

## Article Information

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Service: Blockchain

Sector: Financial Services, FinTech, IT & Telecommunications

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# Blockchain Bites: Australian DCEs take flight with overseas licensing!, Australia universities dominate ranks in global blockchain stakes, Coinbase announces data breach of 6,000 accounts

**Michael Bacina, Jade McGlynn and Luke Misthos of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.**

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## Australian Digital Currency Exchanges take flight with overseas licensing!

Two of Australia's largest cryptocurrency exchanges have been granted regulatory licences overseas. [Independent Reserve](#) was approved by the Monetary Authority of Singapore (MAS) for a major payment institution licence while [CoinJar](#) received registration from the United Kingdom's Financial Conduct Authority (FCA).

Independent Reserve becomes the first and only Australian virtual asset service provider (VASP) with a Singapore licence following [in-principle approval in August](#). Since being established in 2013, Independent Reserve has amassed over 200,000 customers and [sought expansion to Singapore in early 2020](#). The Australian company was granted the approval over 170 other global exchanges.

CoinJar, also established in 2013, is Australia's longest running crypto exchange and relocated to the United Kingdom in 2014. The move proved worthwhile as the U.K. continues to progress regulation surrounding digital assets and awarded CoinJar an exchange registration with the FCA. This marks a successful few months for the exchange, having [announced a partnership with Mastercard in August](#).

Currently in Australia, the only requirement to operate a crypto exchange is to be registered and enrolled as a digital currency exchange with AUSTRAC. The [Select Committee on Australia as a Technology and Financial Centre](#) is expected to shortly recommend the introduction of a licensing regime in Australia which will be aiming to be "at least as good as" Singapore's regime.

A careful balance will need to be struck between regulation and the imposition of oversight to protect consumers and the freedom necessary to promote innovation and competition, and attract businesses and talent to help Australia to continue to punch above our weight in blockchain.

## Australia universities dominate ranks in global blockchain stakes

Australian universities traditionally punch above their weight globally in a number of areas and blockchain is no exception. What is exceptional is just how many Aussie universities have featured in CoinDesk's annual ranking of 230 universities, taking out 10% of the top 50.

CoinDesk partnered with Stanford University to survey 230 schools worldwide for [the ranking](#). The methodology considered courses offered, research output, campus blockchain offerings (like student clubs and research centres), employment outcomes, academic reputation and tuition cost.

Australia dominated the top 50, with Melbourne's RMIT taking out the number 2 spot globally. Hot on their heels was

UNSW, just outside the top ten at 13, Sydney University came in at 20, University of Melbourne at 34, Monash 48 (just beating Harvard which scraped in at 49).

You can view the full top ten [here](#).

The universities awarded the highest ranks are those conducting not only blockchain research, but are using their blockchain expertise to pioneer change in the real world.

The the top 3 universities were:-

1. [National University of Singapore](#) - which takes their research into the real world, creating real systems, business, and spin-offs which benefit from blockchain in the areas of security and privacy, consensus and execution, data storage [and more](#);
2. [RMIT](#) - Home to the [RMIT Blockchain Innovation Hub](#) - the world's first research centre on the social science of blockchain - providing a unique way to understand the global blockchain (r)evolution. RMIT has launched a [\\$44.6m Victorian Government funded Digital CBD project](#) to use their expertise in blockchain, digital finance and the digital economy to help the State of Victoria respond to the significant impact of the COVID-19 pandemic; and
3. [UC Berkeley](#) - Offering a well rounded range of blockchain courses for students as well as consultation services to companies and industries who are interested in working with blockchain experts trained and/or hired by the university to provide blockchain solutions to their existing business problems. Being in the heart of Silicon Valley doesn't hurt either.

Universities are highly competitive in their research generally, and blockchain is no exception. The public recognition of leading institutions should further fuel higher education to lean into more blockchain research opportunities.

Per CoinDesk:

Data is good. There is an absence of data on this space: Research and teaching can only get better if we track what academic institutions are offering.

Commenting on RMIT's success, Blockchain Innovation Hub Director at RMIT, Prof. Jason Potts [said](#):

There is strong competition in the blockchain technology space in higher education. Our second placed ranking solidifies RMIT's position as not only a world leading research centre but also as the top choice for students to come and study [the blockchain evolution].

Regulation is yet to catch up with the pace of blockchain technology. Having so many leading academics and universities focusing on blockchain should help better position Australia and our regulators to protect both consumers and innovators and catch up with other countries who are leading the ongoing blockchain (r)evolution.

### **Coinbase announces data breach of 6,000 accounts**

United States listed cryptocurrency exchange [Coinbase](#) suffered a hacking attack that impacted (and stole digital currency from) at least 6,000 of its customers. The company announced the situation in a [breach notification letter](#). The breach took place between March and May of this year when hackers exploited Coinbase's SMS account recovery process. There is yet to be an announcement as to the amount of funds stolen.

Once hackers had access to user accounts, funds were transferred to wallet addresses not associated with Coinbase. Hackers required information such as email addresses, passwords and phone numbers but Coinbase were unable to confirm how the hackers received this information in the letter:

While we are not able to determine conclusively how these third parties gained access to this information, this type of campaign typically involves phishing attacks or other social engineering techniques to trick a victim into unknowingly disclosing login credentials to a bad actor.

[As we have highlighted before](#), there are a variety of precautions companies and individuals can take to limit the likelihood of a data breach, including:

- Business planning for a data breach response; and
- Requiring that customers use non-SMS two factor authorisation and strong passwords.

Digital Currency Exchanges are always improving their security systems but consistent updates and monitoring are required to mitigate the risk of breaches. Customers' personal information such as their name, email address, phone number, home address, IP address and date of birth were exposed in this breach, which could lead to further attacks or impersonation of those persons by bad actors.

In their letter, Coinbase noted that all affected customers have or will receive full compensation for any loss and additional support if needed:

We will be providing free credit monitoring to affected customers who are interested and if available in your country of residence.

All users of digital currency exchanges should ensure they have secure and complex passwords, non-SMS two-factor authentication and should always monitor their account balance as well as the privacy policy of the exchange you are using. Storing digital assets off exchange is even safer using a storage device such as a [Trezor](#) or [Ledger](#).