

## Article Information

Authors: Steven Pettigrove, Luke Higgins, Luke Misthos, Emma Assaf

Service: Blockchain

Sector: Financial Services

---

# Blockchain Bites: DFCRC reveals \$19B upside for Australia through digital finance, JPMinted: Wall Street's biggest bank goes on-chain, Building digital futures at the Digital Economy Conference

**Steven Pettigrove, Luke Higgins, Luke Misthos and Emma Assaf of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.**

---

### Billion-Dollar Bytes: DFCRC reveals \$19B upside for Australia through digital finance

Australia could unlock \$19 billion a year, about 1% of the nation's GDP, by embracing digital finance innovation, according to [new research launched](#) this week by the Digital Finance Cooperative Research Centre (DFCRC). The headline figure forms part of the first-stage findings in *The Economic Impact Potential of Digital Finance Innovation in Australia*, with the full report expected this November.

Launched at the Australian Digital Economy Conference on the Gold Coast, the research was developed in collaboration with the [Digital Economy Council of Australia \(DECA\)](#) and shows how digitising markets and streamlining cross-border payments could shake up the Australian economy, with foreign exchange, investment funds, and private credit topping the charts.

Two key areas, markets and cross-border payments, alone could generate \$7.2B and \$11.4B per year in economic benefits, respectively. Foreign exchange stood out as the single biggest opportunity, with a potential annual gain of \$7.2 billion, followed by private/public credit (\$3.6B combined), private equity (\$1.2B), and investment funds (\$1.0B).

On its current course, according to DFCRC Chief Scientist Tālis Putniņš, Australia is only going to capture approximately \$1.8B of those gains by 2030.

*"Australia isn't currently on track to realise even half of the potential economic gains by 2030."*

*"But the good news is that we're at a key fork in the road... by working together, and at pace, we can make Australia a digital finance leader."*

The report calls for regulatory reform, innovation-friendly policy settings, and most importantly, industry-wide collaboration to speed up adoption. DECA CEO Amy-Rose Goodey echoed that sentiment, noting that this kind of "robust, evidence-based economic analysis" has already made its way into government policy conversations.

*"This lays the groundwork for more informed, coordinated decisions as we shape the next chapter of Australia's digital economy."*

The findings underscore a clear message: Australia is sitting on a significant economic opportunity. With the right combination of regulatory reform, industry collaboration, and strategic investment, digital finance could serve as a

powerful engine for national growth. The question now is whether Australia will act swiftly enough to realise its full potential.

*By Steven Pettigrove and Luke Misthos*

#### **JP Minted: Wall Street's biggest bank goes on-chain**

JPMorgan Chase, the world's largest bank by assets, is preparing to roll out JPMD, a USD-backed deposit token, on Coinbase's Base blockchain. It's the first time the bank's Kinexys arm (formerly Onyx) will issue a token on a public Layer 2 network.

JPMD is a permissioned digital claim on a bank deposit. Only whitelisted institutional clients, asset managers, corporate treasurers, big banks, may hold and transact it. This structure makes JPMD a "programmable deposit," offering the speed and flexibility of crypto while remaining firmly backed by insured, traditional reserve banking.

[With regulatory frameworks shifting](#), JPMD offers banks 24/7 on-chain settlement, fees under a cent, and the comfort of deposit insurance and potential interest. The pilot begins in the coming days, with JPMorgan transferring a fixed amount of JPMD from its own wallet to Coinbase via Base. Base's appeal lies in its hybrid design, public-chain transparency combined with Layer 2 security and a governance layer, making it more palatable for banks and regulators wary of fully permissionless networks.

The trial will reportedly run for several months, with future support for other currencies contingent on regulatory approval. For asset managers, JPMD could streamline on-chain liquidity. Rather than holding multiple stablecoins and reserve-convert mechanisms, users will tap directly into JPMorgan deposits, programmable, liquid, and potentially yielding interest.

That said, regulatory headwinds may remain. Basel Committee on Banking Supervision rules currently penalise tokens issued on permissionless chains. JPMorgan may argue that Base's semi-governed nature and its relationship with Coinbase could satisfy the requirement for "sufficiently mitigated risks" in crypto-asset frameworks. The US may also voluntarily delay or reinterpret Basel crypto-rules, giving JPMD more room to grow.

If successful, JPMD could become the blueprint for other bank-issued deposit tokens, cross-border settlement rails, tokenised collateral, and real-time treasury management. JPMD on Base may mark a paradigm shift where commercial banks don't just interface with crypto, they build it.

*By Steven Pettigrove and Luke Misthos*

#### **Building digital futures at the Digital Economy Conference**

The Australian crypto and blockchain industry convened on the Gold Coast this week to survey the future of the digital economy. The conversation focused on the infrastructure for the digital economy, real world use cases, regulatory changes and the increasing sophistication of the industry.

The tone was set early with [new research from the Digital Finance CRC and supported by OKX on the economic efficiency gains that can be unlocked by blockchain technology](#). The study indicates that Australia could unlock up to \$19 billion in annual productivity gains from better payments and better markets alone. That equates to 1% of Australia's GDP. OKX Australia's CEO quoted Talis Putnins, the DFCRC's Chief Scientist - this is a "light bulb to LED" moment for finance - same idea but more efficient.

Daniel Mulino, the new Assistant Treasurer, confirmed the Government's intention to push forward on digital asset reforms is an important aspect of its future productivity agenda.

Stand with Crypto - a policy initiative to increase political engagement to support the industry - has now reached over 12000 members in Australia. David Menz reiterated the importance of taking steps to continue advocacy and momentum on legislative reforms. The organisation is encouraging constituents to reach out to their local members to press for momentum.

The conference then dived into a range of frontier technologies and use cases that are shaping the digital future including quantum, agentic AI, supply chain, health, telecoms and space.

*"Agentic AI and blockchain were made for each other"*

Trevor Topfer, Avatar Global

Evan Gallagher from AUSTRAC updated the conference on the regulator's [recent work targeting crypto ATMs as part of its internal crypto taskforce](#). AUSTRAC is also preparing for the new VASP regime which will cover a wider range of virtual assets, virtual asset services and involve new reporting requirements. This will cover no KYC exchanges, crypto remittance, tumblers and mixers.

Custodial services including mutisignature custodial services are also within scope. Providers should start preparing now by considering what services they provide, risk assessments, AML/CTF programs, governance and travel rule compliance. AUSTRAC expect exemptions to the travel rule to be narrow given many FATF jurisdictions have already rolled out travel rule compliance for digital assets. However, Interoperability between travel rule compliance providers will be key. Webinars for VASPs on the transition will start next month.

DFCRC's Elizabeth Reed and Dr Tony Richards provided an [update on Project Acacia which is exploring how digital money can support wholesale tokenised markets](#). This is a sequel to the [successful CBDC pilot](#) focussed on wholesale settlement of digital assets and how tokenised private and public money can co-exist to support these new markets. There are 30 use cases from 16 proponents under consideration across a range of asset classes – fixed income applications, carbon credits, trade receivables. The final test cases are expected to be announced in coming weeks – some will involve stablecoins and public money to examine the interchange and settlement questions.

Overall, the future of Australia's digital economy appears bright as the industry focuses increasingly on building the economic infrastructure of the 21st century, solving real world problems and unlocking productivity gains. Meanwhile, there is fresh opportunity for policy makers and industry to work together to develop strategic reforms to promote Australia's ability to embrace this future and harness the benefits of the digital economy.

*Written by Steven Pettigrove with Michael Bacina*