

Overview on Regulatory Policies for **Cryptocurrencies** in Major Countries and Regions

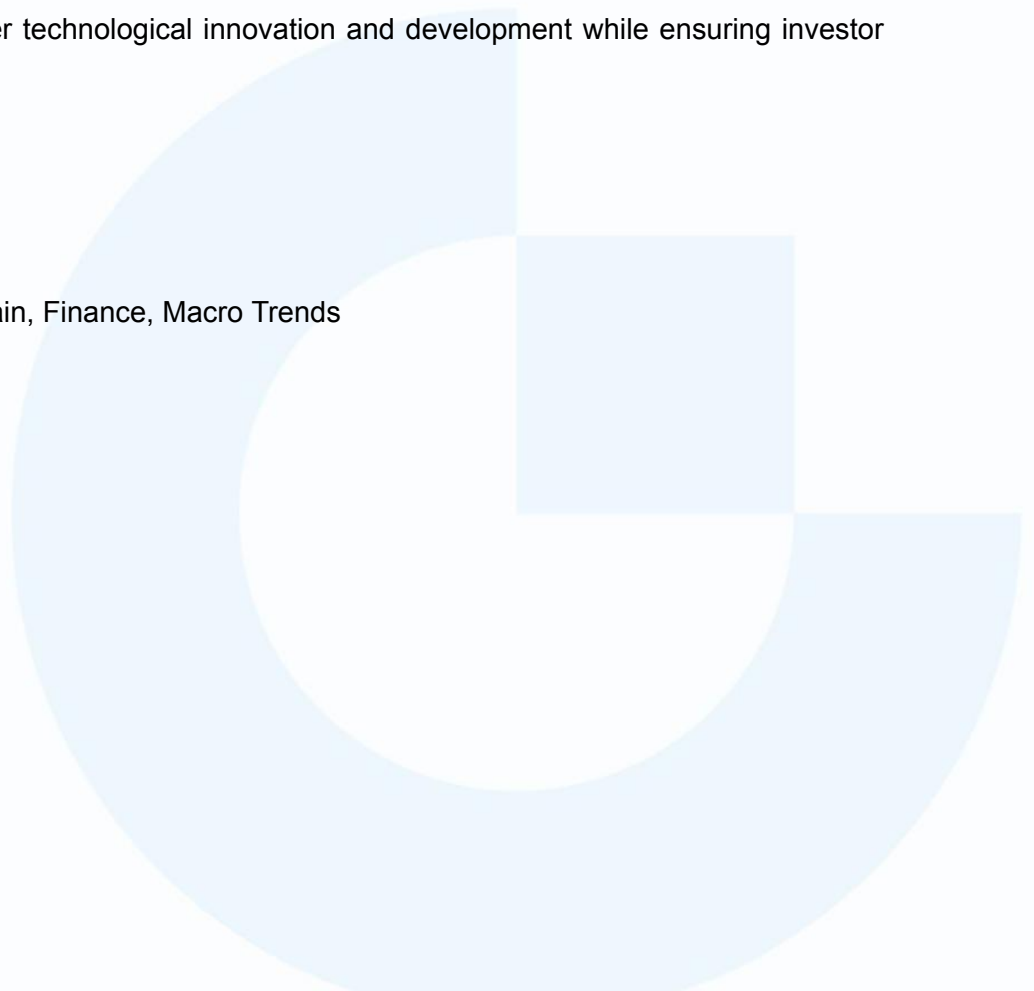


Abstract

- The article "Overview on Regulatory Policies for Cryptocurrencies in Major Countries and Regions" aims to provide a comprehensive analysis of the global cryptocurrency regulatory landscape, offering valuable insights for investors and policymakers. It begins with a statistical analysis of the legalization and regulatory policies surrounding cryptocurrencies worldwide, summarizing their legal status and categorizing countries accordingly.
- The study focuses primarily on G20 nations, which collectively account for a significant share of the global population, trade volume, and GDP, making their regulatory policies particularly influential on a global scale.
- A detailed examination of cryptocurrency regulations in G20 countries, including the United States, China, and EU member states, highlights their unique approaches while also revealing global regulatory trends. The article identifies key features of regulatory policies across major nations and regions, such as the gradual formation of regulatory frameworks, increased international cooperation, and an emphasis on investor protection and combating illegal activities.
- Finally, the article explores the impact of these regulatory policies and provides recommendations tailored to regulatory agencies, cryptocurrency businesses, and investors. The goal is to foster technological innovation and development while ensuring investor protection.

Keywords:

Gate Research, Blockchain, Finance, Macro Trends



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1 Introduction

Since Bitcoin's genesis block was mined by Satoshi Nakamoto on January 3, 2009, in a server located in Helsinki, Finland, and its first use in a transaction shortly thereafter, the cryptocurrency market has seen rapid adoption and remarkable growth over the past 15 years. Simultaneously, the regulatory policies of major global nations concerning cryptocurrencies have garnered increasing attention from various stakeholders.

After reviewing relevant data and materials, we found that cryptocurrencies are currently legal in 119 countries and regions, meaning that well over half of the world's nations have legalized them. However, this report does not aim to detail the specific regulatory policies of every country but rather provides a general overview. The primary focus is analyzing the regulatory policies of major nations and regions, particularly those within the G20, broadly representative due to their geographical balance between developed and developing nations. These countries collectively account for two-thirds of the global population, 80% of global trade, and 90% of global GDP.

This report will comprehensively analyze cryptocurrency regulation across multiple dimensions, including statistical data on global regulatory environments, an overview of policies in key nations and regions, summaries of characteristics and trends, and the impacts and recommendations of these policies.

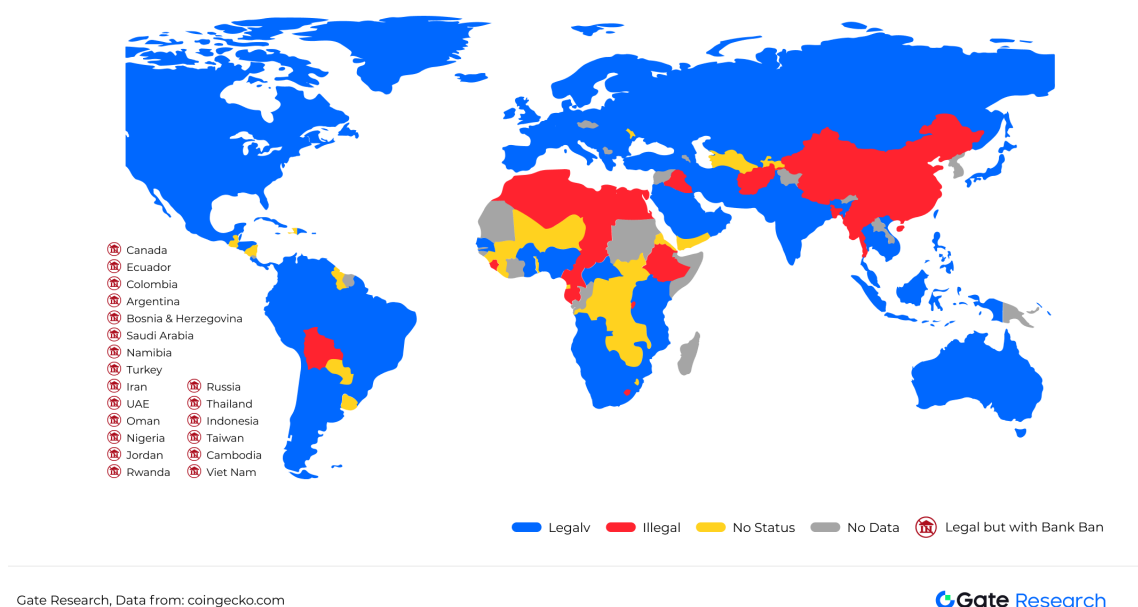
This report will give readers a more holistic understanding of the current global cryptocurrency regulatory landscape, providing valuable references for investment and decision-making.

2 Statistical Analysis of Cryptocurrency Legalization and Regulatory Policies Worldwide

2.1 Global Cryptocurrency Legalization Statistics and Policy Overview

Figure 1: Overview of Cryptocurrency Legality in Different Countries

Overview of Cryptocurrency Legality in Different Countries



According to recent data from CoinGecko[1], the global legal landscape for cryptocurrencies can be categorized into five scenarios based on the chart above, represented by green, red, orange, gray, and bank icons: legal, illegal, unregulated, no data, and legal but restricted by banking bans. Cryptocurrencies are legal in 119 countries and regions, meaning that more than half of the world's nations have recognized them. Among these, 64.7% are emerging and developing countries from Asia and Africa. However, 20 of these 119 countries impose banking bans, restricting financial institutions from interacting with cryptocurrency exchanges or users. In Europe, 39 out of 41 countries recognize cryptocurrencies as legal, except North Macedonia, where they are illegal, and Moldova, where the status is unclear. In the Americas, 24 out of 31

2.2 Global Cryptocurrency Regulation, National Attitudes, Legal Tender Use, and Ownership Summary

Figure 2: Current State of Global Cryptocurrency Regulation



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2.2.1 Cryptocurrency Regulation Frameworks

Proportion of Regulated Nations: Among the 119 countries where cryptocurrencies are legal, only 62 countries (52.1%) have enacted comprehensive regulatory frameworks. Countries implementing such regulations have increased by 53.2% since 2018.[3]

Classification of Regulatory Entities: Of the 62 countries with regulations, 36 are individual nations, 22 are EU member states, 4 are UK overseas territories. These nations are evenly split between developed economies and emerging or developing economies. Many countries have chosen to adapt existing frameworks, incorporating cryptocurrencies into tax laws, anti-money laundering (AML), and counter-terrorism financing (CTF) laws.

2.2.2 Progress and Challenges Among Major Economies:

Countries with Established Frameworks: Advanced economies like France, Japan, and Germany have successfully established robust cryptocurrency regulatory frameworks.

Countries Facing Challenges: Countries such as Italy, the United States, Canada, and the United Kingdom face challenges in implementing comprehensive regulations. These difficulties are compounded by the involvement of multiple government and financial regulatory agencies, leading to increased regulatory complexity.

In contrast, EU member states operate under a unified approach via EU-wide crypto asset regulations, which provide greater consistency.

2.2.3 Cryptocurrencies as Legal Tender

Only El Salvador and the Central African Republic (CAR) have adopted cryptocurrency as legal tender. Currently, El Salvador remains the only country actively using cryptocurrency in this capacity. El Salvador passed the Bitcoin Law in August 2021 and the Digital Securities Law in January 2023. However, Bitcoin adoption within the country remains relatively low, and El Salvador ranks poorly on the cryptocurrency adoption index.

The Central African Republic adopted Bitcoin as legal tender in April 2022, but due to economic challenges, the decision was reversed in March 2023.

Bhutan is actively advancing Bitcoin usage. The Bhutanese government has accumulated signi-

ficant Bitcoin reserves through participation in Bitcoin mining and plans to incorporate it as part of its national reserves. As of November 2024, the value of Bhutan's Bitcoin holdings exceeds one-third of its GDP, making Bhutan the fourth-largest Bitcoin holder in the world.

2.2.4 National Attitudes Toward Cryptocurrency

Neutral Countries: There are 25 countries classified as “neutral” toward cryptocurrency. Of these, 24 have implied bans or restrictions imposed by their central banks or governments. Uruguay is cautiously optimistic about cryptocurrency; while it does not regulate the sector, the Central Bank is evaluating pilot projects and has proposed a cryptocurrency bill.

Countries Where Cryptocurrency is Illegal: Twenty-two countries have completely banned the use and trade of cryptocurrency. Most of these are in Africa, with additional bans in seven Asian countries, North Macedonia in Europe, and Bolivia in the Americas.

2.2.5 Cryptocurrency Ownership in Practice:

High Ownership in Countries with Bans: Despite China's comprehensive ban on cryptocurrency activities since 2017, it remains the second-largest cryptocurrency holder globally, with an estimated 4.08% of the population (approximately 58 million people) owning cryptocurrency. Other countries with bans, such as Egypt, Bangladesh, Bolivia, Iraq, and Myanmar, also have notable portions of their populations holding cryptocurrency.

Adoption Index Rankings in Prohibition States: Countries like Egypt, Nepal, Morocco, and China, despite enforcing outright bans, were listed among the top 30 countries in the Chainalysis 2022 Global Cryptocurrency Adoption Index. This indicates that even with legal restrictions, cryptocurrency usage remains significant in these nations.

Figure 3: Cryptocurrency Compliance Status Across Countries

Cryptocurrency Compliance Status Across Countries

Crypto Legal Status	No of Countries	Countries
Legal	119	Albania, Andorra, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Belarus, Belgium, Belize, Benin, Bhutan, Bosnia and Herzegovina, Botswana, Brazil, Brunei, Darussalam, Bulgaria, Burkina Faso, Cambodia, Canada, Central African Republic, Chile, Colombia, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Greenland, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Iran, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Laos, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macao, Malaysia, Malta, Mauritius, Mexico, Mongolia, Montenegro, Mozambique, Namibia, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Palau, Panama, Peru, Philippines, Poland, Portugal, Venezuela, South Korea, Romania, Russia, Rwanda, Saint Kitts and Nevis, Saint Lucia, Samoa, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Venezuela, Vietnam
Illegal	22	Afghanistan, Algeria, Egypt, Bangladesh, Bolivia, Burundi, Cameroon, Chad, China, Republic of Congo, Ethiopia, Gabon, Iraq, Lesotho, Libya, Macedonia, Morocco, Myanmar, Nepal, Qatar, Sierra Leone, Tunisia
Neutral	25	Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Eritrea, Eswatini, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Liberia, Malawi, Mali, Moldova, Nicaragua, Niger, Paraguay, South Sudan, Tajikistan, Togo, Turkmenistan, Uruguay, Yemen, Zambia, Zimbabwe
Regulated *Not mutually exclusive with countries where crypto is legal	62	Albania, Andorra, Austria, Bahamas, Bahrain, Belarus, Belgium, Botswana, Bulgaria, Central African Republic, Croatia, Cyprus, Czech Republic, Denmark, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Netherlands, Norway, Peru, Philippines, Poland, Portugal, South Korea, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Ukraine, United Arab Emirates, Venezuela, Bermuda, Gibraltar, Anguilla, British Virgin Islands
Traditional Social Era (currently in force)	1	El Salvador

Gate Research, Data from: coingecko.com

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The above is our overview and analysis of the global regulatory policies and various cryptocurrency-related situations, including the legal status of cryptocurrencies worldwide. Based on their legal status, countries have been categorized accordingly for reference. Since the data involves almost every country globally, we will not provide a detailed description of each country. Instead, we will focus on summarizing the regulatory policies of major countries or regions around the globe, selecting the G20 countries as they hold broad representativeness. These include the United States, China, the European Union, the United Kingdom, Japan, France, Germany, Canada, Italy, Russia, Australia, Brazil, Argentina, Mexico, South Korea, Indonesia, India, Saudi Arabia, South Africa, and Turkey.

As the introduction states, the G20 balances the geographical and economic differences between developed and developing countries, accounting for two-thirds of the world's population, 80% of global trade, and 90% of global GDP. From a proportional perspective, the regulatory policies of these major countries can serve as a comprehensive reference for global insights, aligning with the theme of this report. Next, we will focus on discussing the regulatory policies of major G20 countries by continent.

3 Overview of Regulatory Policies for Cryptocurrencies in Major Countries

3.1 Summary Table of Cryptocurrency Regulation Policies in G20 Countries

Figure 4: Global Overview of CryptoCurrency Regulatory Policies

Global Overview of Cryptocurrency Regulatory Policies

Regions	Countries and Regions	Legality	Regulators	Latest Regulation/Policy/Statement	Adoption/Implementation Date	Key Details
Americas	United States	Legal	SEC, CFTC, Fed, FinCEN	Financial Innovation and Technology for the 21st Century Act (FIT21)	May 22, 2024	Revises existing securities and commodities laws, establishes a regulatory framework for digital assets.
	Canada	Legal	CSA (Canadian Securities Administrators), CRA	Crypto Trading Platform Compliance	Extended to end of 2024	Platforms must comply by the end of 2024 or face penalties; only compliant platforms can continue operations.
	Mexico	Legal	Central Bank, Ministry of Finance, Securities Commission	Statement banning use in the financial system, taxed but not legislated	June 2021, extended in June 2024	Prohibits crypto in the financial system, continues prior policies, imposes tax and requires exchange compliance registration.
	Brazil	Legal	Central Bank of Brazil, House of Representatives, CVM	Virtual Asset Service Provider (VASP) License, R. 440/2021	November 15, 2024	Allows traditional financial institutions to enter the crypto market; enables crypto for payments in Brazil.
	Argentina	Legal	CNV Investment Framework, Draft Crypto Asset Regulation	CNV Investment Framework, Draft Crypto Asset Regulation	November 17, 2024; October 22, 2024	Includes Bitcoin and Ethereum in investment funds, enhances user protections, and sets new compliance requirements.
Europe	Germany	Legal	European Commission, Basel Committee on Banking Supervision	Markets in Crypto-Assets Regulation (MiCA); Disclosure Framework and Prudential Standards for Crypto-Asset Risks	Effective in phases on June 30, 2024, and December 30, 2024; Planned Implementation on January 1, 2026	Establishes a comprehensive regulatory framework covering crypto-asset issuance, trading, custody, and wallet services. Aims to ensure transparency, security, and stability in the crypto market.
	France	Legal				
	Italy	Legal				
	United Kingdom	Legal	Financial Conduct Authority (FCA), UK Treasury	Digital Assets (Personal Property, etc.) Bill, Crypto Industry Regulation Plan	Submitted on September 11, 2024; Finalized by late November 2024	Officially recognizes cryptocurrencies, NFTs, and RWAs as personal property.
	Russia	Legal	State Duma of Russia	Experimental Legal Regime (ЭПР), Legalization of Cryptocurrency Mining	Effective on September 1, 2024; Implemented in November 2024	Allows the use of digital currencies in cross-border transactions and trading on exchanges. Legalizes cryptocurrency mining.
Asia	China	Restricted	People's Bank of China and 10 Ministries	Notice on Further Preventing and Addressing Risks of Virtual Currency Trading Speculation, Interpretation of Legal Issues in Criminal Cases Involving Money Laundering	Issued on September 15, 2021; Implemented on August 20, 2024	Strengthens regulation of crypto mining and trading, banning financial institutions from providing related services.
	Japan	Legal	Japan Financial Services Agency (FSA)	Amendments to the Payment Services Act: Enhancing Investor Protection for Domestic Crypto Investors	April 2017; November 8, 2024	Strengthening protection measures for domestic cryptocurrency investors, enhancing market transparency and security.
	South Korea	Legal	Ministry of Finance & Financial Services Commission (FSC)	New Regulations on Cross-border Cryptocurrency Transactions; Virtual Asset User Protection Law	Second half of 2025; July 18, 2024	1. Businesses involved in cross-border cryptocurrency transactions must register with authorities and report monthly transactions. 2. Stricter requirements for exchanges, covering reserve funds, cold wallets, and custodial banks.
	India	Legal	Indian Supreme Court & Income Tax Department (ITD)	Amendments to Cryptocurrency Act; Section 2(47A) of the Income Tax Act	July 2024	1. Paving the way for Central Bank Digital Currency (CBDC) oversight and measures focusing on taxation and anti-money laundering (AML). 2. Including Virtual Digital Assets (VDAs) under the Income Tax Act, encompassing all types of crypto assets.
	Indonesia	Legal	Commodity Futures Regulator & Financial Services Authority (OJK)	Extension of Crypto Asset Trader (PFAK) Licenses; New OJK Regulations	October 22, 2024; Effective January 2025	1. Allowing corporate entities and businesses to trade crypto assets, ensuring operational and compliance oversight. 2. Introducing technological innovations in finance, with regulations effective for cryptocurrencies starting January 2025.
	Saudi Arabia	Legal	Saudi Central Bank	No Regulatory Framework Established; Focus on Crypto Investments and CBDC Bridge Projects	Early June 2024	A comprehensive regulatory framework for Virtual Asset Service Providers (VASPs) is not yet in place. Focus is on CBDC initiatives. Crypto investments are gaining traction, including sovereign-level Bitcoin purchases. Empowering SPK to regulate crypto exchanges with enforcement capabilities.
	Turkey	Legal	Capital Markets Board (SPK) & Banking Regulation and Supervision Agency (BDDK)	Amendments to Capital Markets Law	Passed on June 27, 2024	Introducing regulations related to cryptocurrencies to enhance market transparency and investor protection.
	South Africa	Legal	Financial Sector Conduct Authority (FSCA) & Financial Intelligence Centre (FIC)	Crypto Asset Service Provider (CASP) Licensing; Amendment to Financial Intelligence Centre Act	February 2024	1. Issuance of licenses to CASPs. 2. Tightened rules for transferring crypto assets, requiring institutions to report transactions exceeding \$2,650.
	Australia	Legal	Australian Securities and Investments Commission (ASIC)	New Corporate Law Regulations	September 2024	Crypto companies are required to obtain financial services licenses under the Corporate Law, categorizing crypto assets as financial products. ASIC plans to update guidelines by November 2024, clarifying classifications and handling of crypto tokens.
Major Countries Worldwide	G20 Member States		International Monetary Fund (IMF) & Financial Stability Board (FSB)	G20 Cryptocurrency Regulatory Roadmap; G20 Crypto Asset Policy Implementation Progress Report	October 13, 2024; October 22, 2024	Enhancing global financial stability and ensuring effective management of cryptocurrencies within the international economic framework. Addressing existing data gaps in the crypto market and fostering the flexible and effective implementation of a comprehensive crypto asset policy framework.

Gate Research, Data from:laolibtc

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Before delving into major global countries' specific cryptocurrency regulatory policies, we have prepared a summary table exclusively[4]. This table briefly outlines the cryptocurrency regulatory agencies, legislation/policies/statements/measures, dates of passage or implementation,

and the main content for each G20 country. It provides a quick overview of the core content of this article, which is also the theme of this report: the cryptocurrency regulatory policies of major countries. The following sections will detail the cryptocurrency regulatory policies of the G20 countries in chronological order.

3.2 Americas

3.2.1 United States

Let's start with the United States, where cryptocurrency regulatory policies have undergone numerous changes. In recent years, as the scale of the cryptocurrency market has grown rapidly, U.S. regulatory agencies have increasingly strengthened oversight of the cryptocurrency industry.

On May 22, 2024, the U.S. House of Representatives passed the Financial Innovation and Technology for the 21st Century Act (FIT21)[5] with a vote of 279 to 136. The bill, spearheaded by the Republican Party, aims to amend existing securities and commodity regulatory laws to establish a regulatory framework for digital assets and promote the development of the cryptocurrency industry. Judging from its name, FIT21 is expected to shape the cryptocurrency sector for the next decade and possibly influence the remainder of the 21st century.

Figure 5: Financial Technology Innovations of the 21st Century

Financial Technology Innovations of the 21st Century

BILL Hide Overview

Sponsor: [Rep. Thompson, Glenn \[R-PA-15\]](#) (Introduced 07/20/2023)

Committees: House - Financial Services; Agriculture | Senate - Banking, Housing, and Urban Affairs

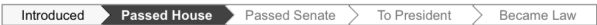
Committee Meetings: [07/27/23 10:00AM](#) [07/26/23 10:00AM](#)

Committee Reports: [H.Rept. 118-484,Part 1](#); [H.Rept. 118-484,Part 2](#)

Committee Prints: [H.Prt. 118-33](#)

Latest Action: Senate - 09/09/2024 Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. ([All Actions](#))

Roll Call Votes: There have been [4 roll call votes](#)

Tracker: 

The Biden administration has shown a mixed stance toward cryptocurrency. On the one hand, it officially approved the launch of spot Bitcoin and Ethereum ETFs earlier this year; on the other hand, it has implemented measures such as imposing taxes and attempting to classify more altcoins as securities to tighten regulations. By contrast, during Trump's previous term, his administration exhibited a relatively dismissive attitude toward cryptocurrency. However, over the past six months, Trump has displayed a friendlier stance, repeatedly pledging to protect crypto assets from excessive regulation and promoting Bitcoin as a "national strategic reserve." Following Trump's re-election on November 5, Bitcoin's price hit consecutive all-time highs, peaking at over \$93,000. With Trump returning to office, the market anticipates a relatively relaxed regulatory environment for the crypto industry.

The United States' approach to cryptocurrency regulation is comprehensive, involving multiple agencies and legal frameworks, including the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), the Federal Reserve (Fed), and the Financial Crimes Enforcement Network (FinCEN). SEC: Responsible for regulating cryptocurrency securities such as NFTs and ICOs. SEC Chair Gary Gensler has emphasized that many cryptocurrencies and ICOs should be treated as securities and regulated accordingly. For example, the SEC filed a securities fraud lawsuit against Silvergate Capital Corp., accusing it of misleading investors following the collapse of FTX. CFTC: Oversees cryptocurrency derivatives trading, such as futures and options. The CFTC generally adopts a more lenient regulatory stance, treating cryptocurrencies as commodities rather than securities. Legislators have shown interest in transferring cryptocurrency regulatory authority from the SEC to the CFTC. Federal Reserve: Focuses on monetary policy and financial market stability. The Fed's interest rate cuts have lowered borrowing costs, driving capital inflows into the cryptocurrency market. FinCEN: Responsible for anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. FinCEN requires cryptocurrency exchanges to conduct AML checks, verify customer identities, and report suspicious transactions.

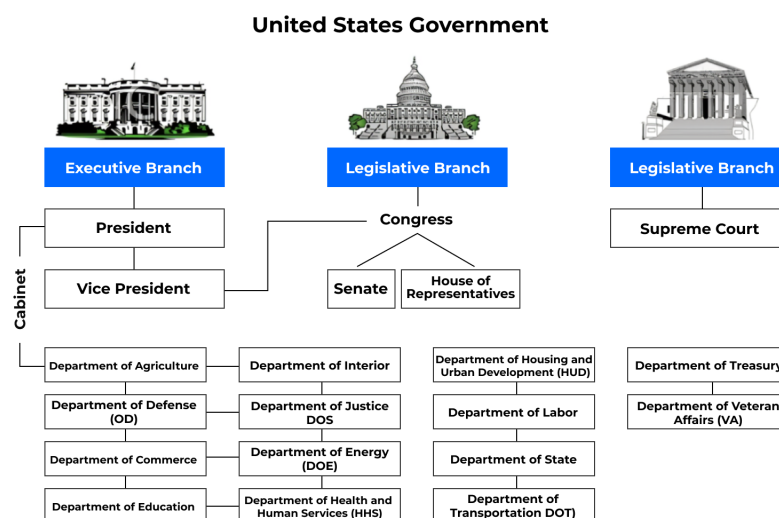
In addition, Hawaii's regulatory sandbox program has ended, allowing cryptocurrency companies to operate in the state without needing a money transmission license issued by Hawaii, though federal regulations still apply.

In June this year, the U.S. Treasury finalized new rules targeting tax evasion through cryptocurrencies. These rules require cryptocurrency exchanges and payment processors to report user transaction information to the IRS. The rules, effective in 2026, will cover all transactions from 2025 onwards and apply only to platforms holding digital assets, such as Coinbase and

Binance. Separate regulations for decentralized crypto platforms are expected at a later date. Moreover, the IRS has issued new rules requiring taxation on cryptocurrency and stablecoin transactions. The Treasury Department has proposed additional rules mandating some cryptocurrency traders to provide identity information to prevent anonymous asset transfers by criminals. For transactions exceeding \$3,000, banks and cryptocurrency platforms must retain customer and counterparty records to verify their identities. Any cryptocurrency transactions exceeding \$10,000 involving unhosted wallets must be reported to FinCEN every 15 days. Currently, the Republican Party is generally more favorable toward the cryptocurrency industry, while the Democratic Party holds a more pessimistic view. With Trump's recent election victory, it remains uncertain how cryptocurrency regulations may evolve or what specific impacts they might have, but the possibility of policy uncertainty looms.

Figure 6: Structure of the U.S. Bureaucratic System

Structure of the U.S. Bureaucratic System



Gate Research, Data from: bing.com

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It should also be noted that among the various regulatory agencies in the U.S. economic and financial sectors mentioned above, the Federal Reserve and the Securities and Exchange Commission, along with its chairman, are independent administrative agencies not controlled or appointed by the President[6]. Therefore, implementing certain cryptocurrency regulatory policies mentioned earlier is generally not subject to adjustment or change due to a presidential transition.

Figure 7: Illustration of Cryptocurrency in Canada

Illustration of Cryptocurrency in Canada



Have you dipped your toe into the crypto investing waters but are now confused about how crypto taxation works in Canada? The Canada Revenue Agency (CRA) has released a comprehensive guide on cryptocurrency taxation, detailing the specific tax rules within the country. The key point to grasp is that cryptocurrency gains must be reported as either business income or capital gains. If this sounds confusing, then there's no need to worry! In our exhaustive tax guide, we'll demystify the entire process of cryptocurrency taxation in Canada.

Gate Research, Data from: eoje.cn

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3.2.2 Canada

Canada adopts relatively flexible regulatory policies for cryptocurrencies in the North American region. The latest update at the end of September this year indicates that Canadian securities regulators have extended the compliance deadline for cryptocurrency exchanges to the end of 2024. This extension gives exchanges more time to meet regulatory requirements or propose safer alternatives. However, platforms that fail to comply by the deadline may face penalties, including being prohibited from offering certain products. Those that meet compliance standards will be allowed to continue operations.

The Canadian Securities Administrators (CSA) require cryptocurrency exchanges to register and comply with investor protection and anti-money laundering regulations. The Canada Revenue Agency (CRA) classifies cryptocurrency as a form of property[7], and under the Income Tax Act, profits from cryptocurrencies are taxable as either business income or capital gains. Additionally, Canada has introduced cryptocurrency ETFs, offering investors an indirect channel for investing in cryptocurrencies.

3.2.3 Mexico

In June 2021, Mexico's central bank, Ministry of Finance, and National Banking and Securities Commission jointly declared that virtual currencies are not legal tender under Mexican law and prohibit their use within the country's financial system. Following the inauguration of a new president in June 2024, the previous cryptocurrency regulatory policies have been upheld, with no comprehensive legislation introduced for the crypto industry. However, the government imposes a 20% tax on cryptocurrency earnings. Other regulations include requiring cryptocurrency exchanges to register in compliance with global anti-money laundering (AML) and counter-terrorism financing (CTF) standards. Additionally, blockchain regulation has focused on enhancing the security of the technology and its ecosystem.

3.2.4 Brazil

Brazil's regulatory framework for cryptocurrencies is gradually taking shape. On November 13, 2024, the Central Bank of Brazil announced that traditional financial institutions would be allowed to enter the cryptocurrency market. At the same time, the government is preparing new regulations that set high compliance thresholds, including the requirement to obtain a Virtual Asset Service Provider (VASP) license.

On November 15, the Brazilian Chamber of Deputies approved a new regulatory framework allowing the use of cryptocurrencies as a means of payment in Brazil. Under the provisions of Code PL 4401/2021, virtual currencies are now included within the central bank's definition of "payment agreements." The framework, designed to regulate a broad category of financial instruments called "virtual assets," has passed both chambers of Congress and only awaits presidential approval to become law.

Brazil's securities regulator is also formulating cryptocurrency policies, mandating that exchanges register and comply with AML regulations. Additionally, Brazil plans to fully roll out its cryptocurrency, the "digital real," by the end of the year.

3.2.5 Argentina

On November 17, 2024, Argentina's National Securities Commission (CNV) updated its investment framework to include cryptocurrencies such as Bitcoin and Ethereum in open-ended mutual funds (FCIs). This decision signifies that digital assets are gradually being accepted as part of traditional investment portfolios, reflecting the growing global acceptance of cryptocurrencies in financial markets.

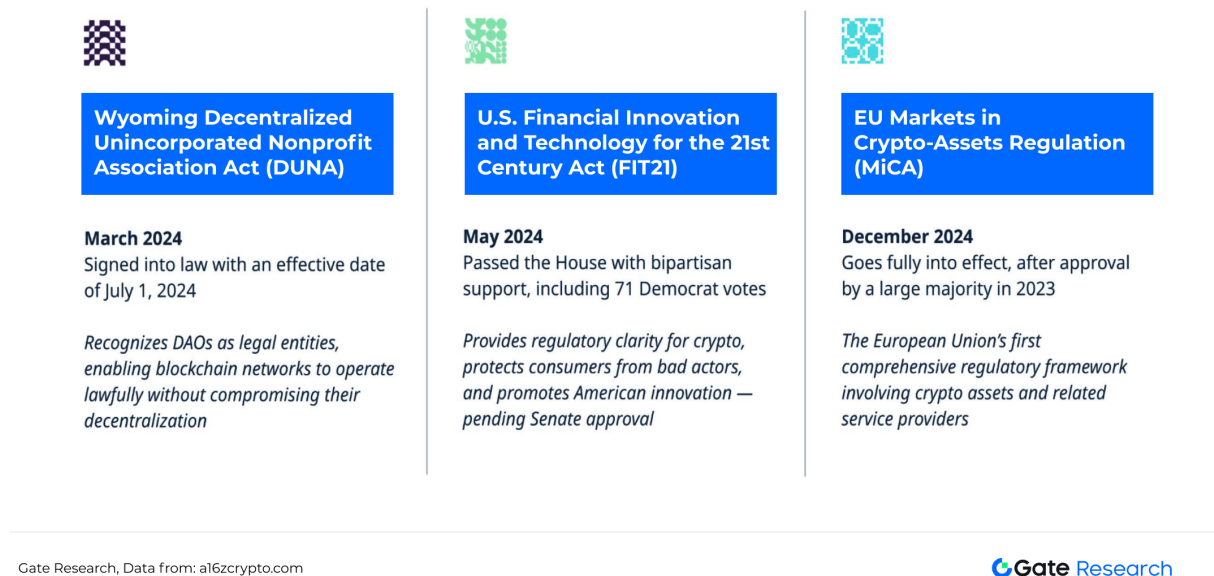
Argentina's new cryptocurrency law requires holders to declare their assets to the state, with failure to comply resulting in civil penalties or criminal liability for tax evasion. On October 22, the CNV introduced a regulatory draft for the operation of Virtual Asset Service Providers (VASPs) to enhance user protection while imposing new compliance requirements on industry participants. The draft mandates cryptocurrency companies to disclose agreements with third parties and clients, implement AML and CTF policies, establish cybersecurity standards, and meet minimum capital requirements based on the type of crypto business.

In July 2024, the Argentine government removed a cryptocurrency tax as part of a contentious omnibus bill. The law mandates taxpayers to declare ownership of previously undeclared assets, including cryptocurrencies. Under this framework, those who declare Bitcoin or other cryptocurrencies to the government are eligible for tax exemptions.

Due to the severe inflation of the Argentine peso, citizens widely regard cryptocurrencies as a legitimate means of payment. However, the Financial Intelligence Unit (FIU) has intensified its oversight of cryptocurrency transactions, requiring exchanges to register and comply with AML regulations.

Figure 8: Progress of the Crypto Industry Under Regulation

Progress of the Crypto Industry Under Regulation



The image depicts Wyoming passing the Decentralized Autonomous Nonprofit Organization (DUNA) Act, the U.S. House of Representatives approving the 21st Century Financial Innovation and Technology Act (FIT21) with bipartisan support, and the European Union implementing the Markets in Crypto-Assets (MiCA) Regulation[8].

3.3 Europe

3.3.1 European Union (including Germany, France, and Italy)

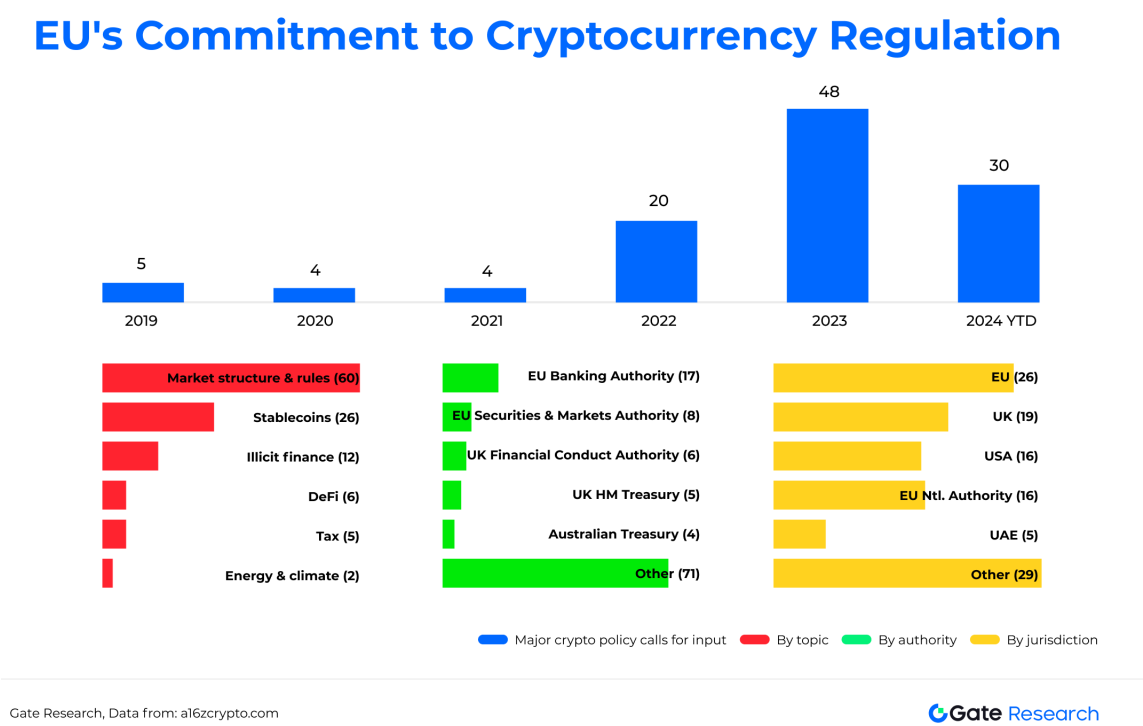
The regulation of cryptocurrencies in Europe is relatively complex. The European Union (EU) and its member states have varied positions and approaches toward cryptocurrency regulation. The European Commission has been working on establishing a unified regulatory framework to address market risks and protect investor interests.

Although the EU provides a common regulatory framework, the specific implementation details and enforcement vary among member states. For instance, countries like France, Italy, and Germany have their own regulatory bodies, such as the Autorité des marchés financiers (AMF) in France, the Italian Ministry of Finance, and BaFin (Federal Financial Supervisory Authority)

in Germany.

Some EU member states, such as Germany and France, have already implemented relatively clear cryptocurrency regulations, requiring cryptocurrency exchanges and wallet providers to register and comply with relevant regulations. As EU regulations apply to all member states, this section will not detail the specific rules of individual countries like France, Germany, or Italy, but will instead provide a general overview[9].

Figure 9: EU's Commitment to Cryptocurrency Regulation



The European Union’s regulatory policy for cryptocurrencies has taken shape. The European Commission introduced the Markets in Crypto-Assets Regulation (MiCA) to establish a unified regulatory framework for the crypto-assets market. This regulation came into effect on June 30, 2024, for token issuers, and will take effect on December 30, 2024, for Crypto-Asset Service Providers (CASPs). MiCA represents the world’s first comprehensive regulatory framework for the cryptocurrency industry, aiming to create an all-encompassing structure that governs the issuance, trading, custody, and wallet services of crypto-assets.

MiCA ensures transparency, security, and stability in the crypto-assets market. Token issuers must obtain authorization to offer their services within the EU, and CASPs must meet a series of standards and secure authorization to operate. Below is a summary chart of the key provisions of the EU’ s MiCA regulation[10]:

Figure 10: Classification of Crypto Assets

Classification of Crypto Assets

Asset classes	Requirements for crypto-asset issuers
Crypto-assets	Issuers of all types of crypto assets are required to draft a white paper (with the exception of utility tokens and small cryptocurrencies) and notify the national authority at least 20 days in advance of publication.
Utility token	
Asset-referenced token (ART)	ART publishers are required to draft a white paper. Release ART White The paper requires the express prior approval of the national authority. Issuers are required to be registered in the EU to meet certain prudential. The "self-financing" requirement (2% of the supply of ART), Meet reserve management (regarding segregation, custody, investment, etc.) Standards, and develop risk cleanup and solutions. Counterweight ART has higher standards.
Significant Asset Reference Token significant ART	
E-money token (EMT)	Only certified Electronic Money Institutions (EMI) or credit institutions can issue electronic money tokens in the EU. Draft a white paper and notify the competent authorities of its publication. There are similar "self-financing" (2% of supply) and reserve and management requirements as ART issuers. There are higher standards for important EMTs.
Significant EMT	
Non-fungible token (NFT)	Recommended that the NFT should remain outside the scope of the MiCA; But Recital 11 notes that if NFTs are issued in the form of "large series and collections," they may be considered not actually "non-homogenized." " That is, its issuance and other services built on such NFT (e.g. NFT Marketplace) may be subject to ICA requirements.
securitytoken	

Not bound by the MiCA, the French volume of the law.

Gate Research, Data from: q7.itc.cn

Gate Research

In addition, the EU Anti-Money Laundering and Counter-Terrorism Financing Legislative Proposal, passed at the end of March this year, also includes cryptocurrency regulatory policies. As a concrete legislative measure to complement MiCA, this proposal aims to ensure crypto-assets' traceability.

Furthermore, the European Banking Authority (EBA) announced that cryptocurrency exchanges will be subject to the EU Travel Rule under EU regulations to strengthen anti-money laundering (AML) efforts.

The Basel Committee on Banking Supervision, a permanent supervisory body under the Bank for International Settlements, has approved a framework for the disclosure and prudential standards related to banks' crypto-asset risks. This framework is scheduled to take effect on January 1, 2026.

3.3.2 United Kingdom

Outside the EU, the United Kingdom has a relatively flexible approach to cryptocurrency regulation, primarily overseen by the Financial Conduct Authority (FCA). The FCA requires cryp-

to currency exchanges to register and comply with anti-money laundering (AML) regulations. Additionally, the UK has introduced crypto-asset investment trusts.

On September 11, 2024, the UK government submitted the Digital Assets (Personal Property, etc.) Bill to Parliament. This bill aims to formally recognize cryptocurrencies, NFTs, and real-world assets (RWAs) as personal property and grant them legal protection.

By the end of November, the UK government plans to draft a regulatory framework for the cryptocurrency industry to mitigate concerns over the potential migration of crypto businesses under Trump-led U.S. policies. This initiative seeks to reassure companies about their prospects in the UK. The UK Treasury is also preparing legislation in two areas: stablecoins and a separate regulation for staking services, excluding such services from the existing financial regulatory framework.

3.3.3 Russia

Russia's cryptocurrency regulatory policies are relatively complex. The Central Bank of Russia initially regarded cryptocurrencies as illegal financial instruments and proposed plans to launch a digital ruble. However, this year, the State Duma passed a law during its second and third readings, permitting the use of digital currencies in cross-border transactions and exchange trading as part of an experimental legal regime (ЭПР) starting on September 1, 2024. The latest policy, introduced in November 2024, has also legalized cryptocurrency mining.

3.4 Asia

Cryptocurrency regulatory policies in Asia vary significantly across countries. Some nations, such as China, have implemented strict regulatory measures, while others, like Japan, Singapore, and South Korea, have adopted relatively lenient approaches. China has repeatedly emphasized the risks associated with cryptocurrencies in recent years and has introduced measures to restrict cryptocurrency trading and mining activities. On the other hand, Singapore is committed to establishing itself as a global cryptocurrency hub, implementing various policies and measures to support the development of cryptocurrencies. Similarly, South Korea has an open attitude toward cryptocurrencies but has recently strengthened its oversight of cryptocurrency exchanges to prevent illegal activities such as market manipulation and money laundering.

3.4.1 China

China has implemented strict regulatory policies on cryptocurrencies. In September 2017, the People's Bank of China and six other departments jointly issued the Notice on Preventing Financial Risks from Token Offerings, banning ICO fundraising activities. In September 2021, the People's Bank of China and ten other ministries released the Notice on Further Preventing and Dealing with the Risks of Virtual Currency Trading and Speculation, reinforcing regulations on cryptocurrency mining and trading. This notice prohibited financial institutions and payment platforms from offering services related to cryptocurrencies, effectively outlawing them altogether.

On August 20, 2024, a joint interpretation by the Supreme People's Court and the Supreme People's Procuratorate on the Laws Applicable to Criminal Cases of Money Laundering classified transactions involving “virtual assets” as a method of money laundering.

More recently, on November 20, 2024, the Shanghai High People's Court clarified its stance in a virtual currency issuance financing service contract dispute. It stated that virtual currencies have property value as commodities, and personal ownership is not illegal. However, commercial entities are prohibited from unauthorized participation in virtual currency investment or token issuance. This marks the latest development in China's judicial approach to cryptocurrency regulation.

Despite these restrictions, cryptocurrency trading activities in mainland China have been increasing. This year, over-the-counter (OTC) trading volume has surged by more than 200% compared to the same period in 2021.

On the other hand, China maintains a positive attitude toward blockchain technology. Shanghai recently released its first Web3.0 Industry Report, with experts advocating for research into “tokenomics” to optimize regulation. This indicates that China is actively exploring how to balance blockchain innovation with strict cryptocurrency oversight.

3.4.2 Japan

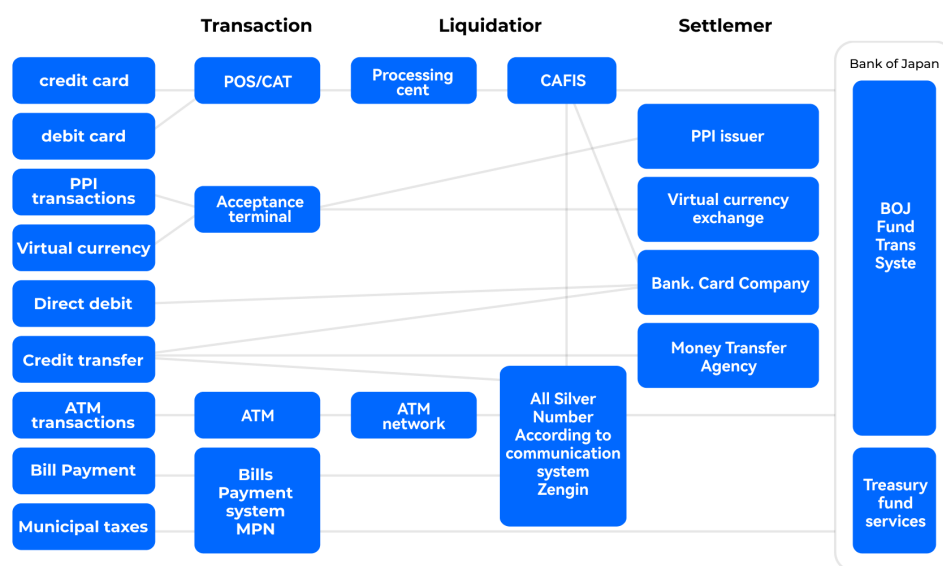
Japan has some of the world's most stringent cryptocurrency regulations, as it was among the first countries to legalize cryptocurrencies. The latest regulatory measures were announced on November 8, 2024, when the Financial Services Agency (FSA) declared plans to strengthen protections for domestic cryptocurrency investors. This move aims to enhance market transparency and security.

In October 2024, Japan initiated a review to assess the effectiveness of its current cryptocurrency regulations. This review may pave the way for the country to introduce cryptocurrency ETFs. The assessment focuses on whether Japan's regulatory approach under the Payment Services Act (PSA) remains sufficient.

The PSA, originally enacted in 2010, incorporated virtual currencies and exchanges into the regulatory framework with the enactment of the Revised Payment Services Act in April 2017[11].

Figure 11: Japan's Retail Payment Sector: Participants and Payment Processes

Japan's Retail Payment Sector: Participants and Payment Processes



Gate Research, Data from: weixin.qq.com

Gate Research

Japanese legislators have amended the Payment Services Act (PSA) multiple times to address changes in the financial services landscape brought about by the emergence of digital currencies. The PSA recognizes Bitcoin and other cryptocurrencies as legitimate property. It also requires cryptocurrency exchanges to register and comply with the country's anti-money laundering (AML) and counter-terrorism financing (CFT) obligations.

Additionally, Japan's tax policies on cryptocurrencies are notably strict. For instance, the Japanese government imposes taxes on cryptocurrencies like Bitcoin. Under Japan's cryptocurrency tax laws, citizens must report profits from digital assets under the "other income" section of their tax returns, rather than being subject to a uniform capital gains tax rate. Individuals may pay up

to 55% of their cryptocurrency earnings in taxes.

In September 2024, the Financial Services Agency (FSA), in its tax reform review documents, stated that it is necessary to reconsider whether cryptocurrency should be regarded as a financial asset suitable for public investment. Currently, Japan taxes cryptocurrency profits as income, and financial regulators are evaluating whether to classify cryptocurrencies as financial assets for taxation purposes. However, as in previous cases, the implementation of such reforms may be indefinitely delayed.

3.4.3 South Korea

South Korea's cryptocurrency regulatory policies are relatively friendly. The latest update came at the end of October 2024, when the Ministry of Finance announced plans to regulate cross-border transactions involving cryptocurrencies and other virtual assets starting in the second half of 2025. Under the new rules, businesses handling cross-border virtual asset transactions will be required to register with authorities in advance and report transaction details to the Bank of Korea every month.

The Financial Services Commission (FSC) had already established requirements for cryptocurrency exchanges to register and comply with investor protection and anti-money laundering (AML) regulations. Additionally, in August 2024, South Korea delayed the implementation of its cryptocurrency capital gains tax, originally planned for 2025, to 2027.

South Korea's first comprehensive cryptocurrency regulatory framework has now been fully implemented, with a focus on ensuring the safety of cryptocurrency investors. The new Virtual Asset User Protection Act, which came into effect on July 18, 2024, imposes stricter requirements on digital asset exchanges, including rules on exchange reserves, cold wallets, and custodian banks. The Financial Supervisory Service (FSS), in collaboration with local exchanges, has developed a 24-hour monitoring system to detect suspicious activities in the cryptocurrency market.

3.4.4 India

India's regulatory policies on cryptocurrencies are relatively complex. The Reserve Bank of India (RBI) previously banned financial institutions from providing services related to cryptocur-

rencies, but this ban was overturned by the Supreme Court in 2020.

On October 23, 2024, Indian media reported that the government is considering a ban on private cryptocurrencies like Bitcoin while actively promoting the adoption of a central bank digital currency (CBDC). In July 2024, India began preparing new cryptocurrency regulations, including requirements for cryptocurrency exchanges to register and comply with anti-money laundering (AML) regulations. The long-delayed Cryptocurrency Bill has undergone multiple revisions and postponements and may serve as a precursor to the implementation of the CBDC.

India has already taken steps to supervise the cryptocurrency industry, focusing primarily on taxation and AML measures. This year, the successful registration of exchanges like Binance as reporting entities marks a significant milestone in India's cryptocurrency regulatory landscape. India's tax regime for crypto assets is notably stringent. The Income Tax Department (ITD) added Section 2(47A) to the Income Tax Act, bringing virtual digital assets (VDAs) under its scope. This classification includes all types of crypto assets, such as cryptocurrencies, NFTs, and tokens.

3.4.5 Indonesia

Indonesia maintains relatively strict regulatory policies on cryptocurrencies. On October 22, 2024, Indonesia's futures trading regulatory agency Bappebti announced an extension for cryptocurrency trading platforms to obtain a Crypto Asset Trader (PFAK) License, while also expanding the scope of market participants. The new guidelines permit legal entities and commercial enterprises to trade crypto assets.

On May 8, 2024, Bappebti established a Crypto Asset Committee to oversee industry operations and compliance. Additionally, the Indonesian President directed the Financial Transaction Reports and Analysis Center (PPATK) to monitor cases of money laundering involving cryptocurrencies and NFTs, as well as other potential tools for illicit financial activities.

In mid-March 2024, Indonesia's Financial Services Authority (OJK) introduced new regulations to foster technological innovation in the financial sector. These regulations, effective January 2025, will cover cryptocurrencies. Starting in January 2025, the OJK will also assume regulatory authority over the cryptocurrency sector from Bappebti, which currently oversees it. The new regulatory body will require cryptocurrency companies to undergo evaluation in a sandbox environment before receiving approval to operate in the country.

Indonesia enforces a rigorous approval process to protect users, implementing a licensing system for Physical Crypto Asset Traders (PFAK). These licenses authorize entities to conduct cryptocurrency trading and provide crypto-related services.

The Bank of Indonesia initially prohibited the use of cryptocurrencies as a means of payment and barred financial institutions from providing cryptocurrency-related services. However, as of February 15, 2019, the Indonesian Futures Exchange Supervisory Board issued new regulations formally legalizing cryptocurrency trading.

Figure 12: Value of Assets Receives in the Middle East and North Africa

Value of Assets Received in the Middle East and North Africa

Israel	19.90%	7.30%	32.30%	40.60%
Saudi Arabia	16.40%	7.80%	29.70%	46.10%
Türkiye	15.60%	8.50%	20.70%	55.20%
UAE	16.50%	7.80%	24.40%	51.30%
Global	22.30%	8.30%	24.60%	44.70%
	BTC	ETH	Altcoin	Stablecoin

Gate Research, Data from: zhimg.com

3.4.6 Saudi Arabia

Saudi Arabia has yet to establish a comprehensive regulatory framework for Virtual Asset Service Providers (VASPs), primarily focusing on central bank digital currencies (CBDCs)[12]. However, cryptocurrency investments have gained significant popularity. On November 14, 2024, media reports suggested that Saudi Arabia and other Gulf oil-producing nations might be purchasing Bitcoin at the sovereign level. Relevant sovereign funds are expected to disclose this information during the Abu Dhabi Bitcoin Summit on December 9–10, 2024.

Currently, the combined total assets under management of sovereign wealth funds like Saudi Arabia's PIF (Public Investment Fund), UAE's ADIA (Abu Dhabi Investment Authority), and Qatar's QIA (Qatar Investment Authority) exceed \$2 trillion. As these represent the world's largest sovereign wealth funds, their investment moves will significantly influence the global cryptocurrency market.

In June 2024, Saudi Arabia joined the mBridge project, a cross-border CBDC pilot program led by the Bank for International Settlements (BIS) and China. The Saudi Central Bank (SAMA) announced its participation, stating that it would become a full member of the mBridge MVP (Minimum Viable Product) platform. This initiative is viewed as a potential step toward reducing reliance on the U.S. dollar in global oil trade settlements.

In January 2023, SAMA tested the use of CBDCs, focusing on privacy and financial security. This measure was part of its broader efforts to address the growing adoption of cryptocurrencies while ensuring proper legal protections to combat unregulated and illegal cryptocurrency circulation.

SAMA is also studying the economic implications, market readiness, and practical deployment of digital currency payment solutions. Before advancing to the next phase of research, SAMA plans to examine policies and regulatory issues surrounding digital currencies to ensure effective governance and implementation.

Figure 13: Turkey: Unauthorized Crypto Service Providers Face Up to 22 Years in Prison

Turkey: Unauthorized Crypto Service Providers Face Up to 22 Years in Prison



Gate Research, Data from: turkiyetoday.com

Gate Research

3.4.7 Turkey

In September 2024, Turkey shelved additional plans to tax stocks and cryptocurrencies, with the Vice President announcing the decision not to move forward. On June 27, 2024, Turkey officially passed amendments to the Capital Markets Law, introducing cryptocurrency-related regulatory measures aimed at enhancing market transparency and investor protection[13].

The key provisions include granting the Capital Markets Board (SPK) authority to regulate cryptocurrency trading and impose sanctions. Unauthorized providers of crypto-asset services may face 3 to 5 years of imprisonment, with harsher penalties for embezzlement. While platforms are allowed to set prices freely, they are required to monitor and prevent disruptive market behaviors, taking necessary measures when needed.

The SPK will also establish regulations for cryptocurrency investment advisory and management services and issue licenses to authorized service providers. Banks engaging in cryptocurrency-related services must obtain approval from the Banking Regulation and Supervision Agency (BDDK).

These new policies are designed to strengthen oversight of the cryptocurrency market. Following the introduction of these regulations, the number of applications for cryptocurrency licenses surged. The Capital Markets Board (CMB) announced that 47 cryptocurrency companies have

applied for licenses under the new framework.

3.5 Oceania and Africa

Figure 14: Australia to Regulate Crypto Startups Through Financial Licensing

Australia to Regulate Crypto Startups Through Financial Licensing

Cryptonews • Blockchain News

Australia Aims to Regulate Crypto Start-ups with Mandatory Financial Services Licences

ASIC

Australia

ASIC commissioner Alan Kirkland said that many crypto asset firms in Australia will need licensing, as several crypto assets are considered financial products under current laws.



Crypto Reporter

Shalini Nagarajan

Last updated:

2024年9月23日 GMT+8 13:59

Gate Research, Data from: cryptonews.com

 Gate Research

3.5.1 Australia

Australia adopts relatively lenient regulatory policies toward cryptocurrencies. On November 10, 2024, the Reserve Bank of Australia (RBA) announced plans to trial a wholesale central bank digital currency (CBDC) in 2025 for asset tokenization, while also exploring private forms of digital currency, including tokenized deposits.

On the regulatory front, at the end of October 2024, the Victoria Police was granted new powers to seize digital assets following amendments to the 1997 Confiscation Act, which introduced Section 92A allowing the seizure of digital assets under a search warrant.

In September 2024, the Australian Securities and Investments Commission (ASIC)[14] mandated that many crypto-asset companies must obtain financial services licenses under the Cor-

porations Act, classifying certain crypto assets as financial products. ASIC plans to update its guidelines in November 2024 to clarify categorizing and handling specific crypto tokens. The agency has also intensified its oversight of the crypto industry, taking enforcement actions against Kraken and the Australian Securities Exchange (ASX). As part of its efforts to combat online investment scams, ASIC coordinated the takedown of over 600 crypto-related scams last year. At the end of June 2024, the Australian Taxation Office (ATO) enhanced its data procedures to identify cryptocurrency-related tax evasion. Meanwhile, the ASX has approved two spot Bitcoin ETFs, offering investors additional options for cryptocurrency investment.

Figure 15: South Africa Approves Multiple Crypto Asset Services

South Africa Approves Multiple Crypto Asset Services



South Africa's financial services industry regulator announced on July 2 that it had approved an additional 63 crypto asset service provider license applications. The Financial Sector Conduct Authority (FSCA) has received a total of 383 applications, with only five being declined. Notably, the approvals do not mean crypto assets are recognized as a legal form of tender or 'cryptocurrency' in South Africa.

Gate Research, Data from: news.bitcoin.com

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3.5.2 South Africa

South Africa is emerging as a digital asset hub in Africa, with a regulatory framework considered superior to those of Hong Kong, Singapore, and the United States. In the second quarter of 2024, the Financial Sector Conduct Authority (FSCA), the regulator for South Africa's financial services industry, issued 63 licenses to Crypto Asset Service Providers (CASPs), bringing the total number of licensed CASPs in the country to 138[15].

On October 13, 2024, the South African Revenue Service (SARS) announced the inclusion of crypto assets in its compliance program. The South African government is intensifying oversight

of cryptocurrency transactions. SARS is issuing tax notices and clarifying related regulations, with potential plans to leverage AI to identify non-compliant traders.

Under the rules of the South African Reserve Bank (SARB), individuals can purchase crypto assets using a single discretionary allowance or a foreign capital allowance. Still, companies are prohibited from using foreign direct investment channels to invest in crypto assets.

In early July 2024, the FSCA's enforcement division established a task force to investigate individuals or entities offering crypto financial services without appropriate licenses. The task force is currently reviewing 30 cases.

At the end of May 2024, South African regulators tightened crypto asset transfer rules. The Financial Intelligence Centre (FIC) issued a directive aligned with the FSCA's licensing requirements for 75 CASPs. The directive mandates more detailed and stringent reporting requirements for digital transactions.

In February 2024, the National Treasury of South Africa unveiled plans to promote virtual payment adoption. It proposed amendments to the Financial Intelligence Centre Act, requiring all institutions to report cryptocurrency transactions exceeding 49,999 South African rand (approximately \$2,650).

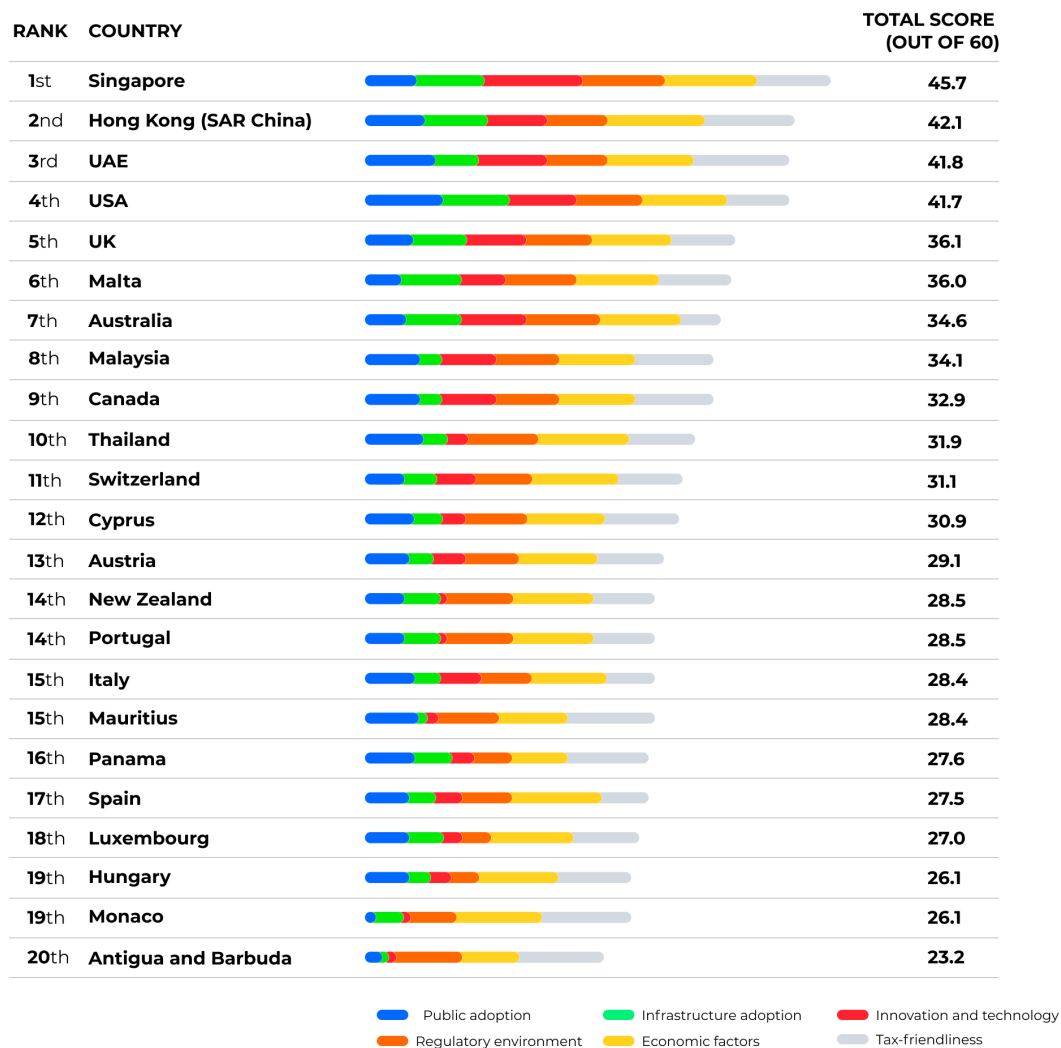
3.5.3 Other Regions

Cryptocurrency regulatory policies are continually evolving in other regions, such as Africa and Latin America. Some African countries, such as Nigeria and Kenya, have already established regulations to govern cryptocurrency trading activities.

In Latin America, several crypto-friendly nations have emerged, actively exploring the potential of using cryptocurrencies to promote economic development and facilitate cross-border payments.

Figure 16: Crypto Adoption Index Rankings

Crypto Adoption Index Rankings



Gate Research, Data from: henleyglobal.com

Gate Research

3.6 Comprehensive Ranking of Countries and Regions in the Crypto Adoption Index Outside the G20

On August 30, 2024, investment consultancy firm Henley Partners released the "Crypto Adoption Index 2024" report[16]. According to the report, Singapore ranked first globally in cryptocurrency adoption with a score of 45.7 out of 60, as shown in the chart above. The report assessed 28 countries, evaluating public adoption, infrastructure, innovative technologies, regulatory environment, economic factors, and tax friendliness. These factors can be seen as

indicators of the friendliness and flexibility of regulatory policies.

Outside the G20, the countries and regions included in this ranking are:

Hong Kong and the United Arab Emirates ranked second and third with scores of 42.1 and 41.8, respectively. Malta, Malaysia, and Thailand also made it into the top ten, followed by Switzerland, Cyprus, Austria, New Zealand, Portugal, Mauritius, Panama, Spain, Luxembourg, Hungary, Monaco, and Antigua and Barbuda. Among these are several EU member states, which are subject to the cryptocurrency regulatory framework mentioned earlier in this article: the Markets in Crypto-Assets (MiCA) Regulation, applicable to these EU countries.

4 Summary of Characteristics and Trends in Cryptocurrency Regulation in Key Regions

4.1 Significant Differences in Regulatory Policies, with Frameworks Gradually Taking Shape:

Due to economic, political, and cultural differences, the regulatory policies on cryptocurrencies vary significantly across major countries. Some nations, such as China, have adopted stricter regulatory measures for cryptocurrencies, while others have taken a more lenient approach. These differences in regulatory policies have led to a fragmented and complex global cryptocurrency market.

Major global economies, including G20 countries, are gradually establishing comprehensive regulatory frameworks for cryptocurrencies[17], covering areas such as crypto asset issuance, trading, custody, and wallet services. For instance, the European Union has begun implementing the Markets in Crypto-Assets Regulation (MiCA). Similarly, the United States is enhancing regulatory collaboration between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), with the Financial Innovation and Technology for the 21st Century Act (FIT21) passing with broad support.

Figure 17: G20 Roadmap for Crypto Assets

G20 Roadmap for Crypto Assets



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We express our appreciation to the IMF and FSB for effectively putting together the IMF-FSB Synthesis Paper which the Leaders welcomed in the G20 New Delhi Declaration. We adopt the Roadmap proposed in the Synthesis Paper as a G20 Roadmap on Crypto Assets. This detailed and action-oriented Roadmap is essential to achieve our common goals of macro-economic and financial stability and to ensure effective, flexible, and coordinated implementation of the comprehensive policy framework for crypto assets. We call for swift and coordinated implementation of the G20 Roadmap, including implementation of policy frameworks; outreach beyond G20 jurisdictions; global coordination, cooperation and information sharing; and addressing data gaps. We ask the IMF and FSB to provide regular and structured updates on the progress of implementation of the G20 Roadmap on Crypto Assets. We support the ongoing work and global implementation of FATF standards on crypto-assets.

Gate Research, Data from: g20.org

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4.2 Developing a Joint Regulatory Roadmap and Strengthening International Cooperation and Coordination:

On October 13 last year, G20 finance ministers and central bank governors issued a joint communiqué, unanimously adopting a regulatory roadmap for cryptocurrencies[18]. This roadmap aims to enhance global financial stability and ensure that cryptocurrencies are effectively managed within the international economic framework. Addressing existing data gaps in the cryptocurrency market is also a key objective of the framework. This collective effort seeks to strengthen macroeconomic and financial stability while promoting the effective and flexible implementation of a comprehensive policy framework for crypto assets. Additionally, G20 leaders underscored the need for clear tax treatment of crypto assets.

Given the cross-border and anonymous nature of cryptocurrencies, G20 countries broadly recognize the importance of enhancing international cooperation and coordination. In recent years, G20 nations, under the guidance of international financial organizations such as the International Monetary Fund (IMF) and the World Bank, have intensified collaboration and dialogue on cryptocurrency regulation. By sharing information and experiences, coordinating regulatory measures, and establishing international standards, G20 countries are collectively addressing the challenges and risks posed by cryptocurrencies. Strengthening international coordination is essential to prevent cryptocurrencies from undermining macroeconomic and financial stability.

G20 Roadmap for Crypto Assets (Part II)

G20 Finance Leaders Release Joint Communique Adopting Crypto Regulation Roadmap



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Last updated:

2023年10月13日 GMT+8 12:56

Why Trust Cryptonews

G20 Finance Ministers and Central Bank Governors have issued a joint communique in Marrakech, Morocco announcing unanimous adoption of a comprehensive roadmap aimed at regulating crypto assets. The joint communique was released during the fourth and final G20 FMCB meeting under India's presidency. The roadmap seeks to enhance global financial stability and ensure that cryptocurrencies are effectively managed within the bounds of the international economic framework. The crypto asset roadmap that is agreed upon is based on the synthesis paper that was unveiled in Delhi last month, serving as the blueprint for what is now officially recognized as the G20 Roadmap on Crypto Assets.

Gate Research, Data from: Dune theblockbeats.info

Gate Research

4.3 Strengthening Investor Protection and Combating Illegal Activities While Promoting Technological Innovation and Development:

Major countries worldwide generally emphasize investor protection and combating illegal activities in cryptocurrency regulation. On one hand, nations are enacting relevant laws to regulate cryptocurrency trading activities, safeguarding investors from potential harm. On the other hand, efforts to combat illegal activities such as money laundering, terrorist financing, and tax evasion using cryptocurrencies are being intensified to maintain financial stability and security.

Although regulatory policies on cryptocurrencies vary among countries, there is a shared recognition of the importance of technological innovation and industrial development in the cryptocurrency market. For example, countries like Singapore and South Korea have introduced policies and measures to support cryptocurrency-related technological innovation and industrial growth. These include tax incentives, funding support, and talent acquisition programs. Such initiatives contribute to fostering the healthy development of the cryptocurrency market and enhancing its technological innovation capacity.

G20 Crypto Asset Policy Progress Report



G20 Crypto-asset Policy Implementation Roadmap: Status report

22 October 2024

Promoting, supporting, and monitoring the effective implementation of a coordinated and comprehensive policy and regulatory response to address the risks of crypto-assets is a priority of the G20.

Gate Research, Data from: Blockchain.com

Gate Research

On October 22, 2024, the Financial Stability Board (FSB) released the G20 Crypto-Asset Policy Implementation Progress Report[19]. This report aims to promote the implementation of policy frameworks, enhance institutional capacity outside G20 member jurisdictions, and strengthen global coordination, cooperation, and information sharing. The progress report reflects the advancements made by G20 countries in executing the Cryptocurrency Regulatory Roadmap.

5 Impact and Recommendations on Cryptocurrency Regulatory Policies in Major Countries and Regions

5.1 Impact of Regulatory Policies:

The cryptocurrency regulatory policies of major countries and regions have significantly and multifacetedly impacted the cryptocurrency market. Globally, these policies exhibit diverse characteristics.

On the one hand, strict regulatory policies have helped to regulate market order and reduce

illegal activities and fraud. For example, regulatory measures in the United States and the European Union require cryptocurrency trading platforms to report user transactions and impose stricter oversight on non-custodial wallets. These measures help combat money laundering and terrorist financing, enhancing financial market stability.

On the other hand, the variation in regulatory policies among countries has led to market fragmentation, presenting significant compliance challenges for cryptocurrency businesses. For instance, China has completely banned cryptocurrency mining and related business activities, while some emerging market countries adopt relatively lenient regulatory approaches. As a result, businesses face the complexity of navigating different regulatory environments when planning their global strategies.

Moreover, regulatory uncertainty and frequent policy changes profoundly impact investor confidence. Clear and consistent regulatory policies can boost investor trust in the market, attracting more participants. Conversely, policy uncertainty can erode investor confidence and contribute to market volatility. For example, differing attitudes toward cryptocurrencies among U.S. political parties may create regulatory uncertainty, influencing investor decisions and market dynamics.

5.2 Recommendations for Current Cryptocurrency Regulatory Policies in Major Global Countries

5.2.1 Recommendations for Regulatory Authorities:

Strengthen International Cooperation

The global nature of the cryptocurrency market highlights the importance of international collaboration. Governments should leverage platforms like the G20 to enhance communication and coordination with other nations, jointly establishing unified regulatory standards and policy frameworks. This approach can mitigate the risks associated with cross-border regulatory arbitrage and policy discrepancies. For instance, drawing inspiration from the G20 leaders' joint communiqué, which unanimously adopted a cryptocurrency regulatory roadmap, authorities can address existing data gaps in the crypto market and enhance global financial stability.

Continuously Refine Regulatory Policies

Governments should closely monitor developments in the cryptocurrency market, adapting and refining regulatory policies in response to market changes. When crafting regulations, it is critical

to balance fostering innovation and mitigating risks. The aim should be to protect investor interests while providing innovative businesses with sufficient room to grow. For example, adopting a regulatory sandbox approach allows innovative companies to experiment within a controlled regulatory environment, enabling them to explore new business models and technological applications.

5.2.2 Recommendations for Cryptocurrency Enterprises

Strengthen Compliance Frameworks

Cryptocurrency enterprises should closely monitor regulatory changes across jurisdictions and establish robust compliance systems to ensure their operations align with local laws and regulations. For instance, cryptocurrency trading platforms should enhance user identity verification (KYC), implement anti-money laundering (AML) and counter-terrorist financing (CTF) measures, and adhere to reporting requirements. Additionally, businesses should improve information disclosure to increase transparency, helping investors better understand market risks.

Promote Industry Self-Regulation

Enterprises can actively participate in industry association activities to collaboratively develop standards and guidelines, thereby fostering self-regulation and enhancing the industry's overall reputation and credibility. For example, forming a cryptocurrency industry association to draft a self-regulatory code of conduct can improve oversight of member companies and elevate overall compliance standards within the sector.

Enhance Technological Innovation

Businesses should invest more in research and development to improve the security and scalability of cryptocurrency transactions. By leveraging advanced encryption techniques, multi-signature technology, and smart contracts, enterprises can enhance transaction security and reduce hacking and fraud risks. Additionally, companies should explore emerging scalability technologies like the Lightning Network and sidechains to increase transaction throughput and speed, boosting the market's competitiveness.

5.2.3 Recommendations for Investors

Increase Risk Awareness

Investors should understand the risks and characteristics of the cryptocurrency market and make rational investment decisions. Given the market's high volatility and uncertainty, investors must recognize potential risks, such as price fluctuations, regulatory changes, and technological vulnerabilities, when investing in cryptocurrencies.

Pursue Continuous Learning and Research

Investors should continually enhance their cryptocurrency market knowledge to improve financial literacy and risk assessment capabilities. Understanding cryptocurrencies' technological principles, market trends, and regulatory policies can enable investors to make more informed decisions.

Diversify Investments

Investors should avoid allocating all their funds to the cryptocurrency market. Instead, they should adopt a diversified investment strategy to spread risk. This can include allocating funds to traditional financial assets such as stocks, bonds, mutual funds, and tangible assets like gold to lower overall portfolio risk.

6 Conclusion

In this article, we have conducted an in-depth exploration of the cryptocurrency regulatory policies across major countries and regions worldwide, providing readers with a comprehensive perspective to understand the complexity and dynamic changes in the current global cryptocurrency regulatory landscape. By systematically reviewing the regulatory policies of G20 countries, we have not only highlighted the characteristics and trends of various policies but also analyzed their impact on the global cryptocurrency market. We believe that international cooperation and coordination will play an increasingly vital role as the cryptocurrency market matures and global regulatory frameworks become more refined.

For regulatory authorities, we recommend strengthening international cooperation to jointly develop regulatory roadmaps that address the challenges of cross-border cryptocurrency trans-

actions. We suggest closely monitoring regulatory developments for cryptocurrency enterprises to ensure compliance while leveraging technological innovation to improve service quality. For investors, we encourage heightened risk awareness, rational asset allocation, and attention to how regulatory policies affect the market.

Overall, as an emerging asset class, the formulation and implementation of cryptocurrency regulatory policies are critical to the market's healthy development. We look forward to seeing regulators, businesses, and investors work together to promote a more transparent, secure, and efficient cryptocurrency market. With continuous technological advancements and strengthened global collaboration, we are confident that the cryptocurrency market will witness a more stable and prosperous future.

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