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Blockchain Bites: TLDR: 2026 crypto predictions round-up; Place your bets: Regulators tussle over the future of prediction markets; Newsflash: Victorian Appeals Court finds stealing Bitcoin is theft

The Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.

TLDR: 2026 crypto predictions round-up

The New Year has brought a wave of 2026 crypto and blockchain predictions from major industry and institutional players. Industry outlooks for 2026 point to a year of structural change across crypto and traditional finance. Reports from Bitcoin Suisse, Messari, Galaxy Research, A16Z, Coinbase Institutional and others highlight common themes: lower interest rates driving capital inflows, tokenisation moving from pilot operations to large-scale implementation, and of course AI reshaping transaction infrastructure.

We have summarised the predictions from these major players below. These predictions point to interesting common themes, but of course, these predictions are not our predictions and are not financial advice.

A16Z Crypto

Venture capital fund A16Z Crypto are observing 6 key trends in 2026:

1. Stablecoins hit $46T volume, surpassing PayPal and Visa; new rails like QR systems, privacy swaps, and global wallets enable instant cross-border payments.
2. Banks are layering stablecoins, tokenized deposits, and on-chain bonds over legacy COBOL systems for agility without full rewrites.
3. Shift from tokenizing off-chain assets to on-chain origination of loans and stablecoins for lower costs and better accessibility.
4. Real-world assets move from basic tokenization to crypto-native formats like perpetual futures for liquidity and leverage.
5. Wealth management democratized via tokenized assets, AI-driven rebalancing, and retail access to private credit and pre-IPO deals—all on-chain.
6. Internet becomes the bank: AI agents settle payments instantly via smart contracts; protocols like “x402” enable autonomous value exchange, making money a routable data packet.

Coinbase Institutional

The institutional arm of Coinbase, the global digital currency exchange, has shared its 2026 market outlook, including:

- Crypto markets in 2026 are set for transformative growth as regulation and institutional integration strengthen crypto’s role in global finance.
- Landmark progress in 2025, including spot ETFs and digital asset treasuries, laid the foundation for innovation and risk management.
- Tokenomics 2.0 will link token value to platform usage through mechanisms like fee-sharing and buybacks, creating more durable models.
- Institutions will demand privacy, driving adoption of zero-knowledge proofs and advanced encryption technologies.

- AI and crypto will converge, enabling autonomous agent systems with programmable payments for high-frequency microtransactions.
- Real-world asset tokenization will accelerate, offering DeFi-style composability and better capital efficiency.
- Stablecoins remain the dominant use case, projected to reach a $1.2 trillion market cap by 2028, powering cross-border settlements, remittances, and payroll platforms.

Bitcoin Suisse

Bitcoin Suisse made the following anticipated predictions for the year:

1. The Fed are on a cutting path with rates tracking down to 2.0%;
2. Economic activity will accelerate;
3. Bitcoin will dip its toes in post-quantum resistance;
4. The Tether and Circle duopoly will weaken with yield and distribution reshaping the stack;
5. Bitcoin will make new all-time highs and approach $180,000;
6. A tug of war emerges as passive flows anchor the top while applications drive market breadth;
7. 2026 will deliver a cross-asset class bull run;
8. Digital asset option volume will increase by 50%, reaching 5% overall market volume;
9. The U.S entry will catalyse Polymarket as the clear market leader in prediction markets;
10. Ethereum L1 scaling goes exponential;
11. ETH will make all-time highs in 2026 and approach $8,000;
12. DATs grow Institutional Ownership by 20% and Expand Funding Strategies.

Messari

Messari, a top provider of crypto market intelligence, has published its 2026 Crpto Theses. The report explores 7 main sections including cryptomoney, TradFi, Chains, DeFI and AI:

- Ethereum could see a resurgence in 2026 if a bull market returns, giving DATs a ‘second life’.
- Tether remains dominant despite new competition from JPMorgan and Google, especially in less compliance-heavy economies.
- Lower interest rates will shift capital to crypto-native yields based on real cash flows, creating more sustainable returns.
- Consumer crypto is moving to an app-led economy, with apps capturing most revenue as blockspace bottlenecks fade.
- Tokenized RWAs (Treasuries, credit) reached $18B in 2025; DTCC’s SEC approval will accelerate tokenization of U.S. securities.
- Tech-finance-AI convergence will drive agentic commerce, as firms like Cloudflare and Google build rails for autonomous transactions.

Galaxy Research

Galaxy, a leading digital asset trading firm, has released 26 bold predictions for 2026, including:

- Bitcoin is expected to mature and gain institutional adoption despite near-term uncertainty, with a long-term bullish outlook targeting $250K by end-2027, even as 2026 remains unpredictable with wide price ranges and potential for new highs.
- Solana’s Internet Capital Markets are set to hit $2B as the ecosystem shifts from memes to real revenue-driven businesses.
- No Solana inflation reduction proposal will pass in 2026, and SIMD-0411 will be withdrawn without a vote, as the community shifts focus to market microstructure improvements and concerns about preserving SOL’s neutrality as a store of value.
- The SEC is expected to grant exemptive relief for tokenized securities in DeFi, paving the way for legal onchain securities and starting formal rulemaking in late 2026.
- A major bank or brokerage is expected to start accepting tokenized equities as collateral, signaling their full equivalence to traditional securities and accelerating blockchain adoption in mainstream finance.
- Crypto-backed loans are projected to surpass $90B by end-of-quarter, with onchain lending gaining dominance as institutions increasingly rely on DeFi protocols for borrowing and lending.
- 15+ crypto companies are expected to IPO or uplist in the U.S. in 2026, driven by a strong pipeline of firms seeking access to U.S. capital amid easing regulations, with likely candidates including CoinShares, BitGo, Chainalysis, and FalconX.

Cyrpto.com

Cyrpto.com has released its 2026 predictions alongside its 2025 Year in Review:

- 2026 marks the shift from foundational building to commercial scaling, integrating TradFi stability with DeFi efficiency through tokenization, stablecoin adoption, and institutional-grade blockchain infrastructure.
- Tokenized assets (starting with U.S. Treasuries) and corporate stablecoin adoption will surge, driven by demand for yield, faster cross-border payments, and regulatory clarity from the GENIUS Act and MiCA.
- Public chains like Ethereum and EVM-compatible networks (e.g., Cronos) will become credible settlement layers, supported by pilots like JPMorgan's tokenized deposits and focus on DeFi + AI integration.
- Prediction markets race toward regulatory legitimacy and mainstream adoption, while RWAs (especially tokenized fixed income) cement their role as the low-risk anchor for on-chain finance, with exponential growth projected.
- Ethereum upgrade Glamsterdam, introduces ePBS (EIP-7732) to embed proposer-builder separation for greater censorship resistance and decentralization, and BALs (EIP-7928) to enable parallel execution, improve efficiency, and lower gas costs.
- Privacy becomes critical for institutional adoption, while DePIN networks like Akash and Render decentralize compute resources to meet AI inference demand, reducing reliance on centralized cloud providers.

Forbes

Forbes provided its insights into 3 crypto trends that it sees as set to dominate 2026:

1. AI and crypto markets will continue to track each other in trading sentiment and macro reactions, driven by shared volatility and investor appetite for high returns.
2. Large financial institutions are deepening crypto integration through tokenization, custody, and on-chain settlement, viewing these as efficiency tools rather than speculative bets.
3. Market cooldowns won't halt progress; downturns foster infrastructure, compliance, and real-world applications like stablecoins and tokenized assets, shifting focus from hype to utility.

VanEck

VanEck, a global investment management firm shared their predictions on investment opportunities in digital assets:

- 2026 is likely to be a consolidation year for Bitcoin, with volatility halved and leverage reset; quantum security discussions may boost long-term engagement.
- The strongest upside is in Bitcoin mining consolidation as operators pivot to AI/HPC infrastructure with a secondary opportunity in stablecoin-driven B2B payments, with fintech and e-commerce platforms as key beneficiaries.

The Block

The Block, a global information services brand released their 2026 predictions:

- Tom Lee's Bitmine will sell ETH by the end of Q1 2026, prompting other DATs to follow and potentially weighing on price sentiment.
- Bitcoin dominance remains above 50%, with BTC likely setting a new high in Q2 and outperforming alts.
- Polymarket and Base launch their tokens, entering the top 10 by fully diluted market cap, and Base spurs a wave of mobile-first crypto apps.
- Stablecoin supply surges past $400B, with velocity exploding as payment processors adopt them; USDT's share declines, and over 20 stablecoins exceed $1B market cap.
- RWA and derivative innovation sees non-stablecoin RWAs exceed $30B, widely traded commodities tokenized, equity and commodity perpetual DEXs thrive, and RFQ-based DEXs emerge.
- Crypto infrastructure matures with plasma-based corporate blockchains rise in TVL, Base and MetaMask launch native tokens, major crypto companies IPO, and network tokens struggle against Stablecoins.

Looking forward

As evidenced by the above, the industry expects 2026 to mark a shift from experimentation to scale. Stablecoins are projected to surpass traditional payment networks in transaction volume, while tokenisation moves beyond pilots to mainstream adoption across Treasures, credit, equities and commodities. Banks and institutions are layering tokenised deposits and on-chain bonds over legacy systems, and the on-chain origination of loans and stablecoins is reducing cost and complexity.

Upgrades to Ethereum and decentralised computer networks will strengthen infrastructure for AI-driven commerce and autonomous payments. Institutional adoption deepens as tokenised securities gain regulatory recognition and crypto-backed lending continues to grow in popularity.

In Australia, pending legislation is also set to provide some long-awaited clarity for exchanges and service providers. Privacy, compliance and interoperability do indeed remain critical challenges (in Australia and around the world); however, the trajectory of crypto is evident: it is increasingly becoming part of the financial core through widespread adoption of on-chain origination, trading and payments.

Written by Steven Pettigrove, Luke Higgins and Sophie Nguyen

Place your bets: Regulators tussle over the future of prediction markets

Predictions markets have seen a huge rise in users with sites like Polymarket and Kalishi raising large funding rounds and experiencing exponential growth. The speed with which these offerings have grown has started to run into regulatory hurdles however, and last Friday, regulators in Tennessee sent a cease-and-desist letter to Polymarkets, Crypto.com and Kalshi, alleging that their predictions markets were in fact unlicensed gambling. The same day Kalshi commenced legal proceedings against the state of Tennessee seeking a temporary restraining order preventing enforcement which would shut down their offering in Tennessee, until their substantive claims had been heard. Polymarkets and Crypto.com have not followed Kalishi in suing the state.

Kalshi hired the former Attorney General of Tennessee and is arguing that it is already regulated under the Commodities Futures Trading Commission (CFTC) and, as such, is not subject to state-level compliance.

The lawsuit reveals that Kalshi has requested "dialogue" with the Tennessee regulators mentioning three other cases which are pending relating to the platform, but those approaches were rejected. Many other states have chosen to wait and see how the other cases against Kalshi are resolved prior to commencing enforcement, according to Kalshi. Polymarket has faced prosecutions in Canada and previously exited the United States following a settlement with the CFTC.

In Australia, the online gambling regulator ACMA (the Australian Communications and Media Authority) issued a formal warning to Polymarket in August last year alleging breaches of the Interactive Gambling Act 2001. It also directed local ISPs to block the site and has added Polymarket to its list of illegal online gambling sites.

As matters stand, prediction markets remain in a grey area between regulated financial markets and gambling. Some operators like Kalshi offer prediction markets as derivative contracts under financial services frameworks, and Polymarket is expected to re-enter the US on that basis after acquiring a CFTC regulated derivatives exchange. Robinhood and Coinbase have also announced plans to enter the market.

Under US law, the heart of the dispute relates to where a line will be drawn between what is considered a "swap", and what is considered wagering or gambling. The definition of a "swap" is very broad, including:

> *any agreement, contract, or transaction … that provides for any purchase, sale, payment, or delivery that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence*

This gives a broad cross-over with wagering, which the Tennessee Sports Wagering Council defines as:

> *a sum of money risked by a bettor on the unknown outcome of one or more sporting events, including but not limited to: the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, parlay bet, pools, proposition bet, spread bet…*

The US States each regulate wagering, whereas swaps are federally regulated by the CFTC. Federal law trumps state law, so if Kalishi's sports and other predictions markets are found to be swaps, then despite them appearing very similar to wagers, they would escape state level bans or control, and enjoy greater freedom (and simplicity) under Federal US regulation. Other countries (including Australia) regulate in a similar fashion and derivatives and options are often defined with reference to securities or financial products to draw a demarcation between those products and wagering. Not so the USA, which has historically had strict gambling regulation and focused the venues for gambling into casinos and sports betting venues.

In Australia, the financial services regulator, the Australian Securities and Investment Commission (**ASIC**), has yet to state a public position on prediction markets. However, it has imposed a 10 year ban on the offer of over-the-counter binary

options to retail clients. The ban mainly target markets in financial instruments. It remains to be seen whether the regulator will seek to apply a ban to all outcome based markets.

The internet and rise of smart contract powered predictions markets like Polymarket have drawn to the forefront the demand for these products and the difficulty of the state preventing access, due to the manner in which the internet and cryptocurrencies operate.

Polymarket bets, for example, may be created by any users, and operate on a zero-sum basis with anyone able to bet on a peer-to-peer basis. Given this freedom, there has been some suspicious bets with one X user suggesting that the end of a press conference, which had a 98% bet of going over 65 minutes, was ended very abruptly, forcing Kalishi to formally respond and point out there was only $3,400 wagered on that particular bet.

Recently, an anonymous wager on the invasion of Venezuela sparked suspicion of insider trading and a dispute of whether the US operation in Venezuela satisfied the terms of the wager given its limited scope. That wager was ultimately resolved against the anonymous punter by Polymarket, although for some bets, Polymarket permits resolution via a third party oracle and dispute mechanism.

In any event, concerns over insider manipulation of prediction markets are real and have resulted in a proposal before the US Congress to target unfair practices affecting the integrity of these markets.

While in some cases prediction markets look very much like traditional sport betting, these so-called "truth markets" also enable traders to hedge real-world events like elections which can have significant financial implications. For some, the crowd-sourced wisdom of prediction markets offers a superior model to traditional polling or bookmaking models for determining the likelihood of real world events. One thing is for sure, the outcome of the swaps vs bets argument will have significant ramifications over the predictions markets business models, as well as traditional gambling and wagering.

Written by Steven Pettigrove

Newsflash: Victorian Appeals Court finds stealing Bitcoin is theft

The Victorian Court of Appeal has endorsed the view that bitcoin (BTC) is a form of property and that its misappropriation is capable of being prosecuted as theft. The judgment follows an appellate decision of the Supreme Court of Tasmania's recognising that Bitcoin is property but endorsing the view that it does not neatly fit within the existing categories of chose in action and chose in possession.

Background

In *Connor Yeates (A Pseudonym) v the King* [2025] VSCA 288, the prosecution alleged that the applicant was guilty of theft by transferring BTC that was not his to a second wallet that was under his control. The alleged conduct involved a police raid on Victorian premises at which a Trezor hardware wallet was recovered.

The applicant submitted that the trial judge erred because BTC is not considered 'property' for the purposes of proving theft. 'Property' is defined under s 71 of the Crimes Act as 'money and all other property real or personal including things in action and other intangible property'.

The applicant argued at trial that BTC was 'neither money nor property but instead a string of code in a distributed computer base' (i.e. mere information). If this argument were to be accepted, it would be impossible to prove a theft-related offence in respect of BTC for Victorian law purposes as it would not involve the misappropriation of property.

Judgment

The Court of Appeal addressed five main issues in their reasoning. Before turning to these issues, the Court canvassed both the technical nature of BTC (keys, UTXOs, blockchain mining preventing double-spending) and the legal concept of 'property' (bundle of rights; the non-strict possession/action dichotomy); and the recognition of a third subset of intangible property, first discussed by Kitto J in the case of *National Trustees Executors and Agency Co of Australasia Ltd v Federal Commissioner of Taxation* (1954) 91 CLR 540).

Question 1: Is Bitcoin information?

It is commonly understood that mere information is not considered property and therefore cannot be stolen (besides of course, intellectual property which is a legal category of information that is protected by law). The Court distinguished BTC from mere information by emphasising the rivalrous control of BTC, the ability to exclude people as a matter of fact

via private keys, and the systems of transfer recording that underpins blockchain technology.

Bitcoin would be pointless if it did not solve the double spending problem which is, at its core, one of exclusive possession and/or control. A coin, be it physical or digital, is possessed and/or controlled by a person to the exclusion of all others. When either is transacted, it is possessed and/or controlled by another to the exclusion of all others. Ownership by one person prevents ownership by another.

In this regard, the Court found no obstacle in dealing with the ledger based and fungible nature of BTC, distinguishing its rivalrous nature from mere information.

Question 2: Does it satisfy the essential legal characteristics of property as per National Provincial Bank Ltd v Ainsworth?

The Court then examined the classic 'Ainsworth' test, being the primary test as to whether something constitutes 'property'.

Lord Wilberforce in the Ainsworth case set out 4 essential characteristics of property, being that:

(i) the property is definable;

(ii) the property is identifiable by third parties;

(iii) the property is capable in its nature of assumption by third parties and

(iv) the property has some degree of permanence and stability.

The Court of Appeal found that BTC satisfied all 4 characteristics of the Ainsworth test, being definable (the 'thing' recorded at an address), identifiable by third parties (via the public ledger), capable of being assumed by third parties through transfer and possessing permanence and stability in its transaction history.

Question 3: Is Bitcoin a 'chose in action'?

The Court noted the flexibility of the common law and that theft offences under the Crimes Act do not require the shoehorning of BTC into a 'chose in action' category; the Court found that it was sufficient that BTC is intangible property.

Question 4: Is Bitcoin money?

Without definitively stating that BTC was money, the Court accepted the trial judge's finding that BTC was *analogous* to a form of money. This supported the Court's conclusion that BTC was readily distinguishable from mere information.

Question 5: For public policy purposes, should cryptocurrencies be treated in law as property?

The Court found that BTC and other digital assets have assumed importance in the modern world. Denying their existence as property will likely lead to the employment of scams and illegitimate uses against vulnerable investors and customers.

On public policy, the Court also emphasised the need for authoritative clarification so that theft and other related property offences properly capture the misappropriation of cryptocurrency, and so that the criminal law can provide meaningful redress and deterrence.

Why a 'not property' categorisation is unlikely

Although there are various complex arguments that can be made regarding the proprietary (or rather, non-proprietary) nature of BTC, a categorisation as such would undermine theft enforcement by inviting technical arguments that misappropriation of coins is merely the manipulation of information rather than the appropriation of property.

It would also frustrate the criminal law's protective function by narrowing available offences and remedies for victims of crypto-related wrongdoing (at [18]–[20]).

From a broader policy perspective, denying proprietary status would also (i) jeopardise tax administration by re-characterising high-value transfers and gains in an established asset class as non-disposals of property; (ii) disrupt existing financial infrastructure that already treats BTC as an asset (exchanges, custody, wallets, crypto-asset ETFs) and thereby impede consumer protection; and (iii) impair law-enforcement tools that depend on property constructions (freezing, seizure and so on).

Conclusion

The Court of Appeal's judgment adds to a long line of common law authority finding that BTC is property and which reasoning is arguably readily applied to other cryptocurrencies. The judgment again demonstrates the Court's pragmatic approach in considering the legal treatment of novel assets, underlining the flexibility of the common law to adapt to new circumstances

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