

Digital Assets Regulatory Landscape

A Comprehensive Case Study



Implementation Authority

**Australia**

RESERVE BANK OF AUSTRALIA

**GDP: \$1.3 Trillions**

CBDC

Wholesale: **Research** | Retail: **Research** | Domestic: **Atom** | mCBDC: **Dunbar** | Banks:  **nab**  Commonwealth Bank | Tech:  **Perpetual**  KING & WOOD MALLESONS

Project Atom: Research Project carried out in 2021 that involved the development of a proof-of-concept (POC) for the issuance of a tokenised form of CBDC that could be used by wholesale market for the funding, settlement and repayment of a tokenised syndicated loan on a DLT platform..

Project Dunbar: Led by BIS Innovation Hub in 2022, in partnership with RBA, CBM, MAS and SARB to develop two prototypes for a shared platform that could enable international settlements using digital currencies issued by multiple central banks.

Cryptocurrency and Stablecoins

Legal Tender: | Ownership: | Exchange and Mining:

Tokenised Securities

For financial digital assets such as securities and bonds, entities needs to have an Australian Financial Services License (AFSL).

Sources:

<https://www.worlddeconomics.com/Country-Size/Australia.aspx#:~:text=The%20official%20estimate%20for%20Australia's,date%20GDP%20base%20year%20data>
https://www.rba.gov.au/payments-and-infrastructure/central-bank-digital-currency/pdf/project-atom-report_2021-12.pdf
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Implementation Authority



Brazil



GDP: \$2.12 Trillions

CBDC

Wholesale: **Pilot** | Retail: **Pilot** | Domestic: **Drex** | mCBDC : NA | Banks:    | Tech:  

Project Drex: The Banco Central do Brasil will conclude the pilot is advancing on issuance of the digital Brazilian currency, Drex, through a pilot project and DLT ecosystem, aiming to promote financial inclusion and democratise financial services by leveraging intelligent and efficient transactions.

In 2023, they revised the guidelines of Drex and is set to conclude the pilot project in late 2024.

Cryptocurrency and Stablecoins

Legal Tender:  | Ownership:  | Exchange and Mining: 

Tokenised Securities

Any entity classified as a security must adhere to existing securities regulations, including compliance with offer documents, and traditional intermediaries like central securities depositories must meet relevant legal requirements.

Sources:

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https://www.bcb.gov.br/en/financialstability/drex_en
<https://www.bcb.gov.br/en/pressdetail/2466/nota>
<https://www.ledgerinsights.com/brazil-securities-regulator-cvm-crypto-assets-securities/>

Implementation Authority



China



GDP: \$17.52 Trillions

CBDC

Wholesale: **Pilot** | Retail: **Pilot** | Domestic: **eCNY** | mCBDC : **Jasper** | Banks: **ICBC**    | Tech:   **Tencent** 腾讯

eCNY(Digital Yuan): Started trials in 2021 with plans to use it for global trade payments. Also, to increase competition in the payments space and reduce systemic risk (eg Alipay, WeChat). And finally, to tackle the use of cash and coins for illicit purposes.

In 2022, China rolled out the digital yuan for Olympians and visitors during the Winter Games.

Cryptocurrency and Stablecoins

Legal Tender: **✗** | Ownership: **✗** | Exchange and Mining: **✗**

Tokenised Securities

While virtual currencies are banned in China, tokenised assets aren't explicitly categorised as such. These assets are viewed as digital representations of existing traditional securities or financial products and as such, fall under existing securities regulations within China.

Sources:

[https://www.china-briefing.com/news/chinas-gdp-in-2023/#:~:text=China's%20GDP%20in%202023%20has,Bureau%20of%20Statistics%20\(NBS\)](https://www.china-briefing.com/news/chinas-gdp-in-2023/#:~:text=China's%20GDP%20in%202023%20has,Bureau%20of%20Statistics%20(NBS))
<https://www.ledgerinsights.com/china-central-bank-digital-currency-dcep-companies-involved/>
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https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm#:~:text=The%20project%20is%20a%20collaborative,China%20and%20Bank%20of%20Thailand
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Implementation Authority



France



GDP: \$3.156 Trillions

CBDC

Wholesale: **Pilot** | Retail: **Undecided** | Domestic: **Digital Euro** | mCBDC : Mariana, Jura | Banks:

| Tech:



Project Mariana: An initiative between Eurosystem BIS Innovation Hub Centres, the Bank of France, the Monetary Authority of Singapore and the Swiss National Bank carried out in 2020 to investigate the use of AMMs to automate foreign exchange markets and settlement, potentially improving cross-border payments.

Project Jura: An extension of Project Helvetia by SNB and BIS, explored settling foreign exchange transactions with euro and Swiss franc wholesale CBDCs. It included tokenised French commercial paper transactions between French and Swiss financial institutions, continuing Banque de France's 2020 series of wholesale CBDC experiments.

Cryptocurrency and Stablecoins

Legal Tender: **✗** | Ownership: **✓** | Exchange and Mining: **✓**

Tokenised Securities

France classifies security tokens as financial instruments under specific circumstances, meaning they fall under existing regulations like MiFID II and CRD IV. This depends on the token's characteristics and rights it represents.

Sources:

<https://www.worldeconomics.com/Country-Size/France.aspx#:~:text=The%20official%20estimate%20for%20France's,date%20GDP%20base%20year%20data>.<https://www.banque-france.fr/en/financial-stability/financial-stability-mandate/supporting-digital-transformation-financial-sector/wholesale-mnbc><https://www.snb.ch/en/the-snb/mandates-goals/international-cooperations/multilateral/bis-innovation#t31><https://www.street.com/us/en/asset-owner/insights/tokenization-regulation#:~:text=One%20of%20the%20leading%20jurisdictions,of%20a%20central%20securities%20depository>.

Implementation Authority



India



GDP: \$3.73 Trillions

CBDC

Wholesale: **Pilot** | Retail: **Pilot** | Domestic: **e-Rupee** | mCBDC : NA | Banks:        | Tech:  

E-Rupee: In 2022, the Reserve Bank of India (RBI) initiated a wholesale CBDC pilot programme in collaboration with nine national banks by opening a platform called Negotiated Dealing System-Order Matching (NDS-OM) CBDC to conduct the transactions, which they used to buy and sell government securities among themselves. This was followed by the commencement of a retail pilot programme in the same year.

In 2023, the RBI and CBUAE signed an MoU in Abu Dhabi to enhance cooperation focusing on CBDCs, and will conduct joint PoC and pilots for cross-border CBDC transactions.

Cryptocurrency and Stablecoins

Legal Tender:  | Ownership:  | Exchange and Mining: 

Tokenised Securities

The most concrete regulations apply to payment tokenisation, mandated by the Reserve Bank of India (RBI) to enhance online card transaction security. Specific guidelines for tokenised securities issuance and trading are still under development.

Implementation Authority

**KSA****GDP: \$1.74 Trillions**

CBDC

Wholesale: **Pilot** | Retail: **Undecided** | Domestic: **Aber** | mCBDC: NA | Banks:     | Tech:   

Project Aber: Launched in 2022 by the UAE Central Bank and Saudi Central Bank (SAMA), it is a pioneering Wholesale CBDC initiative to enhance cross-border payments and experiment with distributed ledger technologies.

Throughout the testing phase, both central banks utilised actual currency, with the Wholesale CBDC being anchored to the Saudi Riyal (SAR) and the Emirati Dirham (AED), both pegged to the US dollar.

Cryptocurrency and Stablecoins

Legal Tender: ✗ | Ownership: ✗ | Exchange and Mining: ✗

Tokenised Securities

Existing securities laws like SCMA and CMA regulations might apply depending on the token's characteristics and rights it represents, but interpretation can be uncertain.

Implementation Authority



UAE



GDP: \$509 Billions

CBDC

Wholesale: **Pilot** | Retail: **Undecided** | Domestic: **Digital Dirham** | mCBDC: **Aber** | Banks:    | Tech:  

Project Aber: Launched in 2022 by the UAE Central Bank and Saudi Central Bank (SAMA), it is a pioneering Wholesale CBDC initiative to enhance cross-border payments and experiment with distributed ledger technologies.

Digital Dirham: Initiated the CBDC strategy in 2023, with the anticipation of concluding the initial phase by mid-2024, encompassing PoC endeavors for both wholesale and retail CBDCs. In 2024, UAE conducted its first cross-border digital dirham transfer using the mBridge to China for an amount of \$13.6 million.

Cryptocurrency and Stablecoins

Legal Tender: | Ownership: | Exchange and Mining:

Tokenised Securities

In the UAE, tokenised assets follow ESCA regulations, with the SCA providing guidance on their classification as securities, issuance, and exchange regulations. Security tokens are treated akin to securities, subject to standard regulatory measures like licensing, anti-money laundering, and investor protection.

Implementation Authority

**Bahrain**

Central Bank of Bahrain



مصرف البحرين المركزي

**GDP: \$73 Billions**

CBDC

Wholesale: **Pilot** | Retail: **Undecided** | Domestic: **Digital Dinar** | mCBDC: **NA** | Banks:  Bank ABC J.P.Morgan | Tech:  ONYX by J.P.Morgan

Digital Dinar: In May 2021, the CBB began collaborating with JP Morgan and Bahrain-based Bank ABC to pilot an instantaneous cross-border payment system using US dollars. In early January 2022, the CBB successfully completed a digital currency settlement test using JP Morgan's JPM Coin system. It was facilitated by JP Morgan's blockchain-focused business unit Onyx.

In 2023, Bahrain-based Bank ABC announced the soft launch of a new blockchain-based cross-border payment service for corporate and institutional clients.

Cryptocurrency and Stablecoins

Legal Tender: | Ownership: | Exchange and Mining:

Tokenised Securities

CBB launched a rulebook in 2019 which stipulates that all digital tokens displaying security-like characteristics fall under its purview.

Implementation Authority



Nigeria



CENTRAL BANK OF NIGERIA



GDP: \$1.11 Trillions

CBDC

Wholesale: **Undecided** | Retail: **Launched** | Domestic: **Project Giant** | mCBDC: **NA** | Banks: **NA** | Tech:   

Project Giant: In October 2021, Nigeria launched the eNaira, with \$1.21 million minted, initially available to bank account holders. Future phases expanded access to the unbanked, introducing supplementary service data and offline payments in the medium term.

Since 2021, the count of eNaira wallets has surged over twelve times to reach 13 million, and transaction values have risen by 63% to reach 22 billion naira (\$48 million) till 2022.

Cryptocurrency and Stablecoins

Legal Tender:  | Ownership:  | Exchange and Mining: 

Tokenised Securities

The SEC in 2023 has released guidelines categorising and regulating digital assets, encompassing Digital Assets Token Offering (DATOs), Initial Coin Offerings (ICOs), Security Token ICOs, and other blockchain-based offers within Nigeria or involving Nigerian issuers, sponsors, or foreign entities targeting Nigerian investors.

Sources:

<https://www.worldeconomics.com/Country-Size/Nigeria.aspx#:~:text=The%20official%20estimate%20for%20Nigeria's,date%20GDP%20base%20year%20data>.

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