

## Kiffmeister's Global Fintech Monthly Monitor (March 2021)

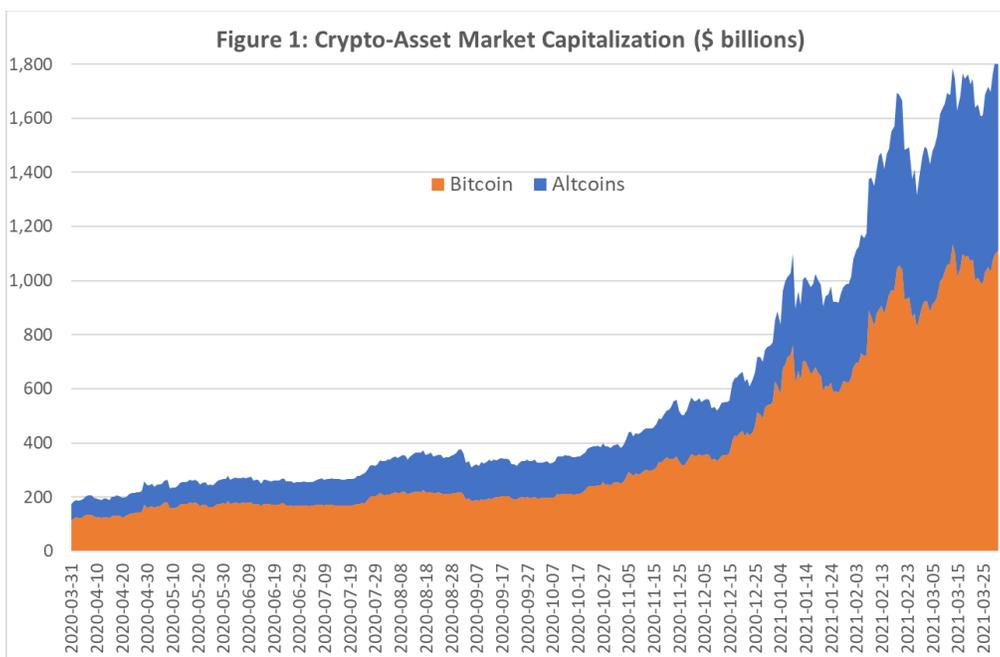
The crypto-asset bull run continued, with Bitcoin hitting a new all-time high (\$61,557) before settling back to close the month at \$59,483 (+28%). The main drivers were moves by Visa and PayPal to bring crypto to the people, and continuing interest in decentralized finance (DeFi) reflected in the strong performance altcoins (market capitalization up +50%) although the Financial Action Task Force appears to be taking aim at DeFi applications. On the central bank digital currency front, the Eastern Caribbean Central Bank launched a 12-month pilot, and the Bank of Jamaica will launch an 8-month one in May.

### Crypto-Asset Markets (see also the Annex)

Crypto-asset [market capitalization](#) increased by about 37% from February 28 to \$1,972 billion with the price of [Bitcoin](#) finishing up 28% (\$59,483) after hitting an all-time high of [\\$61,557](#) (Figure 1). Altcoin markets led the way with capitalization up 50%. Providing overall impetus were moves by Visa and PayPal to bring crypto to the “people”.

Visa [will allow](#) the use of USD Coin stablecoins to settle transactions on its payment network. Visa piloted the program with payment/crypto platform Crypto.com and plans to offer the option to more partners later this year. It used the Ethereum blockchain and strips out the need to convert digital coin into traditional money for settlement. Crypto.com sent USDC to Visa's Anchorage Ethereum address.

PayPal launched [Checkout with Crypto](#) that will allow U.S. PayPal Bitcoin, Litecoin, Ethereum or Bitcoin Cash holders to check out with crypto seamlessly within PayPal at millions of global online businesses. Customers pay no transaction fees, but a spread will be built into the conversion from crypto to USD. There are no additional integrations or fees required by the business. All transactions are settled in USD and converted to the applicable currency for the business at the standard PayPal conversion rates.



Source: <https://coin.dance/stats/marketcap/historical>

One of the hottest crypto-assets in March was Terra (LUNA) finishing at about [\\$18.81](#) (+252% over the month) likely due to the [launch](#) of Anchor, a savings protocol on the [Terra blockchain](#). Anchor [offers](#) a

principal-protected stablecoin savings product that accepts [TerraUSD](#) deposits and pays a stable interest rate. According to its [white paper](#), Terra combines the price stability and wide adoption of fiat currencies with Bitcoin's censorship-resistance to offer fast and affordable settlements.

This [article](#) presents an overview of the Terra ecosystem and where it's heading.

Stablecoin market [capitalizations](#) continue to increase (see Annex). Almost all are USD-pegged, and Tether's USDT remains dominant (\$40.5 billion), followed by USDC (\$10.8 billion), BUSD (\$3.5 billion), DAI (\$3.0 billion) and UST (\$1.6 billion). Tether [released](#) an attestation dated February 28, 2021 and delivered by accounting firm Moore Cayman that shows that its stablecoins are fully backed, to assuage rumors that it was not. However, the report doesn't describe how Tether's reserves are held.

The Bank of Thailand (BOT) [issued a warning](#) against baht-denominated stablecoin Thai Baht Digital (THT), citing a sixty-year-old law, that makes the "creation, issuance, usage or circulation of any material or token for money is a violation of Section 9 of the Currency Act 1958." The BOT will also be planning to [introduce](#) stablecoin regulations as soon as this year. They will only cover stablecoins, and not crypto-assets. However, the purview of the framework will not only include Thai baht-backed stablecoins, but also all digital currencies backed by foreign currencies and other assets.

### **Crypto-related regulatory developments**

The Financial Action Task Force (FATF) is going after decentralized finance (DeFi) applications in its [recent draft guidance](#). The FATF said its standards may not apply to the DeFi platform underlying software or technology, but entities involved with the decentralized application (DApp) such as owners or operators that may now be considered virtual asset service providers (VASPs). Virtual asset (VA) escrow services, including services involving smart contract technology, brokerage services, order-book exchange services, advanced trading services, and custody providers will all be considered VASPs.

The upper chamber of Wyoming's legislature [reportedly](#) passed a bill that, if approved, would clear the way for decentralized autonomous organizations (DAOs) to become incorporated under state law. The legislation would make it easier and cheaper to set up a DAO and give legitimacy to many crypto-asset projects. DAOs are entities that operate through smart contracts, with financial transactions and rules encoded on a blockchain, effectively removing the need for a central governing authority.

### **Other digital asset market developments (see also Table 1)**

U.S. crypto-asset fund managers are applying with the U.S. Securities and Exchange Commission (SEC) to launch crypto-asset exchange-traded funds (ETFs). The SEC has until April 29 to deliver an initial decision on the VanEck Bitcoin ETF filing (45 days after the March 15 submission's [official publication on the SEC website](#) on March 15). The Chicago Board Options Exchange [filed](#) with the SEC to list the Bitcoin ETF that Van Eck filed for SEC approval in January. Fidelity Investments [has filed](#) to list a new Bitcoin ETF. The Wise Origin Bitcoin Trust aims to track Bitcoin's daily performance using the Fidelity Bitcoin Index PR, an index that is derived from several price feeds. Also, Grayscale Investments [has posted](#) at least nine ETF related positions to LinkedIn.

Meanwhile, the CI Galaxy Bitcoin ETF [launched](#) on the Toronto Stock Exchange (TSE). The new ETF will join the Purpose Bitcoin and Evolve Bitcoin ETFs, both of which launched in February. And less than two months after launching its Bitcoin trust, Canada's Ninepoint Partners [is planning](#) to change its offering to an ETF on the TSE. Deutsche Borse's electronic trading platform, Xetra [launched](#) its first Ethereum-based

exchange-traded products (ETPs). The products are physically backed and listed on the Regulated Market of the Frankfurt Stock Exchange and cleared by Deutsche Börse Group's Eurex Clearing.

Valkyrie Digital Assets [filed](#) with the U.S. SEC for a new ETF that would invest in companies that hold bitcoin on their balance sheets. And JPMorgan [has filed](#) a request with the U.S. SEC to approve a debt instrument linked to 11 firms that have all invested in Bitcoin and other crypto-assets. The debt instrument will enable investors to have direct exposure to a basket of cryptocurrency-focused firms.

## Retail Central Bank Digital Currency (CBDC) developments (see also Table 2)

The Eastern Caribbean Central Bank [launched](#) its DCash CBDC pilot on March 31. Consumers can sign up to use DCash through participating financial institutions and authorized DCash agents. The 12-month pilot will roll out initially in four countries; Saint Kitts and Nevis, Antigua and Barbuda, Grenada, and Saint Lucia.

The city of Chengdu [launched](#) China's largest digital currency trial to date, following those already completed in Beijing, Suzhou and Shenzhen. Prior to Chengdu, there had been six trials of the "Digital Currency, Electronic Payment" (DCEP) project in China, with a total distribution of 120 million digital yuan. Chengdu's trial, which will conclude March 19, is for an additional 40 million digital yuan.

DCEP Trials in China					
Year	Location	Number of red envelopes	Total amount	Validity period of red envelopes	Application scenarios
2020	Luohu district, Shenzhen	50,000	10 million yuan	18:00, Oct 12 - 24:00, Oct 20	3,389 designated businesses in Luohu District
2020	Suzhou	100,000	20 million yuan	20:00, Dec 11 - 24:00, Dec 27	Nearly 10,000 physical stores & JD.com
2021	Futian district, Shenzhen	100,000	20 million yuan	8:00, Jan 7 - 24:00, Jan 17	Over 10,000 designated businesses in Shenzhen
2021	Longhua district, Shenzhen	100,000	20 million yuan	9:00, Feb 1 - 24:00, Feb 9	Over 3,500 designated businesses in Longhua District
2021	Beijing	50,000	10 million yuan	21:00, Feb 11 - 24:00, Feb 17	Designated businesses in Wangfujing & JD.com
2021	Suzhou	150,000	30 million yuan	18:00, Feb 10 - 24:00, Feb 26	Over 16,700 designated businesses in Shenzhen
2021	Chengdu	200,000	40 million yuan	8:00, Mar 3 - 24:00, Mar 19	Over 11,000 designated businesses in Chengdu & JD.com

Source: *Forcast.News*, based on public information

The Bank of Jamaica [will be piloting](#) a retail CBDC from May to end December 2021, [using](#) eCurrency Mint's centralized ledger technology platform. Issuance and distribution will be fully integrated with the Bank of Jamaica's JamClear Real Time Gross Settlement System. It will be issued to deposit-taking

institutions and authorized payment providers in the same manner that it issues cash. The Bank of Jamaica Act is to be amended, giving the central bank the sole authority to issue digital currency.

The Bank of Japan [will start experimenting](#) with retail CBDC, by first testing the technical feasibility of the core functions and features required for CBDC through proof of concepts (PoC). It has established a "Liaison and Coordination Committee on Central Bank Digital Currency" through which it will share details of and provide updates on the PoC with the private sector and the government and will seek consultation on future steps to facilitate smooth PoC implementation.

The Bank of Thailand provided a [preliminary assessment](#) of its exploration of the use of a CBDC and distributed ledger technology (DLT) for business-to-business invoice payments. The tests demonstrated that DLT can increase payment efficiency for businesses by allowing users to set various conditions on the CBDC (programmable money) to enhance flexibility in handling business activities. However, they encountered some limitations with their DLT set up, particularly in supporting large transaction volumes and preserving transaction privacy, but explorations will continue.

International Monetary Fund (IMF) staff [concluded](#) that the issuance of the sovereign digital currency (SDC) SOV by the Republic of the Marshall Islands (RMI) as a second legal tender would raise risks to macroeconomic and financial stability as well as financial integrity. Also, SOV issuance could jeopardize the RMI's last US dollar corresponding banking relationship. This combined with anti-money laundering and combatting the financing of terrorism risks could disrupt external aid and other important financial flows, resulting in significant economic drag.

Ripple is [piloting](#) a private version of the public, open-source XRP Ledger to provide central banks with a secure, controlled, and flexible platform for issuing and managing digital currencies. Moving money on the CBDC Private Ledger will reportedly be cost-effective, reliable, and close to instantaneous. It will initially handle tens of thousands of transactions per second but can scale to hundreds of thousands.

### **Wholesale CBDC developments (see also Table 2)**

A Bank for International Settlements (BIS) [paper](#) explored how interoperating multi-central bank digital currency (mCBDC) arrangements could reduce cross-border payment inefficiencies. This could be especially relevant for emerging market economies poorly served by the existing correspondent banking arrangements. Yet competing priorities and history show that these benefits will be difficult to achieve unless central banks incorporate cross-border considerations in their CBDC development from the start and coordinate internationally to avoid the mistakes of the past.

### **General Fintech Developments (see also Table 3)**

State Street [launched](#) a peer-to-peer repo program for the buy-side that they say enables competitive financing costs across a broader range of collateral types and yield enhancement opportunities compared to traditional repo markets. State Street guarantees the payment obligations of cash borrowers to cash lenders within the program following a default, thus facilitating bilateral trading by counterparties with varying credit and capital strength. Program participants trade with one another pursuant to a common master repurchase agreement, negotiating trade terms with approved counterparties within the program's broader requirements guidelines.

Banco Central do Brasil [cleared](#) the way for Facebook's WhatsApp messaging service to let its users send each other funds using the Visa and Mastercard card networks, months after vetoing WhatsApp's initial

attempt. However, WhatsApp is only allowed to do peer-to-peer payments, not involving merchants, unlike the free Pix service, which can be used to pay businesses and individuals. Facebook is still seeking approval to operate with merchants.

The Bank of Thailand (BOT) and the State Bank of Vietnam (SBV) [have deployed](#) a retail payment connectivity system that makes use of an interoperable QR Code in order to simplify cross-border payments between the two countries.

SPAC issuance [surpassed](#) last year's fundraising record just halfway through March. At that point SPACs had raised \$79.4 billion globally since the start of the year (versus \$79.3 billion over all of 2020), and 264 new SPACs have been launched (versus 256 over all of 2020). SPACs are listed shell companies that raise funds to acquire a private company with the purpose of taking it public, allowing targets to sidestep a traditional initial public offering. The U.S. SEC [reportedly](#) opened an inquiry into SPACs, asking banks to provide the information on deal fees, volumes, and what controls banks have in place to police the deals internally. Also, the U.K. Financial Conduct Authority [will be consulting](#) on amendments to its Listing Rules and related guidance to strengthen protections for SPAC investors.

#### **Miscellaneous commentary and research (see also Table 4)**

The GSMA annual [State of the Industry Report on Mobile Money](#) revealed a dramatic acceleration in mobile transactions attributed to COVID-19 lockdown restrictions limiting access to cash and financial institutions. The number of registered accounts grew by 13% globally in 2020 to more than 1.2 billion. The fastest growth was in markets where governments provided significant pandemic relief to their citizens, value of government-to-person payments quadrupling during the pandemic.

**Table 1. Other Crypto-Asset Market Developments**

<p>The <a href="#">amount</a> of crypto-assets on <a href="#">decentralized finance</a> (DeFi) platforms increased 26% to \$43.8 billion (from \$34.8 billion on February 28).</p>
<p>Rakuten customers <a href="#">can now load up</a> Rakuten Pay accounts with crypto-assets. Users can <a href="#">exchange their crypto-assets</a> for Rakuten Cash, directly on the Rakuten Wallet app, which, in turn, can be used to make purchases on the platform, and there's no fee for swapping crypto-assets to Rakuten Cash.</p>
<p>State Street will <a href="#">reportedly</a> offer safekeeping for digital assets in the United States and Europe, but because bitcoin is not a financial instrument, legally speaking it cannot be held in custody, so the bank will call their offering "record-keeping services" even though it will look after customers' digital keys.</p>
<p>The US Commodity Futures Trading Commission (CFTC) <a href="#">issued an order</a> filing and settling charges against digital asset exchange operator Coinbase for reckless false, misleading, or inaccurate reporting as well as wash trading by a former employee on Coinbase's GDAX platform. As a result, the firm has <a href="#">reportedly</a> delayed a planned initial public offering (IPO) until at April 2021.</p>
<p>PayPal <a href="#">acquired</a> startup Curv, which offers secure storage for crypto-assets. Curv's multi-party computation security technology, which includes hot and cold wallet deployment, and keyless security infrastructure backed by a team of cryptographers and cybersecurity experts.</p>
<p>The New York State Department of Financial Services (NYDFS) <a href="#">approved</a> the application of Bakkt Marketplace for virtual currency and money transmitter licenses, after which Bakkt announced the launch of the Bakkt App digital wallet that brings together bitcoin and other forms of digital assets.</p>
<p>Central Bank of Nigeria (CBN) <a href="#">reportedly</a> said that it had not banned Nigerian residents from buying, trading, or selling crypto-assets. Last month the CBN <a href="#">banned</a> all regulated financial institutions from providing services to crypto exchanges in the country.</p>
<p>Grayscale Bitcoin Trust (GBT) <a href="#">suspended</a> all new buy-ins, after announcing a stock buyback aimed at shoring up its price, which had traded as much as 15% below the price of the Bitcoins it holds.</p>
<p>The Chicago Mercantile Exchange (CME) <a href="#">will launch</a> mini bitcoin futures contracts in May, sized at one-tenth of one bitcoin will be cash-settled based on the CME CF Bitcoin Reference Rate.</p>
<p>Morgan Stanley <a href="#">told</a> its financial advisors that the bank is launching access to three funds that enable ownership of bitcoin for high net worth individuals.</p>
<p>Goldman Sachs <a href="#">restarted</a> its crypto-asset trading desk and will begin dealing bitcoin futures and non-deliverable forwards for clients. The bank is also exploring launching a bitcoin exchange traded fund.</p>
<p>Bakkt <a href="#">announced</a> the launch of the Bakkt App, a digital wallet that brings together bitcoin and other forms of digital assets into one platform.</p>
<p>Cardano (ADA) <a href="#">completed</a> its "Mary hard fork" update that will make it a multi-asset chain, similar to Ethereum, allowing users to create and sell tokens that run natively on the blockchain.</p>
<p>Aon, via insurtech platform Nayms that supports cryptocurrency investors in insuring crypto-risk, is <a href="#">conducting a pilot</a> with Teller Finance, a decentralized lending protocol, to highlight the ability to scale cover efficiently by matching assets to liabilities when underwriting crypto-specific risk.</p>
<p>Ripple and MoneyGram (MGI) <a href="#">ended</a> their partnership agreement. MGI had <a href="#">been utilizing</a> Ripple's xRapid product as part of its cross-border payments process since early 2018.</p>
<p>BitGo <a href="#">obtained</a> a New York Trust charter from the NYDFS to operate as an independent, regulated qualified custodian under New York State Banking Law.</p>
<p>South Korea's Financial Services Commission (FSC) <a href="#">introduced</a> penalties for crypto-asset exchanges that don't implement stringent anti-money laundering laws.</p>
<p>India's Ministry of Corporate Affairs <a href="#">amended</a> Schedule III of the Companies Act, 2013 to mandate all companies to disclose their crypto-asset activities using digital currencies, starting on April 1.</p>

The Financial Action Task Force (FATF) <a href="#">published</a> guidance for applying a risk-based approach to anti-money laundering (AML) and countering the financing of terrorism (CFT) supervision.
The European Banking Authority (EBA) <a href="#">published</a> its biennial Opinion and accompanying report on the money laundering and terrorist financing (ML/TF) risks affecting the EU's financial sector.
Binance is <a href="#">reportedly</a> being investigated by the U.S. Commodity Futures Trading Commission (CFTC) over concerns that it allowed Americans to buy and sell derivatives that violated U.S. rules.
JPMorgan is <a href="#">reportedly</a> exploring crypto-asset clearinghouse options, looking for a middleman to sit between over-the-counter desks and traders to enforce trades and create liquidity in the market.
The Canadian Securities Administrators <a href="#">published</a> guidance to improve the quality of disclosures provided by issuers that engage materially with crypto assets (crypto asset reporting issuers).
Elon Musk announced that Teslas can be purchased using Bitcoin, and Tesla <a href="#">would operate</a> Bitcoin nodes directly, and would hold on to the Bitcoin it accumulates without converting it to fiat.

**Table 2. Other Central Bank Digital Currency (CBDC) Developments**

The Bank of Russia will <a href="#">reportedly</a> complete a digital ruble proof of concept by the end of 2021. Deputy governor Alexey Zabolotkin said that the prototype will not support “real transactions” but would rather serve as a starting point to build the ecosystem on. Based on this prototype, including refinement, the central bank will start rolling out trial rounds in 2022.
Although it still has no immediate plan to issue CBDC the Bank of Japan <a href="#">continues</a> to explore the possibility, and will begin experiments in Spring 2021.
The Central Bank of the Bahamas <a href="#">circulated</a> draft Sand Dollar regulations intended to enhance the existing legislative framework governing payment services providers, specific to CBDC provision.
Bank Negara Malaysia <a href="#">announced</a> that it is “actively building internal capacity to support informed decisions” on CBDC including conducting proofs of concepts.

**Table 3. Other General Fintech Developments**

Klarna's <a href="#">\$1 billion equity funding round</a> put the firm's valuation at \$31 billion, making it perhaps the highest-valued private fintech in Europe and second-highest worldwide. Klarna <a href="#">offers</a> point-of-sale buy now and pay later loans for online and in-store purchases through its mobile app.
The UK government-sponsored <a href="#">Kalifa Review</a> outlined a strategy to support the growth and adoption of fintech across the UK. It called for a bespoke regime for crypto-assets that should adopt a functional and technology-neutral approach, in line with the “same risk, same regulation” concept.
Peer-to-peer (P2P) insurance platform <a href="#">Ooniq completed</a> a year-long of testing within the Bank of Lithuania's regulatory sandbox. The platform allows its members to form groups of peers with similar interests and protect themselves against losses by pooling funds for this purpose.
The People's Bank of China (PBOC) <a href="#">announced</a> that its joint venture with SWIFT will start offering cross-border transaction services. The Finance Gateway Information Services Company will set up a Chinese network for financial messaging services.
UK Chancellor of the Exchequer Rishi Sunak <a href="#">announced</a> that he would be more than doubling the current contactless spending limit from £45 per transaction to £100.
The Central Bank of Nigeria (CBN) <a href="#">is incentivizing</a> citizens to use licensed international money transfer operators to send and receive money with its “ <a href="#">Naira 4 Dollar Scheme</a> ”.
Also, the CBN <a href="#">reportedly</a> issued a Regulatory Framework for Open Banking in Nigeria in February.
The Saudi Arabian Monetary Authority <a href="#">launched</a> its “sarie” instant payment system that will allow bank customers to send and receive low-value local transfers, 24 hours a day, at low fees.

The UK Competition and Markets Authority (CMA) <a href="#">published</a> a consultation on the future oversight and governance of its Open Banking remedies.
Grab <a href="#">is in talks to go public</a> through a merger with a SPAC that could value the Southeast Asian ride-hailing startup at as much as \$40 billion, making it by far the largest such deal on record.
The word “blockchain” was <a href="#">reportedly</a> mentioned for the first time in a draft of China’s latest five-year development plans, which lay out the country’s economic priorities from 2021 to 2025.
The European Securities and Markets Authority (ESMA) <a href="#">launched</a> a consultation on draft technical standards on crowdfunding under the European crowdfunding service providers regulation.
The State Bank of Pakistan (SBP) <a href="#">published</a> a draft Digital Bank Regulatory Framework. The framework proposes guidelines for licensing and supplementary regulations for digital banks.
The European Parliament Committee on Economic and Monetary Affairs <a href="#">published</a> a draft report on regulating a pilot regime for market infrastructures based on distributed ledger technology.
The European Commission <a href="#">published</a> a roadmap, in the form of an inception impact assessment, on instant payments, to investigate whether (i) new legislation is needed in this field, (ii) non-legislative measures would be appropriate, or (ii) other policy options are suitable.
Deutsche Börse, Deutsche Bundesbank and Germany’s Finance Agency successfully <a href="#">tested</a> a DLT-based settlement interface for electronic securities, working with a range of market participants.
The BIS Innovation Hub and SWIFT <a href="#">announced</a> the three winners of the ISO 20022 hackathon, which invited teams to build and showcase solutions that enhance cross-border payments, using the ISO 20022 standard for payments messages and application programming interfaces (APIs).

**Table 4. Other Miscellaneous Commentary and Research**

<p>An IMF Finance &amp; Development <a href="#">article</a> reported on community currencies. Just as they boomed during the Great Depression, their digital versions are expanding amid the COVID-19 recession. Complex experiments are combining mobile payments with blockchain. In Turkey, Good4Trust, a virtual bazaar for socially and environmentally conscious producers and consumers, is preparing to launch a community currency using blockchain powered by Celo. Brixton, a London neighborhood, has announced the release of a digital version of its Brixton Pound community currency using blockchain from Algorand. According to Celo's Ezechiel Copic, "there's a lot of focus on central bank digital currency [but] local currencies can provide a testing ground for these initiatives."</p>
<p>The Bank of Canada published a paper that investigated how interest-bearing CBDC would interact with traditional monetary policy tools, such as the interest on central bank reserves. The analysis is based on a model in which CBDC and bank deposits are perfect substitutes as electronic payment methods. It finds that CBDC tends to weaken the pass-through of the interest on reserves to deposit rates when banks have market power, but the reverse holds when the market is competitive. However, a high (low) interest rate on reserves may weaken (strengthen) the pass-through of the interest on CBDC.</p>
<p>According to a report by global payments consulting firm CMSPI, regulators around the world have saved merchants an estimated \$82 billion a year by putting limits on interchange, the main fee charged when a card is used. But the estimated \$9.4 billion a year saved when the Fed capped US debit card fees in 2011 represents only 11.5% of the total even though the United States accounts for a quarter of global card transactions. Interchange for debit cards from the nation’s largest banks was cut roughly in half by the cap and is now limited to 21 cents per transaction plus 0.05%. But debit cards from banks with under \$10 billion in assets were exempted, and interchange for those cards still averages around 50 cents per transaction. Credit card interchange was also exempted and currently averages 2.25% with no cap, making up 80% of total US card processing fees.</p>

Fintech promises to spur financial inclusion and close the gender gap in access to financial services. Using novel survey data for 28 countries, this [BIS paper](#) finds a large 'fintech gender gap': while 29% of men use fintech products and services, only 21% of women do. The gap is present in almost every country in our sample. The survey reveals that digitally active women worry more than men do about their privacy when dealing with companies online, being less willing to share their data with fintechs for better offers and being less willing to use fintechs for better or more innovative products. If the gap is explained by differences in preferences across genders, for example in risk aversion, the paper suggests that there is little role for policy. However, if the gap is explained by gender-based discrimination or by social norms and conditions that disadvantage women, then policy interventions may be necessary to enhance the inclusiveness of fintech services.

The World Bank Group Technology and Innovation Lab, in partnership with the IMF's Digital Advisory Unit, [published a paper](#) summarizing the initial exploration and findings on blockchain interoperability and some of the related approaches and efforts being carried out by blockchain innovators and other institutions. It covered the use cases and technical approaches of the different blockchain platforms used to exchange information and assets, as well as the experimentation the group conducted in the area of interoperability. The paper further identified interoperability issues which needs more attention and provides guidance to practitioners.

A Bank for International Settlements brief [discussed](#) the risks connected with big tech activities in finance that may not be fully captured by current regulatory approaches. Current approaches are geared towards individual entities or specific activities, and not the risks that are created by substantive interlinkages within big tech groups and their role as critical service providers for financial institutions. An effective oversight of big tech activities in finance calls for going beyond a piecemeal policy framework and considering recalibrating the mix of entity-based and activity-based rules, in favor of the former in certain policy areas. A step further would be to assess the possibility of introducing a bespoke approach for big techs encompassing a comprehensive public policy framework. In any case, there is a need for enhancing cross-sectoral and cross-border cooperative arrangements.

**Annex: Crypto-Asset and Stablecoin Market Capitalization**

<b>Crypto-Asset <a href="#">Market Capitalization</a> (\$billions)</b>			
	<b>February 28, 2021</b>	<b>March 31, 2021</b>	<b>Change</b>
Bitcoin	\$865	\$1,111	+\$246 (+28%)
Altcoins	\$525	\$785	+\$260 (+50%)
<b>Total</b>	<b>\$1,389</b>	<b>\$1,896</b>	<b>+\$507 (37%)</b>

<b>Top Five Crypto-Asset Market <a href="#">Capitalization and Prices</a> (March 31, 2021)</b>		
	<b>Market Cap (\$billions)</b>	<b>Price</b>
<a href="#">Bitcoin</a>	\$865 -> \$1,111	\$46,526 -> \$59,483 (+28%)
<a href="#">Ethereum</a>	\$166 -> \$224	\$1,425 -> \$1,940 (+36%)
<a href="#">Binance Coin</a>	\$36 -> \$48	\$212 -> \$308 (+45%)
<a href="#">Cardano</a>	\$42 -> \$38	\$1.31 -> \$1.19 (-9%)
<a href="#">Polkadot</a>	\$31 -> \$34	\$34 -> \$36 (+6%)

<b>Top Five Stablecoin (all USD) <a href="#">Capitalization</a> (March 31, 2021)</b>	
	<b>Market Capitalization (\$billions)</b>
<a href="#">Tether (USDT)</a>	\$34.8 -> \$40.5 (+\$5.7)
<a href="#">USD Coin (USDC)</a>	\$9.0 -> \$10.8 (+\$1.8)
<a href="#">Binance USD (BUSD)</a>	\$2.4 -> \$3.5 (+\$1.1)
<a href="#">Dai (DAI)</a>	\$2.3 -> \$3.0 (+\$0.7)
<a href="#">Terra USD (UST)</a>	\$0.7 -> \$1.6 (+\$0.9)