

19 November 2021

Thomas Murray Digital Views

Custody Implications of Bitcoin's Taproot Upgrade

The Bitcoin network was upgraded last Sunday 14 November with the Taproot update. These changes present sizeable improvements to the security, scalability, transaction speed and privacy of the network. Most significantly for custodians, changes to multi-signature wallets can enable improvements to the flexibility of safekeeping arrangements.

Plans for Stablecoins to be Assessed Against PFMIIs

The Bank for International Settlements (BIS) has made the case that systemically important stablecoins – and those involved in the arrangements that underpin them – could be required to comply with the internationally recognised Principles for Financial Market Infrastructures (PFMIIs).

Weekly Summary



[Bitcoin's long-anticipated 'Taproot' upgrade](#) went live on Sunday 14 November. This marks the first major amendment to the network since the 'SegWit' upgrade in 2017. Taproot implements a series of changes to the blockchain such as higher scalability, improved security and privacy, and native support for multisignature transactions.



US Congress is to consider a [bill to modify crypto reporting and tax provisions](#) in the recently-passed Infrastructure Investment and Jobs Act. The major bipartisan package signed into law by President Joe Biden on Monday 15 November imposed a number of audit and reporting obligations on businesses and brokers that hold and transact cryptocurrencies. The new bipartisan bill aims to clarify the broad and vague definition of 'broker' and to modify changes to the tax code.



The Swiss Central Bank is reportedly ready [to run with a wholesale Central Bank Digital Currency](#) (wCBDC) after finishing a series of tests in conjunction with SIX Digital Exchange (SDX), subject to a policy decision to proceed. This marks an important step in the adoption of an institutionally focused CBDC, as Switzerland has already announced its intention not to operate a retail CBDC.



[Canada has approved Fidelity to be its first bitcoin custodian](#). As cryptocurrency transactions are effectively cross-border, the Canadian regulator is creating early-mover advantage for the country by permitting these assets to be held and serviced locally.

Digital Asset Developments



[Coinbase Co-Founder Helps Raise \\$2.5B for Paradigm One Crypto VC Fund](#) (PYMNTS)



[South Korean Lawmakers Push Back Against Controversial "Know-the-Sender" Rule](#) (Cointelegraph)



[Institutional Bitcoin Products Tag Record AUM Despite Volume Pulling Back](#) (Cointelegraph)



[Tether Papers: This is Exactly Who Acquired 70% of All USDT Ever Issued](#) (Protos)



[SEC Rejects VanEck's Spot Market Bitcoin ETF](#) (Decrypt)



[Bitcoin Miner PrimeBlock Plans to Go Public by Merging With 10X Capital: Report](#) (CoinDesk)



[India to Ban Crypto as Payment Method but Regulate as Asset: Report](#) (CoinDesk)

Key:

Regulation

Technology

Ecosystem

Markets