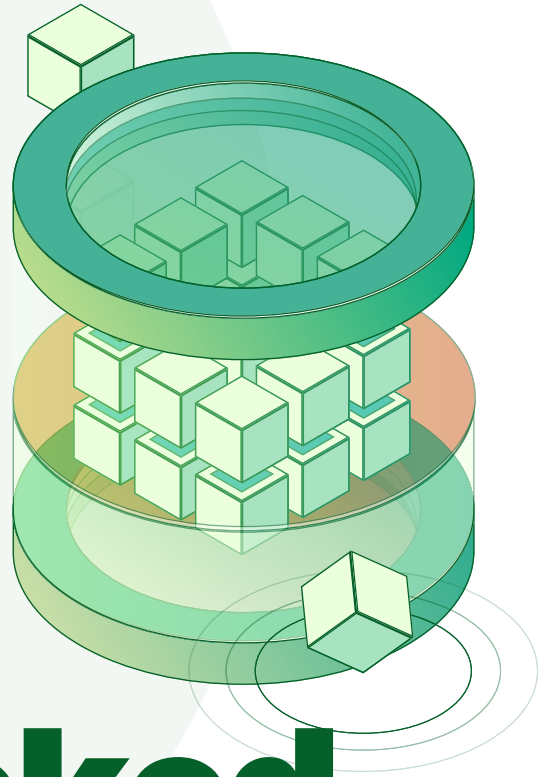




Educate
Collaborate
Promote

Web3 Unpacked

Monthly Newsletter  March '23



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India's G20 Presidency: Shaping The Global Narrative (1/4)

India and the Web3 Opportunity

The Internet had its conceptual genesis in 1969 with the creation of ARPANET, and it became publicly accessible in the early 1990s. The Internet was built on the ideals of openness and neutrality, allowing anyone to access information and content without bias or restriction. However, the explosion in internet activity with the advent of transformative Web 2.0 platforms and technologies such as Facebook, YouTube, Google, and AWS, led to a high degree of centralisation in users, content, data, and revenue, diluting the vision of an open and neutral internet. Web3 is a movement back towards the core ideals of the internet. It leverages a group of technologies (such as blockchain) that enable decentralisation and trustless digital systems.



The dangers of internet centralisation, particularly in the age of AI and data commodification, are apparent in cases like that of Cambridge Analytica, which influenced entire nations at an electoral level using data acquired without user consent. Even in the absence of bad actors, the outsized importance multinational platforms have on a nation's affairs should be enough to demand change. India has not had a proportionate influence on Internet governance, despite providing crucial resources in terms of manpower and software exports. However, India is in a pole position to lead the next iteration of core internet infrastructure. It has become a crucial market for content creation and has made strides in setting global standards for Digital Infrastructure.



India's G20 Presidency: Shaping The Global Narrative (2/4)

According to estimates, India has more than 450 Web3 startups and has raised over \$1.3 billion in funding in just the last two years, according to reports. These 450 startups employ about 75,000 working professionals in the country.¹ India is one of the leaders in adopting DeFi, with over USD 88 billion value received on-chain in 2020-21.²

India's G20 Presidency

The opportunity for India comes at an important time. India assumed the G20 presidency at the end of 2022, taking the baton forward from Indonesia. India plans to host over 200 G20 meetings across the country over the next year. Here, India has made its intent clear – bridging the digital gaps and working with G20 nations to further public digital infrastructure worldwide to make digital services truly inclusive. In the vein of the earlier section, this is also a crucial opportunity for Indian leaders to leverage the G20 forum to redraw the contours of policy discourse around emerging Web technologies. In this time of persistent technological upheaval, India can anchor the next decade of change by creating the foundation for Web3 – by bringing experts, innovators, policymakers, and stakeholders together to sculpt the future of the Internet.

G20 Recap

The first meeting of the Finance Ministers & Central Bank Governors (FMCBG) of G20 was held in Bengaluru on February 24-25, 2023. Following deliverables were discussed under the Financial Sector issues workstream of the Finance Track:

- Financial Stability Board (FSB) to finalise its high-level recommendations on the regulation, supervision and oversight of global stablecoins & crypto-asset markets and activities by July 2023.
- Bank for International Settlements (BIS) to submit a report on analytical and conceptual issues and possible risk mitigation strategies related to crypto assets.
- International Monetary Fund (IMF) & the FSB to jointly submit a synthesis paper integrating the macroeconomic and regulatory perspectives of crypto assets in September 2023.

The next meeting of the FMCBG will be held on April 12-13 in Washington DC.

India's G20 Presidency: Shaping The Global Narrative (3/4)

Need for Global Regulations

ICT has always provided a strong positive force for wealth creation in liberalised India, never more apparent during the COVID pandemic and the current economic slowdown. According to GitHub, India has over 10 million active contributors, with 2.5 million joining just in the last year -- the highest growth rate in the world. India has also put forth a plan to train over 3 million citizens in technologies like AI, blockchain, or Web3. Thus, Web3 is a crucial opportunity to leverage India's immense depth of talent -- but it will require the nation to take a leadership role in the G20 for framing policies aligned with our competitive advantages and insulated from our drawbacks.

First, the lack of a global regulatory framework creates a patchwork of regulations that can be confusing, inconsistent, and contradictory, with some countries embracing them while others have banned them altogether. This can create regulatory arbitrage, where companies or individuals can exploit regulatory differences to their advantage.

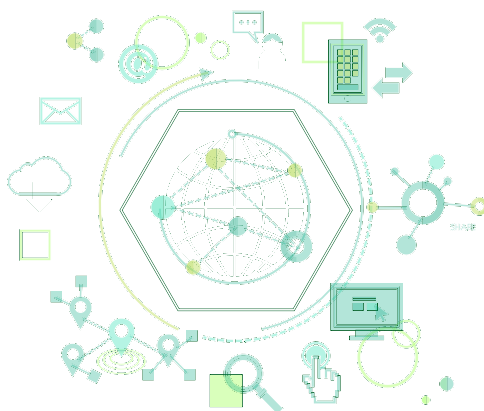
Second, the absence of a global regulatory framework can create opportunities for illicit activities, such as money laundering, terrorist financing, and tax evasion. A global regulatory framework can help establish best practices and standards to prevent such illicit activities and ensure compliance with anti-money laundering and counter-terrorist financing regulations.

Finally, a global regulatory framework can provide a level playing field for all market participants, including individuals, businesses, and institutions. It can ensure that all players follow the rules and regulations based on the risk-based framework, thereby creating a fair and transparent market that benefits everyone. This can help in promoting innovation, growth, and adoption of VDAs, while, at the same time, protecting investors and consumers from potential risks and frauds.



India's G20 Presidency: Shaping The Global Narrative (4/4)

The idea of international strategic affairs ought to be taken into consideration while creating policy for the Internet of the twenty-first century, in addition to stand-alone technology and consumerism. The rapid global development of Web3 solutions, however, will prevent policymakers from having much time to reflect. Strong international collaboration and a dynamic regulatory system are at the top of the priority list for the industry at the moment. India, thus, is moving towards a consensus-based framework for crypto regulation and promoting Web3 in keeping with its position of global leadership.



India's G20 Presidency will strengthen Web3 regulations being developed internationally by fostering better access, facilitating the right mindset, and developing quantifiable accountability. As these developments take shape and concretely materialise, India should also leverage its plurality and desire for inclusive global development to define the future of Web3.

Key highlights for the month (1/2)

National News

'CoinDCX, Forbes India and BWA bring Namaste Web3 to Delhi'.



[Read more](#)

Mar 16, 2023: Namaste Web3 is an education and awareness initiative undertaken by CoinDCX, Forbes India and Bharat Web3 Association. On March 11, 2023, the 'Namaste Web3' event took place in Delhi and focused on the potential of Web3 to become India's next big thing for a USD 5 trillion economy. It attracted more than 250 participants, including policymakers, industry experts, Web3 entrepreneurs and professionals, as well as Web2 professionals.

While addressing the audience at the event, Mr. Dilip Chenoy, Chairman, Bharat Web3 Association, highlighted the importance of the security that Web3 provides. He mentioned that venture capitalists have got immense trust and faith in the Web3 sector, which is clear from the fact that this sector has received a lot of funding in recent years. Mr. Chenoy predicted that Web3 can transform the lives of ordinary Indians. "The potential for India in developing apps for Web3 is immense," he said. He underlined new and emerging use cases across industries which included finance, entertainment, infrastructure, decentralised communities, artificial intelligence, machine learning, virtual reality, and augmented reality.

G7 to collaborate on tighter crypto regulation: Report

Mar 26, 2023: Leaders from Japan, the United States, the United Kingdom, Canada, France, Germany and the European Union are expected to outline a global cooperative strategy to increase crypto transparency and enhance consumer protection. This year's summit is set to happen in Hiroshima in May.

[Read more](#)

Mastercard to settle transactions for stablecoin wallet in APAC

Mar 21, 2023: Mastercard and Stables on March 20 announced a collaboration to allow retail customers in the Asia-Pacific region to spend their stablecoins wherever Mastercard is accepted.

[Read more](#)



Nissan files 4 new Web3 trademarks, trials sales in the metaverse

Mar 13, 2023: Japanese automotive brand Nissan becomes the latest car manufacturer to ramp up its Web3 efforts – filing four new Web3-related trademarks filed in the United States – while its Japan unit is experimenting with auto sales in the metaverse.

[Read more](#)

Web3 platform partners with self-custody wallet to broaden crypto adoption in Africa

Mar 9, 2023: Cassava Network's recent v3 product launch allows Africa's Web2 users to get onboarded to Web3 while earning rewards and increasing their income.

[Read more](#)

Regulatory Revisions

Finance Ministry brings VDAs under PMLA

On the policy front, the government issued a notification on March 7 bringing transactions involving VDAs under the Prevention of Money Laundering Act. In a nutshell, PMLA outlines the offense of money laundering and puts in an obligation for all the systems from where transactions are processed in case they need to be traced down.

The notification prescribes various requirements including carrying out of due diligence, maintenance of records, etc. on Virtual Asset Service Providers (VASPs), now notified as Persons Carrying on Designated Business or Profession. There is a clear push towards visibility and line of sight on persons engaged in VDA transactions. VASPs are now treated like financial institutions and a mechanism is sought to be put in place to ensure reporting of suspicious transactions and elimination of undesirable players.

Members of BWA have been voluntarily ensuring these compliances for a while now as inclusion under the PMLA was a key aspect of Bharat Web3 Association's Budget submission to the Ministry of Finance. Meanwhile, companies are also bridging the gap between trying to be compliant and trying to be safe. For example, Liminal is doing so by mending the way wallet and custody providers are by encompassing the most significant and latest compliance issuance from the government bodies to keep the operations functioning for its clients and partners.

Access the Notification Circular [here](#)

Web3 in India

Flipkart enhancing user experience with Web3

- The Walmart-backed Bengaluru-headquartered firm, Flipkart, has partnered with eDAO, a Polygon-incubated firm, to launch the metaverse offering, which it is calling Flipverse.
- On Flipverse, the company is offering “gamified, interactive and immersive” experiences for consumers where they will be able to collect the company’s loyalty points – Supercoins – as well as digital collectibles from partner brands as they make purchases.
- Flipverse also features several casual games.
- A wide range of brands including Puma, Noise, Nivea, Lavie, Tokyo Talkies, Campus, VIP, Ajmal Perfumes and Himalaya are partnering to set up experience theaters on Flipverse.
- Flipverse isn’t Flipkart’s first foray into web3, as the company partnered with Carl Pei’s Nothing earlier this year to give exclusive NFTs to those purchasing the smartphone from the platform.

[Learn more](#)

District in Maharashtra issuing Blockchain-enabled caste certificates

- Etapalli, a subdivision of district Gadchiroli in Maharashtra, is issuing caste certificates to its 65,000 residents via LegitDoc – a polygon public blockchain-based platform.
- This enables entities to instantly authenticate the certificates with the help of uncensorable, publicly auditable data stored on the public blockchain.
- The blockchain system cryptographically commits selective details of every caste certificate fetched from the ‘MahaOnline’ portal on the polygon blockchain and generates a unique QR code consisting of blockchain proofs that are embedded on each caste certificate.
- The certificates are issued via common service centres (CSCs), which are currently operational across all villages.
- The open verification system is available on the government website to enable government departments or any other third parties to verify the authenticity of a certificate with the click of a button.

[Learn more](#)

Our Members



Incorporated in	2021
Founder(s)	Avinash Shekhar
Industry	Taxation Solutions

TaxNodes is engaged in providing tech-enabled solutions for taxation, with a focus area on the taxation of VDAS. The company has conceptualised and visualised accounting and taxation solutions for cryptocurrency traders, crypto exchanges and other participants in the Web3 space. As the use of cryptocurrencies continues to gain popularity in India, there is an increasing need for tax compliance in the crypto space. TaxNodes has identified this need and has developed a cutting-edge platform that allows users to easily and accurately calculate their crypto tax liabilities and file their income tax returns with the help of expert tax professionals. In addition to its crypto tax calculation services, TaxNodes also offers expert-assisted ITR filing services. This service is designed to help users file their income tax returns with the help of experienced tax professionals.

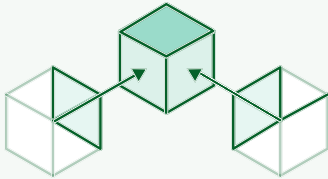


Incorporated in	2021
Founder(s)	Mahin Gupta
Industry	Self-custody Wallet

Liminal is a wallet infrastructure and custody solutions platform. Over the past two years, Liminal has made significant progress in its mission to provide trusted wallet infrastructure and custody solutions for digital assets in the APAC & MENA region. The company currently has over 50 employees from across the globe and serves close to 40 B2B customers with over \$500 million in assets under protection and over \$5 billion in transaction volume in the last year alone. The startup raised \$4.7 million in its seed funding round last year, from investors including Elevation Capital, LD Capital, Woodstock, Nexus Ventures, and several crypto ventures and angel investors. To help startups build faster and better on various platforms, Liminal has launched partnership programs with several companies, including Avalanche, Polygon, Tezos, XinFin, and Buidlers Tribe, with more in the pipeline.

Simplifying The Web3 World

Blockchain

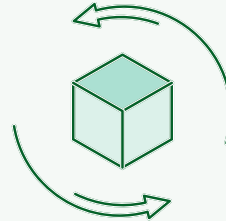


Blockchain is a database of transactions that is updated and shared across many computers in a network. New sets of transactions added to the network are called a 'block' and blocks are linked in a chain.

There are broadly two types of blockchain:

- **Private:** Allows only selected participants to join the network and the operator may have the rights to override, edit, or delete entries on the blockchain
- **Public:** Allows anyone to participate. The data is duplicated and maintained by these participants. Participants can only add data, old data cannot be deleted or changed without consensus of majority of the participants.

Virtual Digital Assets



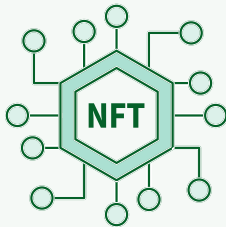
In India, 'Virtual Digital Assets' (VDAs), have been defined as any information / code / number / token, generated through cryptographic means, that can be digitally traded, transferred, stored, and can be used for payment or investment.

VDA includes crypto assets or any digital asset, such as Non-Fungible Token (NFT), that is generated through cryptographic means. VDAs can be digitally traded, transferred and stored.

VDAs are essential to blockchain as they incentivise participants to honestly maintain the data on the network and perform validation tasks.

Simplifying The Web3 World

Non-Fungible Tokens

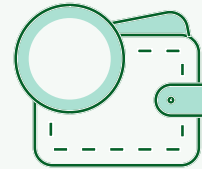


NFTs are unique digital assets that live on blockchain technology. They can represent music clips, videos, animations, digitized artwork, photos, documentations or even a ticket to an event, such as a movie, that took place at a specific time.

The word “non-fungible” means one of a kind, and so NFTs are unique and cannot be replicated or replaced with anything else. For example, Bitcoin is not an NFT since it is fungible and easily replaceable with other Bitcoin.

NFTs can be divided into two parts i) Smart Contracts and ii) Media or the object it represents. Smart contracts run on Blockchain, however the media or the object represented by the NFT are stored in either centralized storage i.e., AWS, Google, or decentralized storage i.e., IPFS (InterPlanetary File System).

VDA Wallet



A VDA wallet does what a physical wallet does, on a blockchain. It has a unique ID for reference purpose and contains VDAs and any NFTs bought with the VDAs.

Non-custodial wallet has access to both the public and private key, giving the user full control over transactions and funds.

Custodial wallet provides the user an address to deposit funds but where the user does not have access to the private key. Therefore, users must receive permission from the service provider to transact in case of custodial wallet.

About Us

March '23

Bharat Web3 Association

Bharat Web3 Association (BWA), is a platform that brings together leading Web3 players to enable and support the growth of India's Web3 ecosystem which includes Virtual Asset Service Providers (VASPs), Web3 Developers and infrastructure providers.

BWA believes that India has the potential to lead the world over the next decade by building a strong Web3 ecosystem in the country, in line with the government's "Make-in-India" and Digital India initiatives.



**BHARAT WEB3
ASSOCIATION**

Our Members



CoinDCX

hike

coinbase



Biconomy



KoinX

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EDUCATE

Through Research To Keep Pace With Evolving
Technology

COLLABORATE

To Encourage Web3 And Blockchain Innovation And
Nurture India's Talent Pool

PROMOTE

Dialogue Between Key Stakeholders