

领先的一站式虚拟资产服务平台

Leading One-Stop Virtual Asset Service Platform

Newsletter November 2021



Company News

CEO of Huobi Singapore: Demand for Blockchain Market Expected to Grow to US\$40 Billion in 2025

On Nov 8-12, 2021, Edward Chen, CEO of Huobi Singapore, participated at the **Singapore Fintech Festival** and shared his views on the growth of the blockchain market during the speech “Digital Assets: From Fringe to Mainstream” .

During the speech, he said that research has shown, demand for crypto and blockchain will continue to grow in the next few years, with the blockchain technology market size estimated to grow exponentially from US\$3 billion in 2020 to US\$39.7 billion by 2025. **Blockchain technology will also continue to provide value-add to businesses**, mainly in the finance, private, healthcare and retail sectors, by an estimated US\$3.1 trillion by 2030. In addition, he strongly believes that factors such as regulation, security, price stability and risk management play an important role in shaping user adoption, and these are catalysts within the industry that can usher digital assets into more mainstream acceptance.

Huobi Tech Discusses the Importance of Licensed Crypto Custody Service

On Nov 1-5, Huobi Technology Holdings Limited (“Huobi Tech” , stock code: 1611.HK) participated in **Hong Kong Fintech Week** as one of the exhibitors. The company’ s experts were invited to share views on the theme of “Virtual Assets as the New Asset Class under Regulated Environment” through the Master Class section. As the price of virtual assets continues to hit record highs, more investors are attracted to include virtual assets such as Bitcoin in their investment portfolios. Jenny Lau, Head of Huobi Trust Hong Kong, a subsidiary of Huobi Tech, stressed the importance of licensed crypto custody, and explained their roles in Security and Compliance.

Industry Updates

In November 2021, both Bitcoin and Ethereum have hit an all-time high, pushing up the cryptocurrency market capital to break through the barrier of US\$3 trillion. In addition, another milestone happened to the industry: as of Nov 25, the Bitcoin network processed about US\$489 billion per quarter in 2021, which is greater than PayPal's US\$302 billion.

➤ **With the vigorous growth of virtual assets, enthusiasm from the large enterprises seems never stop increasing**

- **Twitter** has launched a dedicated crypto team, aiming to develop the use of blockchain and explore Non-Fungible Token (NFT) tooling and decentralizing social media. **Microsoft** and **Meta** announced their new partnership, allowing users to integrate Workplace with Microsoft Teams on the contents. The biggest cinema line **AMC** accepts online payment in forms of Bitcoin, Ethereum, Bitcoin Cash and Litecoin. The U.S. business-intelligence software company **MicroStrategy** bought another 7,000 Bitcoins in Q4 for about US\$414 million, and it owned 121,044 Bitcoins as of Nov 29.

➤ **Traditional financial institutions continuously enter into virtual assets space**

- Fidelity Clearing Canada, the subsidiary of **Fidelity Investment**, has been approved by Canadian regulators to become the country's first Bitcoin custodian, allowing it to launch service in the form of a Bitcoin trading and custody platform catered to institutional investors. **VanEck** Bitcoin future ETF (XBTF) has made its debut in CBOE, declaring itself as the Bitcoin future ETF with the lowest management fee of 0.65%. In addition, the **Hong Kong Securities and Future Commission** (SEC) has recently received numbers of requests from local companies to apply for cryptocurrency ETF due to the market boom.

- **Morgan Stanley** has added Bitcoin exposure by 63% through Grayscale Bitcoin Trust (GBTC) in Q3. **Softbank Vision Fund 2** led fundraising of US\$93 million for the Sand Box, a gaming platform using NFT to build the virtual world.

➤ **Certain "first time ever" projects attracted the market attention**

- **Switzerland'** s crypto exchange - SIX Digital Exchange, has successfully issued the first digital bond with a US\$162 million scale. Mayor of **Miami U.S.** announced that this city would soon give out the "Bitcoin yield" to the citizens, which the yield comes from the staking of the city' s own cyptocurrency – MiamiCoin launched this year. **El Salvador** announced they plan to construct the global first "Bitcoin city" and will issue a US\$1 billion bond, of which half of the funds go towards buying Bitcoin while another half towards energy and Bitcoin mining infrastructure. The Securities and Exchange Board of **India** (SEBI) has approved the first crypto ETF – Invesco Coinshares Global Blockchain ETF.

➤ **Crypto sports sponsorships are heating up**

- Singapore crypto exchange **Crypto.com** and AEG group have launched a 20-year, US\$700 million naming right agreement, which the Staple Center will be renamed as Crypto.com Arena since Dec 25 this year. Besides, **NYDIG**, a leading Bitcoin solutions provider, has forged a sponsorship deal with NBA basketball team the Houston Rockets, to be the official Bitcoin service partner of the team.
- The U.S. biggest crypto exchange **Coinbase** announced a partnership with Adidas Originals, while another giant Nike teamed up with **Roblox**, the global biggest online gaming platform to build a Meta "Nikeland" .

➤ **Global regulatory landscape increasingly tightening**

- In the west, the **U.S. Department of Treasury** published the "Report on Stablecoins" , recommending the Congress to pass the legislation swiftly, integrate stablecoins into the banking system and allow Federal oversight. **U.S. Securities and Exchange Commission** (SEC) started to investigate BlockFi regarding to its DeFi lending products, which focuses on whether the company should register to the regulators as securities. **U.S. Office of the Comptroller of the Currency** (OCC) declared that banks must get pre-approval for offering crypto-related services. **Austria'** s Federal Ministry of Finance is to apply 27.5% capital gains levy on cryptocurrencies starting from March next year. In **Argentina**, the government plans to tax crypto exchange on purchases and sales executed with a tax rate of 0.6%.

- In the Asia-Pacific region, **Kazakhstan**' s parliament has passed a law to monitor crypto services for anti-money laundering (AML). **India** plans to ban most cryptocurrencies in the country, which they will submit the bill in its winter session held at the end of November. However, according to FATF' s guidance, **South Korea** reaffirmed the view that NFT does not fall under the definition of virtual assets and will not be regulated.
- **Worldwide Central Bank Digital Currency (CBDC)' s process has been accelerated**
- According to the latest official report, **China**' s CBDC digital yuan has been used to conduct RMB62 billion of transactions with 140 million people opened the digital wallet as of the end of October. On the other hand, certain countries such as **Japan, India and Brazil** have recently declared they may launch pilot project in 2022.

About Huobi Tech

Huobi Technology Holdings Limited (“**Huobi Tech**” , Stock Code: 1611.HK) was listed on the Main Board of the Stock Exchange of Hong Kong Limited in November 2016. Actively developing the blockchain ecosystem and virtual asset ecosystem, Huobi Tech is committed to becoming the leading one-stop compliant virtual asset service platform. Huobi Tech currently offers data centre services, cloud-based services, SaaS, virtual asset management, custody, trust, lending and other related services.

At the same time, Huobi Tech is applying for virtual asset and finance-related licenses in major markets around the world. Up to now, Huobi Tech’ s subsidiaries have successfully obtained the approval to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities from The Securities and Futures Commission of Hong Kong, registered as a Trust Company in Hong Kong with the Trust or Company Service Provider License (Hong Kong) and the Retail Trust Company License (Nevada USA).

IR Enquiries



Email: ir@huobitech.com



Website: <https://www.huobitech.com/>



Twitter: @huobitech



LinkedIn: www.linkedin.com/company/huobi-tech



Tel: +852 3616 0815



Welcome to follow our WeChat official account.