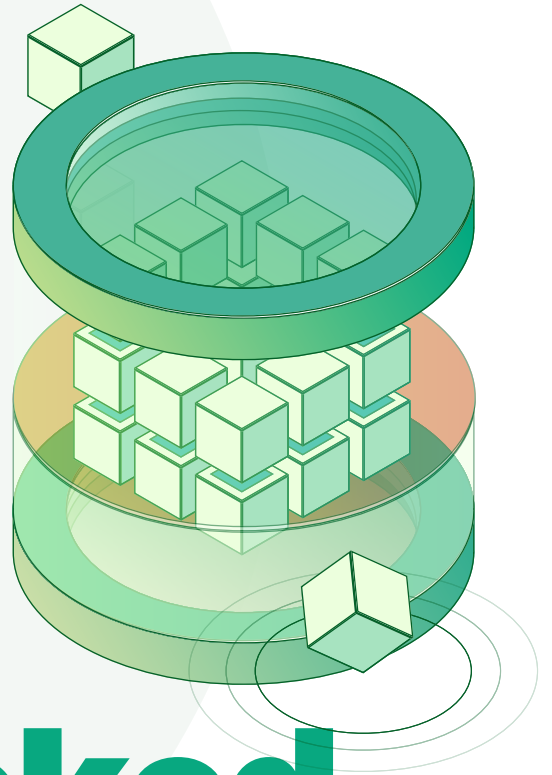




Educate
Collaborate
Promote

Web3 Unpacked

Monthly Newsletter 📅 Feb '24



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What is Bitcoin Halving

Bitcoin Halving is a sector-wide event which affects VDA markets around the world, particularly the miners engaged in creating the tokens. Miners refer to individuals who undertake the process of mining.

Bitcoin Halving is an event which occurs every 4 years or after 210,000 blocks are mined and it entails halving of the rewards offered to miners. The initial reward offered was initially set at 50 BTC per block. With subsequent cycles of halving, this reward has dropped consistently over a period. After the most recent halving in May 2020, the 3rd halving, the reward reduced to 6.25 BTC per block. The next Halving is expected to happen in April 2024.



The Implications of Bitcoin Halving

The objective of this practice is to ensure that no more than 21 million Bitcoins remain in circulation, a measure that allows the market to control inflation while also ensuring finite supply as the total supply of BTC is restricted to 21 million coins as per the Bitcoin Whitepaper. The protocol for halving is written into the code of the blockchain and occurs automatically when either of the 2 dependent conditions are met.

For the Market

Given the magnitude of its occurrence, Halving has significant impact on the market around the world. It is an anti-inflationary measure which ensures the scarcity of Bitcoin in the market to restrict/decrease the number of coins in circulation. This scarcity reduces supply and thus halving is usually followed by an increase in the price of tokens. However, since the VDA market is complex and depends on several factors, these outcomes are not guaranteed.

In anticipation of Halving, interest in VDA markets in general tends to rise as investors as well as jurisdictions have started to recognise the trend of a subsequent increase in prices for the market. And while such increases in speculative interest may make the market more appealing, it also becomes more volatile.

For Miners

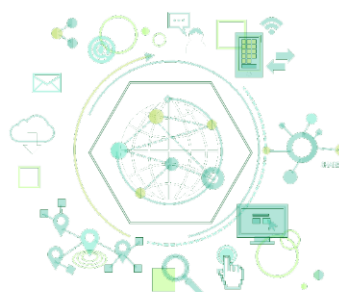
Mining refers to the process through which new blocks are added to the Bitcoin blockchain. It usually involves custom-made computers called Application-Specific Integrated Circuits (ASICs); computers designed specifically to compute as quickly as possible. Mining is used to permanently add transactions to the blockchain without the interference of any centralised entity. Miners, who undertake mining, are incentivised to secure the network by spending resources and are subsequently rewarded with bitcoins.

VDA mining is a time consuming and exhausting process and miners can spend anywhere between 10 minutes and 30 days to mine a single bitcoin. Once the block is added and recorded on-chain, the miner is rewarded with a specific portion of the tokens which they then own. This reward is the fundamental incentive for people to take up mining and essentially forms the backbone of the Web3 ecosystem globally.

For Miners, Halving may impact profitability, as rewards for mining are reduced. This is particularly pertinent as the process of mining tokens is extremely complex, expensive and time consuming. The process consumes vast amounts of electricity and usually leaves behind a huge carbon footprint.

Moreover, the reduced rewards may cause Miners to shift to other blockchains in search for greater rewards and since these miners are responsible for validating and securing new blocks added on-chain, an exodus of miners would mean a less secure blockchain.

At the same time, due to the increase in market value that halving creates, these miners also get more opportunities to grow with the market. Rise in market prices automatically means more consumers and more demand implies a need for miners. Thus, the reduction in rewards can theoretically be set off by an increase in the number of better-paying alternative opportunities which may arise as its consequence.



The 2024 Halving

Bitcoin Halving is viewed as a net positive by the sector due to the prevailing trends of rising prices post halving. As the crypto market has matured over time, the returns from VDAs as well as their volatility have reduced.

Historically, there have been three halving cycles and each time BTC prices has surged by as much as six times. Thus, there is a lot of optimism in the market for the next halving, particularly considering the fact that VDA prices are already on the rise. Halving can also have positive impact on the sector in developing countries and relatively conservative jurisdictions. The increase in prices and interest may kickstart a rise in activity in the market in these regions.

What does it mean for the Indian Sector

For the Indian market, Bitcoin holdings, which presently stand at nearly USD 4 billion, are expected to double following the 4th halving. And while such projections are encouraging for the sector, investors must carefully understand the market before trying to leverage the rise in price.





Inaugural Founders Forum

On 7th February 2024, the BWA hosted its first Founders Forum in Bengaluru. The Forum provided an opportunity for our member company founders to come together, reflect on the learnings from the first year and discuss ways to strengthen our collective work ahead.

The Keynote Address by Shri Vivek Aggarwal, Director, FIU-IND highlighted the commendable efforts of Indian Virtual Asset Service Providers (VASPs) in establishing robust compliance measures. These measures have not only received global recognition but have also set a precedent for the industry. He also emphasized the critical need for a collaborative approach between regulatory bodies and the private sector to effectively deal with any challenges.

Further, the brainstorming session with all members helped us reflect on the learnings from the previous year and provided us with new insights and goals for the next year to strengthen our collective work ahead. We are grateful to the founders and their teams for contributing to rich discussions on a wide range of issues.

The consistent support of our members has been invaluable to the growth of our association over the past year. As we embark on another year, we look forward to our continued partnership with more members as we strive to educate, collaborate, and promote the Web3 sector across the nation.

New Associate joins the Association!



SUNCRYPTO

SunCrypto formally became a part of the Bharat Web3 Association in February 2024. The Association is delighted to have them come on board and is now 30 member strong with their arrival.

SunCrypto is a secure, user-friendly platform for users in India, where they can buy 200+ VDAs like Bitcoin, Ethereum, Ripple, etc easily, with a variety of payment options being offered. The users can access the pooled liquidity of the leading exchanges in India to get the best rate and trade instantaneously, after completing the KYC/AML procedures.

BWA welcomed new affiliates to the Association!

Angad B Sodhi



Angad Sodhi is Co-founder of Colours of India, one of India's oldest & most prominent web3 artist/creator community and operates as a nonprofit working towards artist empowerment and web3 adoption. Angad has also helped set up & curate India's first full time NFT gallery at Social Offline in Bangalore and regularly consults, curates and art directs for multiple brands looking to bridge the web2/web3 gap.

Arshita Khetan



Arshita is currently serving as the head of finance at Biconomy. She has almost 10 years of working with varied teams and organisations and has not only built a strong technical foundation but also developed key soft skills such as efficient communication, team building and leadership.

The Hong Kong Monetary Authority (HKMA) has issued comprehensive guidance for authorized institutions (AIs) engaging in the provision of custodial services for digital assets, reflecting the growing interest in digital asset-related activities. The guidance outlines a set of expected standards, drawing from international practices, to ensure the adequate safeguarding of client digital assets and effective risk management.

The guidance encompasses various key areas which include Governance, Risk Management, Safeguard and security, outsourcing, disclosure and consumer protection. Individual details as highlighted by the guidance are as follows:

A. Governance and Risk Management

AIs are required to conduct a thorough risk assessment before launching custodial services for digital assets. The board and senior management of AIs should provide effective oversight of the risk management process. Adequate resources, including manpower and expertise, should be allocated to custodial activities. Continuous training for senior management and staff is essential due to the fast-evolving nature of the digital asset space.

B. Segregation of Client Digital Assets:

AIs must hold client digital assets in separate accounts, ensuring segregation from the AI's own assets. Transfer or encumbrance of client digital assets is restricted, except for specific purposes and with client consent.

C. Safeguarding of Client Digital Assets:

AIs need to establish robust systems and controls to account for and safeguard client digital assets. Implementation of a risk-based approach is encouraged, considering the nature and risks of digital assets. Detailed measures, including the generation and storage of seeds and private keys, should align with best practices.

D. Delegation and Outsourcing:

- AIs may delegate custody functions only to specific entities, such as other AIs or licensed VA trading platforms.
- Due diligence is crucial when selecting and appointing delegates or service providers, ensuring compliance with expected standards and legal requirements.
- AIs retain ultimate responsibility for any delegated or outsourced activities.

E. Disclosure:

AIs must provide clear and comprehensive disclosure to clients regarding custodial arrangements, ownership rights, fees, insurance, and potential conflicts of interest.

F. Record Keeping and Reconciliation

Als are required to maintain detailed records of client digital assets, conducting regular reconciliation to address discrepancies. Systems and controls for record-keeping should be in place and provided to the HKMA upon request.

G. Anti-Money Laundering and Counter-Financing of Terrorism

Als must ensure that AML/CFT policies effectively manage risks related to custodial activities of digital assets, in compliance with HKMA guidelines.

H. Ongoing Monitoring

Regular reviews of policies, procedures, and independent audits on systems and controls are essential for ongoing compliance.

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National News

Rajasthan to get first blockchain tech-based centre of excellence

Rajasthan will shortly get the first-ever centre of excellence based on blockchain technology and artificial intelligence with the goal of strengthening e-governance. The state recently signed a memorandum of understanding with Indian Institute of Technology (IIT), Kanpur, which is expected to increase transparency and enhance security in the use of modern e-governance technologies and ensure the integrity of critical data of various projects, for which the blockchain-based solutions will be evolved.

[Read more](#)

Blockchain For Impact, announces USD 15 Million Fund for Innovation in India

Blockchain for Impact, the philanthropy initiative by Sandeep Nailwal, has announced a \$15 million fund dedicated to advancing Biomedical Research and Innovation in India, under the BFI-Biome Virtual network. The inaugural 1-million-dollar donation from this fund will be given to the prestigious Indian Institute of Science (IISc), over a period of three years, marking the beginning of a transformative journey in healthcare solutions.

[Read more](#)

Algorand and T-Hub collaborate on Web3 startup lab initiative

The program targets Web3 startups leveraging blockchain technology to enhance transparency and inclusivity across various sectors, while T-Hub will contribute project management resources, business mentoring, and strategic guidance, facilitating introductions to potential corporate partners for product pilot testing.

[Read more](#)

CoinDCX and Koinex Merge to Propel Crypto Adoption in India

CoinDCX has entered into an agreement with Koinex to address the concerns of Koinex users following its closure. This partnership ensures a smooth transition for one lakh existing Koinex users to access their assets through the CoinDCX platform. The move is geared towards providing a secure and transparent Virtual Digital Asset (VDA) ecosystem in India.

[Read more](#)

National Generic Document Registration System, ULPIN launched across Assam

Secretary, Department of Land Resources, Nidhi Khare rolled out National Generic Document Registration System (NDGRS) throughout Assam along with the launch of Unique Land Parcel Identification Number (ULPIN) seeding of geo referenced cadastral maps.

[Read more](#)

International News

Mastercard launches its Web3 UEFA Champions League trivia competition

Mastercard launched its Web3 powered trivia competition with a non-fungible token (NFT) acting as a key to unlock the quiz and any prizes won.

[Read more](#)

Weekly NFT Sales Rise 17% With Bitcoin Climbing Back to Second in Volume

Sales of non-fungible tokens (NFTs) have surged by 17.66% in the week from Feb17-24, amassing slightly more than \$306 million in sales, based on the rise in bitcoin prices.

[Read more](#)

VC blockchain and crypto funding rises in Q4 2023: Report

Venture funding for crypto-related companies totaled \$1.9 billion in the fourth quarter of 2023 – a 2.5% increase from the third quarter, according to a report from PitchBook. It marks the first time venture capital (VC) investments in crypto startups have risen since March 2022.

[Read more](#)

Citi Hops on Blockchain Bandwagon While Exploring Tokenizing Private Markets

Citi has tapped into blockchain technology to initiate the tokenization process in private markets, partnering with Wellington Management and WisdomTree. to complete a proof of concept on the tokenization of private funds.

[Read more](#)

Binance integrates 24 new dapps into its web3 wallet

Binance Web3 Wallet upgraded its digital asset services by adding 24 decentralized applications by providing a wide range of functionalities within the Binance Web3 Wallet.

[Read more](#)

Pixelmon Raises \$8 Million in Seed Investment

Pixelmon, a Web3 project focusing on developing a series of Web3 games, has secured \$8 million in seed investment, signaling a significant step forward in its quest for redemption in the gaming world.

[Read more](#)

Yuga Labs Backs Royalty-Enforcing NFT Platforms

Yuga Labs, the creator behind leading NFT collections announced that it will exclusively back marketplaces that mandate royalty payments for creators on all listed collections, a move aimed at securing ongoing income for artists through sales.

[Read more](#)

Blockchain can unlock \$400B in global financial innovation

Blockchain technology is close to unlocking a \$400 billion revenue opportunity by enabling the tokenization and fractionalization of private assets, according to Polygon's head of institutional capital.

[Read more](#)

International News

Crypto, Tokenization, AI Are Priorities for Monitoring, FSB Says Ahead of G20 Meeting

Crypto assets, tokenization and artificial intelligence (AI) remain priorities for monitoring by the Financial Stability Board, which keeps an eye on the global financial system, as per Chair Klaas Knot.

[Read more](#)

Bitcoin ETF Trading Spikes to Busiest Session Since January Debut

Bitcoin (BTC) exchange-traded funds posted the most trading since their debut in the U.S. last month. Volume amounted to nearly \$2 billion, the highest total since the first day of trading on Jan. 11, Bloomberg Intelligence senior ETF analyst Eric Balchunas noted.

[Read more](#)

Upcoming High-Level EU Financial Policy Talks Could Steer Crypto Oversight: Source

An informal document shared between EU officials indicate its Financial Services Committee will discuss digital finance – including crypto – at an upcoming April meeting. These talks could influence future policy and rules for crypto and a potential digital euro..

[Read more](#)

Ether Tops Bitcoin as the Largest Crypto Asset for Institutions: Bybit Research

Ether is now the largest single asset held by institutions, with Bybit speculating that this may be because of a potential upward swing from the Dencun upgrade.

[Read more](#)

DeFi Platform Pendle Nears \$1B in Total Value Locked

Pendle has almost reached \$1 billion in total value locked, with most of that value locked in within the last six months with the surge in interest coming as the market looks for more opportunities for liquid restaking tokens.

[Read more](#)

FATF plenary February 2024: Key takeaways and initiatives

The fourth Financial Action Task Force (FATF) plenary under the two-year Singapore Presidency of T. Raja Kumar took place at the FATF headquarters in Paris on February 21-23, 2024.

[Read more](#)

Jharkhand first state to use blockchain tech for seeds distribution

- In a pioneering initiative, the Jharkhand government leveraged blockchain technology for the distribution of seeds to farmers, aiming to eliminate the interference of middlemen, and promoting transparency, traceability, and efficiency in the agricultural sector.
- The move helps track seed supply distribution from the issuance of supply orders by the Directorate of Agriculture to the final delivery to farmers, eliminating middlemen and ensuring the authenticity of seeds. Further, the use of blockchain can help in creating a robust database for better scheme delivery and micro-monitoring across districts.
- The blockchain platform ensures timely seed availability, requiring farmer registration with Aadhar and mobile numbers for OTP-based seed distribution. This system not only supports the transparent distribution of seeds but also enables real-time monitoring of distribution activities, creating a detailed farmer database for enhanced scheme delivery.
- The move will help the state of Jharkhand create a pilferage-free seed distribution process, further empowering farmers to verify the variety and quantity of seeds received through an app, especially critical during times of droughts which may affect seed distribution.

[Read more](#)

Disney uses Blockchain Tech to Safeguard Ticket Sales

- In a bid to counter ticket fraud and ensure a smooth experience for visitors at its theme parks in Orlando, Disney has filed a patent blockchain technology in ticket sales to prevent scams taking place at its theme parks. The move aims to secure ticket transactions from purchase to use, addressing issues of invalid or fraudulently obtained tickets which have caused a massive inconvenience to visitors.
- The patent seeks to provide a secure, transparent digital ledger for both digital and physical ticket sales, and aims to prevent the resale of used tickets and the use of unauthorized discounts, enhancing the reliability of ticket purchases, especially from third-party sellers.
- Disney's shift towards a decentralized system promises greater transparency and security, ensuring the authenticity of tickets regardless of their format. The move reflects a commitment to innovation and consumer protection through the use of blockchain, paving the way for a more secure theme park experience.

[Read more](#)

Block Rewards



Crypto awarded to miners for successfully adding a new block to the blockchain, contributing to network security. The term "block reward" refers to the incentive given to a miner for successfully validating a new block of transactions and adding it to the blockchain.

This process is crucial for the functioning and security of a decentralized network, and the block reward serves as both an inducement for miners to participate in the network and a mechanism for issuing new tokens.

The concept of a block reward is fundamental to many cryptocurrencies, most notably Bitcoin, where it has played a pivotal role in the network's growth and security.

Pre-halving



The term "pre-halving" in the context of Bitcoin refers to the period leading up to a Bitcoin halving event.

The pre-halving period is marked by anticipation and speculation within the web3 community. Bitcoin enthusiasts and investors closely monitor the countdown to the halving event, as it has historically had significant impact on the supply and demand dynamics of Bitcoin.

During this period, traders and investors closely watch the countdown to the halving, speculating on how the reduction in new Bitcoin supply might influence its price. There is often an expectation that scarcity will increase demand, potentially impacting the market dynamics.

Hashrate



Hashrate, in the context of Bitcoin and other cryptocurrencies, refers to the computational power or processing speed of the entire network. It is a measure of how many hash operations a network can perform in a given second. Hash operations are the complex mathematical calculations that miners must solve to add a new block to the blockchain and, in turn, earn the associated block reward.

Hashrate is measured in hashes per second (H/s) or, more commonly in Bitcoin's case, in units like terahashes per second (TH/s) or petahashes per second (PH/s). It represents the collective computing power of all miners in the network.

Relative Strength Index Indicator



The Relative Strength Index (RSI) is a technical indicator used in financial markets, including the cryptocurrency market such as Bitcoin. It is not directly tied to Bitcoin halving events, but rather it's a tool that traders use to assess the strength and momentum of a price trend, helping them make informed decisions about buying or selling assets.

The RSI is a general-purpose indicator and doesn't have a specific connection to Bitcoin halving events. Traders may use the RSI in their analysis of Bitcoin price charts, but its signals are not inherently linked to halving occurrences.

KREATORVERSE



Incorporated in	3rd September, 2014
Founder(s)	Yuvaraj Thanikachalam, Seshadri Krishnan
Sector	Blockchain Infrastructure

Kreatorverse is a Web3 Innovation Studio. We partner with Financial Institutions and Fintech platforms in the TradFi, CeFi, and DeFi domains to co-creating Web3 product ventures—DApps, DID, NFT, Crypto, DEX, DLT Network, CBDC, and more—smarter, safer, and faster. Our team of experienced management consultants, strategists, product managers, designers, and engineers are experts in niche Web3 tools and tech; we're Web3-in-a-box, co-creating with future-forward enterprises and startups to bring unparalleled Web3 experiences to life.

SpotSpreads



Incorporated in	2nd May, 2022
Founder(s)	Keshav Saraogi & Shraddha Agarwal
Sector	Decentralised Finance

SpotSpreads stands out as a leading Crypto Market Maker and Liquidity Provider, known for developing and deploying proprietary, high-frequency, algorithmic trading strategies. Their primary objective is to foster efficiency, enhance liquidity and stability in crypto markets. Through meticulous research and advanced risk management protocols, we consistently stay at the forefront of technological advancements, ensuring that our strategies remain cutting-edge and effective.

Bharat Web3 Association (BWA)



**BHARAT WEB3
ASSOCIATION**

Educate Collaborate Promote

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.

Our Associates

