

Article Information

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Blockchain Bites: The Mainstreaming of Crypto: Quotes from the AFR Crypto Summit

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

The Mainstreaming of Crypto: Quotes from the AFR Crypto Summit

[The Australian Financial Review's Cryptocurrency Summit 2022 \(the Summit\)](#) hosted a range of industry leading players and flashed a light on cryptos meteoric push into the mainstream.

Speakers at the Summit were asked about pressing issues in the crypto industry including financial crime patterns and protection, regulation of assets within the financial services framework and stablecoins impact on the future of money.

The following quotes highlight the topics considered by the speakers:

Tom Richardson from the AFR asked Anthony Scaramucci, managing partner and founder of SkyBridge (and briefly former President Trump's Director Communications for a brief period).

How do you tell professional investors to think about investing in crypto or getting exposure to it when you talk to them?

Traditional finance people have either made a decision not to do the homework or to understand cryptocurrency, or maybe they've done the homework and they just decide it's just too big a change for them at this stage in their career.

This reflects the writer's experience during speaking engagements, where there is often a joke question to the effect of "how long until this disrupts what I'm doing?". A change to the plumbing of peer to peer payment networks is quite a fundamental change and many who have spent long and productive careers in traditional finance will be skeptical of disruption and change from the status quote.

...I try to tell people we're just getting started in the world of cryptocurrency. Just imagine where we could be in five years, where virtually everyone in the Western world will have a smartphone wallet on their smartphone and they'll likely be able to transact with every restaurant in the world. Smart wallets will be bypassing the fees associated with the credit card industry. All of this is coming the same way we can make costless long-distance phone calls, or I can talk to you guys over Zoom today. It is firstly costless over the internet as opposed to what it would have been like 25 years ago.

Convenient digital wallets continue to grow in popularity, with Apple recently [announcing tap to pay capabilities](#) to finally activate the NFC chips inside iPhones, and this move to more convenience for users will be very attractive. The comparison to long distance calls is apt, as over time costs drop.

Many speakers focused on the disruptive nature of the industry, particularly shifting into Web 3. James Eyers interviewed ethereum co-founder Joseph Lubin, asking about the history of crypto and how that shapes both the present and the future.

Non-fungible tokens have taken off since the difficult period, the crypto winter of 2019, when everything went quiet for a couple of years. What lessons did you take from the initial interest of 2017-2018?

Moving from centralised systems to decentralised systems is one of the most profound paradigm shifts that humanity has experienced or is undergoing. It doesn't move on straight lines. So it's certainly going to be volatile because there are a lot of vested interests, and it requires a lot of understanding and a lot of building of fundamental new constructs.

How is it [DeFi] going to be better than what we've got now?

It is essentially more transparent. It represents the democratisation of finance, sort of in the same way the World Wide Web protocol represented the democratisation of access to information, the ability to publish, etc. These systems are open. They're usually based on open source. People can go in and fix things when there's an issue and people can afford them, and the velocity of permissionless innovation in the DeFi space is astonishing.

It looks like the global economy is about to see some inflation. How do you think the current economic conditions play into demand for bitcoin and ethereum?

I think they are driving demand quite significantly, essentially, for the last couple of decades. We're witnessing the end of trust in current systems, centralised systems. COVID has certainly exacerbated and accelerated that.

The Summit also dove into discussions of crypto-crime, scams, money laundering and terrorism-financing. When asked about regulation of cryptocurrencies in order to combat crypto crime, AUSTRAC deputy chief executive John Moss said

One significant opportunity on the horizon is to work more closely with the private sector, particularly the cryptocurrency exchange providers and services, so we understand what's happening at the coalface, on the ground in real time and help us keep on top of emerging threats.

Given how quickly the Summit sold out, we expect it to become an annual affair, as blockchain technology keeps bring better automation and efficiencies, transparency and cost savings to users.