

Article Information

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Service: Blockchain, FinTech

Sector: Financial Services, IT & Telecommunications

Blockchain Bites: CoinJar launches first Australian crypto-linked card with Mastercard, Proposed 'Crypto Bill' aims to shake up US regulatory landscape, Independent Reserve secures first in-principle license approval in Singapore

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

CoinJar launches first Australian crypto-linked card with Mastercard

Mastercard has beat Visa to the punch to launch Australia's first crypto-linked card with crypto exchange CoinJar. In [a recent press release](#), through CoinJar's sister site, Cryptonews, it was reported that the CoinJar card is now available both physically and digitally through both Google and Apple Pay integration.

Serendipitously, this announcement follows shortly after some [recent questions](#) of when Australia would launch this kind of product.

We also understand that an alternative offering is hot on the heels of this launch, as Visa [has declared](#) it should be just a month (September) before Visa launches its own crypto-linked card with Australian based start-up CryptoSpend.

Describing this new payment method as instant and secure, CoinJar explains that the first "Australian-native" crypto card functions exactly like any other Mastercard. *"The CoinJar Card allows you to spend your crypto like cash, online and in-store",* [its website](#) boasts.

The company [further explains](#):

CoinJar Card allows you to use the cryptocurrency in your CoinJar to make purchases, wherever Mastercard is accepted. All you need to do is choose which crypto you want to spend and it'll be automatically converted to Australian dollars when you make a transaction - no need to preload.

With the CoinJar card supporting up to 30 different cryptocurrencies and featuring a 1% conversion rate - [the crypto exchange says](#) will be returned to customers through an internal rewards program, this new product is certainly a great new offering for Australian crypto innovators.

Visa and Mastercard [already have live initiatives](#) in the United States which empower crypto-start-ups with the ability to offer crypto-linked cards and payment mechanisms for crypto innovators to have an easier way to spend their money. It is likely we will see additional competition in this space soon.

It's great to see Australia responding to [increasing consumer demands](#) for the opportunity to spend their crypto via simple means.

Proposed 'Crypto Bill' aims to shake up US regulatory landscape

The [Digital Asset Market Structure and Investor Protection Act \(Bill\)](#), introduced by Rep. Don Beyer, proposes sweeping

reforms to digital assets in the US, representing a big jump from an already progressive approach we have seen to [US digital asset regulation](#).

A key feature of the new Bill is a strong position on Stablecoins (digital assets pegged to a fiat currency such as the AUD or USD). The Bill would give the US Treasury Department not only oversight over the development of stablecoins but also a veto power to coins that do not fall within their requirements, which could see many stablecoins effectively banned.

Interestingly, there also appears to be an authorisation within the Bill allowing the Federal Reserve to create a [central bank digital currency \(CBDC\)](#). A CBDC has been under discussion for some time in the US but the combination of legislation authorising the creation of a US CBDC and a veto power over any other US CBDCs may suggest that the US is seeking to entrench its place as the sole issuer of a US CBDC.

Companies seeking to issue a stablecoin in the US, or companies that already operate an existing stablecoin will have to apply to the Treasury Department for approval of the use of stablecoins. The Treasury will then have to consult with the Securities and Exchange Commission (**SEC**), the Commodity Future Trading Commission (**CFTC**), the Federal Reserve and/or foreign entities before approving the proposal. This should be a key consideration for entities developing, and those who are already circulating, US denominated stablecoins.

The Bill is also making a big move towards regulatory clarity by moving towards defining digital asset terminology and also demarcating certain digital asset attributes under the purview of either the SEC or the CFTC.

If passed, a “digital asset securities” definition will be created to fall under the SEC’s control. Tokens that entitle holders to equity, profits, dividend payments, interest or voting rights, or tokens issued via an Initial Coin Offering (**ICO**) will fall under this definition and thus the SEC’s jurisdiction.

Under the Bill, tokens required to register with the SEC control may file a ‘deseuritisation certificate’ certifying that a digital asset does not contain the features of a security which would have the effect of requiring the SEC to review the token and, if no objection is raised, the tokens would be deemed not to be securities. This is a rather elegant solution to the problem of regulators declining to confirm where certain assets are not securities.

The bill would require that cryptocurrencies outside of the SEC’s jurisdiction fall under the CFTC jurisdiction along with Bitcoin, Ether and their hardforks already considered as commodities.

Finally the Bill seeks to address [longstanding privacy concerns](#) surrounding Decentralised Finance (**DeFi**) by compelling various US agencies to submit recommendations to Congress regarding anonymity. The Financial Crimes Enforcement Network (**FinCEN**) shall issue rules that govern: anonymising services, money rules and anonymity-enhanced convertible currency transactions.

While DeFi is not explicitly regulated by the bill, it imposes obligations on the SEC, CFTC, Federal Reserve and the Treasury to consider potential regulatory guidelines and provide recommendations.

This Bill should be considered by any digital asset operators in the US. The sweeping changes, and in some cases retrospective changes, could very well change existing practice and the regulation of projects already in place.

Independent Reserve secures first in-principle license approval in Singapore

[In early 2020](#) the strides that Singaporean regulators were making in the digital asset space caught the attention of one of Australia’s oldest and most trusted digital asset exchanges, [Independent Reserve](#). This was the catalyst for their expansion into Singapore which has now paid off with the recent announcement that Independent Reserve has obtained the first [in-principle approval to operate as a regulated Digital Payment Token \(DPT\) services provider in Singapore](#).

The [Monetary Authority of Singapore \(MAS\)](#) has received over 150 applications from service providers, of which two have been rejected, 30 were withdrawn and now Independent Reserve is the first to receive the coveted in principle approval. Adrian Przelozny, CEO of Independent Reserve said:

To be one of the first cryptocurrency exchanges to be notified by MAS of our in-principle licencing approval is a reflection of the robustness of the policies, procedures and risk management systems that we have put in place to guide our day-to-day operations.

This follows in quick succession after [Independent Reserve’s announced](#) their score for Singapore assessing the city-state’s awareness, adoption, trust and confidence in digital currency at a promising 63 out of a possible 100. Independent Reserve explain:

A score of 100 indicates maximum awareness, optimism, trust and adoption of cryptocurrency. A score of 0 indicates a complete ignorance of cryptocurrency and blockchain technology, and that no one has heard of Bitcoin.

In 2020 Australia scored a not-quite-passing 47 / 100 and this latest result again shows Singapore's leadership around awareness and adoption in the digital asset space. Independent Reserve say responsive regulation from MAS is lifting Singapore's score which aligns with our write ups on recent [regulatory change](#) and support for regulated digital asset services including [digital asset custody services](#).

The Singapore approach highlights the value for companies providing digital asset services to have a clear legal framework and certainty from regulators. Australia is in a state of regulatory flux/opportunity with [Senate submissions](#) and [ASIC consultations](#) underway and [significant funding](#) entering in the digital asset research space. It is not too late for Australia to catch up, however, emphasis needs to be given to the necessity for government and regulators to provide transparent and accessible approvals and clear guidance of what can and cannot be done by digital asset service providers. It seems to us that custody is a great place to start.