



BHARAT WEB3
ASSOCIATION

Educate
Collaborate
Promote

Web3 >>> Unpacked

BWA Special Edition Newsletter

— Foreword



**Dilip
Chenoy**

Chairperson – Bharat Web3 Association

As the Bharat Web3 Association (BWA) completes its first year, I am filled with gratitude to have had the chance to contribute to its growth, as well as the growth of the burgeoning Web3 sector. Over my tenure as Chairperson, I have seen the association grow from a newly formed Industry body to one of the most recognized and reputed names in the Web3 space. In just over a year, we have emerged not just as participants but as influential voices in the dynamic Web3 space.

The BWA journey began with a clear vision: to build a buoyant Web3 ecosystem in India by raising awareness, conducting in-depth research, nurturing the Indian talent pool, protecting consumers' interests, and encouraging stakeholder dialogue. I am happy to say that we have not only managed to accomplish our initial objectives but have also fostered meaningful collaborations with stakeholders that have amplified our impact.

One of our key achievements has been establishing a robust platform for dialogue and exchange. Over the past year, the BWA has consistently engaged with several stakeholders and undertaken multiple initiatives to promote the Web3 ecosystem in India. Some examples of such initiatives include engagement with public sector bodies like the Ministry of Electronics and Information Technology (MeitY), Department of Consumer Affairs (DoCA), Ministry of Finance (MoF), and many more. We have formed strategic partnerships with domestic institutions and organisations like the Maharashtra State Skills University and the Government of Telangana, along with international partnerships with Blockchain Association Singapore, European Crypto Initiative, and the Canadian Web3 Council.

Furthermore, we have consistently raised issues which hinder the development of the Web3 space in India with the relevant stakeholders, while highlighting the immense potential the sector holds in terms of economic potential and job creation, representing the collective voice of the community. Our efforts have resulted in constructive dialogues with policymakers, and we will continue to strive towards creating a conducive ecosystem for Web3 in India.

I extend my heartfelt gratitude to all our Members and everyone who has been a part of this journey over the past year. As we step into our second year, we reaffirm our commitment to being a prominent, credible voice in the Web3 space, driving positive change and fostering a future that benefits all.

Dear BWA Members and Supporters,

On the occasion of our first anniversary, we're proud to look back at our journey.

BWA has made a big impact in India's Web3 world. We've worked with state governments and talked with key departments like Consumer Affairs and MeitY, which has firmly established us as thought leaders in the Web3 discourse. We've also held important events like Namaste Web3 and Unfold 2023 with CoinDCX, spreading the word about Web3.

As we celebrate these milestones, our vision extends globally. BWA's mission is to lead not only within India but also on the international stage, shaping the global Web3 ecosystem.

In the year ahead, let's continue to lead, working collaboratively to shape the future of Web3 technology. We are excited to embark on the next phase of our journey with you."

Warm regards,



Sumit Gupta

Co-founder, CoinDCX
Founding Member, BWA



Neeraj Khandelwal

Co-founder, CoinDCX
Founding Member, BWA

Congratulations, Bharat Web3 Association on the first anniversary!

As a founding member, we at CoinSwitch are proud to see the progress BWA has made, creating awareness about India's promising Web3 sector.

BWA's mission to help India realize its vision to be a leading digital economy deeply resonates with me. A Made in India Web3 is the next evolution of Digital India and Aatmanirbhar Bharat. This dream is what guides us and our ventures arm, CoinSwitch Web3 Discovery Fund.

In the last one year, we had closely partnered with the BWA on several key initiatives, including taxation, PMLA, consumer protection, and more, collaborating with the State and Union governments. We look forward to continuing this synergy, to help build an effective regulatory framework for Web3 and digital assets in India.

2024 is the year of action. Let's build on India's decisive G20 Presidency to unlock the immense potential of Web3 in India.

Here's wishing everyone at BWA an impactful and happy 2024!"



Ashish Singhal

Co-founder, CoinSwitch
Founding Member, BWA

Introduction

In this special edition of the Bharat Web3 Association newsletter, we take a retrospective dive into the significant first year since the Association's incorporation. This commemorative release encapsulates a year of dynamic activities and notable achievements, reflecting the unwavering commitment of our community towards advancing web3 technologies in India.

Since its inception, the Bharat Web3 Association has steadfastly pursued its objectives centred around three key principles: Promote, Educate, and Collaborate. From fostering innovation and collaboration to making significant strides in policy development, the newsletter chronicles the pivotal moments that have shaped our Association.

1. PROMOTE dialogue between key stakeholders

Web3 has presented an unprecedented opportunity for India to take the lead and become a global frontrunner in this space. However, recognising this transformative potential is only the first step which must be followed by active engagement, sector-wide collaborations, and brainstorming to pave the way for the future of the sector in the country. Initiating the effort to unify the Web3 ecosystem's voice, the Association serves as the vital link between the sector and the government.

1.1. Creating Change, One Event at a Time

A. MeitY Workshop on Demystifying Web3 – June 2023

BWA partnered with the Ministry of Electronics and Information Technology (MeitY) to conduct a workshop on Demystifying Web3. The workshop was chaired by Shri Bhuvnesh Kumar, Additional Secretary, MeitY and aimed to foster government-industry engagement and explore the opportunities and challenges associated with these emerging technologies.



B. RIS Roundtable on Evolving Policy and Regulatory Landscape – July 2023

Research and Information System for Developing Countries (RIS) in collaboration with Bharat Web3 Association conducted a roundtable discussion titled 'Virtual Digital Assets Industry: Evolving Policy and Regulatory Landscape from India and G20 Perspectives'. The event was chaired by Dr. Sachin Chaturvedi, Director General of RIS, and witnessed constructive debate and in-depth conversations on the evolving policy and regulatory landscape of the VDA sector from the perspectives of India and the G20 countries.



C. DoCA Workshop on Virtual Digital Assets, Web3 and Consumer – July 2023

The Department of Consumer Affairs (DoCA) organized a workshop on "Virtual Digital Assets, Web3 Sector and Consumer" to provide a platform for constructive dialogue between the DoCA and stakeholders and ensure end-to-end protection for users in the Web3 space. The workshop was chaired by Shri Rohit Kumar Singh and attended by Smt.

Nidhi Khare, Additional Secretary, DoCA and Shri Vineet Mathur, Joint Secretary, DoCA among several other high-ranking government agents, ecosystem players, experts, and non-Web3 representatives.



D. Web3 Masterclass in collaboration with iStart Rajasthan – September 2023





BWA conducted a Web3 Masterclass in collaboration with iStart Rajasthan with the objective of educating the startup ecosystem on Web3. Addressing the gathering at the iStart Web3 Masterclass, BWA Chairperson Mr. Dilip Chenoy emphasised the role of domestic start-ups in helping the country realize its potential to become one of the highest growth markets for Web3 globally.

E. Knowledge Partner for Namaste Web3 – All year round

Over several months, BWA has consistently engaged in discussions as the Knowledge Partner to CoinDCX and Forbes' "Namaste Web3" Pan-India initiative. The one-of-a-kind initiative aims to spread awareness about Web3 across the country by travelling to different cities in the country, mainly talent and technology hubs, through discussions and conversations with the local ecosystems.



F. UNFOLD23 – October 2023



BWA was a Knowledge Partner for UNFOLD23, CoinDCX's flagship event. The event witnessed opening remarks from Shri Priyank M Kharge, Honourable Minister for IT/BT and Rural Development for Panchayati Raj, Government of Karnataka. Mr. Dilip Chenoy, Chairperson BWA participated in a panel discussion on 'Regulation and the Path Ahead'. He emphasized the importance of unifying the ecosystem's voices to create a model regulatory framework for the Web3 sector that can be readily used by policymakers.





During the event, several founders of BWA member firms engaged in a closed door roundtable discussion with Shri Jayant Sinha, Chairperson of the Parliamentary Standing Committee on Finance, and Member of Parliament, during which Shri Jayant Sinha shared valuable inputs on the road ahead for web3 in the country.

G. Bengaluru Tech Summit – November 2023





At the Bengaluru Tech Summit, BWA worked closely with the organisers to curate a panel on “Harnessing the Potential of Web3 to Tackle Government Challenges”. The objective of the panel was to facilitate a dialogue on how Web3 can be leveraged to address government challenges and transform the governance landscape.

H. India Blockchain Week – December 2023





Our Chairperson, Mr. Dilip Chenoy, moderated a panel during India Blockchain Week (IBW) Conference on “Indian Crypto Regulation: The Past & The Future”. The panel deliberated on the developments in recent years, encompassing advancements during India’s G20 Presidency, and the forthcoming trajectory of Crypto and Web3 in the nation.

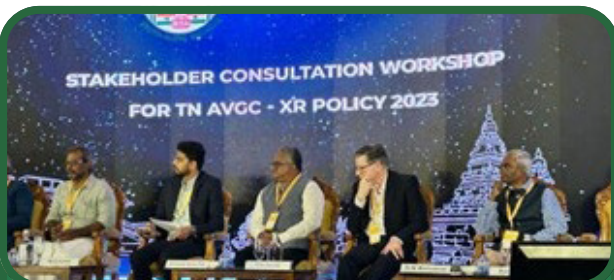
On the sidelines of the IBW event, BWA also co-hosted the Global Crypto Law Symposium with Hashed Open Dialogue for Law (HODL). The event included thought-provoking panel discussion centred around strategies for crypto projects to not only survive but thrive within India’s regulatory landscape.



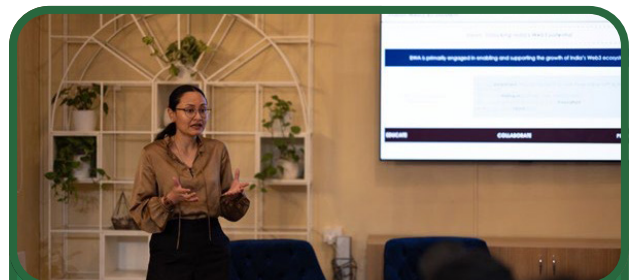
Blockchain for Productivity Forum



BW Businessworld Web 3.0 Summit and Awards 2023



Tamil Nadu AVGC Stakeholder Workshop



HODL - BWA IBW Side Event



Meeting at the Department of Economic Affairs (DEA), Ministry of Finance



BWA Meeting with Shri S Krishnan, MeitY Secretary



BWA MoU Signing with Maharashtra State Skills University (MSSU)



Consultation Meeting for formulation of Policy on Emerging Technology in Haryana



Nischal Shetty

Founder,
WazirX

The BWA was formed with a mission to unify and propel the Indian Web3 ecosystem forward, fostering collaboration and regulatory advancement. As we celebrate the first anniversary of the Bharat Web3 Association, we are conscious of the fact that we've taken baby steps in this direction.

This journey is not just about technology; it's about building a community that values transparency and regulatory compliance. Through liaison with various stakeholders, BWA has taken strides towards creating a Web3 ecosystem and shaping the regulations that evolve for the industry."



Vikram Subburaj

Co-Founder, CEO
Giottus Crypto Platform

We are at an exciting juncture and at the start of a new crypto bull run. The community sentiment is positive. It is now on us, the exchanges and Web3 companies, to build innovative products that are on par with global expectations and ease the process for Indian investors.

Customer safety and compliance remain paramount in this journey and we at Giottus are committed to providing a safe, accessible, and user-centric platform for the next generation of decentralized applications and blockchain technologies. Crypto will likely become an integral part of our daily lives. Our vision is to empower individuals to participate in this transformative journey by fostering a thriving and responsible crypto ecosystem."



Avinash Shekhar

Founder
Pi42 and Taxnodes

We're excited to share our collaboration with Bharat Web3 Association, shaping the Web3 landscape. Together with BWA, we're crafting a progressive Web3 industry, committed to responsible practices, user protection, and innovation. BWA's leadership and diversity inspire us. Beyond regulations, we're fostering a positive Web3 outlook. TaxNodes, driven by a passion for simplifying complexities, stands at the forefront of the crypto taxation landscape. Our platform not only understands the intricacies but also guides traders through the filing process seamlessly. In tandem, Pi42 Exchange introduces a tax-free trading experience, empowering traders to excel and reduce their tax burden correctly. We're not just simplifying; we're elevating the crypto journey. Thrilled to contribute to India's Web3 success."

1.2. Championing Policy Reform and Improvements in the Business Environment

Easing the policy structure around the sector and promoting a conducive environment for Web3 in the country are and have been the primary objectives of the Association. The ecosystem is still faced with several challenges hindering the growth to achieve the transformative potential of the sector. BWA has made inroads through multiple discussions and meetings with public sector stakeholders. Moreover, the Association also used these opportunities to engage with stakeholders in a collaborative capacity whenever and however possible. Priority policy initiatives for the Association include:

A. Spearheading a Regulatory Framework for the Sector

Over the past year, the Web3 sector has witnessed significant development by way of inclusion of VDAs and service providers in existing regulation, with the PMLA being the most noteworthy. While these developments have provided a degree of legitimacy to the sector, it is important to note that comprehensive regulation remains essential.

Given this, BWA has actively highlighted the importance for regulations in meetings with the key stakeholders and engaged in discussions around G20. We also submitted representations in response to papers written by global standard setting bodies such as the International Monetary Fund (IMF), the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO). Furthermore, we have closely collaborated with the FIU to implement the PMLA, actively providing industry feedback and reaffirming our commitment to the regulatory process.

B. Easing the Taxation Structure for Web3 in India

In the 2022 Budget, the Government introduced several measures for the VDA sector. This included imposing a 30% capital gains tax on profits from Virtual Digital Assets (VDAs), implementing a 1% Tax Deduction at Source (TDS) on VDA sales, restricting the set-off or carry-forward of losses from VDAs and allowing no deduction for expenditures, except the cost of acquisition.

The high TDS has unintended consequences, prompting millions of users to shift from compliant Indian exchanges to offshore platforms, potentially jeopardizing their investments and reducing tax revenue for the Government. We have put forth our representation to the Government to nurture a thriving and responsible Web3 ecosystem in India by:

- Reducing the 1% TDS on VDAs to 0.01%
- Allowing the offsetting of losses with VDA gains
- Treating income from VDAs on par with other capital assets

We were also the only industry association to have been invited to the pre-budget discussion for the Budget 23-24.

C. Allowing Access to Banking and UPI Rails

In an era of cross-border fintech connectivity and UPI going global, the Web3 sector in India is still unable to leverage its full potential due to certain fundamental issues. Specifically, the denial of Merchant Category Codes (MCCs) to VDA businesses by UPI member banks, Payment Gateways, and other payment system participants acts as a deterrent to delivering a seamless service to users.

This has had a significant effect on the volume, revenues, and consequently livelihoods of the thousands involved in the sector. It introduces an additional level of tracking transactions and encourages users to opt for compliant service providers. In light of this, we have actively participated in discussions with key stakeholders to secure access. Our commitment to these initiatives will extend into the next year, and hope to make advancements in this regard.

D. Easing the Business Environment

Currently, within the Startup India categorization, Web3 is only represented through the subcategory under Financial Technology labelled "Bitcoin and Blockchain," which we believe does not accurately represent the entire ecosystem. Our recommendation is to introduce a separate category specifically for Web3.

We are also pleased to note that, following discussions with ASCI, concrete outcomes were achieved in the form of revised guidelines released by ASCI, incorporating our suggestions.

To adhere to the PMLA and its regulations, we conducted discussions with CERSAI to obtain permission for Central KYC access. Our commitment involves ongoing engagement with stakeholders to secure, at the very least, partial access.

Additionally, we have brought attention to fraudulent websites impersonating legitimate Web3 businesses and are willing to collaborate with the government in establishing a mechanism to safeguard users from such fraudulent platforms.

Our commitment remains steadfast in promoting a conducive business environment that prioritizes consumer protection and fosters compliance.



Rahul Pagidipati

Chairman of the
Board
Zebpay

The Bharat Web3 Association (BWA) is at the forefront of India's Web3 revolution, playing a crucial role in shaping the future of this emerging sector. With a proactive approach, BWA is actively engaging with regulatory bodies, ensuring that the voices of the Web3 community are heard and considered in policymaking. Its effort in uniting key stakeholders across the crypto and Web3 industries is creating a cohesive and collaborative ecosystem.

BWA's initiative to serve as a vital bridge between industry players and regulatory authorities is fostering a conducive environment for innovation and growth. Their commitment to advocacy, education, and policy development is instrumental in driving forward India's digital transformation in the Web3 space.

As a proud member, ZebPay recognizes the invaluable contribution of BWA. Our association with BWA aligns with our vision to promote a secure, transparent, and progressive Web3 landscape in India. Through this partnership, ZebPay is dedicated to supporting BWA's mission to pave the way for a sustainable and thriving Web3 ecosystem in India."



Utkarsh Tiwari

Chief Strategy Officer
KoinBX

At KoinBX, we are thrilled to partner with the Bharat Web3 Association in this momentous journey. By joining forces, we aim to unlock the immense potential of blockchain and Web3 in India. Together, we will create a comprehensive educational framework, equip the next generation with the necessary skills, and foster a vibrant ecosystem for innovation. This collaboration signifies a new dawn for Indian Web3, paving the way for a future where technology empowers progress and prosperity for all. We are confident that by working together, we can transform India into a global leader in the Web3 space."



Mahin Gupta

Founder,
Liminal

India's regulatory landscape has seen a massive shift and one can see the increasing confidence multiple agencies have with web3 businesses and BWA members. As founding members of BWA it is a great matter of pride for us that there's a regulatory landscape for digital assets before and after BWA - and one can easily see the impact BWA has created. It's also heartening to see so many different kinds of businesses within the web3 industry band together to educate all the key stakeholders and build trust within government agencies and institutions. Kudos to Mr. Dilip Chenoy for being the glue that brings the industry together and for leading the charge for this transition that will lay strong foundations for the bright future of web3 in India."

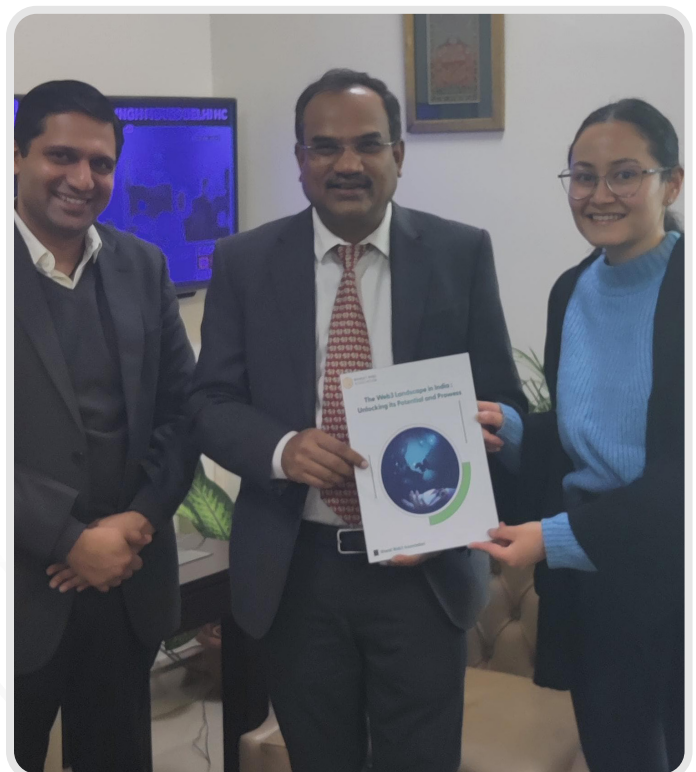
2. EDUCATE through research to keep pace with evolving technology

Over the past year, BWA has pursued several educational and research-driven initiatives aimed at increasing awareness around the sector in the country. Due to the nascent state of the sector in India, disseminating information and spreading awareness are crucial steps to ensure the technology reaches its potential. A strong comprehension of the fundamentals of Web3 and its diverse use cases on a national scale can play a huge part in accelerating progress for the sector in India.

2.1. Showcasing the Transformative Potential of Web3 for India



Mr Dilip Chenoy, Chairperson, BWA and Mr Kiran Vivekananda, Director, BWA presenting the 'The Web3 Landscape in India' report to Shri Priyank Kharge, Minister of Information Technology and Bio Technology (IT & BT), Government of Karnataka.



Shri Mahaveer Singhvi, IFS, Joint Secretary, New, Emerging and Strategic Technologies Division, Ministry of External Affairs, India (Middle) presented with the 'The Web3 Landscape in India' report.

At UNFOLD23, BWA revealed its sector-spanning report, titled 'The Web3 Landscape in India: Unlocking its Potential and Prowess'. This report shares promising global and national statistics on Web3 and highlights significant strides achieved to date. Building a compelling case for the next decade, the report outlines a roadmap for India's transformation from a talent exporter to a hub for innovative products and solutions.



Punit Agarwal

Founder
KoinX

I am proud to align our vision with the Bharat Web3 Association's noble mission of shaping the future of India's digital economy. Together, we're building bridges toward a Web3 ecosystem that empowers every stakeholder. With this collaboration, we aim to strengthen regulations, compliance measures, and consumer protection standards in this industry. This collaboration is a commitment to innovation, progress, and a shared dream of a technologically advanced India."



Ashish Khandelwal

Founder, ANQ

At ANQ, we envision a future where collaboration and innovation go hand in hand. Our journey began with a belief in bringing together key stakeholders to shape a Web3-enabled Bharat. Through the Bharat Web3 Association, we've not only bridged gaps but also built bridges toward a more connected and prosperous digital India."



Edul Patel

Co-Founder & CEO
Mudrex

Virtual Digital Assets (VDAs) are in the early stages and need effective oversight. Organizations such as the Bharat Web3 Association play a crucial role in uniting the industry's collective voice, facilitating engagement with regulators, promoting informed education, and establishing standards for information in this evolving landscape. Over the next year, Bharat Web3 Association will contribute to the growth and scaling up of the industry."

2.2.Prioritizing Consumer Protection



BWA Consumer Protection Guidelines presented to Shri Ashwini Kumar Choubey, Minister of State for Consumer Affairs, Food and Public Distribution of India.



BWA Consumer Protection Guidelines released by Dr. Fauzia Khan, Member of Parliament, Rajya Sabha.

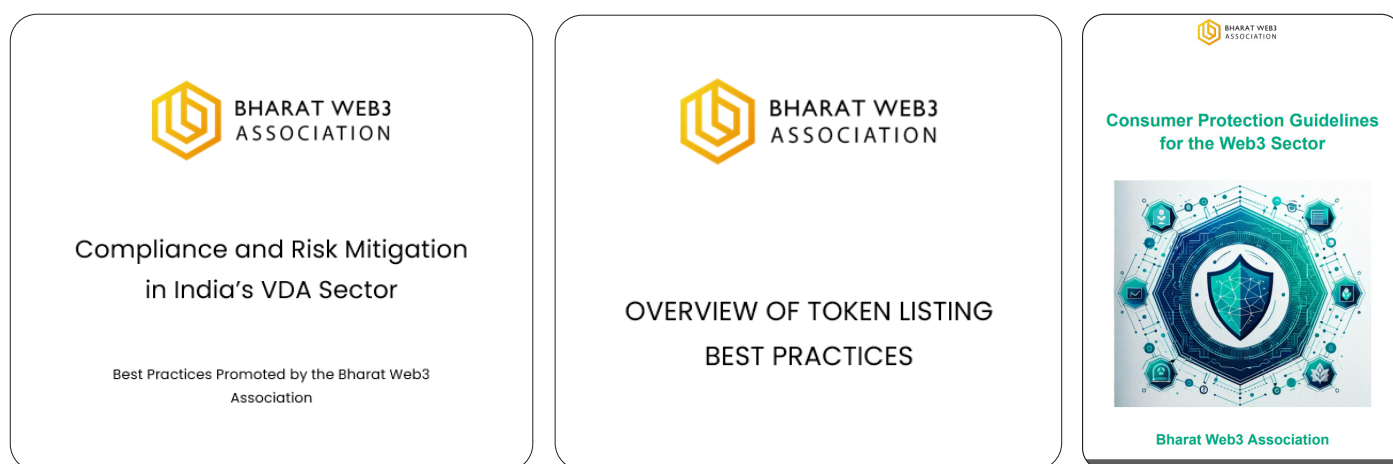
Recognizing the importance of safeguarding consumers in the Web3 ecosystem, the Bharat Web3 Association (BWA) released the Consumer Protection Guidelines for member firms, intending to foster trust and sustainability within the Web3 ecosystem.

The guidelines were officially presented to Shri. Ashwini Kumar Choubey, Honorable Minister of State for Consumer Affairs, Food, and Public Distribution and were earlier released by Dr Fauzia Khan, Honorable Member of Parliament, Rajya Sabha, and Member of the Parliamentary Standing Committee on Food, Consumer Affairs, and Public Distribution. This marked a significant step in the Association's objective of establishing itself as a Self-Regulatory Organization (SRO) for the Web3 sector.

2.3. Highlighting Global Best Practices that India can learn from

The BWA has prepared key documents focusing on enhancing regulatory frameworks for Web3, and establishing robust compliance measures for token listing. We have also prepared Guidelines for strengthening consumer protection, focussing on the principles of fairness, security, and accountability, aligning with the norms set out by various standard-setting bodies. Our Objective is to leverage the best practices from various international jurisdictions, tailoring them to India’s unique landscape.

These efforts aim to promote a stable, trustworthy, and legally compliant environment in the rapidly evolving Web3 space.



2.4. Demystifying Web3 Concepts through our Monthly Newsletter



Our monthly newsletter has been a top-priority initiative aimed at demystifying the Web3 sector and its components. Each edition delves deeply into specific aspects of the Web3 ecosystem and provides a summary of policy developments. It also shines light on the various use cases implemented by both private and public sectors, and contains a glossary of Web3 terms.



Mandar Kagade

Founder and Principal,
Black Dot Public Policy
Advisors

The Digital Assets Industry has come of age in India and Bharat Web3 Association is doing important work in the direction of setting industry standards and norms for consumer protection going beyond the table stakes that a legal regime would require. It's role as a industry body is very critical in building trust with public stakeholders.

Black Dot has been a bellwether in shaping financial public policy in India since its founding as our work demonstrates. We congratulate BWA on the anniversary of its founding, and look forward to working towards our mission of growing Web3 ecosystem in the nation."



Yuvaraj Thanikachalam

CEO & Founder
Kreatorverse

Web3 sub-sector of the Indian startup ecosystem has the potential to create 2+ million jobs for our youth in the next three to four years; India's talented creators & builders' products & platforms have the potential to attract 10+ billion dollars as investment from global markets. We are a proud member of the Bharat Web3 association to assist India in realizing its true potential of becoming the leading player driving the Web3 innovation from the front."



Abhay Singh

Co-Founder,
DappLooker

DappLooker partnership with BWA signifies our dedication to revolutionize India's Web3 ecosystem. Together, we pave the way to empower the Indian Web3 landscape, nurturing innovation and raising awareness. Through impactful collaborations and cutting-edge technology, we envision a dynamic future where data and analytics converge with decentralized ecosystems, propelling India into a pioneering role in the global digital economy."

2.5. Representing a Collective Voice in the Media

We have actively engaged with established journalists and media houses to publish articles, interviews, industry stories, and more. These opportunities have provided much needed channels to disburse information about the sector across the country to dispel the stigma around it. The cumulative impact of these development has provided an avenue to collectively voice the potential and challenges for the ecosystem and also shed light on way forward.

EU MiCA and its takeaways for VDA regulations in India

By Dilip Chenoy, ET CONTRIBUTORS • Last Updated: Jun 11, 2023, 04:19:00 PM IST

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Synopsis

In April 2023, the European Union passed the Markets in Crypto Assets (MiCA) Legislation, providing a framework for regulating cryptocurrency. MiCA's broad inclusion of 10 categories of crypto asset service providers and its definitions of asset categories and issuers show forward-thinking. India, with one category (VDAs), offers an opportunity to lead the change from a centralized to a decentralized internet. Incorporating some MiCA regulations could provide India with a common framework for regulation across borders and contribute to India's reach for a global framework for VDAs.



April '23 was a defining month for crypto. The European Union passed the Markets in **Crypto Assets** (MiCA) Legislation, a first-of-its-kind framework for regulating crypto-assets. The legislature had been in consultations for over two and a half years before it was finally accepted by the European Parliament as a comprehensive set

of regulations for the crypto ecosystem in Europe. **MiCA** came into force in May 2023 after receiving formal approval from the European Council.

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August 20, 2023 10:10 IST

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DeFi allows borrowers to secure loans through smart contracts

By Dilip Chenoy

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India's crypto taxation framework: How does it fare globally?

By Dilip Chenoy, ET CONTRIBUTORS • Last Updated: Oct 04, 2023, 10:38:00 AM IST

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Synopsis

While India has made significant steps to standardise taxation, a high rate of TDS has caused a flight of volumes and users to platforms in foreign jurisdictions and the grey market. Following the announcement of a new tax regime, there was a shift of around Rs 32,000 crore of trade volume from domestic VDA exchanges to foreign ones from Feb-Oct 2022.



The growing prominence of Web3 is a clear indicator of its transformative potential, highlighting its ability to bring about significant change. Like any emerging technology, achieving a balance between fostering innovation and ensuring financial stability is thus of paramount importance. Given this, integrating the evolving

landscape of virtual digital assets (VDAs) into a well-structured tax system is a key consideration, regardless of how the VDA landscape unfolds.

Cryptocurrency Prices In India

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Role Of DAOs In The Evolving Landscape Of Decentralised Finance

RESOURCES

Role Of DAOs In The Evolving Landscape Of Decentralised Finance

08 Oct'23 | By Dilip Chenoy



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**Anuradha
Chowdhary**

Founder
ZeroTo3

BWA's first year has been a masterclass in collective progress. Each stakeholder dialogue, each thought leadership piece, each workshop to foster awareness, feels like a brick meticulously placed in the foundation of India's digital future. As a Web3 lawyer, I see legal clarity as the vital mortar holding it all together. It's an honour to contribute to BWA's mission, and I look forward to dive deeper, build bolder, and witness Web3 empower Indian innovation on a global stage in the year ahead."



Sudeep Saxena

Co-Founder
Coin Gabbar

BWA has taken the right space in representing the concerns of the Regulators and Industry with each other thereby being at the forefront of structured adoption. It is playing a key role in the ecosystem development, and we can see a balanced growth which shall become the foundation of a Strongly Complied Web3 Industry. Kudos to the relentless efforts of the team and Management."



Keshav Saraogi

Co-Founder
Spotspreads

SpotSpreads is honored to align with Bharat Web3 Association, a visionary association driving blockchain innovation in India. Our collaboration signifies a commitment to fostering a robust crypto ecosystem while prioritizing education. With tremendous talent and innovation potential in India, SpotSpreads has and shall continue to undertake activities to foster crypto education and keep up with the pace of evolving blockchain technology. As a Market Maker, SpotSpreads envisions a road ahead marked by continuous collaboration, innovation, and regulatory compliance. We're dedicated to initiatives that not only elevate the crypto market but also empower individuals with the knowledge and tools to navigate this transformative landscape."

3. COLLABORATE to encourage Web3 and blockchain innovation and nurture India's talent pool

We take pride in fostering a vibrant ecosystem for Web3 and blockchain innovation in India. As a dynamic organization, our focus revolves around collaboration with diverse stakeholders to propel the growth of decentralized technologies. Through a series of strategic initiatives, we aim to cultivate an environment that not only encourages innovation but also nurtures India's burgeoning talent pool in the Web3 and blockchain space. Join us on this exciting journey as we unfold the stories of collaboration, innovation, and the transformative power of Web3 technology in shaping the future of India's digital landscape.

In this section, we would like to highlight some of our key partnerships, key objectives and the impact of these collective efforts:

3.1.Strategic Partnerships with the Centre and State

In addition to increasing engagement through membership, BWA has also pursued strategic partnerships with several stakeholders in India to make meaningful progress with respect to the sector in India.

In February 2023, BWA signed **an MoU with the Government of Telangana** to provide support to the **Web3 Regulatory Sandbox** setup by the government's Emerging Technologies Wing. The fruitful partnership has allowed BWA to assist the smaller startups which are a part of the sandbox and has facilitated collaborative initiatives such as the development of **Principles for Asset Tokenisation**, which were recently released during Polygon Connect. We have also received approval from the Government of Karnataka for a collaboration and are working with the government to kickstart the partnership.



RoundTable Discussion on Telangana Asset Tokenization with Shri Jayesh Ranjan, Principal Secretary for Information Technology, Electronics & Communications (ITE&C) and Industries & Commerce Departments of Government of Telangana

Partnerships with universities such as Maharashtra State Skills University and Vignan University, have allowed BWA to work with universities to initiate the introduction of Web3 to the curriculum of technology undergraduates through truly remarkable and transformative initiatives for the entire sector.

We have engaged with the Government of Haryana and Tamil Nadu to support the Emerging Tech and AVGC sector respectively. Through representations shared with MeitY, we have also shared sector insights during consultation meetings for the Digital India Act.

Our foundational partnerships with union and state government agencies including MeitY, DoCA, and iStart Rajasthan, have yielded multiple awareness workshops held in the presence of senior government representatives which have played a crucial role in easing public-private sector relations in the sector.

First Web3 Regulatory Sandbox initiative in India – A collaborative effort between State of Telangana and BWA

As Director of the Emerging Technologies Wing at the IT Department, Government of Telangana, I witness firsthand the revolutionary potential of sectors like Virtual Digital Assets (VDAs) and Web3. These domains, with their decentralization, transparency, and boundless possibilities, hold the key to unlocking a future woven with interconnectedness, empowerment, and economic vibrancy. But building this future needs a crucial starting point – fostering a thriving ecosystem for startups in these nascent sectors.

Emerging sectors like VDAs and Web3 are uncharted territories, riddled with evolving regulations and unmapped pathways. While established corporations may hesitate, startups – with their agility, adaptability, and audacious spirit – are uniquely equipped to navigate these uncertainties. By nurturing a thriving startup ecosystem in these sectors, we unlock a pipeline of disruptive solutions that address real-world challenges and shape the future we desire.

Through the collaborative efforts Emerging Technologies Wing, IT Department, Government of Telangana, the Bharat Web3 Association, and various industry ecosystem partners, have yielded two noteworthy initiatives:

- 1. Web3 Regulatory Sandbox:** This first-of-its-kind initiative in India creates a safe space to encourage startups to establish themselves in India and help them navigate the regulatory landscape. It fosters an atmosphere where constructive feedback from regulators and industry experts helps refine solutions and pave the way for responsible innovation. This sandbox is a launchpad for the future of Web3 in India.
- 2. Asset Tokenization Technical Guidance Report:** This comprehensive report provides clear guidance on the technical aspects of tokenizing real-world assets, empowering startups and businesses to navigate this promising domain with confidence. It covers key topics like blockchain technologies, and market trends, equipping stakeholders with the knowledge needed to develop compliant and commercially viable tokenization projects. This report is a crucial roadmap for startups venturing into the world of VDAs.

These initiatives stand as testaments to the immense value of collaboration. We, the government, provide the regulatory framework, infrastructure, and resources, while industry associations like the Bharat Web3 Association offer invaluable expertise, mentorship, and market access. This symbiotic relationship creates fertile ground for startups to thrive, ultimately benefiting not just individual businesses but the entire ecosystem, including investors, consumers, and the wider economy.

By joining hands – government, industry, investors, and those bold spirits of entrepreneurship – we can transform Telangana, and India, into a global catalyst for these transformative technologies. Together, this synchronized effort not only empowers our people and ignites progress for generations to come, but propels us to the forefront of the emerging tech revolution, leaving a lasting legacy of innovation.



Rama Devi Lenka

Director – Emerging Technologies, T Department,
Government of Telangana

3.2. Collaboration with International Associations

We have established relationships with several international associations which are operationally like BWA to achieve global goals for the sector. These include **Blockchain Association Singapore, Canadian Web3 Council, European Crypto Initiative, and Blockchain Australia**. We have also undertaken collaborative initiatives including joint representations in response to working papers published by Standard Setting Bodies and preparation of a global taxonomy report for Web3 at a global level.

BW BW Disrupt

Blockchain Association Singapore, Bharat Web3 Association Sign MoU To Accelerate Blockchain Adoption

Blockchain Association Singapore, Bharat Web3 Association Sign MoU To Accelerate Blockchain Adoption · Both organisations aim to advance the...

13 Jul 2023



FE The Financial Express

Bharat Web3 Association and Blockchain Association Singapore enter into Memorandum of Understanding over blockchain technology

Blockchain Association Singapore (BAS) and Bharat Web3 Association (BWA) have announced signing of a Memorandum of Understanding (MOU).

13 Jul 2023



These partnerships have also allowed BWA to strengthen external representation for BWA initiatives. Representatives and stakeholders from the agencies and associations have participated in BWA workshops and events to strengthen the case for the potential of Web3. Partnerships with international associations have played a big role in tangibly defining the state of the sector in India and how it compares to relatively flexible international jurisdictions.

FE The Financial Express

Bharat Web3 Association and European Crypto Initiative enter into a MoU over Web3.0 solutions

Bharat Web3 Association (BWA) and the European Crypto Initiative (EUCI) have announced the signing of a Memorandum of Understanding (MoU).

11 Oct 2023

CG CoinGape

Bharat Web3 & EUCI Collaborates To Advance Web3 Development

Bharat Web3 Association collaborates with the European Crypto Initiative by signing a Memorandum of Understanding to explore Web3 potential.

11 Oct 2023



Shaping the Future Together: EUCI and BWA's collective vision

In the rapidly changing landscape of crypto regulations and advancements in blockchain technologies, the impacts resulting from the partnership between EUCI, and the Bharat Web3 Association (BWA) demonstrate the power of collaboration.

We are pleased to have this valuable knowledge exchange, and I would like to share more about our joint efforts.

MICA and International Exchange:

The Markets in Crypto Assets (MICA) framework within the European Union has been a central element of our collaboration. EUCI is happy to share how the MICA regulation shaped the EU and how it will change the future Crypto Assets landscape, unifying the European market. The impact brought by this exchange has deepened our understanding of regulatory nuances and laid the foundation for a more robust approach to compliance and innovation.

Collaborations with IOSCO and Global Entities:

We have also collaborated on responding to the IOSCO Decentralized Finance position paper and contributed to shaping global regulatory dialogues. We're proud to say that the joint effort with the advocacy organisations Web3 Canada and Blockchain Association Singapore has gained recognition. I can't stress more how important global collaboration is when addressing the regulatory developments from IOSCO, the Financial Action Task Force (FATF), the Organisation for Economic Co-operation and Development (OECD), and other global regulators.

Sandbox Initiatives and Knowledge Exchange:

We have also taken a collaborative approach to Sandbox Initiatives. The EU Blockchain Sandbox and the Telangana Sandbox have been central points where we exchanged information and shaped ideas. Sandboxes as regulatory tools provide a multitude of perspectives on regulatory testing grounds and expand toolkits so that we can shape a more informed and innovative future.

Driven by a shared vision of a bright, innovative future, EUCI and Web3 Bharat remain dedicated to pioneering responsible innovation and shaping regulatory landscapes within crypto and blockchain technologies. We are looking forward to the multiple collaboration opportunities in 2024.



Marina Markezi

Co-founder & Director
European Crypto Initiative

4. The Road Ahead

Looking ahead, the Bharat Web3 Association is poised for an exciting year of growth and impactful initiatives. Our action plan for the upcoming year focuses on fortifying our foundation and contributing significantly to the burgeoning Web3 sector in India. This will include strengthening membership, contributing to discussions on model regulation for the sector, SRO initiatives, consumer protection and awareness initiatives, and continued engagement with stakeholders both nationally and internationally through roundtables discussions, meetings, and Workshops

We are committed to expanding our community by attracting diverse and passionate individuals and organizations. Strengthening our membership base will not only enhance our collective knowledge but also broaden the reach and impact of our initiatives.

In collaboration with industry experts and other relevant stakeholders, we are set to embark on the development of a comprehensive model regulation framework for the Web3 sector. This initiative aims to provide clarity, foster innovation, and establish a conducive regulatory environment for the growth of Web3 sector in India.

In addition to this, recognizing the importance of industry self-regulation, we will spearhead efforts to establish SRO mechanisms within the Web3 space. These initiatives are designed to promote ethical practices, set industry standards, and ensure responsible innovation.

Ensuring the safety and awareness of consumers is paramount. We will launch targeted campaigns and programs to educate the public about Web3 technologies, their benefits, and best practices for secure engagement. Consumer protection measures will be at the forefront of our advocacy.

As highlighted through our various partnerships this year, we strongly believe that collaboration is the cornerstone of progress. We plan to host a series of policy roundtables, discussions, meetings, and workshops involving key stakeholders, government bodies, industry leaders, and academia. These platforms will facilitate knowledge exchange, idea generation, and consensus building to create a vibrant and collaborative Web3 ecosystem in India.

As we embark on this journey, the Bharat Web3 Association invites you to be an integral part of our mission. Together, let's shape the future of Web3 innovation in India and pave the way for a dynamic and inclusive digital landscape. Stay tuned for updates, events, and opportunities as we strive to make a lasting impact on the Web3 frontier.



Harish Kamat

Director
WebTiga

Learned about BWA recently and we enrolled as a member quickly since Mr. Dilip Chenoy was chairing it and his transition from Automotive to Web3, recalling SIAM days. I'm involved in UnifyGPT, an Enterprise-grade platform for AI, Gaming, and Blockchain-based Autonomous Agents. It enhances operational efficiency, reduces costs, and boosts revenue. With Mr. Chenoy's leadership, Web3 startups can overcome regulatory hurdles. In this nascent industry, patience is crucial. BWA, led by the secretariat and committees, is progressing well. Wishing them success on their first anniversary."



DhruPAD Das

Partner, PANDA LAW

As the year ends, it's important to take stock of the strides the web3 industry has made in the past 12 months owing to the BWA team's dogged efforts. From FIU registrations to the asset tokenization guidance note formulated in collaboration with the Telangana government- much needed steps in the right direction. I have no doubt that Web3 will play a leading role in India's success story, especially given its inherent collaborative DNA. I look forward to the new year and ushering in the era of digital assets in India."



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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