

## Article Information

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## Blockchain Bites: Inside Google's Web3 team, China's new blockchain network, USD\$7B fund staying the crypto course

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

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### Google forming Web3 team to support blockchain

Google has announced it will form a team to develop infrastructure that will support customers who wish to run blockchain applications as the company seeks to take advantage of the efficiency and transparency of blockchain technology.

The Google Cloud division of Google will spearhead the initiative as it seeks to make the Google Cloud Platform the premiere service for developers in the industry. In an email to Google Cloud employees, a vice president at Google Cloud wrote:

*While the world is still early in its embrace of Web3, it is a market that is already demonstrating tremendous potential with many customers asking us to increase our support for Web3 and Crypto related technologies*

Google hopes to capitalise on the momentum of Web3 by offering back-end services to developers who want to compose their own similar software. Google has been shifting towards incorporating blockchain technology into their software for some time now, [having constructed a blockchain specialist team earlier this year](#).

The move by Google could encourage wide-reaching adoption by making blockchain technology more accessible and easier to develop. As blockchain becomes more common throughout industries such as financial services, major infrastructure will be required to facilitate and promote growth.

Although Google is not intending to be a part of the cryptocurrency wave directly, it does appear to be focused on offering blockchain-as-a-service to customers by providing support to help customers navigate the blockchain and run blockchain nodes in order to grow their business.

### Inside China's plans for a new blockchain network

China has reportedly been building a [platform that utilises blockchain technology](#) for Chinese domestic and international companies. The Blockchain-based Service Network (BSN) is primarily targeted at companies offering computing infrastructure services.

BSN identifies itself as a platform acting as a 'one-stop-shop' to offer blockchain solutions for cloud infrastructure - a process that has traditionally proven costly and time consuming.

BSN is being spearheaded by [Red Date Technology](#) with backing from organisations linked to the Chinese government, including the State Information Centre and the National Development and Reform Commission. The BSN also has the support of China Mobile, a large state-owned telecommunications company.

A key driver for Red Date in the BSN project is said to address interoperability - the ability to make different blockchains work with and off each other. Practically, this means that organisations who wish to use several blockchain applications to carry on business would be able to use the BSN network through the use of a cloud vendor. Traditionally using several blockchain applications would require installing new servers.

There is no cryptocurrency attached to the BSN platform due to the Chinese government placing a prohibition order on crypto-related transactions. Jehan Chu, managing partner at Kenetic (a venture capital firm that has invested in Red Date Technology) has made the point that large-scale companies are trying to avoid cryptocurrencies attached to their infrastructure, [saying](#):

*This is where non-crypto use case comes in and BSN offers a compelling infrastructure...*

Paul Triolio, technology policy lead at Albright Stonebridge, recently commented on BSN's strategic aim to offer its services up to the global market:

*Part of the interest in BSN is that it is such an ambitious undertaking. This ambition also means that it has come under heavy scrutiny because of the Chinese government connection... is trying to separate the BSN International portion from the domestic efforts, and [trying] to distance from Chinese government backing.*

It is understandable that the global market would be apprehensive to adopt and utilise the BSN platform, especially considering recent apprehension to utilise Chinese technologies, [such as Huawei](#), over privacy concerns and surveillance.

The BSN project is clearly a move from the Chinese government to position itself within the blockchain ecosystem on its own terms, and is only one part of a suite of the Government's responses to what it refers to as 'frontier' technologies including notably quantum computing.

## **USD\$7B Fund Hasn't Offloaded Crypto Amid Market Volatility**

Anthony Scaramucci - who rose to fame as the short-lived Communications Director in the Trump Administration, and current founder and CEO of SkyBridge Capital - [confirmed this week that the firm retains all of its positions within crypto despite the recent UST and Luna crash](#).

Despite the USD\$800B correction, Scaramucci, as well as other crypto market players, have remained optimistic about the market outlook. Speaking to CNBC, [Scaramucci drew upon the example of pre-GFC equities markets](#):

*We can draw historical context back to March 2000 where we saw the Nasdaq go from something like 5,000 and change down to 2,300.*

*I think these assets are at distressed level prices. They are technically oversold, and so we haven't sold one position, frankly.*

In the same interview, Scaramucci drew upon the examples of Bitcoin and Ethereum to remind investors about long-term [recovery](#):

*What I would encourage people to think about is two core protocols, Bitcoin and Ethereum. Zoom out and take a look at what they have done over a five-year period of time and recognize that there was a flaw in the Terra LUNA mechanisms... Skybridge never owned any of those tokens. Many people spoke out against that and when that crumbled, you saw massive selling pressure, so I think this thing is technically oversold.*

Pantera Capital's Paul Veradittakit [echoed this sentiment](#) in an interview with Bloomberg:

*Compared to 2018, there are more institutional investors with exposure to crypto and most see this as a buying opportunity.*

Brian Nick, the chief investment strategist at Nuveen, was also interviewed by Bloomberg [recently commenting on the recent UST crash](#):

*What gets punished when financial conditions are tightening? Anything with a high valuation and an uncertain or non-existent revenue stream... [a]nd crypto has inarguably high valuations and no revenue stream. That's very much of a piece with what we're seeing in growth stocks, tech. It's correlated but obviously it's more volatile because the market is less liquid.*

Comments from market players such as these investment and analysis firms are ultimately reassuring for those who are reading articles declaring the death of crypto-assets. Bitcoin's market capitalisation is above USD\$500 billion, and a key reason for the price reaction concerning Luna may have been that holder were only hearing negative things about Luna (as well as substantial selling pressure by the Luna Guard Foundation).

Most of these bad news stories will end up logged on the [Bitcoin Obituaries](#) page and be a source of learning in future.