



NEWSLETTER

August 2026

INSIDE THE ISSUE

- **Monthly Recap**
Noteworthy Activities of the Association
- **Policy News**
Updates from around the World

FOUNDERS MEETING

On 6 August 2026, the Bharat Web3 Association (BWA) convened its Founders' Meeting to discuss the Association's upcoming initiatives on the self-regulatory body.

The meeting was attended by BWA's senior leadership and senior representatives from its member organizations.

The discussions focused on key priorities and initiatives aimed at strengthening and supporting responsible growth of the Web3 ecosystem in India.



MEDIA AND THOUGHT LEADERSHIP

In August 2026, Bharat Web3 Association Chairperson Dilip Chenoy was featured in a leadership article in The Pioneer Edge titled "An important milestone in India's Virtual Digital Asset Regulatory Journey".

The article examines the Parliamentary Standing Committee on Finance's recommendations on the Securities Markets Code, 2025, calling for a comprehensive regulatory framework for virtual digital assets and an interim co-regulatory mechanism.

It highlights existing gaps in market conduct, transparency, consumer protection and grievance redressal, while emphasising the need to balance investor protection with responsible innovation.



An Important Milestone in India's Virtual Digital Asset Regulatory Journey

TSS NETWORK
NEW DELHI

The Parliamentary Standing Committee on Finance's recommendations on the Securities Markets Code, 2025 represent an important milestone in India's evolving approach to the regulation of virtual digital assets. By recommending that the Government comprehensively examine the need for a statutory and regulatory framework for the sector, while also considering an interim regulatory mechanism through recognised self-regulatory organ-

isations operating under the oversight of the designated regulator, the Committee has provided a thoughtful and balanced pathway for addressing an area that has, until now, remained outside a comprehensive regulatory framework.

For the digital asset ecosystem, this is a welcome and significant development. It is the first time that a Parliamentary Committee has examined the place of virtual digital assets within India's broader financial regulatory architecture and articulated a considered approach for addressing the

existing regulatory gap. The recommendation reflects a careful appreciation of both investor protection imperatives and the need to support responsible innovation.

The Committee's observations merit close attention. It recognises that while the proposed Securities Markets Code adopts a technology-neutral definition of securities, many categories of virtual digital assets fall outside that definition because they do not satisfy the legal characteristics of securities or derivatives. At the same time, it acknowledges that these assets are increasingly



Dilip Chenoy, Chairperson, Bharat Web3 Association
traded and held as financial assets, exhibiting many of the economic characteristics associated with traditional investment products. In doing so, the Committee identifies a regulatory gap

that may expose investors to risks relating to market conduct, transparency, consumer protection and grievance redressal.

This assessment reflects the present regulatory landscape. India's virtual digital asset sector is subject to important obligations under the Prevention of Money Laundering Act and the Income-tax Act. Registered virtual digital asset service providers comply with robust anti-money laundering, reporting and tax obligations that have strengthened regulatory oversight in these areas.

However, there remains no comprehensive framework governing market conduct, operational standards, disclosure practices, consumer protection or dispute resolution. These are matters that directly affect investor confidence and the long-term development of the sector. The Committee's recommendation for an interim framework based on recognised self-regulatory organisations operating under regulatory oversight offers a pragmatic way forward. Importantly, the recommendation does not advocate self-regulation in

isolation. Rather, it envisages a co-regulatory model in which recognised organisations operate within clearly defined standards established and supervised by the designated regulator. Such an approach can help introduce consistent governance, transparency, disclosure and investor protection measures while providing regulatory flexibility during the period in which a comprehensive statutory framework is developed.

The recommendation is also timely from a broader policy perspective. Regulatory uncertainty rarely

diminishes participation in digital assets; instead, it often shifts activity towards jurisdictions or platforms operating beyond the domestic regulatory perimeter. A well-designed regulatory framework can encourage responsible innovation within India, strengthen consumer confidence, and support compliant businesses that have invested significantly in meeting existing legal and regulatory obligations. India has emerged as one of the world's leading markets for digital asset adoption and blockchain innovation.

GLOBAL DEVELOPMENTS

Vietnam Introduces Administrative Enforcement Regime for Unlicensed Crypto Platforms

Ahead of the launch of its regulatory framework for virtual digital assets, Vietnam has introduced an administrative enforcement regime through Decree No. 284/2026/NĐ-CP, effective 1 September 2026. The decree prescribes penalties for trading through unlicensed cryptocurrency platforms, unauthorised crypto offerings, and anti-money laundering (AML) violations, while also empowering authorities to suspend activities, revoke licences, and confiscate assets.

Myanmar Passes Anti-Online Scam Bill with Severe Penalties for VDA Fraud

Myanmar's Parliament has passed an anti-online scam bill introducing stringent penalties for fraud involving virtual digital assets (VDAs), including prison terms ranging from 10 years to life imprisonment for operating VDA-related scams and online scam centres. The legislation is part of the country's broader effort to strengthen enforcement against cyber-enabled financial crime and organised online fraud.

US Banking Associations Call for Coordinated GENIUS Act Implementation

US banking trade associations have called on federal regulators to adopt a coordinated approach to implementing the GENIUS Act's stablecoin framework. In a joint submission to the Federal Reserve, FDIC, OCC and other regulators, the associations cautioned that inconsistent regulatory standards could increase financial stability risks, encourage regulatory arbitrage, trigger issuer runs, reduce bank deposits, and tighten credit availability, and urged that prudential and compliance requirements for stablecoin issuers remain aligned across agencies.

Russia Enacts Regulated Framework for Virtual Digital Asset Markets

Russian President Vladimir Putin has signed legislation establishing a regulated framework for virtual digital asset (VDA) markets in Russia, introducing requirements for exchanges, brokers, custodians and other VDA service providers, and requiring exchange operators to join a financial market self-regulatory organisation. Retail investors may purchase only approved VDAs through intermediaries, subject to an annual investment limit of 300,000 rubles per intermediary. Core provisions come into force on 1 September 2026, while rules on non-resident digital depositories take effect 1 July 2027.

GLOBAL DEVELOPMENTS

Japan's FSA Requests Additional Safeguards Against Crypto Scams

Japan's Financial Services Agency (FSA), in coordination with the National Police Agency, has requested crypto-asset exchanges to introduce additional safeguards against digital-asset scams. The measures include withdrawal delays following fiat deposits or crypto purchases, pre-registration of withdrawal addresses with waiting periods, customer-specific withdrawal limits, stronger transaction monitoring, and phishing-resistant multifactor authentication. The non-binding measures were submitted to Japan's crypto exchange self-regulatory body, with implementation left to individual exchanges.

Wharton Releases Second Stablecoin Toolkit Report on Law, Regulation and Monetary Policy

The Wharton Blockchain and Digital Asset Project (BDAP) has released the second installment of its Stablecoin Toolkit, examining stablecoins across private and commercial law, financial regulation, and monetary policy. The report discusses how reserve composition, redemption mechanisms, and custody architecture shape the legal treatment of different stablecoin designs, and identifies regulatory convergence across the US, EU, UK, Japan, Singapore, Hong Kong and UAE around fully-backed, par-redeemable fiat-referenced tokens, alongside recommendations and jurisdiction-by-jurisdiction mapping.

South Korea to Remove Threshold for Crypto Travel Rule

South Korea will remove the existing 1 million won threshold for its crypto Travel Rule, applying information-sharing requirements to all transfers between registered virtual asset service providers (VASPs) regardless of value. The amendments also introduce additional AML requirements for transfers involving overseas exchanges and personal wallets, including risk-based controls and enhanced monitoring for larger transactions, taking effect six months after promulgation.

UK FCA Prepares Regulatory Framework for Tokenized Gold

The UK Financial Conduct Authority (FCA) is reportedly preparing a regulatory framework for tokenized gold, including rules governing its potential use as collateral in wholesale markets. The FCA has held discussions with banks and industry participants as part of the UK's broader effort to expand tokenized financial markets for trading, settlement and collateral.

GLOBAL DEVELOPMENTS

US Senate Defers Vote on CLARITY Act Until After August Recess

The US Senate will defer a vote on the bipartisan CLARITY Act until lawmakers return from the August recess, Senate Majority Leader John Thune confirmed. Senate Democrats opposed an expedited vote, calling for continued negotiations on a proposed government ethics provision, changes sought by law enforcement groups, and revisions to the commodities provisions overseen by the Senate Agriculture Committee.

Bank of Russia Proposes Regulated Trading of Bitcoin, Ether and Tether

The Bank of Russia has proposed allowing three crypto assets — Bitcoin (BTC), Ether (ETH), and Tether (USDT) — to be traded on regulated exchanges. The proposal forms part of broader efforts by Russian authorities to establish a regulatory framework for digital assets and their use within the financial system.

CFTC Holds Inaugural Meeting of Innovation Advisory Committee

CFTC Chairman Michael S. Selig announced that the agency's Innovation Advisory Committee held its inaugural meeting in Washington on 20 August 2026. The Committee advises on issues at the intersection of technology, law, policy and finance, with the regulation of crypto assets, artificial intelligence, and prediction markets central to the agenda. Public comments related to the meeting were accepted until 27 August 2026.

US Treasury Proposes Rules for Payment Stablecoin Issuance Under GENIUS Act

The US Department of the Treasury has issued a Notice of Proposed Rulemaking (NPRM) to implement Section 3 of the GENIUS Act, covering the issuance, offering and sale of payment stablecoins in the United States. The proposed rules would clarify when issuers require a federal or state licence and set requirements for when digital asset service providers may offer or sell payment stablecoins to US persons, with public comments due within 60 days of Federal Register publication.

SEC Proposes Tailored Framework for Crypto Investment Contracts

The US Securities and Exchange Commission (SEC) has proposed rules to establish a "clear and fit-for-purpose framework" for certain investment contracts involving crypto assets. The proposed "tailored securities offering regime" is intended to allow entities to raise capital while preserving investor protections.

GLOBAL DEVELOPMENTS

South Korean Lawmakers Propose Bill to Strengthen FIU Authority Over Unregistered Crypto Businesses

South Korean lawmakers have introduced a bill to strengthen the Financial Intelligence Unit's (FIU) authority to investigate unregistered crypto businesses. The proposed amendment would allow individuals to report suspected violations directly to the FIU, and would empower the agency to investigate and analyse alleged violations, file complaints with relevant authorities, request criminal investigations, and share information with investigators. The bill remains at the proposal stage, requiring National Assembly approval.

CFTC Chair Signals Agency Will Act if Congress Does Not Pass CLARITY Act

CFTC Chair Michael Selig has said the agency will proceed with crypto-related regulatory initiatives if Congress does not pass the Digital Asset Market Clarity (CLARITY) Act. Speaking at the inaugural meeting of the CFTC's Innovation Advisory Committee, Selig said he had directed staff to explore measures on leveraged and margined crypto asset trading and protections for developers, while allowing the CLARITY Act additional time for Congressional consideration.

Thailand Advances Draft Rules for Spot Bitcoin and Ether ETFs

Thailand's Securities and Exchange Commission (SEC) has advanced its framework for locally listed spot Bitcoin and Ether ETFs, moving from proposed principles to draft regulations. The regulator is seeking feedback on draft rules for crypto ETFs and proposed requirements for foreign digital asset custodians; initially, asset managers would be permitted to establish passive ETFs tracking Bitcoin (BTC) or Ether (ETH).

SEC Sends Proposed Crypto Custody Rules Overhaul to White House for Review

The US Securities and Exchange Commission (SEC) has sent its proposed overhaul of custody rules for investment advisers and investment companies to the White House Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) for review. The proposed changes could provide greater clarity on how investment firms and advisers hold crypto assets for clients while complying with federal securities rules. The proposal has not yet been made public and would need to return to the SEC for a vote before release for public comment.

Ireland Publishes First National AML/CTF Strategy Addressing Digital Assets

The Government of Ireland has published its first National Anti-Money Laundering, Countering the Financing of Terrorism and Countering Proliferation Financing Strategy. The strategy outlines proposed reforms to strengthen Ireland's AML and counter-terrorist financing (CTF) framework, including measures addressing the potential use of digital assets for illicit purposes.



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



Office No. 1313H, 12th floor, Ambadeep Building, KG
Marg, New Delhi 110001

+91 93114 07870

secretariat@bharatweb3association.com

www.bharatweb3association.com

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