

## **Article Information**

Authors: Barbara Vrettos, Michael Bacina

Service: Blockchain

Sector: Financial Services, FinTech, IT & Telecommunications

---

## **Blockchain Bites: Digital currencies cruise into the Davos World Economic Forum discussion, Bolstering eSafety with blockchain?, Rise in ransomware beaten back by blockchain boffins, National Blockchain Roadmap RegTech Survey is live**

**Michael Bacina and Barbara Vrettos of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.**

---

## Digital currencies cruise into the Davos World Economic Forum discussion

Since 1971 the [World Economic Forum](#) has considered a broad range of matters impacting the global public interest. It does this by bringing together public and private sectors through political, business, cultural and other leaders of society to advance global governance.

This year the [Davos agenda](#) asserts that:

The time to rebuild trust and to make crucial choices is fast approaching as the need to reset priorities and the urgency to reform systems grow stronger around the world.

In accordance with this aim is the two-part session on "[Resetting Digital Currencies](#)". The sessions seek to address COVID-19's push from cash to non-cash payments, recognising the increase of [8% of non-cash payments in the euro area in 2020](#), and what considerations in relation to policies, practices and partnerships must be considered to yield the opportunities digital currencies may bring.

The two-part session hosted a range of government, research, and private actors to discuss the opportunities of digital currencies. The first session highlights the necessity for clear terminology and language surrounding digital currencies as Her Majesty Queen Máxima of the Netherlands observed that whether a currency is *designed as a medium of exchange or store of value* impacts the effect of the currency greatly.

However, Andrew Bailey, Governor of the Bank of England, expressed that the regulatory approach for digital currencies didn't need to change from traditional regulation being centered on public interest. Bailey said that three areas of public interest to regulate digital currencies were to ensure stability of value, tackle financial crime, and present an appropriate balance with privacy and access to personal information

This session demonstrates the way that digital currencies are arriving on the mainstream stage as a crucial consideration in developing economies. The first part of the session is publicly [available online here](#).

### Bolstering eSafety with blockchain?

Julie Inman Grant, Australia's [eSafety Commissioner](#), leads what is described as "*the world's first government agency committed to keeping its citizens safer online*". Grant recently spoke to the [Sydney Morning Herald](#), encouraging social media companies to increase their own accountability for content hosted on their platforms. Grant said that social media companies should harness their resources to develop more robust systems to identify users who are violating their terms of service.

Importantly, the eSafety Commissioner has recognised that blockchain might assist in tackling the scourge of bots and fake accounts. Specifically, Grant identified that the major issue exists in society where individuals abuse anonymity online to harm others and said that:

balance could be achieved with digital IDs or blockchain-powered solutions that would hide users' details until requested by law enforcement.

Australia has already made strides in the digital ID space with [blockchain voting occurring in 2019](#) and a [digital ID government identification currently available](#). It is important that emerging technologies remain a central consideration in seeking to enforce standards in digital spheres. We look forward to seeing whether the eSafety Commissioners' current views will inform the ways that Australia approaches regulating and enforcing conduct standards online and what role blockchain technology may play in this.

### Rise in ransomware beaten back by blockchain boffins

NetWalker, a notorious form of ransomware-as-a-service, has been targeted by the American Department of Justice (**DoJ**) in a recent coordinated international law enforcement action. Court documents report the growth of a network of affiliates identifying high value targets and developers boosting the capabilities of NetWalker for ransomware attacks. Victims have spanned a range of sectors including companies, hospitals, law enforcement, schools, universities and more. During COVID-19 the ransomware specifically targeted the health care sector.

The DoJ has since seized USD\$454,530 in digital currency which was made up of payments made for 3 different ransomware attacks showing once again, that digital currency is not an anonymous pathway for criminals, but rather leaves a clear transaction path to be followed.

The law enforcement action was coordinated with various actors including authorities in Bulgaria that recently seized a dark web resource that developers and affiliates of the NetWalker ransomware used to launch their attacks. [Chainalysis](#), a blockchain analysis company, announced that it also [assisted in the investigation](#) including by tracing more than \$46 million worth of funds paid in NetWalker ransoms since 2019.

As ransomware continues to tap into new vulnerabilities that are being discovered as workplaces remain largely dependent on remote working, it is important that coordinated approaches continue. This is a key demonstration of how important international cooperation is in tackling international crime

### **National Blockchain Roadmap RegTech Survey is live**

The National Blockchain Roadmap RegTech working group has released a survey to collect data points on how blockchain is being viewed and used (or not used) in RegTech applications.

Regulated entities, regtech (or tech companies), regulators or even just people who are interested in blockchain and RegTech are invited to complete the survey and help the Working Group shape Australia's policy approach in Blockchain

The Working Group is trying to find out where blockchain and DLT are being used, where it should be used and any barriers to adoption the technology is facing. Responses will help the Working Group draft its report to the [Department of Industry, Science, Energy and Resources](#)' National Blockchain Roadmap Steering Committee.

This is the next phase in consultation by the RegTech Working Group which was launched with the publication of the [Issues Paper in December](#). The survey is available [here](#).