**Crypto-regulatory winter thawing**

*Reportedly, India has taken steps towards integrating cryptocurrency within its regulatory framework*

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The year 2023 has been punctuated by several interesting events in the crypto regulatory landscape. The G20’s Synthesis Paper grabbed the headlines, but it’s the regional regulatory developments, particularly in Europe and the US, that have shaped the [cryptocurrency](https://financialexpress.com/about/cryptocurrency/) narrative this year. This article provides an overview of these critical changes and their implications for the cryptocurrency [industry](https://www.financialexpress.com/business/industry/).

The European Union has taken a significant step with the implementation of its Markets in Crypto-Assets (MiCA) framework. This regulatory milestone harmonises rules for the cryptocurrency [market](https://www.financialexpress.com/market/) within the EU. MiCA focuses on enhancing consumer protections, ensuring market transparency, and establishing clear operational standards for crypto-asset service providers. Its comprehensive approach is expected to serve as a model for other jurisdictions.

**US: SEC Legal Battles and a Path to**[**Bitcoin**](https://financialexpress.com/about/bitcoin/)**ETFs**

In the United States, the Securities and Exchange Commission (SEC) has been embroiled in significant legal challenges throughout 2023. The SEC’s stance has been that except Bitcoin, nearly all crypto assets are securities and fall under their purview. This has lead to a turf war with the Commodity Futures Trading Commission (CFTC), which views many digital assets as commodities. This ongoing battle for regulatory clarity has reached Capitol Hill, seeking legislative intervention to clarify the classification of crypto assets. The SEC also lost two critical cases. In the Ripple case, the judge ruled that XRP, when first issued and sold to institutional investors, was a security. After that, when XRP was sold on crypto exchanges to retail investors, it did not meet the criteria for a security. This has major implications for the industry, potentially contradicting SEC Chair Gary Gensler’s stance that most crypto assets are securities. Additionally, Grayscale’s legal victory against the SEC over the denial of its Bitcoin ETF application has been a watershed moment, potentially paving the way for the approval of Bitcoin ETFs in the US.

[**India**](https://www.financialexpress.com/india-news/)**: Bringing crypto under FIU and G20 Presidency**

India has taken steps towards integrating cryptocurrency within its regulatory framework. Cryptocurrencies in India are now under the purview of the Financial Intelligence Unit (FIU), an important move towards monitoring digital assets. Because the Financial Stability Board (FSB) and International Monetary Fund (IMF) prepared the Synthesis Paper at the request of the Indian Presidency, there is a good chance that the Indian government will implement the roadmap. The guidelines advise against the legalisation of crypto assets as legal tender to protect monetary sovereignty. Issuers of crypto assets are urged to obtain licences and register, bolstering trust in this volatile marketplace. The synthesis paper clarifies that there will be no blanket ban on crypto assets, shifting focus to effective regulation and security.

**Other Notable Global Developments and Restrictions**

In Japan, a stablecoin law took effect in the world’s third-largest [economy](https://www.financialexpress.com/policy/economy/) in June 2023. Dubai’s Virtual Asset Regulatory Authority (VARA) issued its comprehensive Virtual Assets and Related Activities Regulations. VARA’s rules are meant to provide a comprehensive framework for regulating virtual assets. The regulations also establish standards for a compliance framework consistent with other regulatory bodies requirements. The UK passed the Financial Services and Markets Act 2023 in June, allowing crypto to be treated like a regulated activity. This legislative move further solidifies the regulatory framework for crypto in the UK. Many nations have increased their scrutiny of cryptocurrencies, leading to more stringent regulations, including higher compliance requirements for crypto exchanges and stricter monitoring of cross-border crypto transactions.

The year 2023 stands as a pivotal moment in cryptocurrency regulation. Europe’s comprehensive MiCA framework, the legal victories in the US potentially leading to Bitcoin ETFs, and G20’s steps towards a regulated crypto environment exemplify the rapidly evolving global landscape. Challenges in harmonising regulations across diverse jurisdictions persist, but the trend suggests a move towards a more structured and secure global cryptocurrency market. These regulatory frameworks will play a crucial role in shaping the future of finance.