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Weekly Crypto News Recap

February 24, 2023

TOP STORIES OF THE WEEK

China Quietly Supporting Hong Kong's Proposal to Allow Retail Bitcoin and Crypto Trading: Report

The Daily Hodl

China appears to be quietly on board with Hong Kong's potential move to allow retail trading of Bitcoin and crypto assets, according to a new report. Hong Kong's Securities and Futures Commission (SFC) released a consultation paper this week, outlining a plan to provide regulated crypto trading licenses to companies and allow investors both large and small to buy cryptocurrency. As Hong Kong moves toward relaxing its policies on crypto, Chinese officials – including representatives from China's Liaison Office – have been regularly spotted at Hong Kong's crypto gatherings in recent months, according to Bloomberg. The encounters have been friendly, with officials checking on developments, asking for reports and in some cases making follow-up calls." The SFC is proposing a regulatory process that would require all crypto assets be fully vetted and pre-approved before they can be listed on exchanges. The agency has already decided to allow investors with $1 million or more to buy crypto assets, beginning on June 1st.

Crypto Exchange Coinbase Launches Ethereum L2 Scaling Network Called Base

Crypto News – CoinSpectator

Coinbase is joining the competition of Ethereum L2 scaling projects, such as Arbitrum, Optimism, Starknet, and others, by launching an L2 called Base. The company announced the launch of the Base testnet on Thursday and advised the public to stay tuned for the upcoming mainnet launch. The cryptocurrency exchange

explained that Base will be open-source and will leverage Optimism's OP Stack. Coinbase also detailed that it's collaborating with Optimism and it'll join them as a core dev on the OP stack. "We see this toolkit as an open platform that anyone can contribute to, fork, and extend to help the crypto economy scale," Coinbase's blog post said. The announcement also stressed that there are "no plans to issue a new network token" and Base will be powered by ETH. Lastly, Coinbase announced the launch of a Base Ecosystem Fund to support early-stage projects working with Base.

SBF facing multiple fraud, conspiracy charges in unsealed superseded indictment
CryptoSlate

FTX founder Sam Bankman-Fried (SBF) is facing additional charges in the latest superseding indictment unsealed on Feb. 23. The indictment — unsealed in the U.S. District Court in Manhattan, where SBF was originally charged — includes a total of 12 charges, four of which are new. It also reveals new details of the illegal political donations SBF made to curry favor in Washington. The new indictment charged SBF with securities fraud; wire fraud; multiple counts of conspiracy related to committing wire fraud on Alameda's lenders and FTX customers; money laundering; operating an unlicensed money transmitting business; bank fraud; and illegal campaign contributions. SBF has so far plead not guilty to all charges in his case. Elsewhere in FTX news, the defunct exchange's former director of engineering, Nishad Singh, is expected to be the latest member of SBF's inner-circle to plead guilty to fraud charges as he's reportedly negotiating a plea deal similar to Caroline Ellison and Gary Wang before him.

Blur Blows Away OpenSea and Wins 82% of NFT Trading Volume
The Defiant

It's a time-honored tenet of business — slash prices and the customers will come. Tell that to OpenSea. One week after the NFT marketplace scrapped the fee it collects on trades, Blur, its upstart rival, hasn't missed a beat. The four-month-old NFT marketplace has seized a staggering 82% marketshare of the trading volume on Ethereum over the last week. Blur cranked into overdrive after the project airdropped 12% of its BLUR tokens to NFT traders on Feb. 14. It has accounted for more than 70% of daily NFT trading volume on Ethereum for every day since the airdrop, prompting OpenSea to cut fees. OpenSea also dropped enforced royalties to 0.5% on this same day, marking a big deviation from its past strategy.

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Judge denies Dapper Labs request to dismiss NBA Top Shot security lawsuit
Yahoo News

A U.S. district court judge on Wednesday denied Dapper Labs' request to dismiss a lawsuit alleging that the NBA Top Shots NFT collection is an unregistered security. District Judge Victor Marrero wrote that the Dapper Labs' NFT collection appears to meet the requirements of a security under the Howie Test. The ruling on the motion comes ~18 months after a class action lawsuit was filed against Dapper Labs and its CEO for failing to register the sale of Top Shots NFTs as securities with the SEC. Importantly though, the ruling was narrow and pointed to many case-specific points of entanglement between the success of Dapper Labs and the FLOW blockchain to the success of the NBA Top Shots NFTs, noting that other NFTs may or may not be securities and need to be evaluated on a case-by-case basis.

BITCOIN

Bitcoin 2024 halving will be its 'most important' — Interview with Charles Edwards
Luxor Technologies Acquires Ordinalhub to Provide Tools for Bitcoin-Based NFTs
Bitcoin Core Developer Marco Falke Steps Down From Maintainer Role
Bitcoin Ordinals' adoption, utilization, memory usage drop

ETHEREUM

Ethereum core developers plan new testnet called Holli
Only 0.04% of Ethereum validators have been slashed since 2020, says core dev
Obol to bring distributed validators to Ethereum this year
Ethereum developers schedule Shanghai upgrade on Sepolia testnet for Feb. 28
Layer 2 Network Arbitrum Surpasses Ethereum in Daily Transactions
Fake Ethereum Denver website linked to notorious phishing wallet
Arbitrum's User Base Is Fastest Growing Among Leading Blockchains: Bernstein
Ethereum on-chain data suggests ETH sell pressure could be a non-event after the Shanghai upgrade
Blur's Token Airdrop Fuels Sky-High Gas Prices and Mass Ethereum Burn

ALTCOINS

Uniswap Builds Out NFT Offering With ERC-20 Payments
Mango Markets Will Alter Multi-Sig Feature to Mitigate Security Threats After $114M Exploit
Tokens of Optimism Ecosystem Surge as Coinbase Unveils Its Layer 2 Base
YFI Sets Six-Month High as Yearn Finance Teases Ether Liquid Staking Product
Web3 Music Streaming Platform Audius Integrates TikTok
DeFi Liquidity Protocol Synthetix Deploys Version 3 on Ethereum
Polygon Block Explorer Crashes, Befuddles Users

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LinksDAO to Bid on Scottish Golf Course Following Vote

TON blockchain freezes $2.6B worth of inactive tokens

Solana Spaces will close New York and Miami stores 7 months after opening

Ankr partners with Microsoft to offer enterprise node services

Polygon Labs cuts staff by 20% in consolidation

Helium announces migration date to Solana, 1M hotspots worldwide

Confirmed: Shiba Inu's Highly Anticipated Shibarium Set for Initial Launch Next Week

Stacks Token Soars 130% on the Week Amid Bitcoin NFT Hype

Composable Finance CEO denies legal violations as CTO steps down

Alchemy Pay token price spikes 67% following support for Google Pay

Filecoin's FIL Token Jumps More Than 30%, Sparking Interest in Virtual Machine Launch

MakerDAO voting on $100M loan participation with Florida commercial bank

STABLECOINS

Mastercard Rolls Out System Allowing for Stablecoin Payments Directly From Crypto Wallet

USDC issuer Circle to increase staff by up to 25% amid layoff season

Frax Finance to retire algorithmic backing amid stablecoin crackdown

Canadian Regulators Say No to Algorithmic Stablecoins

BUSD Stablecoin Temporarily Plunges to 20 Cents on Binance

Chainlink, TrueUSD Start Real-Time 'Mint Lock' Verification of Stablecoin Reserves

Euro-backed stablecoin, Euro Coin set to trade on Coinbase

TCNH, a Stablecoin Pegged to Offshore Chinese Yuan, Listed on Huobi

Aave and Maker Pull Back From Paxos Stablecoins

Many stablecoins fall short of coming regulatory recommendations, says FSB chair

CRYPTO ECOSYSTEM

HashKey obtains SFC approval to offer off-platform OTC trading

Caitlin Long's Custodia Bank receives second rejection from Federal Reserve

Cointelegraph launches major update to its institutional-grade crypto intelligence dashboard

Crypto Analytics Firm Messari Cuts 15% of Workforce as Part of Restructuring

Aptos and Outlier Ventures join forces for California-based accelerator program

Cosmos Interchain Foundation allocates $40M for ecosystem development in 2023

ConsenSys Acquires Easy-to-Use Blockchain Notification Tool Hal to Strengthen Web3 Development

Fireblocks testing 'off-exchange' crypto custody solution: Financial News

Custodia Bank Renews Push for Fed 'Master Account' After Rejection

Jump is the unnamed 'US trading firm' in SEC complaint against Do Kwon: sources

NFTS / GAMING / METAVERSE

Dapper Labs Laying Off Another 20% of Its Staff

Tokenizing the Titanic: New Partnership Brings Real Artifacts from Wreckage to NFT Market

Liquidators to Sell 'Certain' NFTs From Bankrupt Three Arrows Capital

Blur's Pacman doxxes himself and outlines plan to become the Binance of NFTs

Coinbase Not 'Throwing in the Towel' on NFT Marketplace Despite Weak Volume

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Immutable carries out second round of layoffs in seven months, cuts 11%: SMH
Blur reveals additional 300M token airdrop to loyal users
Ubisoft Continues Web3 Push With Rabbids NFTs in The Sandbox
DraftKings Tees Up PGA Tour NFT Fantasy Golf Game
Moonbirds creator cancels NFT conference over low interest
Litecoin Network Gets Its First NFTs After Developer Forks Bitcoin Ordinals
Yuga Labs accused of IP theft for trademarking BAYC wolf skull logo
Fortnite gamer who won Bored Ape Dookey Dash prize tries to sell it for $3.7 million
NFT lending experiences resurgence, driven by BendDAO and Yuga Labs' collections

MINING

Litecoin Foundation Partners With Digital Asset Manager Metalpha to Develop Hedging Products for LTC Miners
Bitcoin Mining Consulting Firm Sabre56 Raises $35M to Build 150MW of Hosting Sites
Iceland's abundance of renewable energy boosts Bitcoin hashrate
Crypto Miner Hive Blockchain's Posts Q3 Loss as Ethereum Merge Cuts Revenue, Mining Margin
Bitmain Partner BitFuFu Starts Marketplace for Crypto Mining Rig Coupons

EXCHANGES

MEXC Global publishes proof of reserves after monthlong testing
FTX Japan reports $50M in withdrawals since Feb. 21
Binance closes Australian users derivatives position
Voyager, FTX reach agreement on $445M loan
Coinbase discloses 'uncertain, potential impact' of SEC subpoenas
Gate.io Crypto Exchange to Launch Gate HK and Apply for Local License
Canada Gives 30-Day Registration Ultimatum to Crypto Exchanges
Coinbase Beats Market Expectations despite Drop in Q4 Transaction Revenue
Coinbase staking 'fundamentally different' to Kraken's — chief lawyer
Huobi Token gains 24% as the exchange says it will operate in Hong Kong
FTX Bankruptcy Claims Sell for 20 Cents on the Dollar in Private OTC Markets
Crypto Exchange Zipmex to Restart Customer Withdrawals Once Rescue Deal Closes
Binance to bring fans closer to sports teams with fan token platform
OKX Proof of Reserves report shows $8.6B in clean assets
No businesses are for sale, says Blockchain.com
Former FTX Executive Nishad Singh To Plead Guilty to Fraud Charges Related to Exchange Collapse: Report
CZ denies claims that Binance will delist US-based projects

CAPITAL RAISES

DWF Labs Invests $25M in Privacy Tech Startup Beldex
Israeli startup to create blockchain chips with $70M of fresh funds
Indian web3 gaming studio Kratos raises seed round at $150M valuation, acquires IndiGG
BCB Group targets valuation of $200 million in new fundraising effort
Blocto crypto wallet closes Series A round at an $80 million valuation

PayPal co-leads $20M seed funding for on-chain risk optimizer Chaos Labs

Lightspeed leads $6.4 million seed round into web3 observability platform

Binance Labs and Polychain co-lead ZK startup Polyhedra Network's $10 million raise

Lemniscap backs $4.6 million raise for infrastructure provider Gateway.fm

ZK dark pool startup Renegade breaks cover with $3.4 million from Dragonfly, Naval Ravikant

INVESTMENT MANAGEMENT

Sidelined crypto VCs are jumping back into the market

Former Binance executive aims to raise $100M to start crypto adoption focused VC

BlockTower Capital quietly parts ways with top execs: sources

CoinShares remains afloat despite heavy FTX losses: Q4 report

Crypto Hedge Fund Galois Capital Shuts Down — 'We Lost Almost Half Our Assets to FTX Disaster'

Yield Guild Games raising $75 million venture fund to double down on web3 gaming

Fund manager Daniel Cheung suing over lost funds

TRADFI / TECH

Some Twitter users can now buy Twitter Coins via Stripe

Spotify starts testing ways to access music via NFTs

JP Morgan opens crypto lab in Athens

Google Cloud to Become Validator on Tezos Network

Deutsche Bank Works on Tokenized Trading Platform, Finishes Trial Phase

Energy Giant Saudi Aramco Signs Agreement With droppGroup to Build Web3 Tech

CBDC

US Lawmaker Launches CBDC Anti-Surveillance State Act to Protect Americans' Right to Financial Privacy

BIS head describes ideal 'unified ledger' for central banks and other financial users

eNaira is 'crippled': Nigeria in talks with NY-based company for revamp

San Francisco federal bank eyes CBDC system development, reveals job posting

REGULATORY / COUNTRIES

Former SEC chief warns against using emojis for investment advice

Australia's Finance Regulator Opens Targeted Review Into Binance

FTC Launches Investigation into Voyager's Alleged Deceptive Crypto Marketing Tactics – Here's the Latest

SEC and New York regulators push back on Binance.US's acquisition of Voyager

FTC announces investigation into Voyager's 'deceptive and unfair marketing' of crypto

Self-hosted wallet ban avoided in new draft of EU's anti-money laundering bill

France pilots in-store crypto payments as Binance partners with Ingenico

Hong Kong to accelerate Web3 innovation in region with $50 million spend

US crypto regulation happening 'behind closed doors' — Blockchain Association CEO

New York state announces another upgrade to its virtual currency monitoring capacity

Trading Platform eToro Gains New York BitLicense to Provide Crypto Services

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'Unworkable' bill to ban blockchain immutability is introduced in Illinois
California regulator introduces new tracker for crypto scams

ENVIRONMENTAL, SOCIAL, GOVERNANCE
Using Digital Twin Technology To Better Understand Environmental Impact
British MP Matt Hancock launches NFT charity project for Ukraine
Green consumers want supply chain transparency via blockchain

SURVEYS, HACKS, MISC
Massachusetts man charged after mining crypto in school crawl space
Base Protocol's token jumps 250% despite no affiliation with Coinbase
Platypus reveals compensation plan for users' funds after attack
US Indicts Four Co-Founders of $340M Forsage Ponzi Scheme
Coinbase discloses recent cyberattack targeting employees
Reddit co-founder bought 50,000 Ether during presale for $15K
Bulgarian Investigators Claim 'Cryptoqueen' Was Murdered in 2018
Bankman-Fried searching for tech expert to advise on bail dispute, lawyers say
Hundreds of Fake ChatGPT Tokens Are Luring Crypto Punters, Majority Issued on BNB Chain
Founder of WallStreetBets on Reddit Sues Reddit
Platypus salvages $2.4 million in hacked funds with BlockSec's help
BlockTower Capital Loses $1.5M in DeFi Market Aggregator Dexible Exploit: Blockchain Data

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About GSR

GSR has nine years of deep crypto market expertise as a market maker, ecosystem partner, asset manager, and active, multi-stage investor. GSR sources and provides spot and non-linear liquidity in digital assets for token issuers, institutional investors, miners, and leading cryptocurrency exchanges. GSR employs over 300 people around the globe, and its trading technology is connected to 60 trading venues, including the world's leading DEXs. We have a culture of approaching complex problems with tenacity and imagination. We build long-term relationships by offering exceptional service, expertise and trading capabilities tailored to the specific needs of our clients.

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