



Crypto Asset Secondary Service Providers (CASSP) *Licensing & Custody Requirement*

Consultation Paper

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Submission by
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Our world is connected more than ever before and technology is central to this .

Industrial Revolution 4.0 powered by human ingenuity ,innovation has created new digital economy using technology such as Smart devices , IoT, Blockchain, Cyrtos, Metaverse, NFTs, Digital Asset , Web3.0 , AI, ML , Smart Contracts and many more.

Covid-19 pandemic has increased out reliance to Digital Technology to safeguard life and livelihoods.

To enable Australian Citizen harness the benefit of these innovation and be part of the Digital Economy we need to ensure there are guardrails in place.

Innovation is happening fast but fundamental of doing business is still the same. Someone creates the value; someone manages the values, and someone consumes the value.

Laws and regulation are never set in stone and these needs to be adjusted from time to time to ensure it still applies to the entire value life cycles regardless of medium used to conduct business -Online, Offline or Metaverse.

Aim is to ensure these is a clear understanding of Roles , Responsibility, Obligation of all the parties involved is understood and consumer are protected .This create the most importance ingredient of business - Trust amongst parties and in turn enhances consumer confidence in doing Digital Business.

Digital business has also posed major risks for Nations dealing with Crime, Human Trafficking, Cybercrime, Terrorism and Money laundering etc. Hence appropriate regulation are need to ensure we have enough regulation in place to safeguard our Nation .Aim is just enough pressure to hold the bird in hand from flying way. Heavy regulation can smother and suffocate innovation.

Next 5-10 years will be shaped up by the innovation , smart and sustainable technology and evolving regulations. Mundane tasks will be handled by machines.

I am pleased support all the recommendation in the consultation paper with some key point of suggestion are noted on this submission

1. Regulate CASSPrs under the financial services regime . No self regulations please.
2. Proposed obligations is appropriate
3. Ban on CASSPrs airdropping crypto assets through the services they provide , they can rather make suggestion to the consumer via advert
4. Bringing all crypto assets into the financial product regulatory regime as most of they involved in financial value creations
5. While most of the CASSPrs are global players , however we recommend to have domestic location requirements for custodians.This will generate ensure investment are protected with some sovereignty rules and encourage domestic investments
6. Crypto assets that undermines Australian law or threat to our national security or supporting terror or involved with foreign regimes involved in Human Right abuse should be banned in Australia as fit appropriate

Crypto Industry with these regulation will still deliver innovation and ensure our protection of all the value chain and help in shaping up our Digital Economic Future.

Regards
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26th May 2022

Perth Australia

THANK YOU

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