BHARAT WEB3 ASSOCIATION

NEWSLETTER

May 2026

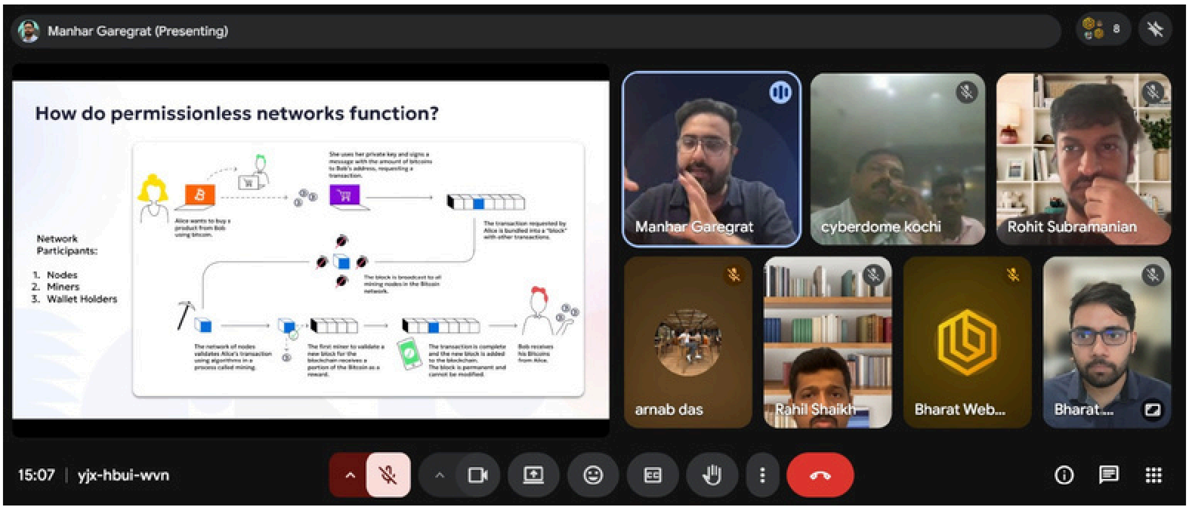
INSIDE THE ISSUE

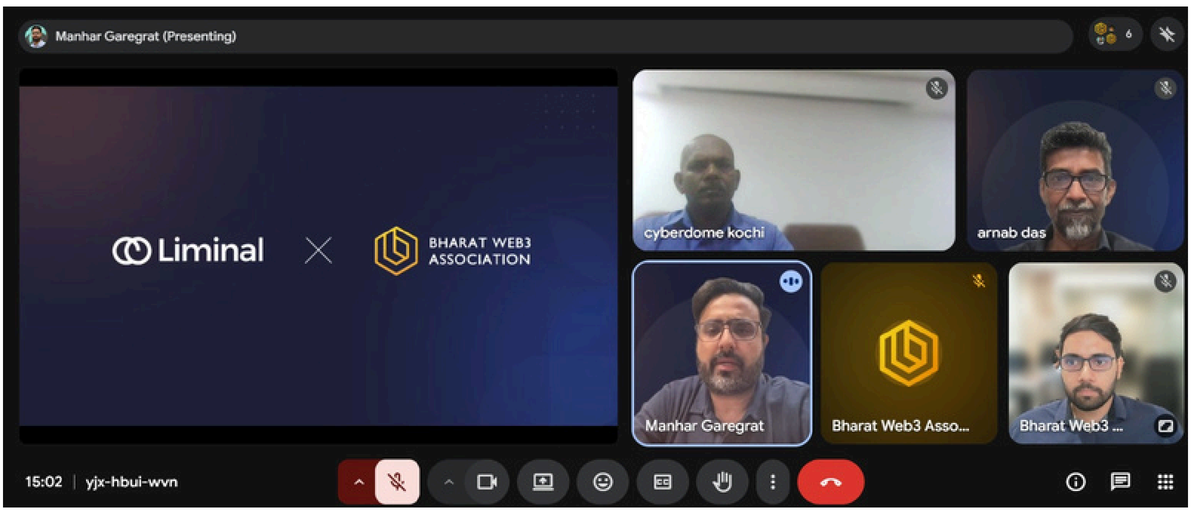
ENGAGEMENT WITH CYBERDOME KOCHI

The Bharat Web3 Association (BWA), in collaboration with its member Liminal, conducted an engagement session with Kochi Cyberdome and officials of the Kerala Police to provide an overview of blockchain technology, digital assets, and the functioning of the Web3 ecosystem.

The session covered key concepts including blockchain networks, smart contracts, VDA transactions, wallet infrastructure, token transfers, and on-chain transaction analysis. Participants were also briefed on the use of blockchain explorers, identification of transaction patterns, and emerging typologies of financial crime involving digital assets, including mixers, laundering techniques, fraudulent schemes, and cross-border illicit fund flows.

The engagement aimed to strengthen the capacity of law enforcement agencies to understand blockchain-based systems, analyse on-chain activity, and support investigations involving virtual digital assets.



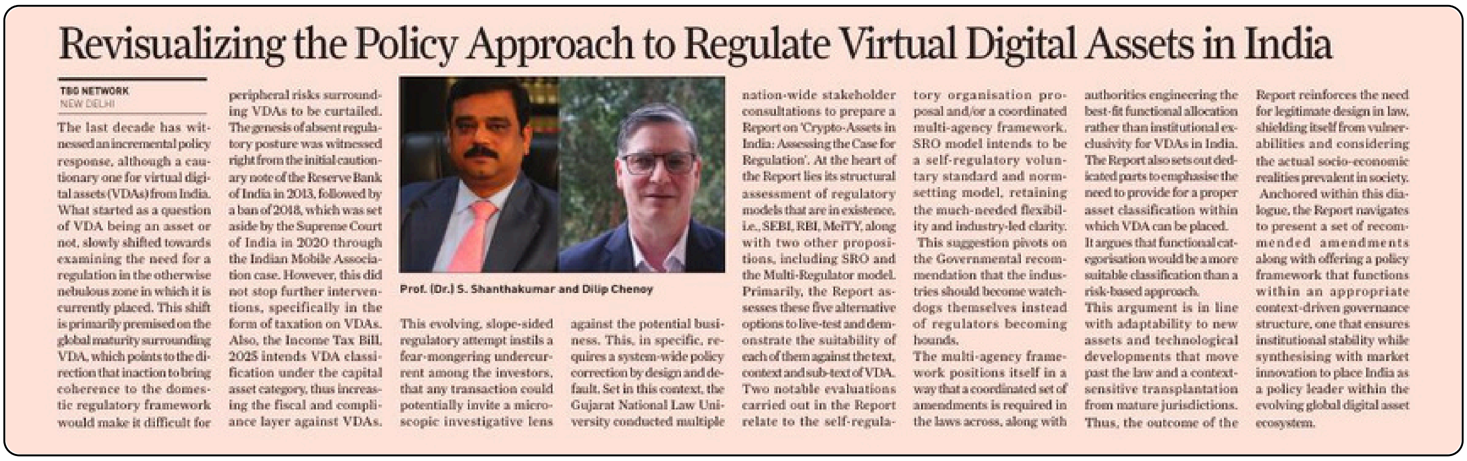


BHARAT WEB3 ASSOCIATION

MEDIA AND THOUGHT LEADERSHIP

In May 2026, Bharat Web3 Association Chairperson Dilip Chenoy was featured in a leadership article in The Business Guardian titled "Revisualizing the Policy Approach to Regulate Virtual Digital Assets in India" along with Prof. (Dr.) S. Shanthakumar.

The article examines India's evolving regulatory approach towards Virtual Digital Assets (VDAs), highlighting the need for a balanced and context-sensitive framework that promotes innovation while ensuring investor protection and regulatory oversight. It discusses the findings of the Report on Crypto-Assets in India and emphasizes the importance of a collaborative regulatory model involving industry participation, self-regulatory mechanisms, and stakeholder consultations.



Revisualizing the Policy Approach to Regulate Virtual Digital Assets in India

TBG NETWORK
NEW DELHI

The last decade has witnessed an incremental policy response, although a cautionary one for virtual digital assets (VDAs) from India. What started as a question of VDA being an asset or not, slowly shifted towards examining the need for a regulation in the otherwise nebulous zone in which it is currently placed. This shift is primarily premised on the global maturity surrounding VDA, which points to the direction that inaction to bring coherence to the domestic regulatory framework would make it difficult for peripheral risks surrounding VDAs to be curtailed. The genesis of absent regulatory posture was witnessed right from the initial cautionary note of the Reserve Bank of India in 2013, followed by a ban of 2018, which was set aside by the Supreme Court of India in 2020 through the Indian Mobile Association case. However, this did not stop further interventions, specifically in the form of taxation on VDAs. Also, the Income Tax Bill, 2025 intends VDA classification under the capital asset category, thus increasing the fiscal and compliance layer against VDAs.

Prof. (Dr.) S. Shanthakumar and Dilip Chenoy

This evolving, slope-sided regulatory attempt instils a fear-mongering undercurrent among the investors, that any transaction could potentially invite a microscopic investigative lens against the potential business. This, in specific, requires a system-wide policy correction by design and default. Set in this context, the Gujarat National Law University conducted multiple nation-wide stakeholder consultations to prepare a Report on 'Crypto-Assets in India: Assessing the Case for Regulation'. At the heart of the Report lies its structural assessment of regulatory models that are in existence, i.e., SEBI, RBI, MeiTY, along with two other propositions, including SRO and the Multi-Regulator model. Primarily, the Report assesses these five alternative options to live-test and demonstrate the suitability of each of them against the text, context and sub-text of VDA. Two notable evaluations carried out in the Report relate to the self-regulatory organisation proposal and/or a coordinated multi-agency framework. SRO model intends to be a self-regulatory voluntary standard and norm-setting model, retaining the much-needed flexibility and industry-led clarity.

This suggestion pivots on the Governmental recommendation that the industries should become watchdogs themselves instead of regulators becoming hounds.

The multi-agency framework positions itself in a way that a coordinated set of amendments is required in the laws across, along with authorities engineering the best-fit functional allocation rather than institutional exclusivity for VDAs in India. The Report also sets out dedicated parts to emphasise the need to provide for a proper asset classification within which VDA can be placed. It argues that functional categorisation would be a more suitable classification than a risk-based approach.

This argument is in line with adaptability to new assets and technological developments that move past the law and a context-sensitive transplantation from mature jurisdictions. Thus, the outcome of the Report reinforces the need for legitimate design in law, shielding itself from vulnerabilities and considering the actual socio-economic realities prevalent in society.

Anchored within this dialogue, the Report navigates to present a set of recommended amendments along with offering a policy framework that functions within an appropriate context-driven governance structure, one that ensures institutional stability while synthesising with market innovation to place India as a policy leader within the evolving global digital asset ecosystem.

BIZ BUZZ 3

AIRTEL AFRICA FY26 PROFIT JUMPS TO $813M, REVENUE UP 29.5%

Airtel Africa reported strong FY26 growth with higher revenue, profits, and customer expansion driven by data and mobile money service.

ENTICE 3.0 invites innovation in non-lithium storage and AI grid solutions

Gift of wellness celebrates all mother figures this Mother's Day

NavRaag Prabha: A Musical Celebration of the Raag Creations

Habuild survey finds most mothers prioritise health after 45

Revisualizing the Policy Approach to Regulate Virtual Digital Assets in India

EVENTS AND OTHER ENGAGEMENTS

BWA Chairperson Remarks at CNBC Awaaz Bharat Economic Sanvaad

In May 2026, Bharat Web3 Association Chairperson Dilip Chenoy, spoke at the CNBC Awaaz Bharat Economic Sanvaad during a panel discussion on the evolving Virtual Digital Assets ecosystem.

The Chairperson's remarks focused on growing investor participation in the digital assets ecosystem, the importance of consumer awareness and informed decision-making before investing, as well as the need for due diligence and responsible participation. He also highlighted emerging use-cases of Web3 technologies and Bharat Web3 Association's ongoing initiatives.

GLOBAL DEVELOPMENTS

Bank for International Settlements Published Paper on Cryptoasset Service Providers as Financial Intermediaries

The Bank for International Settlements (BIS) Financial Stability Institute published Occasional Paper No. 27 examining the growing role of Cryptoasset Service Providers (CASPs) in digital asset markets. The paper noted that CASPs increasingly provide lending, derivatives, token issuance, and other financial intermediation services, exposing them to risks similar to those faced by traditional financial institutions.

The paper recommended prudential safeguards for such entities, including capital and liquidity requirements, governance standards, risk management frameworks, and stress testing.

United Kingdom Consulted on Cryptoasset Perimeter Guidance

The Financial Conduct Authority (FCA) published Consultation Paper CP26/13 outlining proposed perimeter guidance for the United Kingdom's future cryptoasset regulatory framework. The proposals clarify when authorisation would be required for activities such as issuing qualifying stablecoins, safeguarding cryptoassets, operating trading platforms, dealing, arranging transactions, and providing staking services.

The consultation also outlined the transition from the current anti-money laundering registration regime to a future authorisation framework.

United Kingdom Established Regulatory Framework for Tokenised Funds

The FCA issued Policy Statement PS26/7 establishing rules and guidance for tokenised funds within the existing UK investment fund framework. The framework permits the use of distributed ledger technology (DLT) in regulated fund operations while maintaining existing investor protection standards.

The policy allows authorised funds to maintain investor records and transaction registers on DLT networks, including across multiple blockchains.

Australia Established Digital Asset Regulatory Framework

Australia's Corporations Amendment (Digital Assets Framework) Act 2025 received Royal Assent, creating a formal regulatory regime for digital asset intermediaries. The legislation introduced Digital Asset Platforms (DAPs) and Tokenised Custody Platforms (TCPs) as regulated financial products under the Australian Financial Services Licence framework.

The regime imposes licensing, conduct, governance, custody, and disclosure requirements on covered entities and will take effect following a 12-month transition period.

GLOBAL DEVELOPMENTS

South Africa Proposed Capital Flow Regulations Covering Cryptoassets

South Africa's National Treasury and the South African Reserve Bank released draft Capital Flow Management Regulations, 2026, for public consultation. The proposed framework would replace the Exchange Control Regulations of 1961 and bring cross-border cryptoasset transactions within the country's foreign exchange control regime.

The draft regulations also introduce reporting requirements, administrative sanctions, and enhanced enforcement powers aimed at addressing illicit financial flows.

Morocco Advanced Draft Cryptoasset Legislation

Morocco advanced a draft legal framework for cryptoassets that is currently under government review. The proposed legislation seeks to establish licensing, supervisory, governance, and investor protection requirements for cryptoasset service providers.

The framework also contemplates the regulated use of utility tokens, asset-backed stablecoins, and distributed ledger technology.

Argentina Recognised Virtual Assets for Qualified Investor Status

Argentina's National Securities Commission (CNV) adopted General Resolution 1125/2026, recognising virtual assets as part of an individual's net worth for determining qualified investor status.

The measure allows investors to count cryptoasset holdings towards eligibility thresholds for private placements, tokenisation initiatives, and other capital market activities.

BIS Examined Stablecoins and the International Financial System

The Bank for International Settlements published a paper examining the impact of USD-denominated stablecoins on the international monetary and financial system, particularly in emerging markets and developing economies.

The paper analysed issues including digital dollarisation, monetary sovereignty, capital flows, financial stability, cross-border payments, and regulatory approaches to stablecoins.

Vietnam Announced Plans for a Regulated Digital Asset Market

Vietnam's Ministry of Finance announced plans to launch a regulated cryptocurrency and digital asset market in the third quarter of 2026.

The announcement followed earlier regulatory initiatives, including a licensing framework for cryptoasset trading platforms and proposals to tax cryptocurrency transactions.

GLOBAL DEVELOPMENTS

Bank of England Reviewed Proposed Stablecoin Framework

The Bank of England reviewed aspects of its proposed regulatory framework for sterling-denominated stablecoins following industry feedback.

The review focused on proposed holding limits and reserve requirements, including rules requiring a portion of stablecoin reserves to be held at the central bank.

South Korea Advanced Tokenised Securities Framework

South Korea's Financial Services Commission announced plans to publish detailed rules on tokenised securities as part of preparations to integrate blockchain-based securities into the country's capital markets framework by 2027.

The proposed measures are expected to cover the tokenisation of stocks, bonds, and money market funds, as well as related trading and settlement requirements.

Poland Approved Cryptoasset Legislation Aligned with MiCA

Poland's parliament approved a government-backed cryptoasset bill designed to align the country's framework with the European Union's Markets in Crypto-Assets (MiCA) Regulation.

The legislation grants supervisory and enforcement powers to the Polish Financial Supervision Authority over cryptoasset market participants.

Minnesota Authorised Crypto Custody Services by Banks and Credit Unions

Minnesota Governor Tim Walz signed legislation permitting state-chartered banks and credit unions to provide virtual currency custody services from August 2026.

The law allows institutions to offer custody services directly or through third-party providers, subject to asset segregation and safeguarding requirements.

European Commission Launched Review of the MiCA Framework

The European Commission launched a public consultation on the operation of the Markets in Crypto-Assets (MiCA) Regulation.

The consultation seeks stakeholder feedback on whether the framework should be updated to reflect developments in digital asset markets and evolving international regulatory approaches.

GLOBAL DEVELOPMENTS

U.S. Federal Reserve Proposed Limited-Purpose Payment Accounts

The U.S. Federal Reserve proposed the introduction of limited-purpose payment accounts that would provide eligible financial institutions with access to Federal Reserve payment services for clearing and settlement.

Under the proposal, account holders would not have access to central bank credit facilities or receive interest on balances.

United Kingdom Published Joint Roadmap for Wholesale Market Tokenisation

The FCA and the Bank of England published a joint vision for tokenisation in UK wholesale financial markets. The initiative aims to provide regulatory clarity for the use of distributed ledger technology in market infrastructure, collateral management, settlement systems, and tokenised assets.

The roadmap also includes consultations on extending settlement system operating hours and refining the regulatory treatment of tokenised financial instruments and stablecoins.

United States Introduced Digital Asset PARITY Act

A bipartisan group of U.S. lawmakers introduced the Digital Asset Protection, Accountability, Regulation, Innovation, Taxation, and Yields (PARITY) Act.

The bill proposes reforms to the taxation of digital assets and stablecoins, including provisions relating to staking, lending, mining rewards, wash-sale rules, and foreign investor treatment.

China's Supreme People's Court Planned Digital Asset Adjudication Rules

China's Supreme People's Court announced plans to conduct research and formulate adjudication rules for disputes involving virtual digital assets and cross-border finance.

The initiative forms part of broader efforts to strengthen judicial guidance for digital economy disputes and support capital market stability.

ABOUT US

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 MEMBERSHIP

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Liminal
Ava Labs.
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Mudrex
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SUNCRYPTO
BYBIT
COFINEX.IO
Black Dot Public Policy Advisors
WEBTIGA
HORNET
Dorando
Intract.
FinStep Asia
Pi42

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

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