

NEWS Jun 11, 2021 Latest News

FINANCE By Lubomir Tassev

Swiss, French Central Banks to Trial Wholesale CBDC Settlements With BIS and Private Sector

The central banks of Switzerland and France are joining hands with the Bank for International Settlements to test wholesale central bank digital currencies in cross-border transactions. The experiment will be conducted with the help of a private sector consortium led by Accenture.

EUROPEAN CENTRAL BANKS TO COLLABORATE ON CBDC PROJECT

The Swiss National Bank (SNB), Banque de France, and the Bank for International Settlements (BIS) Innovation Hub have announced this week they'll cooperate on trials exploring the use of wholesale central bank digital currencies (CBDCs) for cross-border settlements. The tests will be supported by an Accenture-led private sector consortium that also includes Credit Suisse, Natixis, R3, SIX Digital Exchange, and UBS.

#BISInnovationHub @banquedefrance and the Swiss National Bank launch #ProjectJura – a collaborative experiment into wholesale #CBDC @SNB_BNS_en <https://t.co/vtbMCSJA6i> pic.twitter.com/IV7mKI7R0S

— Bank for International Settlements (@BIS_org) June 10, 2021

The project has been named “Jura,” after the mountain range which demarcates a long stretch of the French-Swiss border. The experiment will focus on cross-border settlements powered by two wholesale CBDCs and a French digital financial instrument on a

distributed ledger technology (DLT) platform, SNB detailed in a press release published Thursday.

Testing will “involve the exchange of the financial instrument against a euro wholesale CBDC through a delivery versus payment (DvP) settlement mechanism and the exchange of a euro wholesale CBDC against a Swiss franc wholesale CBDC through a payment versus payment (PvP) settlement mechanism.” The transactions will be settled between banks based in France and Switzerland, SNB elaborated, emphasizing:

It is essential for central banks to stay on top of technological developments.

PROJECT JURA TO TEST EFFECTIVENESS OF WHOLESALE CBDCS IN CROSS-BORDER SETTLEMENT

Dozens of central banks around the world have been working on projects to issue CBDCs, including those of China, Russia, the U.S., and the Eurozone. The People’s Bank of China has arguably the most advanced project, with numerous domestic trials already underway and a plan to test the digital yuan (e-CNY) in cross-border transactions with Hong Kong. The Bank of France launched its wholesale CBDC program last year. Its deputy governor Sylvie Goulard recently commented:

The Eurosystem is engaging in innovation and adapting its actions to the strong trend towards the digitalization of payments. Banque de France is convinced of the potential benefits of wholesale central bank digital currency. The central banking institutions noted that Jura is of an exploratory nature and should not be interpreted as an intention on their part to issue wholesale CBDCs. At this stage, the project aims to mainly investigate the effectiveness of wholesale central bank digital currencies for cross-border settlement. According to Benoît Cœuré, Head of the BIS Innovation Hub, the experiment will contribute to advancing G20's priority to enhance cross-border payments by exploring how wholesale CBDCs could increase speed, efficiency, and transparency in such scenarios. "We are excited to join this project, which complements other CBDC experiments that we are working on," the official added.

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ECONOMICS

by Jamie Redman

Texas Senator Claims People Are Flocking to Bitcoin Because US Is on 'the Verge of an Inflation Crisis'

This week the United States senator from Texas, Ted Cruz, appeared on the Fox News television broadcast Hannity and discussed the leading crypto asset bitcoin. Cruz told Hannity he believes people are investing in bitcoin because they believe America is on the verge of an inflation crisis.

TED CRUZ: 'WE'RE SEEING INFLATION — I THINK PEOPLE ARE GOING TO BITCOIN AS A HEDGE AGAINST THAT'

Following negative statements about bitcoin from U.S. senator Elizabeth Warren from Massachusetts, the Republican senator from Texas, Ted Cruz, gave his opinion about bitcoin this week. Cruz appeared on the Fox News television show Hannity with the conservative host Sean Hannity. The Texas senator had a lot to say about Joe Biden and explained that he thinks the Biden administration is undermining the American economy and foreign policy. “If you look at Biden’s foreign policy and you break the world into two groups, our friends and our enemies,” Cruz said during the interview with Hannity, “What does Biden do? He undermines and weakens our friends systematically over and over and over again.” In addition to discussing foreign policy, Russia, and Nord Stream 2, the conversation turned to cryptocurrencies. “Okay, you’ve been hearing all about it,” says Sean Hannity. “Bitcoin, cryptocurrency, what is it? Why is it so big? What is Bitcoin? What is blockchain? What is doggy coin?” Hannity asked. The host of the Fox News broadcast further said that he’s been “studying this and debating this with friends for probably hundreds of hours,” in regard to crypto assets. The political commentator also added that he is “not in any way offering financial advice.” Senator Cruz also talked about bitcoin and noted that he

believes the crypto asset is seeing mass adoption because people are frightened about rising inflation and the Biden administration's proposed spending. "I think part of the reason we're seeing people go to Bitcoin is because we're on the verge of an inflation crisis and Joe Biden has proposed seven trillion dollars in new spending," Cruz stressed during the interview. "We're seeing inflation, which we're seeing lumber going up, homes going up, oil going up, gasoline going up, energy going up, commodities going up. And I think people are going to Bitcoin as a hedge against that."

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Latest News REGULATION

by Lubomir Tassev

Russian Court Bans Websites Explaining How to Trade Bitcoin

A court in Russia's Perm region has decided to block a number of websites describing how to exchange cryptocurrency for fiat cash. Local prosecutors claim the dissemination of this type of information is against the law in Russia as it may facilitate the laundering of illicit funds.

KUNGUR CITY COURT BLOCKS CRYPTO-RELATED SITES

The Kungur City Court in the Russian Perm Krai region has upheld a request filed by the Beryozovsky District Prosecutor's Office to take down several internet sites detailing various methods of cashing out bitcoin. The prosecutors who discovered the crypto platforms insist the publishing of such content violates Russian legislation on combating the legalization of crime proceeds.

“It was established that information on methods of cashing out the Bitcoin cryptocurrency was freely available for viewing and using on certain Internet resources,” a [press release](#) explained, further noting:

Taking into account that the legislation considers the exchange of virtual currencies as a potential involvement in dubious transactions, the prosecutor sent an administrative statement of claim to the court demanding to restrict access to this information.

The number of the affected websites as well as their domain names were not disclosed, but Forklog [quoted](#) the prosecutor’s office saying that five such requests have been submitted since the beginning of the year. One of the claims, according to the publication, concerns a Youtube video describing ways of exchanging bitcoin for Russian rubles.

RUSSIA’S CRACKDOWN ON BITCOIN WEBSITES CONTINUES

Access to the websites subject to Kungur City Court’s latest decision will be restricted after the ruling enters into force, the Perm Prosecutor’s Office said without providing any more details. The banned sites will join a growing number of crypto-related outlets that have been taken down by Russian authorities in the past few years. Last August, the Russian media watchdog [Roskomnadzor](#) blocked a crypto exchange monitoring website, Bestchange.ru, the third time the platform went offline as Bitcoin.com News [reported](#). The popular site helps Russian-speaking users to find the best crypto-fiat exchange rates available. Roskomnadzor’s attempts to blacklist the aggregator started back in 2017.

Roskom nadzor

In March 2020, the agency [added](#) five crypto websites to its register of banned internet sources. The platforms were offering various services, from crypto exchange to mobile top-ups with bitcoin, and one of them was an information portal. The [forum](#) section of the crypto news outlet [Bits.media](#) was also targeted.

Crypto website operators have in the past successfully challenged some of these censorship measures in Russian courts. In March 2018, the Saint Petersburg City Court [struck down](#) a ban on 40 websites publishing information and offering services related to cryptocurrencies. In April of that year, the Supreme Court of the Russian Federation [overturned](#) a decision to block the Bitcoininfo.ru portal. In May 2019, Roskomnadzor was forced to remove Bestchange.ru from its blacklist, after prosecutors [gave up](#) efforts to block the website.

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MINING

by [Kevin Helms](#)

Bitcoin Mining Firm Hut 8 Approved to List on Nasdaq

Major North American bitcoin mining firm Hut 8 Mining has been approved for listing on Nasdaq under the ticker symbol HUT. The company is also listed on the Toronto Stock Exchange (TSX).

- **Hut 8 Mining Corp. announced Thursday that its common shares have been approved to list on the Nasdaq Global Select Market (Nasdaq) under the ticker symbol HUT. Nasdaq's website explains that the global select market "has the highest initial listing standards of any exchange in the world."**
- **Hut 8 Mining describes itself as "one of North America's oldest and largest innovation-focused bitcoin miners." It is incorporated under and governed by the Business Corporations Act of British Columbia. Most of the company's directors and officers reside principally in Canada.**
- **The company is also listed on the Toronto Stock Exchange (TSX) under the symbol HUT. It was the first publicly traded bitcoin miner on the TSX exchange. Hut 8 says that its TSX listing will remain unchanged.**
- **The Hut 8 Mining shares are already quoted on the OTCQX market under the symbol HUTMF. Hut 8 Mining is ranked 11th (of 10,000) on the 2021 OTCQX Best 50.**
- **The company announced its plans to list on Nasdaq on May 12 after it filed the F-10 form with the U.S. Securities and Exchange Commission (SEC) on March 10.**
- **Hut 8 Mining is also a founding member of the Bitcoin Mining Council, which "is a voluntary and open forum of bitcoin miners committed to the network and its core principles," its website details. "We promote transparency, share best practices, and educate the public on the benefits of bitcoin and bitcoin mining." The council was formed after a meeting between Tesla CEO Elon Musk and a number of major North American bitcoin miners. The meeting was hosted by Microstrategy CEO Michael Saylor.**

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Latest News MINING

by Lubomir Tassev

Iran Seizes 3,000 Crypto Mining Devices in a Week

Authorities in Iran have confiscated 3,000 units of mining hardware in just one week as part of a push to curb illegal crypto mining amid power shortages and blackouts. In a single year, Iranian law enforcement has shut down over 180 crypto farms in Tehran Province alone.

OVER 500 CRYPTO MINING RIGS CONFISCATED IN TEHRAN

As the government's offensive against unauthorized crypto mining intensifies, authorities have discovered and seized more than 3,000 pieces of mining equipment, Iran's power utility announced Wednesday. Over 500 devices have been confiscated in Tehran Province, where law enforcement officials have already shut down 183 illegal crypto farms with 11,000 mining units in the past fiscal year. Another 600 mining rigs have been found in Kerman Province, said the Iran Power Generation, Distribution and Transmission Company ([Tavanir](#)) quoted by the Financial Tribune. According to the Iranian business daily, illegal mining farms have been located also in the provinces of Khuzestan, Mazandaran, Qom, and Bushehr. The

seizures of mining hardware come after Tavanir's warning last week to unlicensed miners that its patience was running out. The state-owned company called on citizens who mint digital coins in their homes to switch off the mining equipment. The power utility emphasized that those who fail to comply will be cut off from the grid when identified and their mining rigs will be confiscated.

TAVANIR AIMS TO SAVE 2,000 MW OF ELECTRICITY USED DAILY FOR UNLICENSED MINING

High cryptocurrency prices and subsidized electrical power have pushed many Iranians towards crypto mining over the past year. And while the government has authorized a number of entities to legally mint digital currencies in the country, these only account for around 300 megawatts (MW) of daily electricity consumption. According to Iranian government **estimates**, illegal mining operations burn around 2,000 MW every day. Iranian authorities have blamed this year's power shortages and blackouts on low rainfall, higher electricity demand with rising temperatures, and also surging cryptocurrency mining. In May, Tavanir said even licensed miners would be **shut down** during peak hours of consumption to cope with a 5,000 MW daily shortage of electricity. Later that month, Iranian President Hassan Rouhani **announced a ban** on digital coin minting until September. This week, Rouhani also **called for rules** to regulate the crypto sector as Iran's Economy Minister Farhad Dejpasand **warned** that the government can't stand in the way of crypto tech development for too long. Tehran authorities approved cryptocurrency mining as a legal

industry in the summer of 2019. The Islamic Republic introduced a licensing regime for bitcoin mining entities which were obliged to pay their electricity bills at export rates. In April, regulations were revised and crypto miners have since been charged 16,574 Iranian rials (\$0.39) per kilowatt-hour (kWh) of electricity, which is four times the initial rate.

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Latest News REGULATION

by Kevin Helms

El Salvador Bitcoin Law Making BTC Legal Tender Passes With Super Majority

The bill to make bitcoin legal tender in El Salvador has been approved by a super majority in the Salvadoran Congress. “The purpose of this law is to regulate bitcoin as unrestricted legal tender with liberating power, unlimited in any transaction, and to any title that public or private natural or legal persons require carrying out,” the bill describes.

BILL TO MAKE BITCOIN LEGAL TENDER APPROVED BY CONGRESS IN EL SALVADOR

The bill to make bitcoin legal tender has passed Congress in El Salvador. President Nayib Bukele [announced](#) via Twitter early Wednesday morning: “The Bitcoin Law has been approved by a supermajority in the Salvadoran Congress. 62 out of 84 votes. History.” The bill was [sent to Congress](#) late Tuesday night; it contains 16 articles. Article 1 states: The purpose of this law is to regulate bitcoin as unrestricted legal tender with liberating power, unlimited

in any transaction, and to any title that public or private natural or legal persons require carrying out. The bill details that the exchange rate between bitcoin and the U.S. dollar “will be freely established by the market” and the “prices may be expressed in bitcoin.”

Furthermore, “tax contributions can be paid in bitcoin,” the bill adds, noting: “Exchanges in bitcoin will not be subject to capital gains tax, just like any legal tender.” In addition, bitcoin must be accepted as payment by anyone offering goods and services. Article 12 notes that those who “do not have access to the technologies that allow to carry out transactions in bitcoin are excluded from the obligation” to accept bitcoin as payments. “The State will promote the necessary training and mechanisms so that

Article 14 explains:

Before the entry into force of this law, the State will guarantee, through the creation of a trust at the Banco de Desarrollo de El Salvador (BANDESAL), the automatic and instantaneous convertibility of bitcoin to USD necessary for the alternatives provided by the State. According to the bill: “This decree will take effect ninety days after its publication in the Official Gazette.” The full bill can be found here.

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By Jamie Redman

Ultra-Exclusive Surfside Penthouse in Miami Sells for \$22 Million in an All-Crypto Deal

On May 27, the state of Florida saw one of the largest real estate sales in cryptocurrency, as a Miami Beach ultra-exclusive luxury penthouse was sold for over \$22 million. The penthouse located on

the ninth floor of the 12-story building offers 5,067 square feet of space and a 2,960-square-foot terrace with oceanfront views.

ONE OF THE MOST EXCLUSIVE LUXURY HOMES IN MIAMI SELLS ENTIRELY FOR CRYPTO ASSETS

According to [Arte by Antonio Citterio](#), a penthouse in Miami's Surfside neighborhood has been sold to an anonymous buyer who paid for the property entirely in cryptocurrency. The sale was the largest real estate purchase with crypto assets in Florida's history. Developers say that the penthouse is one of the most expensive properties in Miami in terms of price per square foot. The Surfside region in Miami made headlines in December 2020, when a penthouse sold for a whopping \$33 million. This particular luxury condo sold for cryptocurrencies at \$22.5 million was sold for \$4,440.50 per square foot. It is one of the largest real estate purchases after the December buy since 2017. "Cryptocurrency is the future of wealth, and we believe this is only the beginning," said Giovanni Fasciano, codeveloper of the Miami building, [explained](#) in an interview. Arte by Antonio Citterio was developed by Fasciano and Alex Sapir. "There is strong pent-up demand for cryptocurrency transactions that are seamless and secure for both parties, and this deal is a prime example of that," Sapir, the chairman of Sapir Corp [said](#). Sapir added: We were overwhelmed by the amount of calls we received from qualified buyers just after announcing our ability to facilitate cryptocurrency transactions for the condominiums at Arte. Real-world crypto transactions haven't made their way fully into the mainstream yet, so it's clear that top holders around the world pay attention when new opportunities to transact open up.

CLOSING TOOK LESS THAN TEN DAYS, CRYPTO USED IN THE TRANSACTION UNDISCLOSED

The Arte by Antonio Citterio penthouse sold for over \$22 million gives the owner the entire ninth floor of the building. This includes 360-degree views of the ocean and a wraparound terrace. There are four bedrooms, a powder room, four bathrooms, a wine bar, and massive walk-in closets. The condo owners get access to an indoor and outdoor swimming pool, a sauna, steam room, rooftop tennis court, a gym, and a yoga studio. Parking spaces in the building are temperature-controlled and the condo also offers a toddler's playroom and catering staff. The blockchain settled arrangement took less than ten days to settle and the digital asset used has not been made public.

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Latest News [ALTCOINS](#)

by Kevin Helms

Elon Musk Agrees With Vitalik Buterin on Dogecoin and Ethereum Collaboration

Tesla CEO Elon Musk said he “pretty much” agrees with Ethereum co-founder Vitalik Buterin about a collaboration between Dogecoin and Ethereum. Buterin said: “if we can have a secure Doge-to-Ethereum bridge. That would be amazing.”

VITALIK BUTERIN TALKS ABOUT DOGECOIN AND ETHEREUM BRIDGE, ELON MUSK AGREES

Ethereum co-founder Vitalik Buterin talked about a potential collaboration between Ethereum and Dogecoin in an [interview](#) with AI researcher Lex Fridman last week. Referring to the Tesla and SpaceX CEO repeatedly tweeting about dogecoin, Fridman said, “There’s a power behind someone like Elon Musk pushing the development of a cryptocurrency.” He then asked Buterin, “is there a

way to leverage that power and momentum to improve Ethereum?”

Buterin said:

If DOGE wants to somehow bridge to Ethereum, and then people can trade DOGE thousands of times a second inside of looping, then that would be amazing.

“I definitely don’t think Ethereum is opposed to dog coins,” the co-founder emphasized. “I kind of want the fans to feel like Ethereum is, at least a little bit, in spirit itself a dog coin.” He elaborated: “I think if we can have a secure Doge-to-Ethereum bridge. That would be amazing, and then when Ethereum gets any scalability that works for Ethereum assets, you would be able to trade wrapped DOGE with very low transaction fees and very high speed as well.” Commenting on Musk’s action to support dogecoin, Buterin said: “You would make a mistake if you were to ascribe too much sophisticated malevolence or any deep intentionality to the whole process. He’s just a human being, and he likes dogs just like I like dogs.” Musk then commented on the interview, tweeting:

I pretty much agree with Vitalik. Ethereum is currently undergoing an upgrade transitioning from a proof-of-work (PoW) consensus model to a proof-of-stake (PoS) model. Buterin recently explained why the upgrade is taking longer than expected. “One of the biggest problems I’ve found with our project is not the technical problems, it’s problems related with people ... Ethereum is now in a better economic position, but it took us five years to get to where we are now. We have a lot of internal team conflicts in these five years. If you are building a team, it is important to know who you are working with,” the Ethereum co-founder [described](#). Last month, Musk proposed some [improvements](#) for Dogecoin, claiming to have met with DOGE developers. Musk wrote: “Ideally, Doge speeds up block

time 10X, increases block size 10X & drops fee 100X. Then it wins hands down.”

From Bitcoin.com:

Coinbase Says Interest From Pension Funds and Hedge Funds Has Skyrocketed, Institutional Holdings Soar 170%

The Nasdaq-listed cryptocurrency exchange Coinbase has revealed record growth in its institutional business. “This year, interest from pension funds and hedge funds has skyrocketed, supported by the roll-out of crypto-ETPs as well as an increased understanding of the crypto economy,” said Coinbase.

Coinbase Sees Interest From Institutional Investors Skyrocketing

Cryptocurrency exchange Coinbase (Nasdaq: COIN) reportedly revealed Tuesday that between Dec. 31 last year and the end of the first quarter this year, its institutional holdings grew 170% from \$45 billion to \$122 billion. The company has over 8,000 institutional clients currently, including hedge funds, asset managers, pension funds, and endowments. Many institutional clients use Coinbase Custody, a crypto custody service with an insurance policy for institutional clients. The service, launched in 2018, supports over 90% of cryptocurrencies by market capitalization. Drew Robinson, Head of Hedge Fund Sales at Coinbase, says:

Over the last 12 months, we have seen a growing interest from institutional investors seeking to take advantage of the crypto space. However, this year, interest from pension funds and hedge funds has skyrocketed, supported by the roll-out of crypto-ETPs as

He was further quoted as saying: “Over time we have seen a variety of factors pulling institutional investors into the space; these range from hedging against inflation, diversification of corporate balance sheets and the desire for broader engagement in the digital economy, including areas such as payments, payroll and cross border payments. Client demand is also playing a significant role.” Coinbase is not the only company seeing soaring institutional demand for cryptocurrency. Goldman Sachs said last month that fear of missing out (FOMO) has **driven** institutional investors to cryptocurrency. The firm has been saying for months that it is seeing **huge institutional demand** for bitcoin.