



Bitcoin (BTC)
\$ 5,737



Ethereum (ETH)
\$ 162



XRP (XRP)
\$ 0.2996



Stellar (XLM)
\$ 0.0988



EOS (EOS)
\$ 4.8



Bitcoin

Blockchain

Companies

Cryptocurrency

Regulation

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COMPANIES

Project Libra: Facebook to launch stablecoin-based payments network

MAY 2, 2019, 7:51PM EDT

Facebook's [long-rumored stablecoin](#) will be at the center of a brand new payments network, [according to a report](#) in The Wall Street Journal.

Project Libra, as the blockchain initiative is called internally, will reportedly involve a stablecoin backed by government currency. A source close to the situation confirmed to The Block aspects of The Journal's report, including that Facebook is recruiting financial firms to help with the project's launch and that its name is Libra.

Big takeaways from the report:

1. Facebook is planning to launch a full payments network (rather than just remittances) and in discussions with payment networks Visa and Mastercard, payments processors such as giant First Data as well as large e-commerce merchants to support the launch.
2. Facebook is seeking up to \$1 billion in investments collectively from these firms in order to act as collateral to bolster and back a stablecoin that will be associated with the payments network.

3. A stablecoin will exist as the currency of the payments system in order to eliminate credit card fees for merchants as well as to avoid the volatility of other cryptocurrencies like bitcoin and ether.
4. The company is considering tying the coin to Facebook's core ads engine, rewarding users for viewing ads and then purchasing goods, similar to how loyalty points rewards work.



THE LATEST

The Bitfinex logo, which consists of the word "BITFINEX" in a sans-serif font with a green leaf icon, is displayed on a white, tilted rectangular shape resembling a piece of paper or a flag. The background is a solid blue color.

BREAKING NEWS

Bitfinex issues IEO white paper, tokens will be bought back after \$850 million funds unfrozen

MAY 4, 2019, 2:07AM EDT

Bitfinex will issue an initial exchange offering (IEO) that aims to raise \$1 billion, according to an excerpt of the Bitfinex IEO white paper posted by the company's shareholder Zhao Dong.

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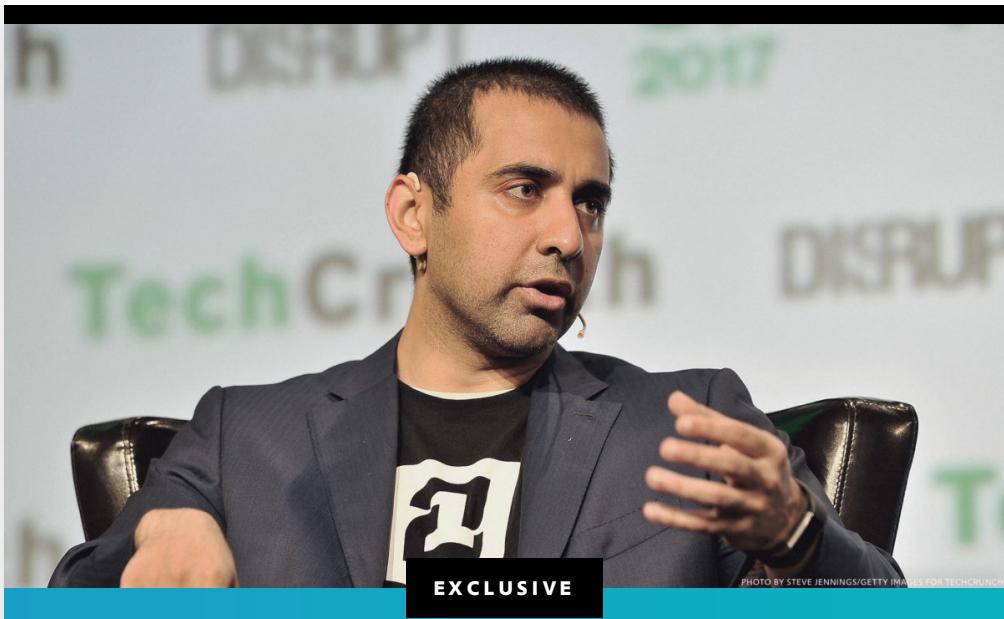


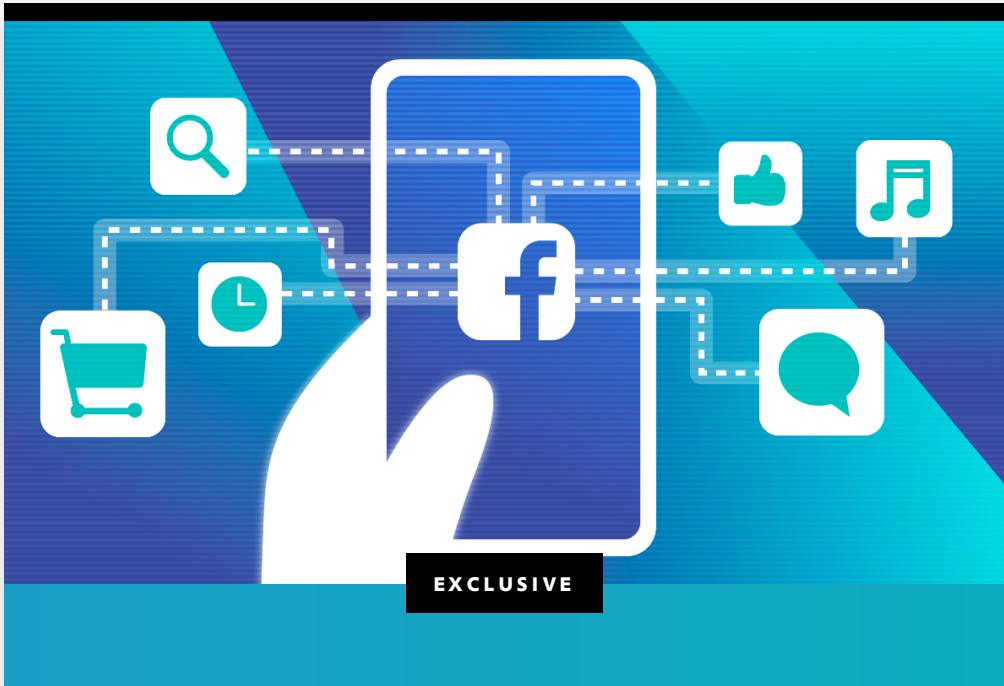
PHOTO BY STEVE JENNINGS/GETTY IMAGES FOR TECHCRUNCH

Coinbase CTO Balaji Srinivasan is leaving the cryptocurrency exchange

MAY 3, 2019, 8:01PM EDT

Cryptocurrency exchange Coinbase is parting ways with its CTO Balaji Srinivasan, who joined the firm as part of one of its largest acquisitions.

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Facebook acquired a trademark from a little-known tax company for its secret crypto project

MAY 3, 2019, 1:31PM EDT

Outside of anonymously-sourced reports in financial-media, very little concrete information is out there about Facebook's secretive cryptocurrency project. Thursday evening, The Wall Street Journal dropped a bombshell report about the social media company's efforts in blockchain, specifically that it is working on a building a full payments network and is in discussions with payment networks [...]

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CONTRIBUTOR NETWORK

Question of whether mining equipment preorders qualify as securities moved to arbitration

MAY 3, 2019, 1:22PM EDT

Disclaimer: These summaries are provided for educational purposes only by Nelson Rosario and Stephen Palley. They are not legal advice.

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BLOCKCHAIN

Blockchain firm SETL re-forms 2 months after insolvency filing, with some familiar faces

MAY 3, 2019, 11:45AM EDT

Just two months after filing for insolvency, London-based blockchain infrastructure company SETL Development Ltd. has risen from the ashes under a new name, SETL Ltd., [CoinDesk reports](#).

The new company retained much of the executive leadership team from its previous incarnation, including former CEO Philippe Morel, who will stay on as CEO of SETL Ltd. Also sticking around is Peter Randall, the previous firm's founder, who will be president of the newly minted one.

In addition to retaining senior staff, the firm says it expects continuity of service, noting it's made agreements with "all major clients," and that it's acquired the IP, staff and operating assets of the erstwhile SETL Development Ltd., which is currently in administration under Quantuma LLP as it winds down operations.

SETL Ltd. Chairman, Sir David Walker, said it chose to appoint Quantuma as administrator "to help shape the future structure to enable the firm to balance its strategic structure holdings and continue its software development activities."

According to CoinDesk, for its part, SETL Ltd. says it's altered its strategy for its second time up to bat, trimming its business model, reshaping its balance sheet and expanding its blockchain solutions offerings into new areas.



A chronological history of Tether

MAY 3, 2019, 10:44AM EDT

This free preview of The Block Genesis is offered to our loyal readers as a representation of the highly valuable journalism our Genesis members receive daily.

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COMPANIES

Microsoft teams up with JP Morgan to support blockchain project

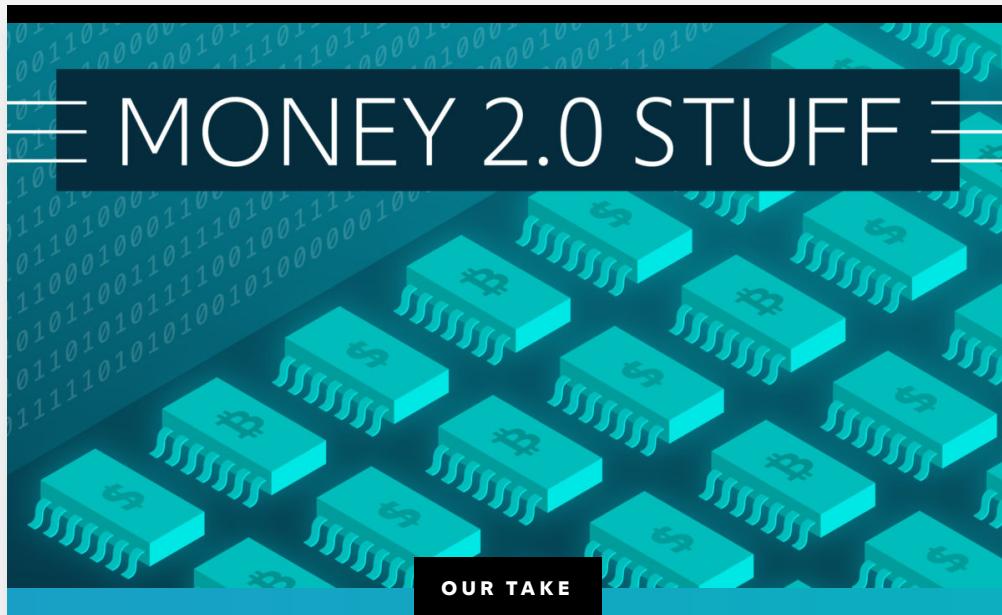
MAY 3, 2019, 7:46AM EDT

Two of the world's biggest companies, Microsoft and JP Morgan, have [announced](#) a joint partnership to integrate their blockchain platforms. Microsoft is making JP Morgan's 4-year-old giant blockchain platform, Quorum, the first distributed ledger available in its Azure Blockchain service. Microsoft will also offer "engineering, consulting and go-to-market support for the platform" as part of the deal.

Mark Russinovich, CTO of Microsoft's cloud services division, said [in a blog](#) that JP Morgan's Quorum has been a "natural choice [because] it's built on the popular Ethereum protocol." He added it would offer

Microsoft's enterprise customers "confidential transactions," while "Quorum customers like Starbucks, Louis Vuitton" would benefit from the Azure service to focus on building blockchain applications at low cost.

Russinovich added that the coming months would see Azure expand its offering; "including digital token management, improved application integration, and support for R3's Corda Enterprise." Microsoft has been comparatively private about its blockchain plans, making the announcement a rare public endorsement of the tech.



Money 2.0 Stuff: Yes, another Tether column

MAY 2, 2019, 9:04PM EDT

At the time of this writing, \$USDT is trading at ~\$0.98, after some heavy volatility following last week's news of a NY State-pursued lawsuit pushed it to a range between \$0.96 and \$1.06. Some questions still remain: Why is the price still \$1? How could this change in the future? What, if any, systematic risks does this pose?

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EXCLUSIVE

'Other stable coins are not serious contenders at this stage:' High speed traders don't see an alternative to Tether

MAY 2, 2019, 6:20PM EDT

The Tether shake-up is bad, but investors really don't have many other stablecoin options. This is the consensus reached by two cryptocurrency trading firm executives, B2C2 Founder Max Boonen and DV Chain CFO Paul Bialobrzewski, in separate interviews with The Block.

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RESEARCH

MakerDAO Governance & Risk Call: All signs point towards Dai's imminent recovery

MAY 2, 2019, 5:51PM EDT

Leaving internal governance conflicts aside, this week was overwhelmingly positive for the MakerDAO ecosystem, with all data indicating an imminent recovery for DAI towards its target \$1 peg.



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BLOCKCHAIN

Dutch central bank tested four blockchain prototypes, not satisfied with the results

MAY 2, 2019, 4:45PM EDT

The Dutch central bank has been working on blockchain solutions, [the Next Web writes](#). Even though it has already developed four blockchain prototypes in three years, none have yet met its standards. As of now, the bank believes the only satisfactory use for blockchain solutions are cross-border payments. Otherwise, it says, the distributed ledger technology results in too-high energy consumption; the bank also claims there is no certainty about whether payment was completed.

"We started with baby steps, understanding the Bitcoin software and mining in a centralized versus decentralized way," Petra Hielkema, director of payments and market infrastructures at De Nederlandsche Bank, told [The Banker](#). "Then we built prototypes and tested whether DLT networks could benefit parts of our market infrastructure while still providing the functionality needed in payments."

Despite the issues the bank encountered, Hielkema still believes blockchain to be a promising technology and suggested other central banks invest in it.



Crypto trading firms are under pressure, but a group is banding together to breathe new life into the OTC world

MAY 2, 2019, 4:13PM EDT

"Well, the market is small and not really growing." Darius Sit doesn't like to beat around the bush. And that's the typical frank response he gives when I check in on trading activity in Asia's crypto over-the-counter markets.

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ANALYSIS

Blockchain ETFs are on a steep climb up – but it may take a while for disillusioned investors to return

MAY 2, 2019, 3:44PM EDT

January 2018 saw the first four blockchain ETFs break onto the scene in quick succession in the US. They were somewhat of a novelty, tracking the share price of 20 to 50 companies developing or using blockchain in some capacity, for an average 0.75% management fee.



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SCAM

Phone scammers posing as law enforcement, Social Security Administration steal more than \$2 million

MAY 2, 2019, 2:30PM EDT

The NYPD [has issued an alert](#) to warn people against phone scams in which callers are pretending to be the Social Security Administration or law enforcement agencies. There have been more than 200 complaints

made regarding the scam, and people have reported losses of more than \$2 million. In comparison, only three similar complaints were made all of last year.

Scammers tell victims their Social Security number has been used for illegal activities, such as drug trafficking or money laundering, or to open accounts. In order to deal with the situation, victims are asked for money "to help resolve the situation." Scammers use prepaid gift cards, Bitcoin and bank wire transfers as their preferred payment method.

By using spoofing, the victim's phone will display caller IDs of the organisation the scammer claims to represent. Sometimes, they even use the names of real police officers.

"Sophisticated phone scams use the trust victims have in their own governmental and law enforcement agencies against them. Victims of this type of phone scam are not limited to senior citizens—these criminals are targeting every strata of society and every demographic is vulnerable," said Chief of Community Affairs Nilda Hofmann. "The NYPD is committed to working closely with our partners in the financial industries and will not rest until we bring those responsible for these crimes accountable. If you even suspect a call to be fraudulent, don't take a chance, just hang up."

NYPD reminds citizens they will never be asked to provide any money or information over the phone.



U.S. Government requests detention for defendant at center of Bitfinex imbroglio, describes ‘Master US Workbook’

MAY 2, 2019, 1:54PM EDT

The man at the center of an investigation by the U.S. Attorney’s Office has been described as a “serious flight risk” in a new court document obtained by The Block.

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New tech and younger faces: DRW’s Cumberland looks different, its counter-parties say

MAY 2, 2019, 1:42PM EDT

DRW’s Cumberland might be unrecognizable to some of its counter-parties as it takes a more modern approach to trading, and as its old-guard execs depart the company.

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BLOCKCHAIN

Fintech lobbyists are increasingly concerned with cryptocurrency

MAY 2, 2019, 12:30PM EDT

Of the 80 companies that reported lobbying for fintech in the first quarter of 2019, more than half cited bitcoin and blockchain among their main ongoing concerns, [Roll Call writes](#).

Overall, they spent more than \$42 million for fintech-related lobbying. However, Roll Call states, the data appears to be somewhat skewed as a portion of the \$16.4 million spent by the U.S. Chamber of Commerce relates to issues unrelated to fintech, for instance, trade and infrastructure.

The lobbyists have prioritized two main issues. Because of the U.S. Securities and Exchange Commission's unclear guidance regarding digital token and security differentiation, the industry is lobbying for a bill that'd exempt digital tokens from securities regulations, said Kristin Smith of the Blockchain Association.

Another serious issue is taxes. [IRS's guidance is scarce](#) and does not refer to many newer developments, such as cryptocurrency forks. Since cryptocurrencies do not have a clear regulatory status and can be regarded as either currency, securities, or futures contracts, tax simplification is long overdue.

General Manager of IBM Blockchain, Marie Wieck, told The Block about the company's global lobbying efforts to improve regulation in the space, although noted "it's definitely not" a large part of IBM's budget. The company was involved in a pro-blockchain initiative in Arkansas, which recently passed a bill supporting blockchain.

Wieck said, "We've been involved in blockchain for Arkansas, which is an initiative working with the universities and the state government on how to encourage and improve usage. The bill was on the accordance of smart contracts as a supported means of collaboration."



Fidelity: 47 percent of institutional investors see place for digital asset-related investments in their portfolios

MAY 2, 2019, 11:18AM EDT

New research from Fidelity Investments shows digital assets are viewed positively by institutional investors. In fact, seven in 10 respondents find some aspect of digital assets attractive. Forty-seven per cent see digital assets as innovative technology; 46 per cent find their "low correlation to other assets among the most appealing characteristic"; four in five perceive its characteristics favourably.

While approximately 22 per cent of institutional investors have already invested in digital assets; four in ten claim they are interested in making such an investment in the next five years.

Nearly half of institutional investors (47%) see a place for digital asset-related investments in their portfolios. Not all of them, however, are keen on holding digital assets in the future. According to the research, one in four institutions believe security and safety are the most crucial part of digital asset custody.

Fidelity notes the more positive perception of digital assets by institutions corresponds with venture investments, "good development work and increasing regulatory conversations."

"Institutions are more aware of these developments now than they were six or twelve months ago," Fidelity's Medium post reads. "The people we talk with are actively scanning and observing what's going on, and considering how this technology would impact their business, and—ultimately—financial markets."



CME Group net income falls by 17 per cent

MAY 2, 2019, 10:20AM EDT

In the first quarter of 2019, CME Group reported a 17 per cent decline in earnings, [WSJ writes](#). Although the exchange's revenue rose, it was still

considerably lower than last year. While CME reported net income of \$599 million in the first quarter of 2018, this year it only earned \$497 million. Similarly, share prices have also dropped—in 2018 the price was \$1.76 a share, this year—\$1.39 a share. Adjusted earnings also dropped from \$1.86 to \$1.62 a share.

Last year's volatility helped CME generate a larger income. Since the beginning of 2019 was not as exciting, the company did not top last year's record quarterly income.

Following last year's acquisition of platform NEX, the income generated from clearing and transaction fees fell by 2 per cent, totalling \$953 million. However, market data and information services brought in \$130 million, up by almost 37 per cent.



BITFINEX

Bitfinex plans to raise as much as \$1 billion through an IEO, shareholder says

MAY 2, 2019, 5:40AM EDT

Chinese trader Dong Zhao has shed new details on [Bitfinex's rumoured upcoming token offering](#), saying the exchange now may be planning to raise up to \$1 billion through an initial exchange offering, [CoinDesk writes](#).

The tokens will be available only to “qualified foreign investors,” Zhao - a Bitfinex shareholder - said, with a minimum buy-in of \$1 million.

The total token supply will equal 1 billion tokens, worth \$1 each. According to Zhao, half of the supply has already been allocated for purchase. In order to take part in the offering, investors must make a soft commitment by the end of this week but they can retire it after reviewing the token's white paper.

“The system works on a first-in, first-served basis,” Zhao said. “If the whole [1 billion is] fully allocated, we will not have to run the IEO to the retail channel, it will be like a private placement.”



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BLOCKCHAIN

Central banks trial the use of blockchain for cross-border payments

MAY 2, 2019, 4:50AM EDT

The Bank of Canada and Monetary Authority of Singapore (MAS) [have announced](#) they have carried out digital currency transfers using blockchain technology.

“The world of cross-border payments is complicated and expensive. Our exploratory journey into the use of DLT to try to reduce some of the costs and improve traceability [] has yielded many lessons,” said Scott Hendry, Bank of Canada Senior Special Director, Financial Technology.

During the trial, the two central banks used their respective blockchain platforms—Project Jasper and Project Ubin - and linked them together in Hashed Time-Locked Contracts (HTLC). This allowed them to settle payments without an intermediary. Following the trials, its partners Accenture and JPMorgan, published [a report](#) discussing design options for cross-border settlement systems and HTLC implementation.

“The next wave of central bank blockchain projects can make further progress by bringing technology exploration together with policy questions about the future of cross-border payments,” said Sopnendu Mohanty, Chief FinTech Officer at MAS. “It is challenging work, and we welcome other central banks to join us in this global collaboration, to bring benefit to consumers, businesses and the broader financial industry.”





RESEARCH

A comparison of Ethereum testnets

MAY 1, 2019, 6:48PM EDT

Test networks, also known as testnets, are simulations of decentralized peer-to-peer networks, which developers and users can interact with at no cost.



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BLOCKCHAIN

Amazon made its blockchain service available to the public

MAY 1, 2019, 5:52PM EDT

Following Oracle and Microsoft, Amazon is officially jumping into the blockchain world.

The e-commerce giant announced this week the general availability of Amazon Managed Blockchain, a Blockchain-as-a-Service (BaaS) platform that allows users to create their own blockchain network, add nodes, and deploy decentralized applications and smart contracts. Previously, the platform was in preview mode and was only available to a small group of people. With the announcement, this service is now open to all customers in the U.S. East region.

"Customers want to use blockchain frameworks like Hyperledger Fabric and Ethereum to create blockchain networks," said Rahul Pathak, the general manager of Amazon Managed Blockchain, in a statement.

"However, they find these frameworks difficult to install, configure, and manage."

Amazon said its platform takes care of much of the infrastructure work in building a blockchain network, using open source frameworks like Hyperledger Fabric and Ethereum.

"Amazon Managed Blockchain takes care of provisioning nodes, setting up the network, managing certificates and security, and scaling the network. Customers can now get a functioning blockchain network set up quickly and easily, so they can focus on application development instead of keeping a blockchain network up and running," said Pathak.

However, Amazon did not enter the BaaS space without competition. The retailer's blockchain service is managed under Amazon Web Services (AWS), the firm's signature cloud platform. Microsoft Azure and Oracle, two of AWS' major competitors, have already launched their own blockchain services, and across the Pacific Ocean, China's Baidu, Alibaba, and Huawei are all eyeing the BaaS market with their own blockchain services.

So far, Amazon's blockchain solution has attracted customers including AT&T, Nestlé and Accenture, among others. Currently, customers pay an hourly fee for using the blockchain service. They are also charged for the amount of data they write to the network.



ADOPTION

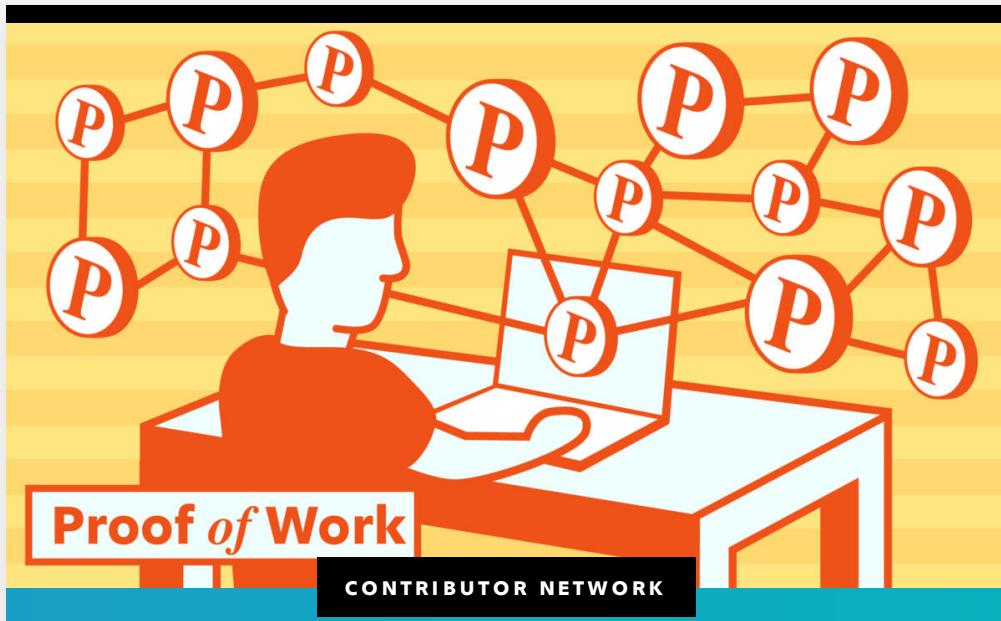
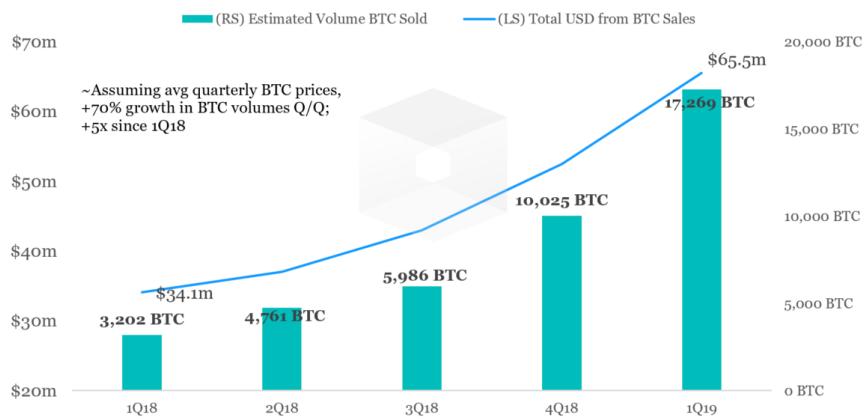
Square Q1 bitcoin sales topped a record \$65 million, despite yearly lows in bitcoin price

MAY 1, 2019, 5:06PM EDT

#Stackingsats has worked its way into the data as Square posted a record \$65.5 million in quarterly bitcoin sales for the first quarter of 2019, almost double Q1 volumes from 2018.

According to analysis by The Block, assuming the average daily price of bitcoin in Q1, that translates to over 17,000 in underlying bitcoin volume, up more than 70% since Q4 and 5x volumes from a year ago.

Square Cash Purchases of BTC



Proof of Work: the slow but steady process of institutional adoption

MAY 1, 2019, 5:03PM EDT

The following newsletter is republished with permission from Eric Meltzer of Primitive Ventures, a global venture investment firm with a focus on blockchain and related technologies.

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