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Thomas Murray Digital Views

Basel Committee Lags the Market in Digital Asset Regulation

The Basel Committee on Banking Supervision's regrouping on its proposals for capital coverage requirements for bank cryptoasset holdings (see below) is a missed opportunity for the regulated financial services sector. The resulting year's delay in agreeing a proportional treatment can either be seen as providing an opportunity for the market to experiment further with digital assets or as a signal that banks must wait cautiously for a clearer regulatory framework before they can begin making up ground currently lost to fintechs.

Total Cryptocurrency Market Capitalisation Surpasses USD 3 Trillion

Earlier this week, the total market capitalisation of cryptocurrencies briefly surpassed USD 3 trillion. This new all-time high value represents a milestone as the asset class has now outgrown the largest companies in the world.

Weekly Summary



[Banque de France has issued a report](#) of findings following initial experiments with a wholesale Central Bank Digital Currency (CBDC). While the exercise has been judged a success, the Central Bank has said that some questions remain unresolved, with concerns in such areas as the consequences of giving a wider range of financial actors access to settle using central bank money and implications for monetary policy, and the most appropriate choice of technology options.



[The Basel Committee is to revisit its crypto asset proposals](#) after strong market pushback. The Basel Committee on Banking Supervision has announced that it is to revert and revisit a set of draft rules on capital adequacy requirements for cryptoassets held by banks that were widely viewed as punitive, following substantial criticism from a coalition of trade associations and a wide range of other market participants.



[DTCC is to apply cloud, API and blockchain technologies to modernise private markets](#). The Depository Trust & Clearing Corporation has started the production build phase of a new issuance, transfer and servicing proposition initially for private market securities. This marks another CSD that is entering the digital asset space following recent moves by SIX, Euroclear and Clearstream. Notably, this is the first case of such a project starting with the operationally more complex equities asset class before moving to encompass bonds.

Digital Asset Developments



[Digital Currencies Likely to Be Legal Tender, Central Banks Say](#) (Bloomberg)



[Digital Ruble to Give Russians What They Need, Bank of Russia Governor Says](#) (Bitcoin.com)



[EU Central Banks Working on DLT-based Asset Settlement](#) (CoinTelegraph)



[Hong Kong Firm to Offer Insurance for Asian Cryptocurrency Holdings](#) (CoinTelegraph)



[Bitcoin, Ethereum, Dogecoin Lead Crypto Market Cap to Record \\$3 Trillion](#) (Decrypt)



[ProShares Bitcoin ETF in Top 2% of All time ETFs for Volume](#) (CoinTelegraph)



[BlockFi, Neuberger Berman File for Spot Bitcoin ETF](#) (CoinDesk)

Key:

Regulation 

Technology 

Ecosystem 

Markets 