



Weekly Crypto News Recap

February 17, 2023

TOP STORIES OF THE WEEK

Hong Kong legalizes crypto trading sparking outcry from Brian Armstrong

CryptoSlate

Hong Kong citizens will reportedly be allowed to buy, sell, and trade crypto assets from June 1, according to the Twitter account @NoodleofBinance. The report comes as a narrative is brewing that China is warming to cryptocurrency and seeks to implement pro-crypto regulation in Hong Kong as a sort of sandbox evaluation. The June 1 deadline is expected to apply to accredited investors while excluding retail, but many are optimistic that retail investors will have increased crypto access in time. Coinbase CEO Brian Armstrong pointed to the report as a potential catalyst for the U.S. losing its status as the world's financial hub, given the U.S.'s comparatively poor clarity on crypto regulation.

Paxos to Stop Minting Stablecoin BUSD Following Regulatory Action

CoinDesk

Stablecoin issuer Paxos will stop minting new Binance USD (BUSD) stablecoins at the direction of the New York Department of Financial Services (NYDFS), with the news coming just after a report that the U.S. SEC threatened legal action. NYDFS said that it had instructed Paxos to cease minting BUSD due to several unresolved issues related to Paxos' oversight of its relationship with Binance. Paxos resultantly said it is ending its relationship with Binance for BUSD. The SEC's notice also informed Paxos that it's considering an enforcement action against them for failing to register BUSD as a security. Paxos disagreed with the SEC's allegations, noting it's

prepared to "vigorously litigate" the disagreement if forced to do so. Bloomberg reported that Circle, the issuer of the competing stablecoin USDC, was the whistleblower that tipped off the NYDFS to investigate Paxos.

Binance Bracing Itself for Fines From US Regulators to Settle ‘Past Conduct’: WSJ
CoinDesk

As U.S. regulators continue to sniff around Binance, the world’s largest crypto exchange is prepared to pay monetary penalties to “make amends” for past regulatory violations. Binance Chief Strategy Officer Patrick Hillmann told the WSJ on Wednesday that the exchange grew quickly and was not initially aware of the myriad laws and regulations designed to prevent money laundering, sanctions evasion, and corruption. Because of that, Hillman said Binance expects to face fines – and is “working with regulators to figure out what are the remediations we have to go through now to make amends for [past violations]. Hillman declined to estimate the size of the fines or a timeline for when the investigation might be settled as he noted discussions are still ongoing, but he did add that he was “highly confident and feeling really good about where those discussions are going."

SEC proposes tougher rules as part of its crypto custody crackdown
Cointelegraph

A five-member panel of the U.S. SEC has voted 4-1 in favor of a proposal that may make it more difficult for cryptocurrency firms to serve as digital asset custodians in the future. The proposal, which is yet to be officially approved by the SEC, recommends amendments to the “2009 Custody Rule” will apply to custodians of “all assets” including cryptocurrencies, according to a Feb. 15 statement from SEC Chairman Gary Gensler. In order to become a “qualified custodian” under the newly proposed rules, U.S. and offshore firms would additionally need to ensure that all custodied assets — including cryptocurrencies — are properly segregated, while these custodians will be required to jump through additional hoops such as annual audits from public accountants, among other transparency measures.

SEC charges Terraform and Do Kwon post Terra collapse
The Block

The U.S. SEC charged Terraform Labs and its CEO Do Kwon over its algorithmic stablecoin Terra USD, which collapsed dramatically last year. The agency said the



Singapore-based company and Kwon raised billions from investors by “offering and selling an inter-connected suite of crypto asset securities, many in unregistered transactions.” “We allege that Terraform and Do Kwon failed to provide the public with full, fair, and truthful disclosure as required for a host of crypto asset securities, most notably for LUNA and Terra USD,” said SEC Chair Gary Gensler in a statement announcing the enforcement action. “We also allege that they committed fraud by repeating false and misleading statements to build trust before causing devastating losses for investors.”

Polygon sets late March launch date for its zkEVM mainnet beta

Cointelegraph

The Ethereum scaling solutions provider Polygon is preparing to launch its long-awaited zero-knowledge Ethereum Virtual Machine rollup (zkEVM). In a Feb 14 blog post, Polygon said that after three and a half months of “battle testing,” the system will be ready for its beta mainnet launch next month on Mar 27.

General-purpose zero-knowledge rollup technologies are widely viewed as the end-game for Ethereum scaling solutions, and the race to ship the first zkEVM has been highly competitive and heating up in recent months. One competitor, zkSync, followed Polygon's announcement revealing that pre-registered developers can now deploy apps on its zkEVM before a mainnet launch in the month's ahead.

BITCOIN

Mt. Gox's 2 Largest Creditors Pick Payout Option That Won't Force Bitcoin Sell-Off: Sources

'Bit-tendo' prototype offers Bitcoin retro games for bars, conferences

Over \$210M of liquidations in the past 24 hours, takes Bitcoin above \$24.5K

El Salvador to open a 'Bitcoin Embassy' in the United States

Over 100K Ordinals minted on Bitcoin

Unpacking the basics of Bitcoin nodes and Taproot functionality – BitTalk6

ETHEREUM

Matter Labs Says zkSync 2.0 Entering New 'Era' With Re-Brand and Developer Rollout

Flashbots Poised to Offer MEV to Ordinary Investors

OFAC-compliant blocks on Ethereum hit three-month low of 47%

Ethereum Sets February Date for Sepolia Testnet to Get Shanghai Hard Fork

ALTCOINS

GMT token airdrop on way for early Stepn NFT holders



[TrueFi's TRU Token Rallies Over 200% After Binance's TUSD Mint Sparks Speculation](#)
[Collab.Land Reveals Token Airdrop for Over 2 Million Users](#)
[Cosmos Hub to undergo Rho network upgrade today](#)
[Ether Staking Service Lido Granted 1M Optimism Tokens to Incentivize Wrapped Staked Ether Adoption](#)
[Cosmos ecosystem to launch interchain NFTs via \\$270K incentivized testnet](#)
[Access Protocol to go live Feb. 15 with ACS airdrop for CoinGecko Candies](#)
[Crypto Wallet Messaging Application Push Protocol Expands to BNB Chain](#)
[BNB Chain Aims to Double Transaction Speed, Targets ZK Tooling in 2023 Road Map](#)
[Flux Finance Enables Borrowing Against Tokenized Treasury Bonds](#)
[Aave Community Mulls Freezing Binance Stablecoin Amid SEC Pressure](#)
[Friends With Benefits DAO Releases Social Networking App](#)
[Polygon Exploring Use of ZK Technology for Main Chain, Co-Founder Bjelic Says](#)
[Uniswap Vote on BNB Deployment Ends With Silicon Valley's A16Z on Losing Side](#)
[Secret Network Votes Unanimously to Turn Foundation Into Non-Profit](#)
[SushiSwap Acquires Cosmos-Based Trading Platform Vortex Protocol](#)

STABLECOINS

[Binance mints 50M TrueUSD days after Paxos ordered stop issuing BUSD](#)
[Circle Sounded Alarm on Paxos, Told NYDFS Binance's Stablecoin Wasn't Fully Backed: Bloomberg](#)
[USP Stablecoin Loses Dollar Peg as DeFi Protocol Platypus Suffers \\$8.5M Attack](#)
[USDT dominance breaks 52%, highest since May 2022](#)
[Circle denies that SEC sent any Wells notice](#)
[Binance CEO: Crypto industry will probably move to non-dollar stablecoins](#)
[Stablecoin Issuer Paxos Burns \\$700M Binance USD in 27 Hours Amid Regulatory Pressure](#)
[Investors Rush to Tether as Paxos' BUSD Faces Regulatory Heat, Curve Liquidity Pools Show](#)
[PayPal puts its stablecoin project on hold](#)
[Tether taps Cantor Fitzgerald to help oversee bond portfolio: Report](#)
[Tether's Attempt to Block CoinDesk's Request for Stablecoin Reserve Records Dismissed by New York Court](#)

CRYPTO ECOSYSTEM

[Celsius Failed to Record Some 7,000 Intercompany Transfers Worth Billions Leading Up to Bankruptcy](#)
[MetaMask integrates with Mercuryo to allow crypto purchases with bank cards](#)
[Web3 Firm Unstoppable Domains and Crypto Browser Opera Expand Digital Identity Offerings](#)
[Crypto Startups Are Increasingly Postponing Token Launch Plans as Alameda Research's Contagion Effects Linger](#)
[Crypto Trading Firm Auros Global Restructures \\$18M in Debt on Maple Finance](#)
[Bankrupt crypto lender Celsius proposes sale plan to NovaWulf](#)
[Crypto Trading Platform Talos Announces Tie-Up With Payment Services Provider BCB Group](#)
[Coinkite's New Bitcoin Hardware Wallet Looks Like BlackBerry, Takes AAA Batteries](#)
[Institutional Crypto Trading Platform Elwood Technologies Expands Offerings](#)
[DeFi Protocol Clearpool Chooses Polygon Network for Its Institutional Lending Platform](#)
[Bakkt sunsets its consumer-facing crypto app to focus on B2B solutions](#)
[Galaxy Digital gets approval for Bahamas subsidiary amid rising US regulatory uncertainty](#)



[Aurora's Rainbow cross-chain bridge restored after temporary suspension](#)
[MetaMask warns users against Namecheap phishing email](#)
[Canadian University Dubai backtracks on accepting crypto via Binance Pay](#)
[Bit2Me and Mastercard launch debit card with crypto cashback](#)
[Phantom wallet adds authentication standards support to protect against phishing](#)

NFTS / GAMING / METAVERSE

[BLUR plummets 84% following 360M token airdrop](#)
[Web3 Gaming Platform Ajuna Raises \\$5M in New Private Financing](#)
[Starbucks Polygon NFTs Are Already Selling for Thousands](#)
[Blur Surpassed OpenSea in Daily NFT Trading Volume Wednesday, Nansen Shows](#)
[eBay NFT platform KnownOrigin launches creator smart contract](#)
[NBA Top Shot Will Let Users Buy NFTs via Apple, Android Mobile Apps](#)
[NFT Marketplace Rarible Expands Aggregation to Tezos](#)
[Blur CEO urges creators to 'block OpenSea'](#)
[GQ Magazine to Launch Its First NFT Collection Linked to Real-World Rewards](#)
[Fortnite Esports Star Wins Bored Ape Yacht Club Challenge](#)
[OpenSea takes down NFTs featuring Rihanna's music](#)
[Algorand NFT marketplace Rand Gallery buys data aggregator NFT Explorer](#)
[Indian Cricket Board Tells Women's Premier League Teams to Shun Crypto Links](#)
[Gaming titan Square Enix plots NFT game on Polygon](#)
[The metaverse is already here: Gamers spent nearly 50 billion hours on Roblox in 2022](#)
[BendDAO reaches near new all-time highs on Mutants, BAYC and Azuki loans](#)
[Magic Eden partners with Moonpay to add payment alternatives](#)
[Crypto investor burns a Bored Ape for a Bitcoin Ordinal equivalent](#)
[Magic Eden lays off 22, about 15% of staff in latest workforce cuts](#)
[NFT Influencer Cozomo de' Medici Donates 22 Digital Artworks to LACMA](#)
[Solana Monkey Business Has a New Owner: NFT Exchange Hadeswap](#)
[For a \\$5 NFT Pass, You Can Watch the New Nouns TV Show Debut](#)
[DigiDaigaku's Super Bowl Ad Baffles Viewers, But the Free NFTs Are Still Selling for \\$700](#)
[NFT Revolution Reaches France: CryptoPunks and Autoglyphs to be Displayed at Top Modern Art Museum](#)
[Reddit Has Given Away Over a Million Super Bowl NFTs on Polygon](#)
[LeBron Just Broke the NBA Scoring Record—Now His NFTs Are Flying](#)
[Ordinal Punks NFTs called out as 'sketchy'](#)

MINING

[Compute North's Reorganization Plan Approved by Bankruptcy Judge](#)
[CleanSpark buys 20,000 miners from Bitmain, bringing bear market tally to 46,500](#)
[Bitcoin Hashrate Hits 300 EH/s Mark as Industry Gets Some Breathing Room](#)
[Bitcoin miners already made nearly \\$600K from Ordinals' NFT transactions](#)
[Iris Energy to nearly triple hashrate with estimated 44,000 new BTC miners](#)
[You don't see that every day: Empty Bitcoin block found](#)
[Kazakhstan to mandate 75% revenue sale from crypto mining for tax purposes](#)



[Bitcoin Miner BitNile Pulls 6,500 Rigs From Former Compute North Site](#)

EXCHANGES

[Gate.io integrates with Copper's ClearLoop network amid fresh focus on custody](#)

[Binance moved \\$400M from Binance.US account to firm tied to CZ: Report](#)

[Crypto Exchange OKX To Launch New Blockchain As Utility Token OKB Reaches Fresh All-Time Highs](#)

[Japanese Securities Giant SBI Completes Takeover of Crypto Exchange Bitpoint](#)

[Zipmex says it may resume 100% of Z wallet withdrawals subject to conditions](#)

[FTX Transferred \\$7.7B From Bahamian Estate to US Units Ahead of Bankruptcy Filing, Court Told](#)

[FTX Seeks to Reclaim \\$400 Million From a JPMorgan Account: New York Times](#)

[Binance Hires Former Gemini-Exec as Chief Compliance Officer: Bloomberg](#)

[Court approves sale of certain FTX investments, tokens and equity shares](#)

[US Judge Approves Removal of FTX Turkish Units From Bankruptcy Case](#)

[Crypto Exchange Coinmetro Buys Social Fundraising Platform Ignium](#)

[Binance processes \\$1B withdrawals amid regulatory scrutiny on BUSD](#)

[CZ issues response to SEC vs. Paxos lawsuit](#)

[Coinbase 'Will Defend Staking in Court if Needed': CEO](#)

[Staking revenues under threat as Coinbase shares tumble 22%](#)

[FTX liquidators play 'Storage Wars' in hunt for saleable assets](#)

CAPITAL RAISES

[Polychain leads ZK chip startup Cysic's \\$6 million raise](#)

[Web3 tooling startup Nefta raises seed round at \\$32.5 million valuation](#)

[Sending Labs secures \\$12.5 million to build 'web3 communication stack'](#)

[Maven 11 and Blockchain Capital back tooling provider Modular Cloud](#)

[Blockchain Security Firm Ironblocks Raises \\$7M From Collider Ventures, Disruptive AI and Others](#)

[Credit Suisse leads \\$65 million Series B in digital asset firm Taurus](#)

[Bain Capital Crypto leads Orb Labs' \\$4.5 million raise](#)

[Former Jump Trading developers raise \\$19 million to build Monad blockchain](#)

[Sequoia, Dragonfly Back Web3 Startup Caldera in \\$9M Rounds](#)

[Crypto Exchange C3 Raises \\$6M to Offer FTX Alternative](#)

INVESTMENT MANAGEMENT

[Mysten Labs CEO Evan Cheng is seeking to raise over \\$100 million for a web3 fund](#)

[Abu Dhabi Goes All-In on Crypto With \\$2 Billion Investment Program for Web3 and Blockchain Startups](#)

[GBTC discount widens to highest point in 2023](#)

[Cathie Wood's Ark Invest fills Coinbase bag amid fear-driven price collapse](#)

TRADFI / TECH

[Tencent latest tech giant to slash metaverse hardware plans: Reuters](#)

[Sony Teams Up With Astar Network for Web3 Incubation Program](#)

[Tencent Teams Up with MultiversX To Expand Web3 Strategy](#)



[Signature Bank to appoint Eric Howell as CEO and president](#)
[Robinhood cryptocurrency trading volume jumps 95% in January](#)
[Napster Revives Its Music Ambitions With Web3 Acquisition of Mint Songs](#)
[Nomura's Crypto Arm Invests in Institutional Hybrid DeFi Protocol Infinity Exchange](#)
[Billionaire George Soros' Fund Dives Deeper on Crypto Bets](#)
[NASDAQ-listed Interactive Brokers to offer crypto trading in Hong Kong](#)
[DBS Bank to offer cryptocurrency trading in Hong Kong](#)
[Historic legacy bank enables Brazilians to pay taxes using crypto](#)
[Shopify launches suite of blockchain commerce tools for merchants](#)

CBDC

[Russia to roll out CBDC pilot with real consumers in April](#)
[Japan Announces Launch of New CBDC Pilot This April](#)
[China Begins Hong Kong 'Cross-Border' Digital Yuan Pilot](#)
[Nigeria's CBDC program called 'a very dark experiment'](#)
[UK think tank launches a crusade against 'surveillance' CBDCs](#)
[UAE Plans to Issue a CBDC to Promote Digital Payments](#)

REGULATORY / COUNTRIES

[No, Hong Kong Won't Be Allowing Retail Traders Access to Crypto on June 1](#)
[Oman to establish regulatory framework for virtual assets](#)
[Canada Close to Tightening Rules for Crypto Exchanges: Sources](#)
[BIS-funded regulator to probe DeFi entry points like stablecoins](#)
[Wyoming Lawmakers Pass Bill Prohibiting Forced Disclosure of Private Crypto Keys](#)
[European Union discusses using zero-knowledge proofs for digital IDs](#)
[EC launches blockchain regulatory sandbox for 20 projects annually through 2026](#)
[Senate Republican drafting proof-of-reserve legislation](#)
[Republicans Plan to Reintroduce Legislation Restricting Crypto in 401\(k\): Politico](#)
[EU Banks Told by Regulator to Apply Bitcoin Caps Even Before They Become Law](#)
[South Korea to examine crypto staking services following the Kraken case](#)
[Sen. Warren vows reintroduction of AML bill that extends to DAOs and DeFi](#)
[Senate Banking Committee holds Valentine's Day hearing on 2022 crypto crash](#)
[Blockchain Association files amicus brief in Wahi case, says SEC exceeded authority](#)
[Former SEC Chief Counsel Says Agency Needs to Make Clear Its Crypto Compliance Rules](#)
[Judge Halts SEC, CFTC Cases Against Bankman-Fried Until Criminal Trial Concludes](#)
[UK FCA to take action against unregistered, illegal cryptocurrency ATMs](#)
[SEC to target crypto firms operating as 'qualified custodians' — Report](#)
[Paxos Says It's 'Prepared to Vigorously' Fight SEC Lawsuit](#)
[Regulator NYDFS Says Paxos Didn't Administer Binance USD in 'Safe and Sound' Manner: Reuters](#)
[Polkadot mulls research into 'token morphism' amid regulatory crackdown](#)
[Restrictive Crypto Rules for EU Banks Confirmed in Published Legal Draft](#)
[IMF issues warning on El Salvador's Bitcoin experiment amid calls for greater transparency](#)
[G20 exploring coordinated crypto regulation: Reuters](#)

[Kraken co-founder Jesse Powell comments on staking and SEC settlement](#)
[Former SEC Attorney: Kraken Action Not a Condemnation of 'Staking Writ Large'](#)
[Congressmen Launch Probe Into SEC Handling of FTX, Sam Bankman-Fried](#)

ENVIRONMENTAL, SOCIAL, GOVERNANCE

[GSR pledges \\$10 million to its philanthropic social impact foundation](#)
[Startup Sustainable Bitcoin Protocol Completes First Transaction of Clean Mining Tokens](#)
[Hong Kong Successfully Offered Inaugural \\$100M Tokenized Green Bond](#)

SURVEYS, HACKS, MISC

[Do Kwon allegedly cashed out 100M worth of BTC via Swiss Bank](#)
[BlockFi files to dismiss SBF's Emergent company bankruptcy case](#)
[Federal judge hints at denying Sam Bankman-Fried any internet access as condition of bail: Report](#)
[Mango Markets Attacker Urges Court to Let Him Keep Hacked Funds](#)
[SBF bond signers revealed to be former Stanford faculty: FTX bankruptcy judge rules against probe](#)
[Celsius Creditors Sue Mashinsky, Other Executives](#)
[Tornado Cash Developer to Stay in Jail as Dutch Trial Continues](#)
[FTX Insiders Served Subpoenas Over Fallen Crypto Exchange's Financial Dealings](#)
[Elon Musk tweet pumps FLOKI over 40%](#)
[Bankman-Fried banned from using VPN, bail arguments set for Thursday](#)
[Binance backs ChatGPT to improve crypto education, adoption](#)
[North Korea's Lazarus 'Using New Coin Mixer to Launder Crypto' – and It's a 'Blender Re-brand'](#)
[Celsius former CEO wallet dumps \\$480k in CEL token selloff](#)
[Pres. Biden to Name Fed Vice Chairwoman Lael Brainard as Top Economic Adviser: Bloomberg](#)
[EminiFX Leader Pleads Guilty to \\$248 Million FX and Crypto Fraud](#)
[Wormhole hacker moves another \\$46M of stolen funds](#)
[Jump Crypto unveils critical vulnerability on Binance's BNB Chain](#)
[DForce protocol drained of \\$3.6 million in reentrancy attack](#)

[LINK](#)





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