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In recent weeks Russian President Vladimir Putin has made clear his support for the Ministry of Finance's [regulatory proposal](#) to legalise and regulate the country's crypto industry, against the wishes of Central Bank of Russia which had [proposed an outright ban](#). Putin's stance is possibly motivated by the hope that cryptocurrencies could be used to evade the economic sanctions imposed on the country, although the inherently public, traceable, and permanent nature of the technology would make evading sanctions using crypto [much more difficult](#) than using traditional finance infrastructures.

Despite this, Putin and Russia are pressing on with their movement towards digital assets. Sberbank, Russia's largest bank and currently sanctioned by the UK and US, has been [approved to issue and exchange digital financial assets \(DFAs\)](#). The bank has announced that from next month companies will be able to transact on its proprietary blockchain platform. Companies can also use the platform to issue their own DFAs, which Sberbank claims will allow them to attract new investment.

The Central Bank of Russia has also requested that the nation's commercial banks [increase monitoring of peer-to-peer transactions](#), particularly where crypto is involved. The central bank states that this is required to prevent individuals from bypassing measures aimed at preventing the outflow of foreign currency abroad, which were introduced to prevent capital flight from worsening the economic crisis faced by Russia. Withdrawals of money via cryptocurrencies were singled out for increased attention due to being an easy instrument to remove capital from the country's financial system.

Like any technology, digital assets can prove to be a double-edged sword for Russia and, indeed, other countries. Although Russia may see the legalisation and regulation of digital assets as one route for evading sanctions and boosting the economy, it is clearly worried that the technology may facilitate its citizens' own circumvention of national measures and thus further harm the economy. This could be Russia's main motivation behind quickly and strictly regulating the industry, particularly considering that the Russian people face soaring inflation, hard currency controls from their own government, and limitations to the functioning of Visa and Mastercard payment cards. Russia could prove an interesting case study for the rapid adoption of digital currencies alongside fiat, despite the limitations imposed by the Central Bank and international economic sanctions.

Digital Asset Developments



The US has proposed a new bill – [the Digital Assets Sanctions Compliance Enhancement Act](#) – that would enable the government to sanction foreign crypto service providers that facilitate Russian individuals and entities using crypto to evade sanctions. The bill would also target US-based crypto service providers by providing the Treasury Secretary with the broad discretionary ability to block any crypto transactions relating to Russian persons regardless of other specific sanctions in place. In addition to measures relating to Russia, any US persons or businesses engaged in crypto transactions with a value greater than USD 10,000 outside the US must report them to the Financial Crimes Enforcement Network (FinCEN), in the same way as already mandated for traditional bank accounts and investments.



The EU's landmark [Markets in Crypto-Assets \(MiCA\) Directive has been approved](#) by the European Parliament's Economic and Monetary Affairs Committee after voting was delayed by a debate over the acceptability on environmental grounds of proof-of-work blockchains. A controversial amendment had been added to the draft Directive that some interpreted as a *de facto* ban on bitcoin. This was withdrawn, only for a toned-down version to be re-introduced and then almost as quickly removed again

prior to the vote. The Directive will now be negotiated between the European Parliament, the European Commission, and the Council of the European Union.



The Australia Blockchain Week conference has been opened by Senator Andrew Bragg [proposing a new legislative package for digital assets](#). The proposed Digital Services Act is guided by the four pillars of technological neutrality, broad and flexible principles, regulation by a minister, and support by government resources and personnel. The act aims to protect consumers by reforming laws relating to crypto licensing, custody, taxes, debanking (the alleged resistance to crypto businesses by traditional banks denying them cash accounts), and decentralised autonomous organisations (DAOs).



Ukrainian President Volodymyr Zelensky has [signed the 'Law On Virtual Assets'](#) – a new law that explicitly legalises the virtual asset market in Ukraine. The law, which previously [passed through parliament in February](#), means that virtual asset service providers can operate legally under certain requirements, while market participants will be afforded legal protections. The law also grants the National Commission on Securities and Stock Market the authority to regulate the virtual asset market. It will be responsible for shaping and pursuing policy, determining order of circulation, issuing permits to service providers, and carrying out supervision and financial monitoring. The country's citizens were already [among the world's most enthusiastic adopters of cryptocurrencies](#) on a per capita basis, and the country has received over USD 100 million of crypto donations to defence and humanitarian appeals in the past few weeks.

News Links



[Argentina's Government Would 'Discourage' Crypto Usage Under Proposed IMF Deal](#) (The Block)



[Indian Crypto Tax Policy to Treat Each Digital Asset Investment Independently](#) (Cointelegraph)



[RBI Seemingly Wants to Ban Cryptocurrencies, But Not for The Reasons You Might Think](#) (Cointelegraph)



[Class Action Suit against Coinbase Alleges Unregulated Securities Sales](#) (Cointelegraph)



[Crypto Custodian Hex Trust Raises \\$88 million in Series B Funding](#) (The Block)



[It's Official: Binance Secures a License to Operate in Dubai](#) (Cointelegraph)



[Gemini Wins Irish Electronic Money License](#) (The Block)



[Microsoft Joins \\$450m ConsenSys Funding Round](#) (Finextra)



[Goldman Sachs Conducts First Over-the-Counter Crypto Trade with Galaxy](#) (CoinDesk)



[El Salvador Seems to Delay its 'Volcano Bonds' Launch](#) (Cointelegraph)

Key:

Regulation 

Technology 

Ecosystem 

Markets 

CBDC Corner

[Bank of Canada Partners MIT on CBDC Research](#) (Finextra)

[QCB Studying Digital Currencies and Digital Banking: Official](#) (The Peninsula)

[National Bank of Kazakhstan Launches Digital Tenge Hub Dialogue Platform](#) (Kazakhstan National Bank)

[Ghana Proposes Hardware Wallets To Support New Digital Currency](#) (CoinGape)