater control over their assets while still maintaining a connection to the regulated banking system.

Potential Impacts on the Stablecoin Ecosystem

The entrance of regulated banks into the stablecoin space could significantly impact existing private stablecoin issuers. With Avit establishing a new standard for compliance and transparency, private issuers may face pressure to enhance their own regulatory practices.

The competition could ultimately benefit consumers, as it may drive innovation and improved services across the stablecoin ecosystem. Additionally, the backing of regulated banks could help increase trust in stablecoins generally, potentially accelerating their adoption in mainstream finance.

Conclusion: A New Chapter in Financial Innovation

Avit represents a pivotal development in the convergence of traditional banking and blockchain technology. By successfully tokenizing bank deposits on a permissionless blockchain while maintaining regulatory compliance, Custodia and Vantage Banks have demonstrated a viable path forward for digital dollar innovation within the established financial system.

As Vantage Bank CEO Jeff Sinnott described it, this launch marks "a pivotal moment in reshaping the financial landscape," showing how banks can lead in cross-border payment innovation while reinforcing trust in the American dollar.



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With its focus on compliance, transparency, and efficiency, Avit may well signal the beginning of a new era in which the boundaries between traditional finance and blockchain technology continue to blur, creating a more integrated and accessible global financial system.

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Best regards,

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