

# Cryptocurrency and Digital Assets: A step into the future.

## An Overview of Cryptocurrency

Presented by Water and Shark Legal 2.0



Insight on Blockchain  
Technology, Cryptocurrency,  
and it's Regulations.

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# I. INTRODUCTION

In simple terms, 'virtual digital assets' are the cryptocurrency, non-fungible tokens ("NFT"), and other decentralized finance (DeFi). A VDA basically is a digital representation of an item which has a certain value attached to it under specific circumstances.

In recent years, cryptocurrency has become an extremely debated subject all over the world, especially now it is again gaining a lot of prominence and notability because a many individuals seem to have invested and made a lot of money through it. Words like Bitcoin, Dogecoin, Ethereum have become very popular, because cryptocurrencies always seem to be in news. Many multinational companies now have advocated for and adopted cryptocurrencies as a mode of payment, which has only resulted in an increase in interest and investments by people across the globe. So, what exactly is cryptocurrency, and how does it work, and how to acquire them and what are the risks associated with them? All of these questions will be answered through this Insight on cryptocurrencies.





## II. WHAT IS CRYPTOCURRENCY?

Cryptocurrency is a form of digital currency which is designed to work as a source of alternative money exchange system through a computer which is not dependent on any country's government or its central bank to uphold or maintain it.



Cryptocurrency basically a decentralized system used for removing the need for conventional intermediaries, such as banks, when money is being moved between two entities and verifying that the participants to a transaction have the money they claim to have. It is a peer-to-peer payment system that allows anyone, anywhere to send and receive money. Cryptocurrency payments exist solely as virtual records to an online database describing specific transactions, as opposed to fiat currency carried around and exchanged in the real world.

Cryptocurrency is a fully virtual unit of currency that operates on the framework of cryptography. It works as a decentralized means of exchange where each transaction is verified and facilitated via cryptography. Also, the creation of fresh cryptocurrency units is highlighted by cryptography.

This method of exchange is primarily based on blockchain technology, which gives cryptocurrencies their decentralised status. It is a shared public ledger that records all transactions that have ever occurred within a network. As a result, everyone on the network can see every transaction that occurs as well as other people's balances.

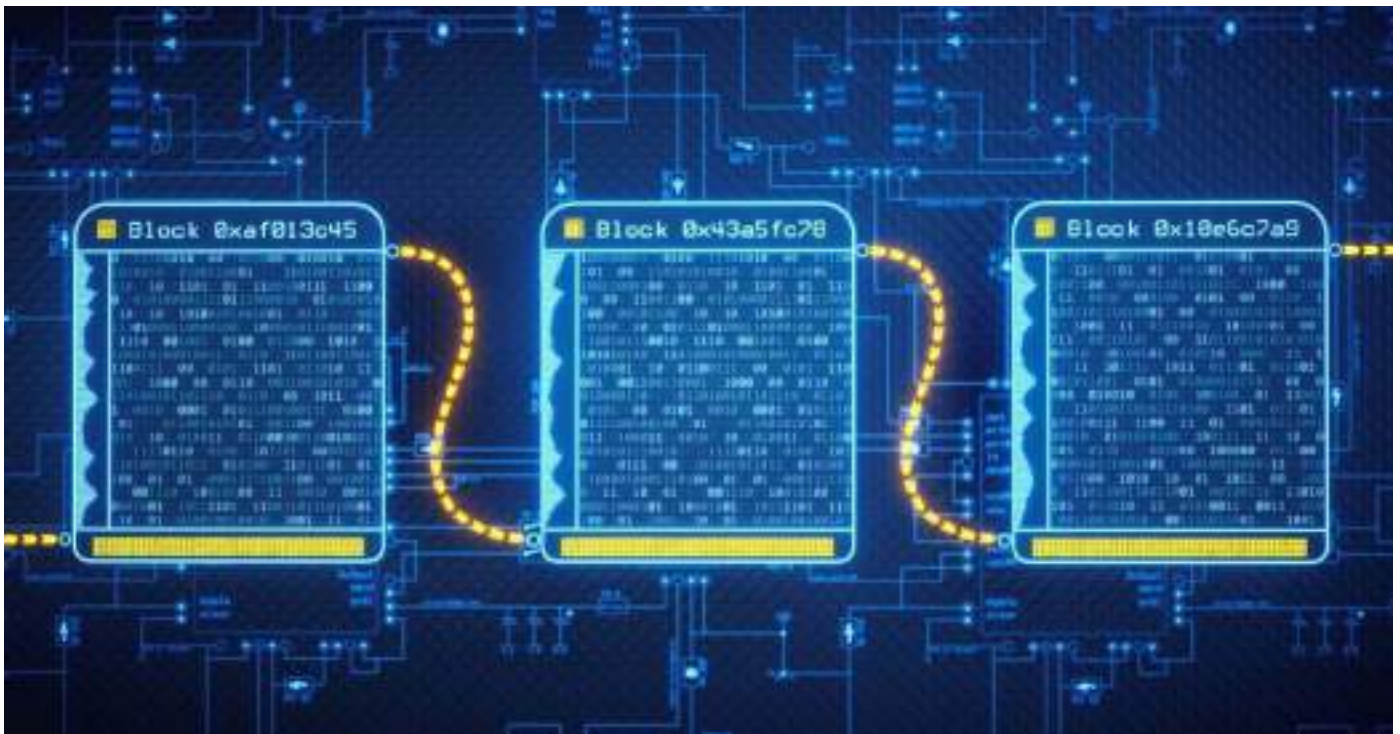




### III. BLOCKCHAIN AND NFT

#### What is Blockchain?

Cryptocurrencies run on a digitalized and a distributed public ledger called Blockchain. It is essentially a growing list of records, known as blocks, that are linked and protected utilizing cryptography. Each block usually includes a Hash pointer (unique identifier used to identify a specific block in a Blockchain), a Timestamp (a digital record of the time of occurrence of a particular event), and transaction data as a link to the previous block. Blockchains are inherently resistant to data modification by design. Essentially Blockchain is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. A Blockchain is typically managed as a distributed ledger by a peer-to-peer network that follows a procedure for verifying new blocks. When first recorded, the data in any specific block cannot be changed retroactively without affecting all subsequent blocks, that also requires network majority. Blockchain technology helps in identifying and addressing some major concerns with cryptocurrencies like double-spending (using the same cryptocurrency for more than one transaction).



## Non-fungible Tokens

### A. What is NFT?

Non-fungible Token (“NFT”) is a digital asset that simulates real life things including music, art, film, and in-game items. They are regularly purchased and traded online in exchange for cryptocurrencies, and they are typically encoded using the same software as many other cryptos. NFTs often have unique identification codes and are one of a kind, or at least one of a very small run. This contrasts sharply with the majority of digital works, which nearly always have an endless supply.

Yet, many NFTs, at least in the early going, have been digital works that have been securitized versions of digital artwork that has already circulated on Instagram or for instance video clips from a Cricket match, like the World Cup winning six by MS Dhoni at Wankhede in 2011.

I.e., well-known digital artist Mike Winkelmann, better known as “Beeple,” created the maybe most renowned NFT of the time, “EVERYDAYS: The First 5000 Days,” which sold at Christie's for a record-breaking \$69.3 million. He did this by compiling 5,000 daily drawings.

Since NFTs can be viewed by everyone for free online, why are they being sold for so much money online - an NFT enables the buyer to retain ownership of the original item.

Additionally, it has built-in authentication that serves as ownership confirmation. The “digital bragging rights” are almost more valuable to collectors than the actual item.

### B. How is NFT different from cryptocurrency-

Though it is built using the same kinds of programmes as Cryptocurrency, they are not entirely same:

- Physical money and cryptocurrencies are "fungible," which means they can be traded against each other. They're also worth the same amount—one dollar is always worth another dollar, and one Bitcoin is always worth another Bitcoin. The fungibility of cryptocurrency makes it a reliable method of conducting blockchain transactions.

- NFTs are unique. Since they are all digitally signed, NFTs cannot be traded for or equalled with one another (hence, non-fungible). For instance, just because two videos are NFTs doesn't mean that some clip is equivalent to EVERYDAYS. (E.g. The clip of Dhoni hitting a six may not be equal to any other cricketing video or clip if they are converted to an NFT.)



### C. How NFTs work

NFTs exist on a blockchain, a kind of public distributed ledger that records transactions. NFTs are usually held on the Ethereum blockchain, though they can also be held on other blockchains. An NFT is "minted" from digital objects that represent both tangible and intangible items, such as:

- Music
- Art
- Videos and Sports highlights
- Collectibles
- Virtual Fashion Items
- Tweets
- Essays and Articles
- Domain names
- Tickets and Coupons
- In-game items and collectibles like Avatar skins and weapons

NFTs can only have one owner at a time. The unique data of NFTs makes it simple to verify ownership and transfer tokens between owners. They can also be used to store specific information by the owner or creator. Artists, for example, can sign their work by including their signature in the metadata of an NFT.

Many celebrities like Amitabh Bachchan, Salman Khan, Snoop Dog, and Lindsay Lohan have released their worn artwork, poems, memories from their careers as NFTs.



## IV. MECHANISMS OF CRYPTOCURRENCY

### Crypto Mining

Crypto mining is the method through which Cryptocurrencies are generated and the transactions involving new coins is verified. Essentially it involves a humongous, decentralized network of computers all around the world that verify and safeguard the Blockchain which are recording the crypto transactions. Computers/miners on the network are rewarded for solving complex computational and technological process of validating the crypto over the network. It is like a process of validating a block on the chain network and getting paid in cryptocurrency.

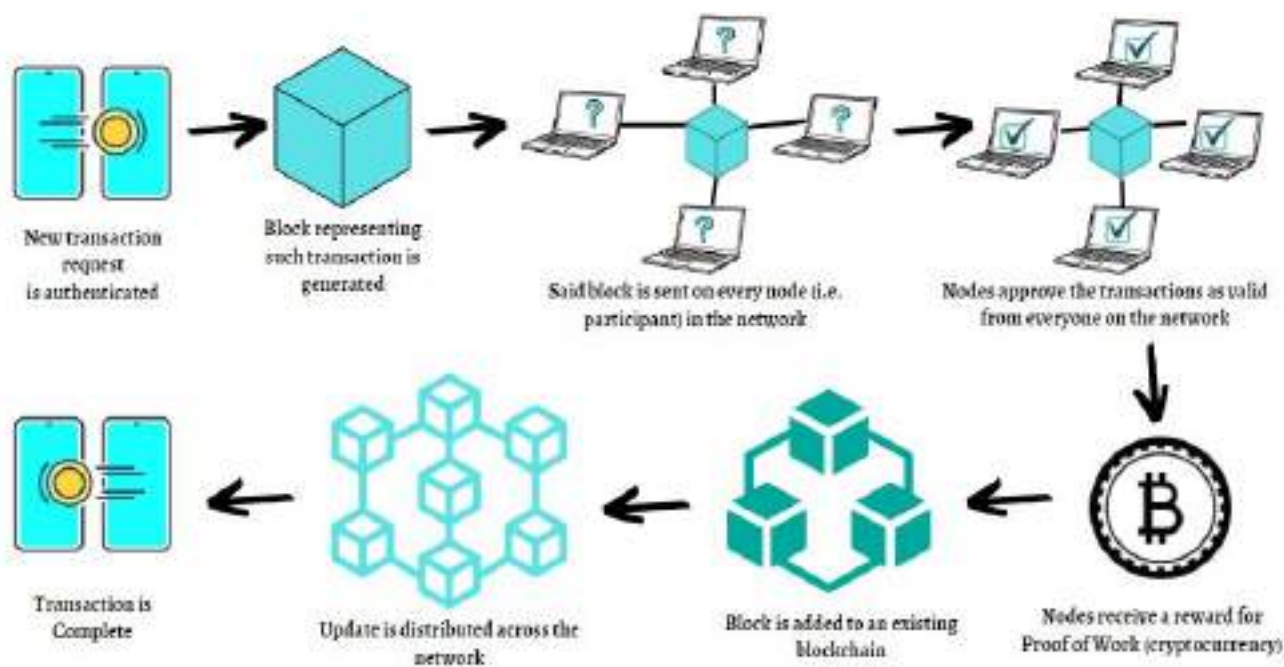
Essentially it is the process through which new coins of the cryptocurrency are entered into circulation on the network. "Mining" is done with sophisticated hardware to solve a very complex computational maths problem. The first computer to solve the problem receives the next block of bitcoins, and the process is restarted.

Mining cryptocurrency is time-consuming, expensive, and only occasionally profitable. Nonetheless, mining has a strong allure for many cryptocurrency investors due to the fact that miners are compensated with crypto tokens for their efforts.



## How does Cryptocurrency work?

Cryptocurrencies run on the Blockchain public ledger which holds the record of all the transactions which are entered into, updated and held by the crypto holders. The cryptocurrency itself is created through its mining after which the users can buy the currencies from brokers, then store and spend them using cryptographic wallets. Cryptocurrency is not something that is tangible hence what the currency holder actually holds is the 'key' that allows them to record or transfer a unit of the crypto from one person to another without any third-party (such as a bank) getting involved. Cryptocurrencies are just transactions or records in a common and shared ledger that can only be modified upon meeting specific conditions. Each transaction in a blockchain network like Bitcoin typically consists of the sender and receiver's wallet addresses or public keys, as well as the transaction amount. The sender must confirm and verify a transaction with their private key in order to avoid fraud in such a network. After verification, the transaction is evidenced in the shared ledger or database. Within a cryptocurrency network, however, only miners have the authority to confirm transactions. To confirm any given transaction, they must solve cryptographic puzzles. In exchange for their services, they are paid a transaction fee in that type of cryptocurrency as well as a reward. When miners confirm a transaction, it is broadcast to the network, and every node in that network automatically updates its ledger. Furthermore, once a miner confirms a transaction, it is irreversible and cannot be changed.



## V. HOW TO BUY AND STORE CRYPTOCURRENCY

- Platform: the first thing to do is to decide on a platform. Generally, there are two options available-
  - Traditional Brokers: These are online brokers that give customers the option to purchase and sell cryptocurrencies as well as traditional financial instruments including equities, bonds, and exchange-traded funds (ETFs). Although they often have fewer crypto capabilities, some platforms have reduced trading costs.
  - Crypto Exchanges: There are numerous cryptocurrency exchanges to pick from, and they all provide access to a variety of digital assets, wallet storage, interest-bearing account alternatives, and other features. Asset-based fees are common on exchanges.
  
- Putting money on the account: Although it differs by platform, the majority of cryptocurrency exchanges let users buy cryptocurrency with fiat (i.e., government-issued) currencies like the US Dollar, the British Pound, or the Euro using their debit or credit cards. Credit card purchases of cryptocurrencies are frowned upon, and some exchanges do not support them. Several credit card companies also forbid cryptocurrency transactions. This is due to the fact that cryptocurrencies are quite erratic, making it unwise to risk incurring debt or paying hefty credit card transaction fees for some assets. Moreover, certain platforms will accept wire transactions and ACH transfers. Each platform has a different set of acceptable payment options and processing times for deposits and withdrawals. The time it takes for deposits to settle also varies depending on the payment type.
  
- Placing an order: One can place an order using the web or mobile platforms of your broker or exchange. Anyone can purchase cryptocurrencies by clicking "buy," selecting the order type, entering the quantity, and then completing the order if users intend to do so. A similar method is used for "sell" orders.



Other methods of investing in cryptocurrency exist. These include payment platforms that let customers buy, sell, or keep cryptocurrencies, such as PayPal, Cash App, and Venmo. The following investment vehicles are also available:

- Bitcoin Trusts: one can purchase shares of Bitcoin from a regular brokerage account. It gives retail investors exposure to Cryptocurrency through the Share Market
  - Bitcoin Mutual Funds: These are Bitcoin ETFs and Mutual Funds
  - Blockchain stocks or ETFs: a user can also directly invest in crypto through Blockchain companies that specialize in technology which functions the cryptocurrency and its transactions. Furthermore, stocks of Blockchain companies can also be purchased.
- Storing of Cryptocurrency: After buying cryptocurrency, users must store it securely to prevent theft or hacks. Crypto wallets are typically used to store cryptocurrencies. These physical wallets or online programmes are used to securely store the private keys to cryptocurrencies. Some exchanges allow users to store money directly through the site by offering wallet services.
- Hot Wallet Storage: it refers to storage of cryptocurrency through an online software to protect the private keys of the assets.
  - Cold Wallet Storage: it refers to relying on offline electronic devices for securely storing private keys.

## VI. USES, ADVANTAGES AND RISKS OF CRYPTOCURRENCY

### Uses of Cryptocurrency

Mainly there are two broad uses of Cryptocurrencies currently – Investment and using it as a mode of payment.

Cryptocurrencies, particularly Bitcoin, are currently one of the most profitable investment options available. Its value appreciation is extremely dynamic, making it an excellent avenue for capital growth. On top of that cryptocurrencies can be seen as a rare commodity because it takes a lot of time and effort to mine them, hence it becomes very valuable. On April 14, 2021 the Bitcoin reached an all-time high price of \$64,800 per coin. However, it is also better to keep in mind that cryptocurrencies tend to be very volatile.

Its second use, being a mode of payment, was the actual purpose with which cryptocurrency came into existence. Bitcoin was the first cryptocurrency when it was launched in 2009 by Satoshi Nakamoto, Bitcoin was designed to be a daily transaction medium, allowing people to buy anything from a cold drink to a car or even big-ticket items like properties. That hasn't happened yet, and while the number of institutions accepting cryptocurrencies is increasing, large transactions involving them are uncommon. However, with the increased globalization and the usage of cryptocurrencies also increasing now a days quite a few things can be bought with them such as:

- Technology: Companies like Microsoft, AT&T, Shopify and quite a few other e-commerce platforms have started accepting cryptocurrencies as a valid mode for payment
- Luxury products: online luxury retailers like Bitdials sells Rolex, Patek Philippe, and other high-end watches in return for Bitcoin.
- Cars: quite a few car dealers for luxury cars like Tesla, BNW, Porsche are accepting Cryptocurrencies in USA and Europe.

- Insurance: In April 2021, Swiss insurer AXA started accepting Bitcoin as a mode of payment for all its lines of insurance except life insurance. Premier Shield Insurance, which sells home and auto insurance policies in the US, also accepts Bitcoin for premium payments.

## Advantage of Cryptocurrency

### 1. Protection from inflation:

Almost all cryptocurrencies have a predetermined, rigid quantity when they are first released. The ASCII computer file that details the quantity of each coin indicates that there are only 21 million Bitcoins in existence worldwide. As a result, if demand rises, its value will rise as well, helping to preserve market stability and eventually preventing inflation.

### 2. Privacy:

The blockchain ledger is composed of numerous challenging mathematical puzzles. Bitcoin transactions are therefore safer than traditional electronic transactions. Cryptocurrency uses pseudonyms that are unrelated to any user, account, or anything maintained that may be linked to a profile in order to increase security and anonymity.

### 3. Easy money transfer:

One of the major advantages of investing in cryptocurrencies is that transactions may be completed quickly, as opposed to traditional transactions, which often take three to five days to settle, or even wire transfers, which typically take at least 24 hours.

### 4. Decentralized:

Most of it is decentralized. Several cryptocurrencies are controlled by companies that develop them before they are offered on the market, by people who use them and who own significant amounts of the coin, or by both. Decentralization ensures that no single entity controls the flow and value of the coin, which, in turn, makes it stable and secure, in contrast to fiat currencies, which are controlled by the government. This serves to keep the currency monopoly free and in check.



5. Self-governed:

Any currency's development is largely dependent on how well it is governed and maintained. Cryptocurrency developers and miners retain transactions on their hardware in exchange for a transaction fee. Since miners are paid for their work, they maintain the integrity of the cryptocurrency and maintain the decentralization of records by keeping transaction records up to date and correct.

### **Risks associated with Cryptocurrency**

1. Illegal transactions:

Criminals are increasingly using cryptocurrencies for undesirable tasks including money laundering and illegal transactions. Dread Pirate Roberts, operated a marketplace on the dark web for buying and selling of drugs, guns and other nefarious items where all the trade that took place, was done through the use of Bitcoins. Moreover, cryptocurrency has become a favourite among hackers who utilize it for ransomware operations.

2. Hacking:

Although cryptocurrency blockchains are very secure, off-chain key storage locations like exchanges and wallets are vulnerable to hacking. Over the years, numerous cryptocurrency exchanges and wallets have been hacked, sometimes leading to the theft of "coins" valued at millions of dollars.

3. Environmental cost:

Bitcoin and crypto mining and storage takes a lot of computer power and electricity which makes it a very energy consuming process. This causes a lot of CO<sub>2</sub> and greenhouse gas emission wherein according to a report by the White House, cryptocurrency mining accounts for 140 million metric tons of CO<sub>2</sub> per year released into the atmosphere, or 0.3% of all global greenhouse gas emissions.

4. No refund or cancellation:

The sender cannot get the coin back if the parties involved disagree or if money is accidentally delivered to the incorrect wallet address. This can be used by lots of people to steal money from other people. One can easily be created for a transaction for which they never received the goods or services because there are no refunds.

5. Unregulated:

Cryptocurrencies largely remain unregulated all around the world, with many governments attempting to classify them as securities, currencies, or both. In India SEBI regulated the stock market and the RBI is the regulatory body for Banks and NDFCs, so if any transactions are made from bank accounts or through credit or debit cards a person can reach out to their respective bank, or at the end the RBI for any consumer fraud or any other discrepancies. The same is not applicable for cryptocurrencies because of which it becomes very easy to engage in money-laundering and terror financing. However, at the same time a sudden regulatory crackdown could make selling cryptocurrencies difficult or result in a market-wide price drop.

6. Market Manipulation:

With the increased globalization it has become very easy to manipulate the market situation, especially of cryptocurrencies. Because of the use of technology and networking sites it becomes easy to comment anything from anywhere and this can largely impact the performance of the cryptocurrency. A classic example of the same would-be Elon Musk consistently tweeting about Dogecoin, because of which the price of the coin jumped many folds. Further when Elon Musk on 04.04.2023 changed the logo of Twitter to that of Dogecoin, its market value jumped by 30%.

## VII. INDUSTRIES DISRUPTED BECAUSE OF CRYPTOCURRENCY

### 1. Banking and Finance:

Blockchain can offer financial services to billions of individuals throughout the world, including those who don't have access to traditional banking systems in third-world countries.

Through blockchain, anyone can transmit money across borders almost instantly and at minimal cost using cryptocurrencies such as Bitcoin or Ethereum. Banking institutions such as Barclays, are attempting to incorporate blockchain technology to speed up, improve, and safeguard their business operations.

### 2. Cybersecurity:

Even though the blockchain ledger is accessible to everyone, powerful cryptography is used to verify and encrypt data. As a result, there are less opportunities for hacking or unauthorised data changes. Blockchain provides a secure means of storing data and information and makes hacking extremely difficult. Therefore, blockchain could be a game-changer when it comes to cybersecurity, offering a way to safeguard important data across many channels.

### 3. Supply chain:

Blockchain technology enables the secure and transparent monitoring of transactions in a permanent decentralised record. Time lags and human errors can both be greatly decreased by doing this. Additionally, it can be used to monitor expenses, labour, waste, and pollution along the entire supply chain. Understanding and managing a product's genuine environmental impact are seriously impacted by this. The ledger can be used to trace products back to their point of origin and confirm their authenticity or fair-trade status. Several blockchain businesses operating in this sector include SKUChain, Provenance, Fluent, and Blockverify.

### 4. Healthcare:

Another sector that primarily depends on outdated technology and is vulnerable to change is healthcare. As a result of their old infrastructure and lack of a secure platform for data transfer



and storage, hospitals commonly become targets of hackers. Hospitals may be able to securely store data, such as medical records, and exchange them with authorised personnel or patients thanks to blockchain technology. This can increase speed, data security, and even diagnostic accuracy. Companies like GEM Healthcare Group Limited and Tierion Inc., are attempting to disrupt and change the present healthcare data ecosystem.

5. Cloud storage:

A central server's data is vulnerable to attack, data loss, and human mistake. Blockchain technology increases the security and assault resistance of cloud storage. An example of a cloud storage network using the technology is Storj.

6. Government Technology:

Governmental systems are frequently sluggish, complicated, and false. By using blockchain-based solutions, government operations might become much more secure, efficient, and transparent while dramatically cutting back on bureaucracy.

7. Insurance:

The foundation of the world insurance market is trust. A novel method of maintaining trust called the blockchain can be used to verify a variety of data in insurance contracts, including the insured person's identity. For any kind of insurance that is based on actual facts, like crop insurance, this technology is very helpful.

8. Retail:

Retail utilities powered by decentralised blockchains function in a unique way because they link buyers and sellers without the use of an intermediary and the related costs. In these scenarios, trust is obtained through built-in reputation management systems, exchange security, and smart contract systems.

9. Digital Advertising:

Web browsers built on the blockchain may alter how online advertising functions. Blockchain technology can help businesses advertise directly to internet users, resulting in fewer but more precisely focused adverts for customers.

10. Legal Industry:

Document storage, retrieval, and authenticity of the documents are important tasks for the legal sector. By securely preserving and certifying documents, blockchain technologies could end any doubts regarding the validity of wills or other legal papers. Additionally, blockchain-secured documents can do away with issues related to digital inheritance, particularly considering the rise of cryptocurrencies.

## VIII. REGULATING CRYPTOCURRENCY

Cryptocurrency is a dynamic industry which in the midst of a major shift and change from being completely unregulated to economies across the globe recognizing the potential of the cryptocurrency and how it can disrupt the global market as well as the inherent risks and unethical practices associated with it. Because of the ever-evolving nature of the crypto industry the people or the investors as well as the service providers are still understanding the impact it can have on a large-scale basis if no checks and balances are developed to counter it. The only common understanding for Cryptocurrency across countries is through the Financial Action Task Force (“FATF”) which is an intergovernmental organization founded in 1989 to develop policies and regulations to counter money laundering and terror financing. But the stance of Cryptocurrencies other than in respect of anti-money laundering and terror financing aspects is still unclear.

### **Global Economies on Cryptocurrencies**

#### **1. United States of America**

Illegal cryptocurrency activity is one of the issues that the Biden administration is attempting to address. According to the new framework, the president will consider whether to request that Congress amend the Bank Secrecy Act, anti-tip-off statutes, and laws against unlicensed money transmitting to explicitly apply to digital asset service providers, including digital asset exchanges and NFT platforms.

According to the plan, the US Treasury will finalise an illicit finance risk assessment on decentralised finance by the end of February 2023 and an assessment on NFTs by the end of July 2023. Other than that, the USA also plans to bring cryptocurrency within the ambit of the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”).

## 2. China

China banned bitcoin mining in May 2021, forcing many participants to shut down or relocate to jurisdictions with a more favourable regulatory environment. Further, in September 2021, cryptocurrencies were outright prohibited.

The country, on the other hand, has been working on developing the digital yuan (e-CNY). It will officially launch the next round of its central bank digital currency (CBDC) pilot test programme in August 2022.

## 3. Canada

While cryptocurrency is not deemed legal tender in Canada, it has been more proactive in terms of cryptocurrency regulation than others. Canada was the first country to approve a Bitcoin exchange-traded fund (ETF), and several of them are now listed on the Toronto Stock Exchange. The Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) require crypto trading platforms and dealers in the country to register with provincial regulators. All crypto investment firms in Canada are classified as money service businesses (MSBs) and must register with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

## 4. United Kingdom

While there are no cryptocurrency-specific laws in the United Kingdom, the country regards cryptocurrency as property (rather than legal tender), and crypto exchanges are required to register with the Financial Conduct Authority (FCA). Trading in cryptocurrency derivatives is also prohibited in the United Kingdom. There are cryptocurrency-specific reporting requirements related to know your client (KYC) standards, as well as anti-money laundering (AML) and Countering the Financing of Terrorism (CFT) standards (CFT). Although investors continue to pay capital gains tax on crypto trading profits, taxability in general is determined by the crypto activities undertaken and the parties involved in the transaction.

Crypto exchange and custodian wallet providers must comply with the reporting obligations imposed by the Office of Financial Sanctions Implementation ("OFSI") as of August 30, 2022.



Crypto firm knows or has reasonable belief that an individual is subject to sanctions or has committed a financial fraud, it is now required to notify the OFSI as soon as possible.

## 5. Singapore

Singapore, like the United Kingdom, categorises cryptocurrency as property but not legal tender. The Monetary Authority of Singapore (MAS) licences and regulates exchanges in accordance with the Payment Services Act (PSA).

## 6. India

India is still on the fence about cryptocurrency regulation, neither legalising nor penalising its use. In India, there is a bill in the works that would outlaw all private cryptocurrencies, but it has yet to be voted on. All crypto investments are subject to a 30% tax, with a 1% tax deduction at source (TDS) on crypto trades.

Overall, India remains undecided about whether to outright ban cryptocurrency or simply regulate it. Though as of March 2023, it has brought Virtual Digital Assets (“VDA”) and Virtual Asset Service Providers (“VASP”) within the ambit of the Anti-money Laundering Act, 2002, so there remains hope that in the near future a dedicated regulatory body may be set up for Cryptocurrencies or it would be brought within the ambit of the Reserve Bank of India.

## 7. Japan

The Payment Services Act of Japan recognises cryptocurrencies as legal property, a progressive approach to crypto regulations (PSA). Meanwhile, cryptocurrency exchanges in the country must register with the Financial Services Agency (FSA) and adhere to AML/CFT requirements. In 2020, Japan established the Japanese Virtual Currency Exchange Association (JVCEA), which includes all crypto exchanges. Japan considers cryptocurrency trading gains to be miscellaneous income and taxes investors accordingly.

## IX. W&S LEGAL 2.0 TAKEAWAY

The digital assets sector, especially cryptocurrency has experienced a massive growth in the recent years, with more and more people turning towards investing and using cryptocurrency after witnessing tremendous profit margin returns and other associated advantages of using cryptocurrency. And because of the decentralized nature of the cryptocurrency along with no interference of third parties such as banks, and low costs of transactions, cryptocurrency has emerged as a foremost tool as well as a legitimate alternative to fiat currencies.

However, there are still a number of issues associated with cryptocurrency which are including but not limited to the decentralized nature and minimal involvement of a third party making it easier to engage in illegal activities such as money-laundering and terror financing. Apart from that because of severe regulatory oversight and crypto exchange companies having virtually complete control and no regulations on the management of the funds have caused many companies like FTX going belly-up and becoming insolvent in a matter of days which have caused major losses to the investors.

### **Conclusion**

Cryptocurrencies are still currently operating within the grey area where there are numerous benefits of using, trading, or investing in them, but because of the present lack of regulatory infrastructure, is highly volatile, there remains a lack of general understanding on its functioning, and may attract unfair practices.

Hence, currently what is required is for Countries to develop effective cryptocurrency laws, including but not limited to anti-money laundering rules, crypto company management laws and regulations, and the most important having a dedicated regulatory body to oversee that crypto exchange companies do not engage in any illicit or illegal activities.

## X. HOW W&S CAN HELP YOU

**W&S offers a wide range of services to support and enhance your cryptocurrency business:**

- **Structuring of your business:** W&S assists in organizing and structuring your operations, ensuring optimal efficiency and organization.
- **Legal advisory:** Their expert team provides invaluable guidance on complex regulatory frameworks, helping you navigate legal requirements and ensuring compliance.
- **Contract drafting:** W&S excels in drafting tailored contracts, mitigating risks, and facilitating smooth business transactions.
- **Fundraising:** With their expertise in the industry, W&S helps you secure the necessary capital for your ventures, guiding you through the fundraising process.
- **Advisory on obtaining regulatory license:** They specialize in advising on regulatory licenses, ensuring your business operates within legal boundaries.
- **Advisory on jurisdiction selection:** W&S offers valuable insights into various jurisdictions, assisting you in selecting the most favorable location for your business while considering legal complexities.
- **Advisory and assistance in taxation:** W&S provides comprehensive advisory and assistance in taxation matters, ensuring compliance with tax laws and optimizing your tax position.
- **Security laws:** Their knowledgeable team provides guidance on security laws, protecting your assets and ensuring the safety of your cryptocurrency transactions.
- **Advertisement laws:** W&S assists in complying with advertisement laws, helping you effectively promote your services while adhering to regulations.
- **Financial laws:** They offer insights into financial regulations, assisting you in navigating the legal landscape and optimizing your business strategies.

With their comprehensive range of services, W&S is your trusted partner in maximizing the potential of your cryptocurrency business.

**AUTHORED BY:**

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#### EGYPT

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