

GBBC Top 10

Digital Asset and Cryptocurrency

Highlights

1Q - 2Q 2021



GBBC
Global Blockchain
Business Council

July 2021

Washington, DC

Capital Raising

- 1) **a16z [announced](#) the launch of its Crypto Fund III, “a new \$2.2 billion fund to continue investing in crypto networks and the founders and teams building in this space”**
 - *PitchBook* [reported](#) that venture capital funds have invested \$17 billion in the crypto space year-to-date.
 - Founding GBBC Board Director Dr. Tomicah Tillemann [joined](#) a16z as Global Head of Policy and General Partner.

- 2) **Crypto firms going public, often through SPACs (special-purpose acquisition companies)**
 - Coinbase went public via a direct listing on April 14th, with shares opening at \$381, for a market cap of about \$80 billion and is trading around \$225 at time of publication.
 - Bullish Global, a group that plans to launch a crypto exchange, [announced](#) its intention to go public via a SPAC at a value of \$9 billion.
 - The exchange is [backed](#) by Block.one, which will be capitalizing the exchange with about 164,000 bitcoin, \$100 million in cash, and 20 million EOS tokens. Notable investors: Peter Thiel, Alan Howard, Louis Bacon, and Richard Li.
 - Circle Internet Financial [plans](#) to go public via a SPAC at a value of \$4.5 billion.
 - Circle issues USDC, the second largest stablecoin by market cap.

CBDCs

- 3) **China has continued its regulatory focus on crypto and rollout of CBDC tests**
 - The Chinese government has [reiterated](#) its ban on banks and payment institutions providing services for virtual asset service providers.
 - Chinese provinces have been [cracking down](#) on crypto mining, forcing operators to shut down and relocate.
 - Trials of China’s CBDC, the digital yuan, [have begun](#) in Shanghai and Beijing.
 - The People’s Bank of China [released](#) a paper detailing its CBDC, stating that it is designed to increase financial inclusion and has smart contract functionality.

- 4) **More countries are announcing CBDC research and experiments**
 - The Banque de France [has completed a number](#) of CBDC experiments with a variety of government and private sector partners, including the Monetary Authority of Singapore.
 - The Bank of Korea [selected](#) Ground X (subsidiary of Kakao), Line Plus, and SK Group to lead its CBDC pilot projects.



Countries — including [Brazil](#), [Georgia](#), [Ghana](#), [Indonesia](#), [Israel](#), [Jamaica](#), [Japan](#), [Kazakhstan](#), [Mauritius](#), [New Zealand](#), [Nigeria](#), [Norway](#), [Palestine](#), [Pakistan](#), [South Africa](#), [Thailand](#), and the [United Kingdom](#) — have made announcements in the last three months that they are either researching, experimenting, or planning CDBC pilot projects.

Environment

5) Tesla CEO Elon Musk and MicroStrategy CEO Michael Saylor [met](#) with North American mining companies regarding bitcoin's environmental impact

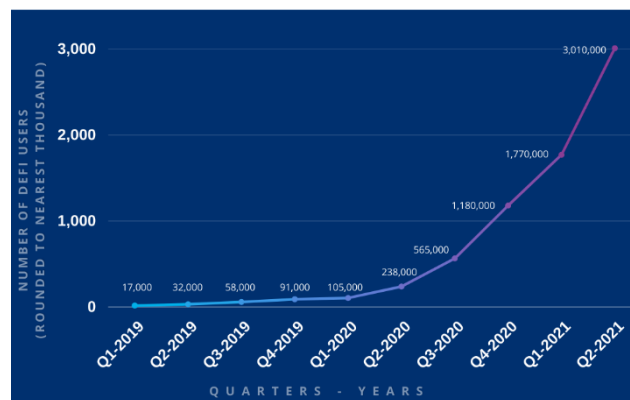
- In May, Elon Musk [tweeted](#) that Tesla suspended vehicle purchases using bitcoin because of concerns about “rapidly increasing use of fossil fuels for Bitcoin mining and transactions.”
- In June, he [tweeted](#) that when “there’s confirmation of reasonable (~50%) clean energy usage by miners with positive future trend, Tesla will resume allowing Bitcoin transactions.”
- As of June 21, 2021, MicroStrategy (Nasdaq: MSTR) [held](#) 105,085 bitcoin acquired for \$2.741 billion.

Growth

6) DeFi continues to grow despite market fluctuations

- Total DeFi users [reached](#) 3 million in early July after reaching 2 million in mid-April and 1 million in early December.
- DeFi protocol Aave [hit](#) \$10 billion total value locked (TVL), with Curve, Compound, and Maker around the \$7 billion TVL mark. Total DeFi TVL reached \$90 billion in early May and has since stabilized around \$60 billion.
- EasyFi, Uranium Finance, and PancakeBunny were each [exploited](#) for over \$45 million.

USER GROWTH IN DECENTRALIZED FINANCE



7) Non-fungible tokens (NFTs) exploded in popularity and came back to earth

- “NFTs [peaked](#) on May 3, when \$102 million worth were sold in *a single day*. The crypto-collectibles market made up \$100 million of those sales.”
- The GBBC will soon be releasing an overview of the NFT space.



Regulation

8) Increased regulatory scrutiny on Binance and crypto platforms

- [Canada](#), the [Cayman Islands](#), [Italy](#), [Japan](#), [Lithuania](#), [Thailand](#), [UK](#), and [US](#) have all issued statements or taken regulatory action against Binance.
- Securities and Exchange Commission Chairman Gary Gensler has repeatedly [stated](#) that the lack of crypto exchange regulations is one of the largest regulatory gaps in the space.
- South Korean regulators have been [meeting](#) with exchanges to ensure they will be compliant with new AML/KYC regulations.

9) Bitcoin became legal tender in El Salvador

- On June 9, El Salvador [passed](#) a law establishing bitcoin as legal tender.
- Under the law, use of bitcoin is optional and the government will [guarantee](#) “convertibility to dollars at the time of transaction through a \$150 million trust created at the country's development bank BANDESAL.”
- The World Bank [rejected](#) El Salvador's request for assistance in implementing bitcoin as legal tender, citing “environmental and transparency shortcomings.”

Technical Developments

10) New Ethereum scaling solutions have been released, integrating with existing applications and attracting new users

- Polygon (formerly Matic) [attracted](#) 75,000 active users in just one week, and has integrated with Aave, Curve, Sushiswap, and others.

Suggestions on how GBBC can improve Highlights? Please send feedback to info@gbbccouncil.org

ABOUT GBBC

The Global Blockchain Business Council (GBBC) is the leading global industry association for the blockchain technology ecosystem. Conceived during the Blockchain Summit on Sir Richard Branson's Necker Island, the GBBC is a Swiss-based non-profit launched in 2017 in Davos, Switzerland with more than 270 institutional members, and 130 Ambassadors from more than 70 jurisdictions and disciplines. The organization is dedicated to furthering adoption of blockchain through engaging regulators, business leaders, and global changemakers on how to harness this ground-breaking technology to create more secure, equitable, and functional societies.