The Trust Factor

WILL REGULATION TAKE CRYPTO TO THE NEXT LEVEL?

01 Executive summary

Executive summary

DAVID JANCZEWSKI
FOUNDER AT COINCOVER

“At CoinCover, our mission is to create a secure environment for users of digital assets—empowering them to thrive in a web3 world built on trust. As a leading authority in digital asset protection, we deliver the strongest defence in the industry, setting the standard for safety, integrity, and accountability.

As the digital asset landscape continues to evolve, so too does the regulatory dialogue. We set out to examine how the next wave of regulation could transform the industry—from bolstering investor confidence to raising the bar for platform responsibility. What we’ve uncovered is compelling: the next chapter in crypto’s journey will be shaped by the convergence of security, trust, and accountability.

To help demystify what lies ahead, we’ve brought together voices from across the ecosystem—industry leaders and everyday crypto users alike—to explore the most pressing questions facing the space today. Together, we examine how thoughtful regulation could be the key to unlocking mass adoption, both among mainstream audiences and institutional investors—paving the way for the next billion users.

This all feeds into our core mission: to champion the widespread adoption of digital assets by tackling its greatest challenge—trust.

We’re determined to play a pivotal role in addressing this. As a business, we’re committed to helping platforms enhance their reputation, protect their customers, and lead the charge as advocates for security. In a world of rapidly evolving threats, we provide the stability needed to build with confidence—not just for today, but for the long term.

This report underscores the urgent need for stronger safeguards and highlights the real, measurable value they bring—not only to platforms and providers, but to every individual navigating the digital asset space.”

02 Introduction

The Trust Factor:

Will regulation take crypto to the next level?

INTRODUCING THE TRUST FACTOR, A NEW WHITEPAPER FROM COINCOVER.

We examined how the next wave of cryptocurrency regulation could reshape the industry—from bolstering investor confidence to increasing platform accountability.

To support this, we gathered insights from industry professionals and crypto enthusiasts, helping us identify the key challenges and opportunities set to define the next chapter in crypto's evolution.

In the fast-evolving world of crypto and digital assets, keeping pace with regulatory change is no small feat. The Trust Factor was developed to bring clarity—uniting expert perspectives to explore how emerging regulations are set to reshape the sector.

We spoke with seven leading voices from across the crypto, DeFi, and blockchain ecosystems, each offering valuable insight into the opportunities and challenges that increased regulation could bring.

Their perspectives are enriched by findings from a widescale, month-long survey, revealing how industry participants view current regulatory efforts, the risks associated with fraud, and the potential impact of new rules designed to strengthen safety and trust across the space.

Together, this in-depth report captures the evolving regulatory landscape and highlights a growing global consensus: the future of crypto hinges on trust, transparency, and accountability.

BACKGROUND

1,013

individuals surveyed as part of our report

71%

of surveyed respondents either own, or have owned cryptocurrencies

8

key leaders interviewed across the sector

03 Key findings

Key findings

THE SURVEY DATA COMMISSIONED BY COINCOVER FOR THIS REPORT OFFERS VALUABLE INSIGHT INTO HOW CRYPTOCURRENCY INVESTORS, ENTHUSIASTS, AND EVEN THOSE CURRENTLY OUTSIDE THE MARKET PERCEIVE THE IMPACT OF REGULATION ON THE CRYPTO LANDSCAPE.

Of the 1,013 individuals surveyed as part of our report:

82%

Believe that some form of global regulatory framework is needed to provide consistent oversight of the crypto industry.

79%

Believe crypto platforms should have some form of mandatory compensation schemes to cover investor losses from hacks and technical failures.

67%

Would be more likely to invest in crypto if it were regulated to the same extent as traditional asset classes

62%

Believe that crypto-related fraud levels are currently unacceptably high and must be reduced.

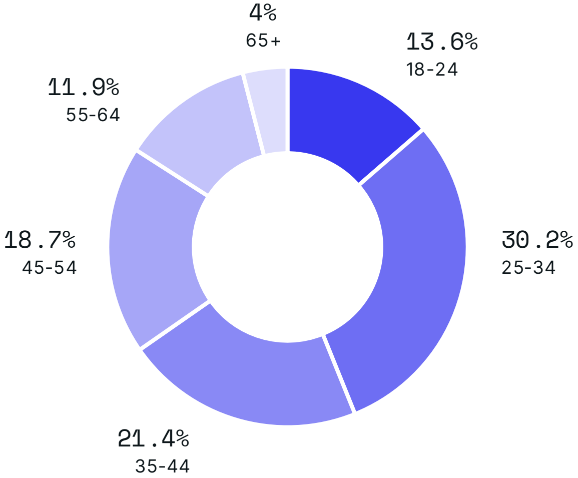
53%

Believe solutions are urgently needed to address permanently inaccessible crypto resulting from lost wallet access or forgotten passwords.

04 Survey results

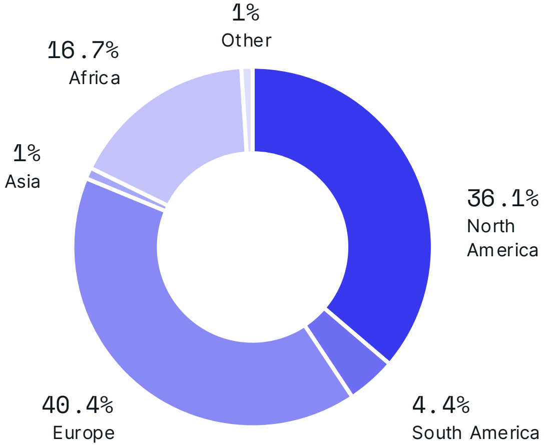
Survey results

AGE RANGE



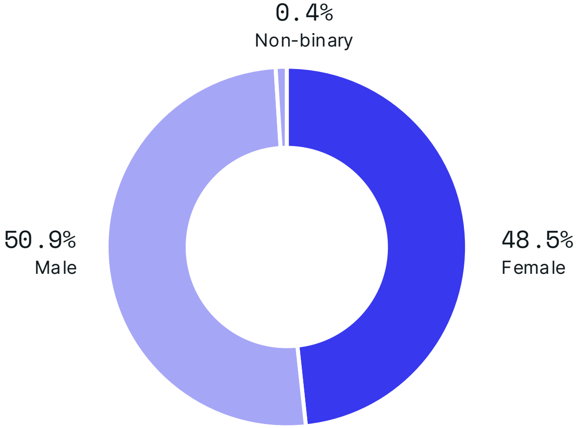
The demographics from our survey reflect a diverse cross-section of voices, spanning industry professionals and engaged users. Notably, the highest proportion of respondents (30.21%) were aged 25–34—aligning with broader trends reported by Statista, which show millennials as the most active demographic in crypto investment.

REGION OF RESIDENCE

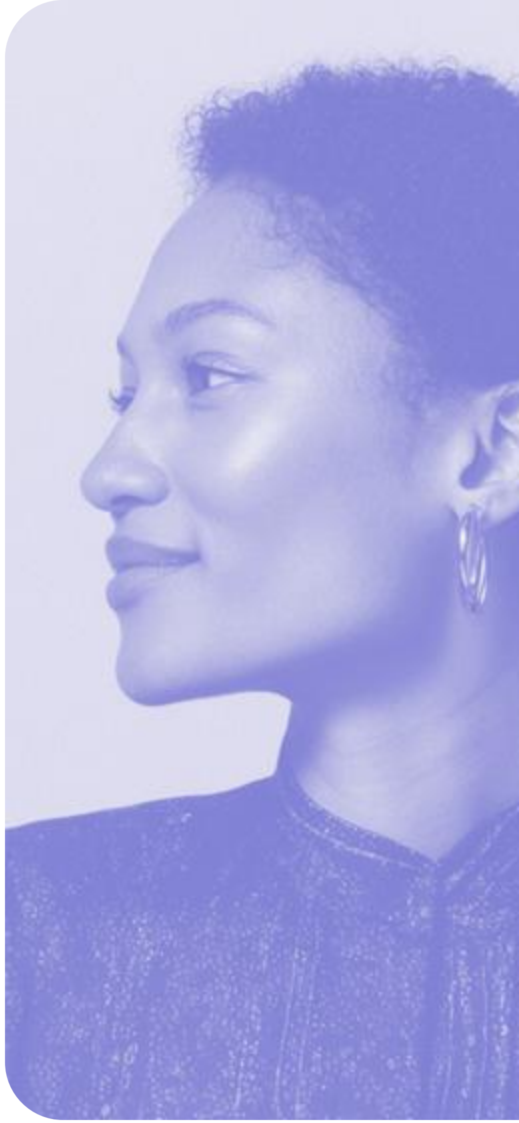


Geographically, Europe (40.38%) and North America (36.13%) dominated participation, reflecting regions heavily invested in crypto infrastructure and regulation development. Meanwhile, substantial engagement from Africa (16.68%) emphasises increasing adoption across emerging markets, aligning with Chainalysis data identifying Africa as one of the fastest-growing crypto markets due to high demand for alternative financial solutions.

GENDER DEMOGRAPHICS



Gender distribution was fairly balanced, with males slightly outnumbering females (50.94% vs. 48.47%), a noteworthy observation considering cryptocurrency markets historically report a significant gender gap. For instance, a Gemini report from 2022 indicated only 32% of crypto owners were women, highlighting how our survey reflects a potentially growing female engagement in the crypto ecosystem.

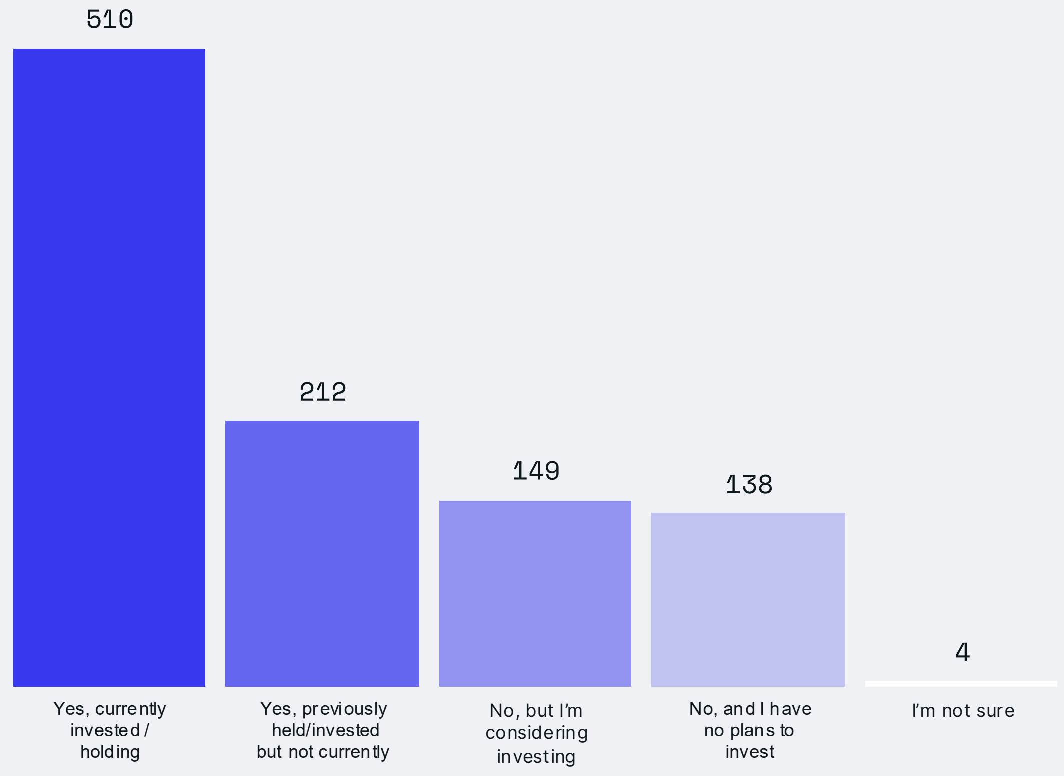


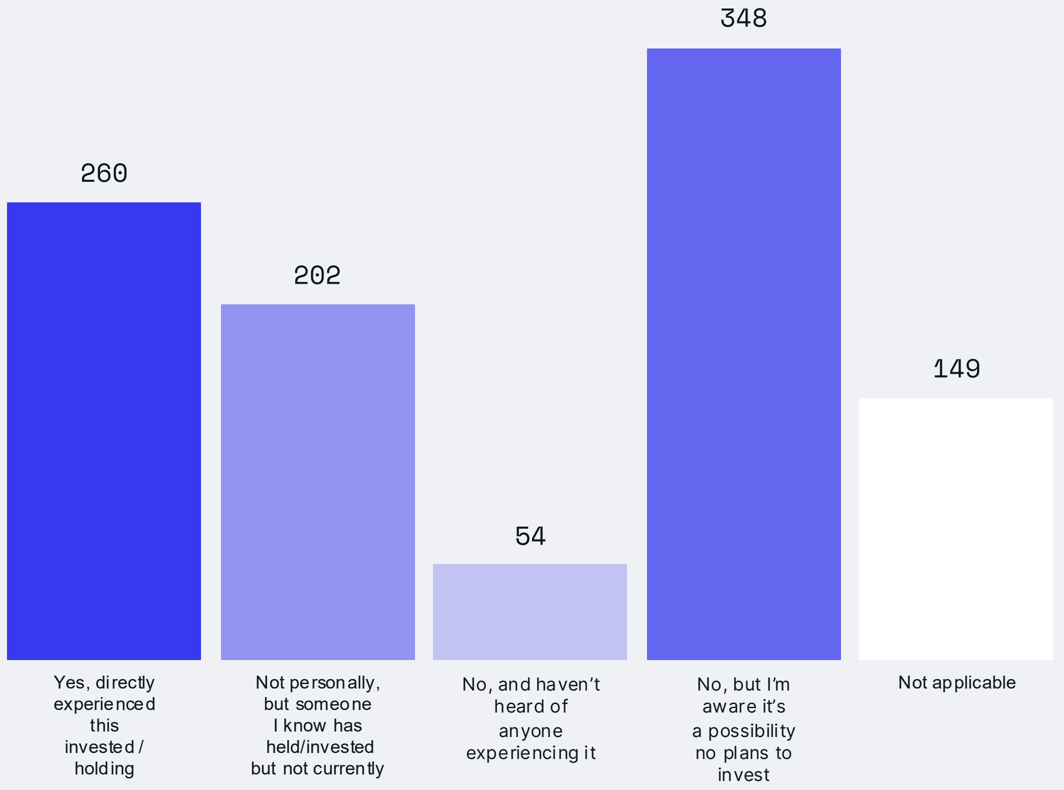
Have you ever invested in or held cryptocurrency or any other digital assets?

Over 85% of respondents have interacted with crypto—either presently or in the past—while only 13.62% state no plans to invest. This reinforces the idea that crypto is no longer a fringe asset class.

For the industry, it's proof that the technology has crossed the chasm into mainstream awareness.

However, the 20% dropout rate suggests churn due to market volatility, usability issues, or lack of trust—factors regulation might help stabilise.





Have you personally experienced a loss of cryptocurrency due to fraud, technical error, scams, or lost passwords/wallets?

Nearly 46% of respondents have firsthand or secondhand experience with irreversible losses—highlighting crypto's self-custody fragility.

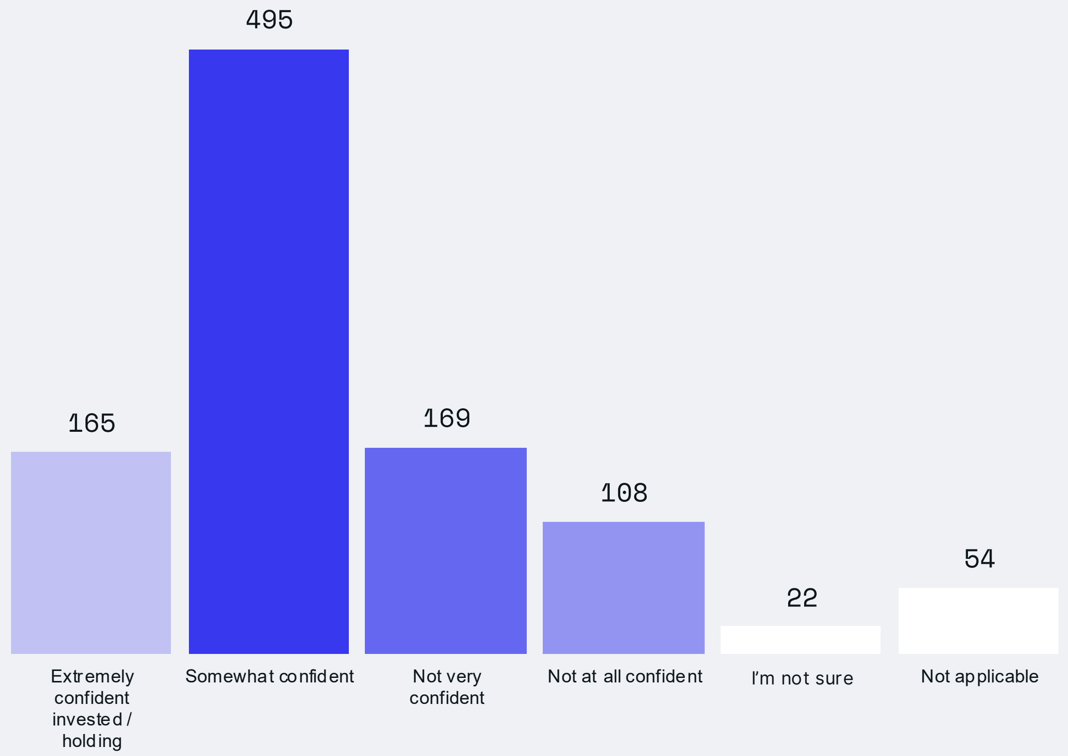
The statistic underlines why new users find crypto intimidating and why regulators are exploring compulsory safeguarding mechanisms.

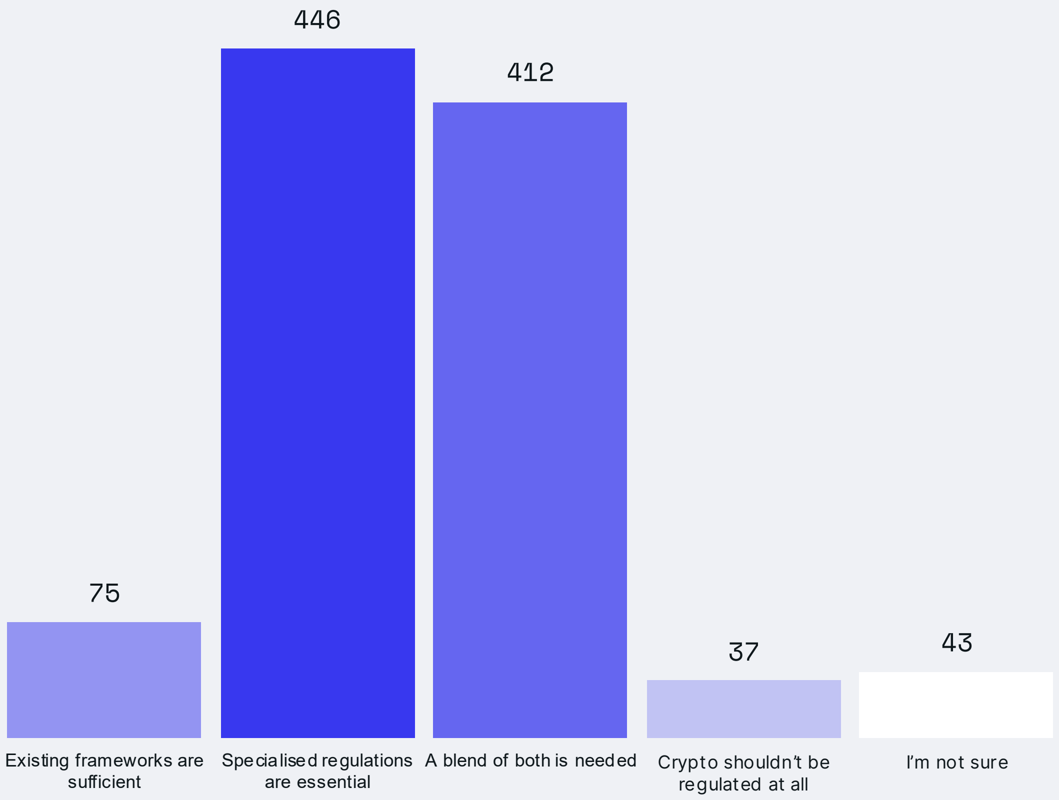
How confident are you in your current understanding of crypto investment risks?

Even among crypto-aware audiences, nearly three in four people admit some level of uncertainty around investment risks.

This contradicts the libertarian ethos some in the space hold: most users don't feel empowered by pure autonomy.

Regulation won't just protect users—it could legitimise crypto by making it accessible to those outside the hardcore enthusiast bubble.





Do you believe crypto should follow existing regulatory frameworks or have specialised regulations tailored to its specific risks?

There was strong consensus (nearly 85%) that crypto needs tailored oversight—not a retrofit of traditional financial laws.

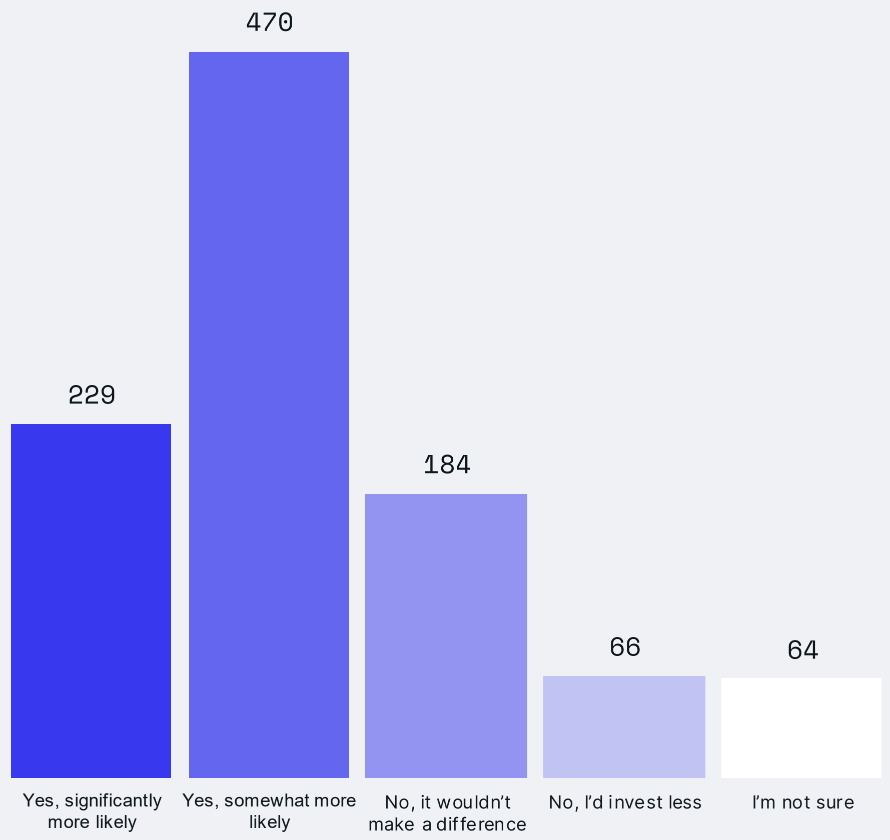
This supports ongoing discussions around bespoke frameworks like MiCA or the UK's phased regulation.

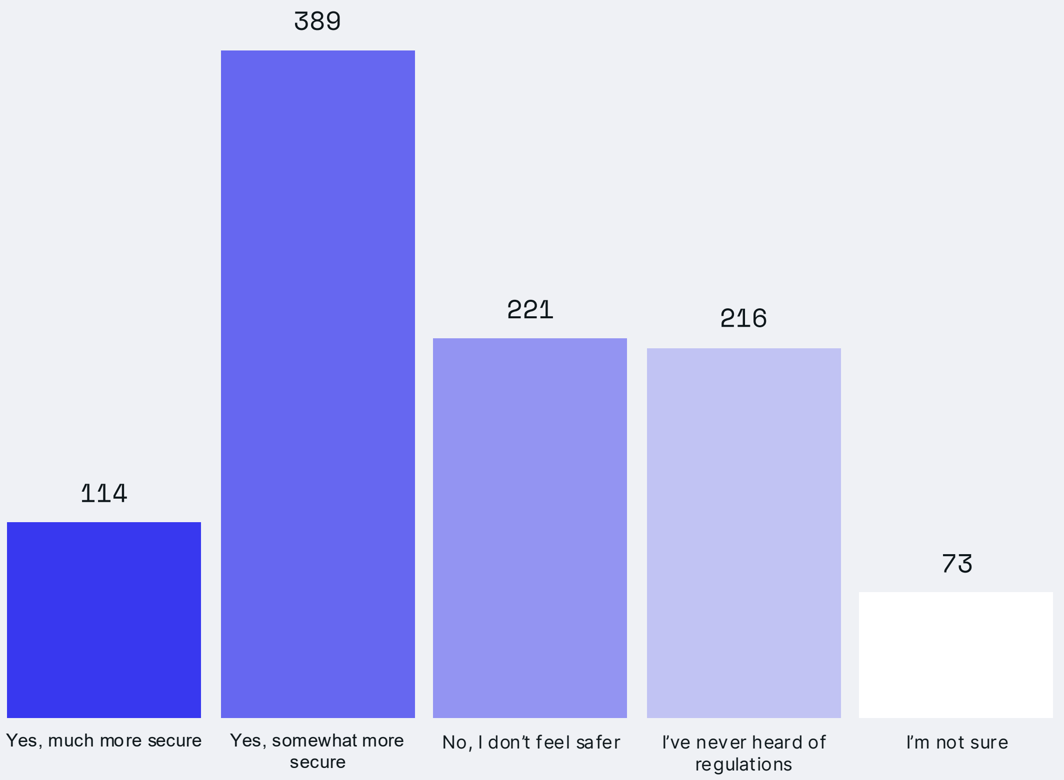
A one-size-fits-all model could stifle innovation, especially in DeFi, DAOs, and novel use cases. The industry should see this as a mandate for regulation with nuance.

If crypto were regulated to the same extent as traditional asset classes (e.g., stocks, bonds), would you be more likely to invest, or increase your current investments?

Our survey found regulation isn't the threat to decentralisation it's often made out to be. For the majority, it's a gateway to deeper participation. The key here is investor protection without overreach.

Regulatory clarity brings in institutional capital—fuel for bull markets and project funding. This result shows the industry must stop viewing regulation as antithetical to growth.





Do existing crypto regulations make you feel more secure about investing or holding crypto?

This is a mixed verdict. While half appreciate early regulatory attempts, the other half are either uninformed or unconvinced.

This highlights two challenges: (1) global visibility of regulatory frameworks is poor, and (2) current policies may be too opaque or underenforced to reassure.

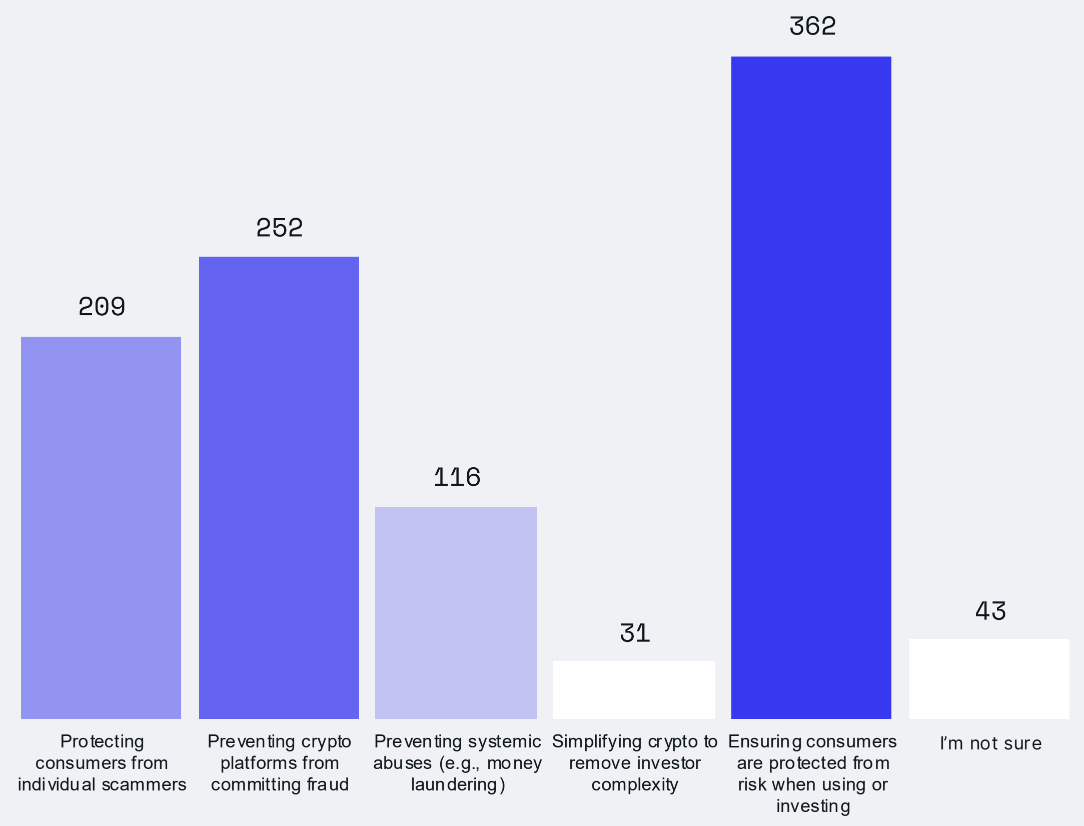
For crypto builders, this is an opportunity to communicate how compliance drives consumer safety.

What do you think the primary role of crypto regulation should be?

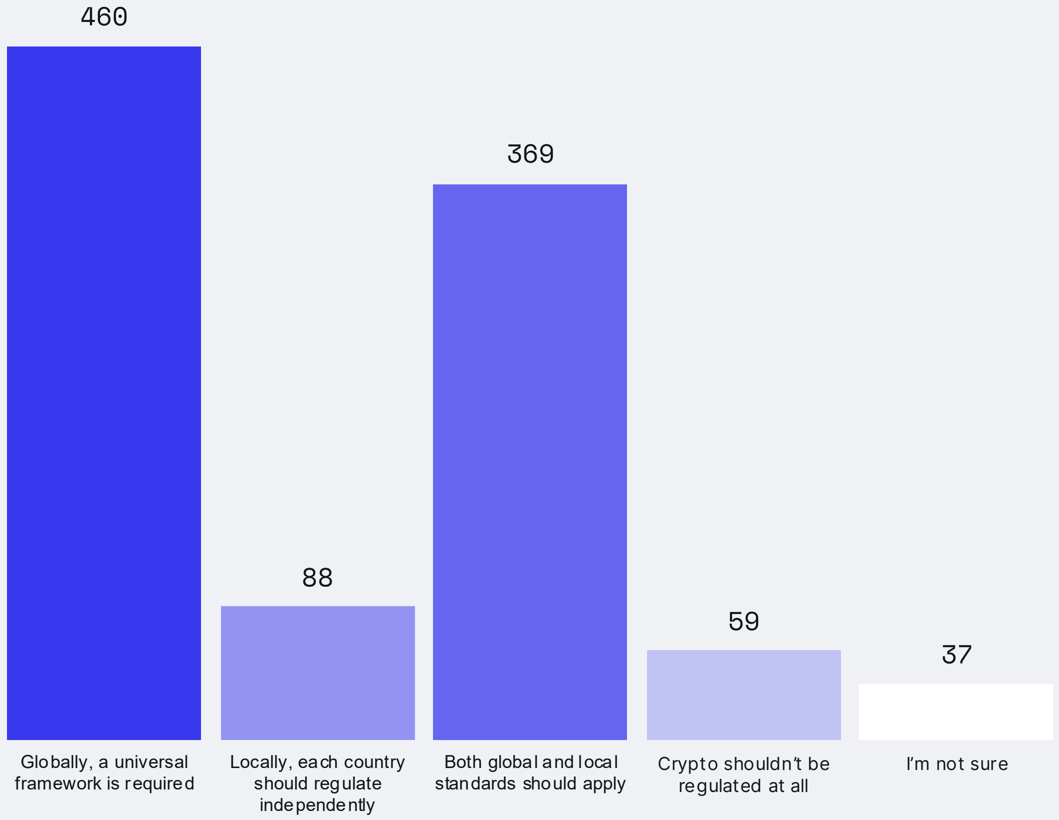
A striking 81% see regulation's core mission as protection—whether from scammers, bad platforms, or system-wide risks.

This flies in the face of "code is law" maximalism.

Even crypto-savvy audiences are asking for safety nets. It's an urgent call to prioritise smart contract audits, platform transparency, and liability standards.



Crypto operates globally and is by nature borderless. Should regulation of crypto be implemented globally or locally?



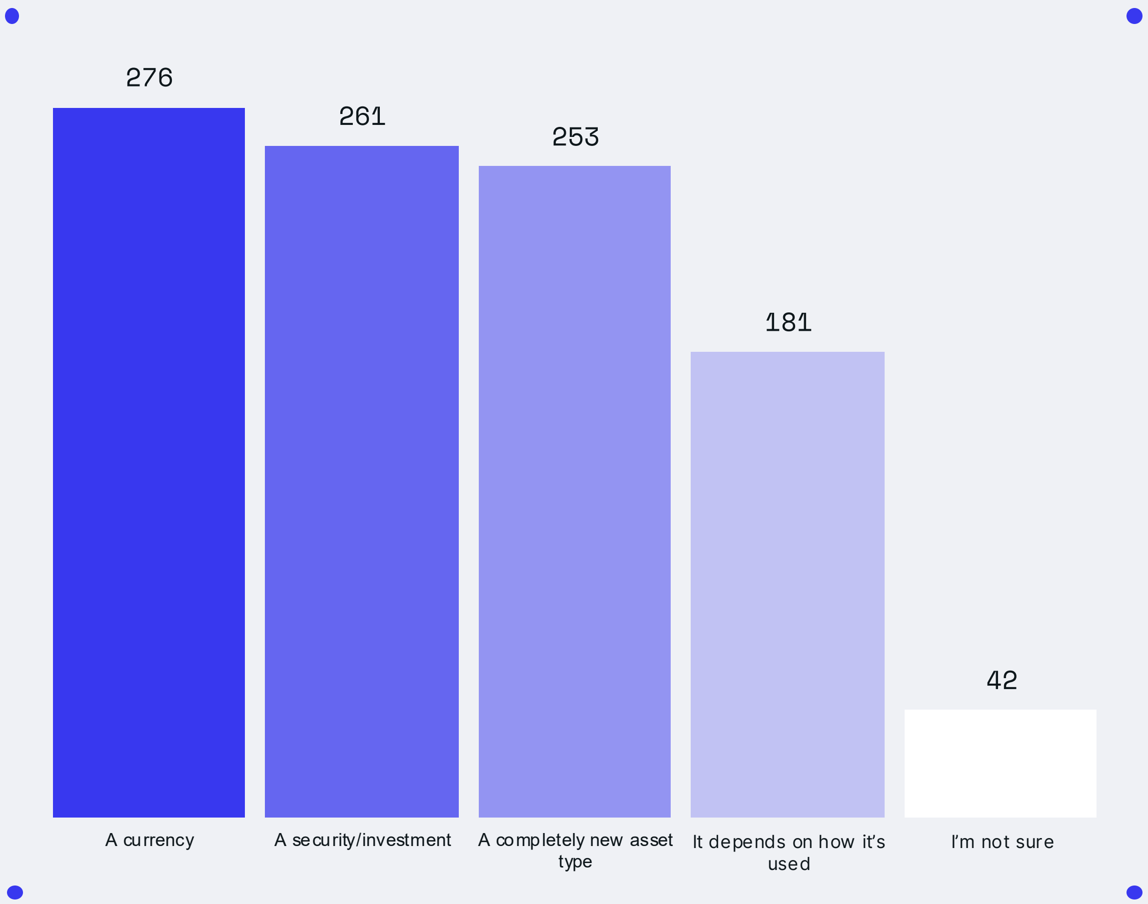
Crypto's borderless nature demands regulation that transcends borders. A combined 82% of respondents believe global coordination is crucial.

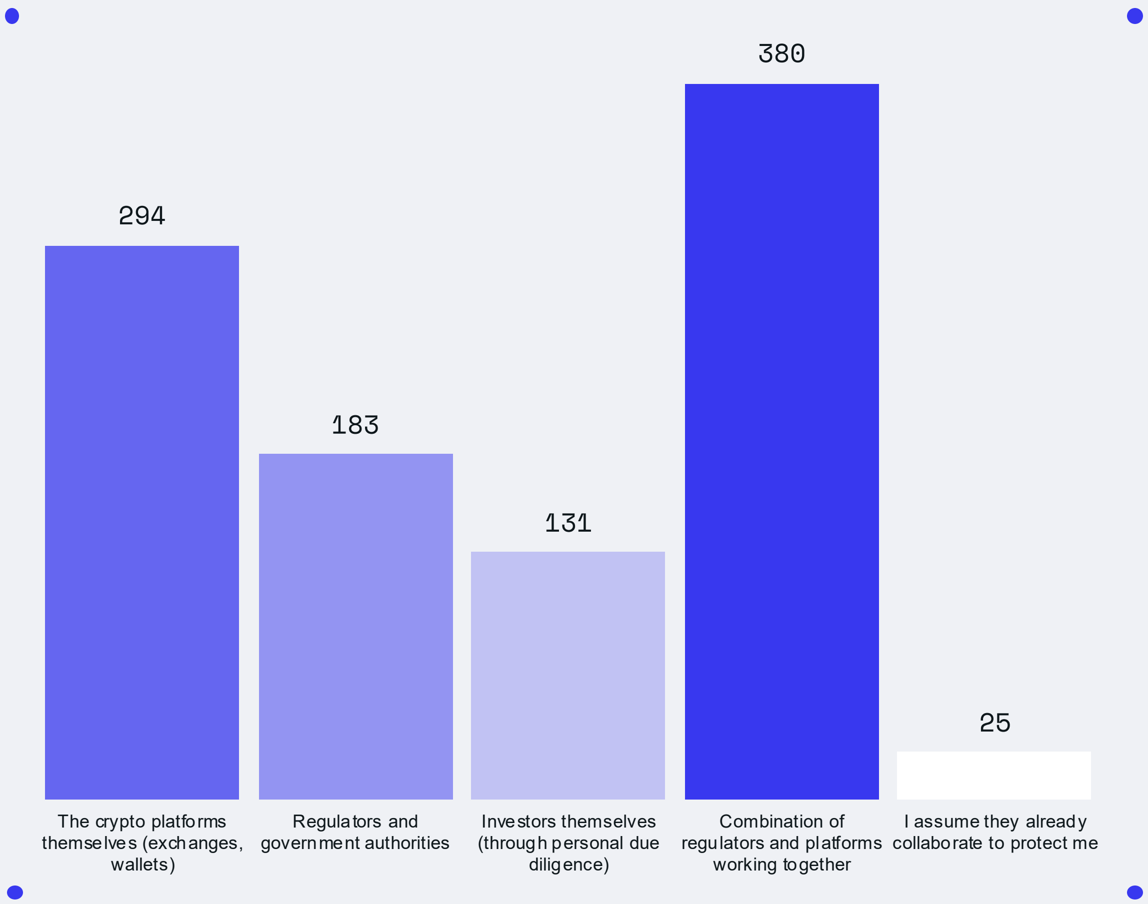
This supports efforts like the FATF's Travel Rule and ongoing OECD crypto tax standards. For the industry, this underscores the value of compliance tooling that works across jurisdictions.

In your opinion, should crypto primarily be classified as:

This spread shows the identity crisis of crypto. No single definition dominates, which mirrors regulatory confusion (e.g., SEC vs. CFTC disputes in the U.S.).

This ambiguity can stifle growth and innovation. Clarity in classification could unlock new financial products like ETFs and make tax treatment more predictable.





Who do you believe is primarily responsible for protecting your crypto assets from harm?

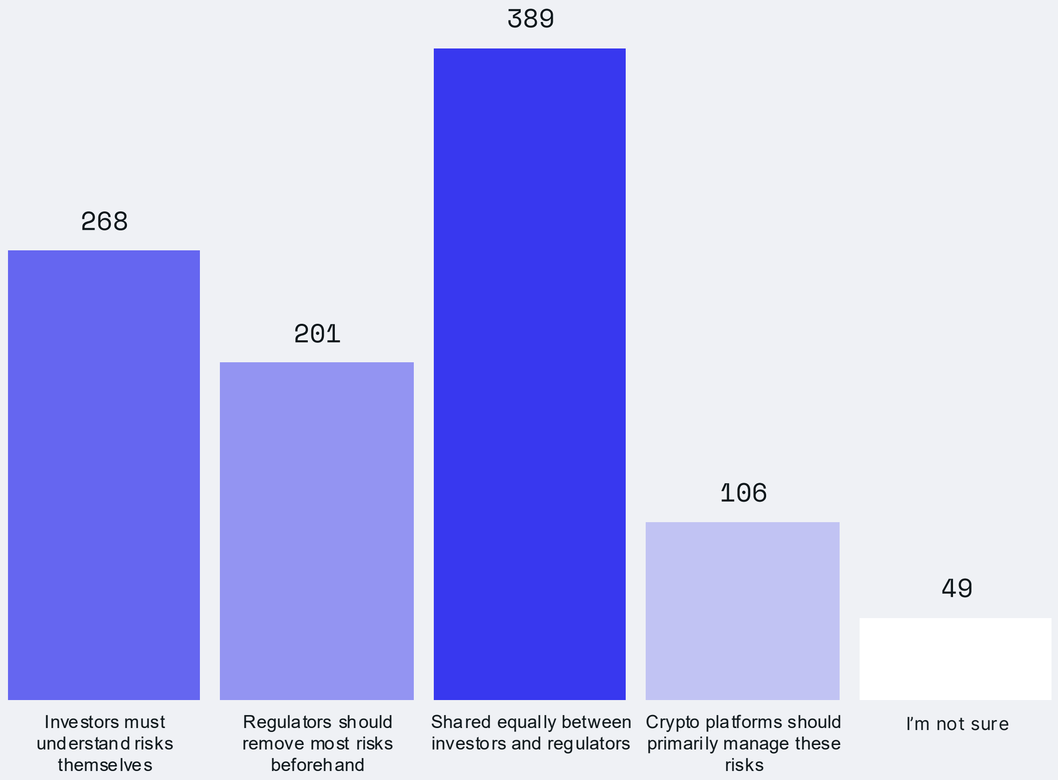
The industry should note the shift: self-custody no longer means self-blame.

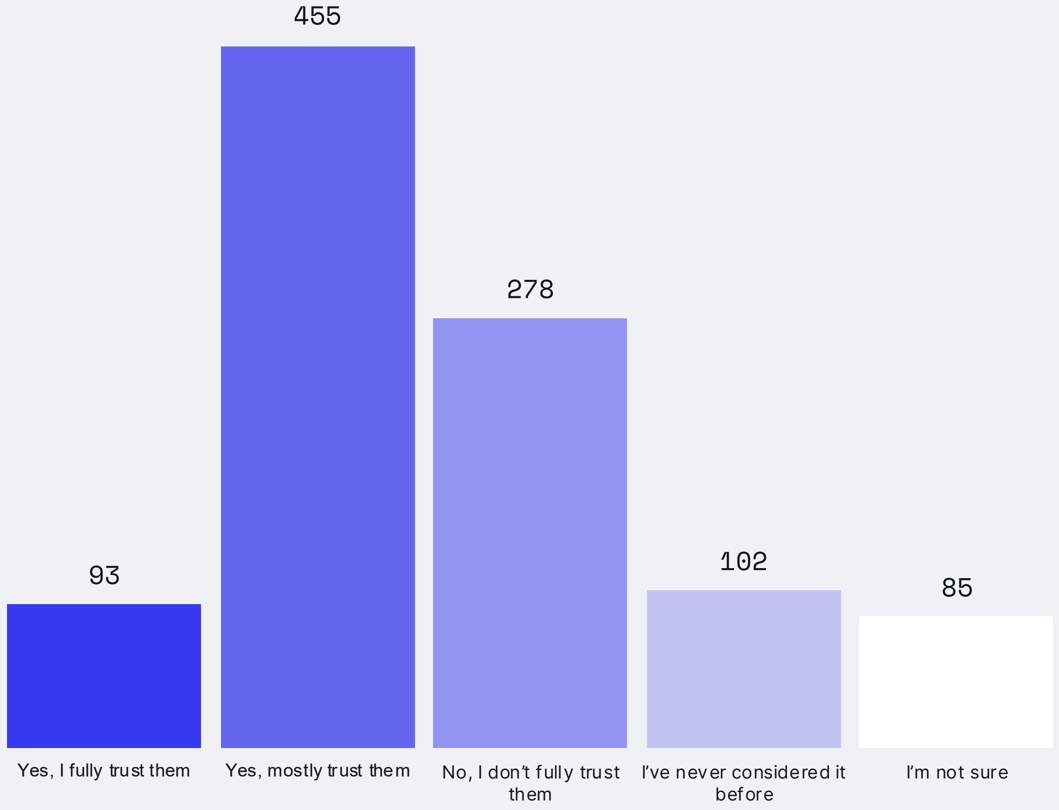
With 84.6% favouring a model that includes platforms and/or regulators, there's a growing demand for infrastructure maturity—better security, fallback mechanisms, and support.

Do you believe crypto investors should be fully responsible for understanding and managing crypto risks themselves, or should regulators intervene to significantly reduce these risks before investors face them?

The community no longer embraces full individualism. Instead, most envision a future where education, risk controls, and preventive oversight coexist.

For project founders, this legitimises onboarding tools, simulations, and regulated DeFi gateways that lower risk while preserving decentralisation.





Do you trust your crypto exchange or wallet provider has taken adequate measures to protect you from risk?

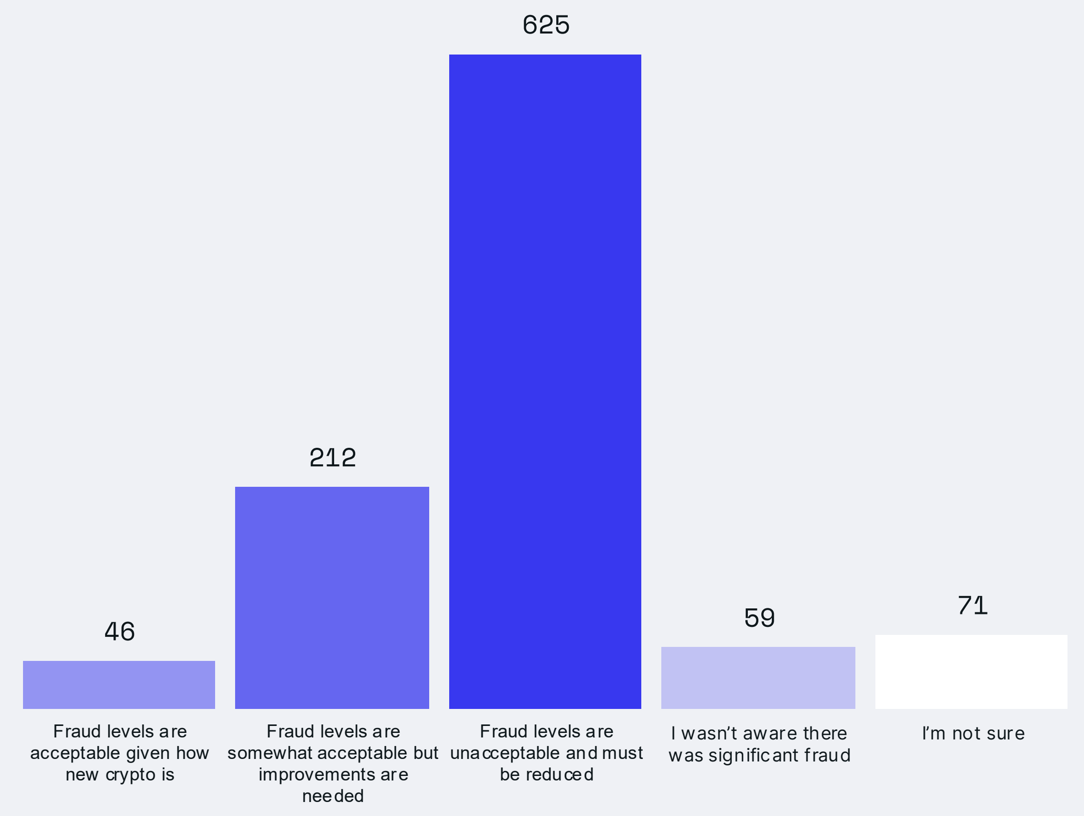
Despite billions in custody, trust is still shallow. Centralised platforms must work harder to win consumer confidence—via audits, SAFU-style insurance, and transparency dashboards.

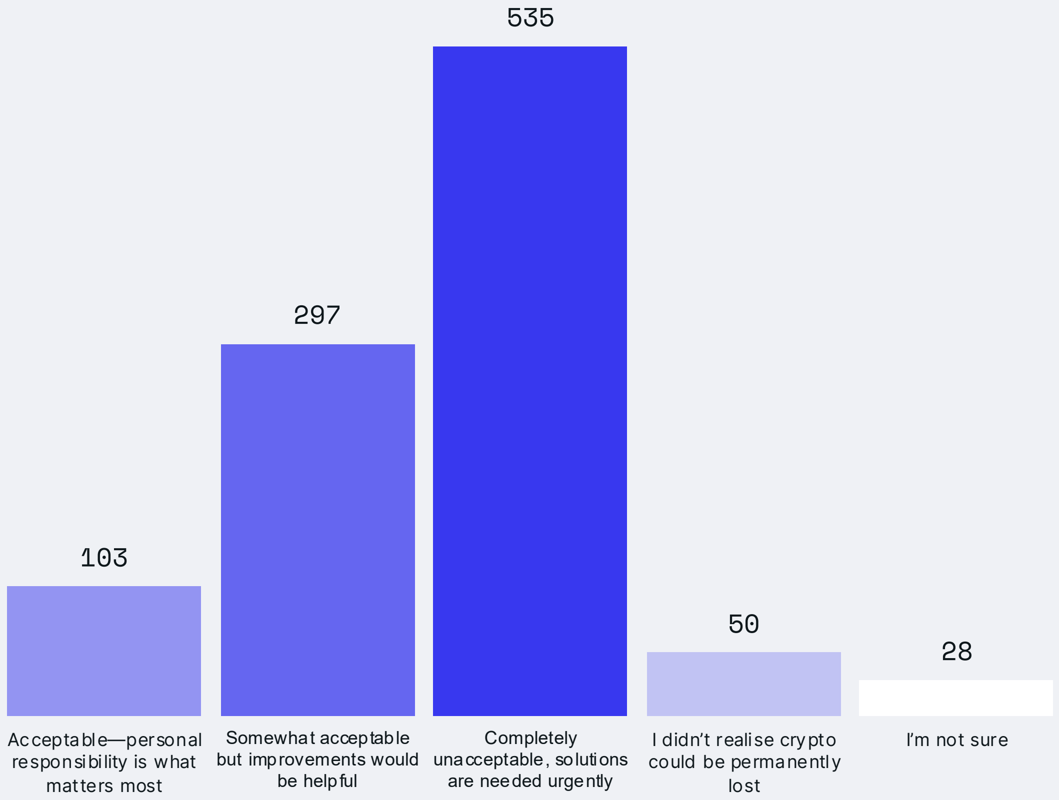
For decentralised apps, this is a call to integrate trustless architecture and security-first design.

Do you think the current level of crypto-related fraud is acceptable, or should more action be taken to reduce it?

The demand for fraud reduction is overwhelming. For decentralisation to thrive, consumer protection must evolve.

On-chain analysis, behavioural AI, and multisig governance could become baseline expectations, not fringe features.





A significant amount of crypto is permanently inaccessible due to lost wallet access or forgotten passwords. Do you find this situation acceptable or should solutions be developed to address it?

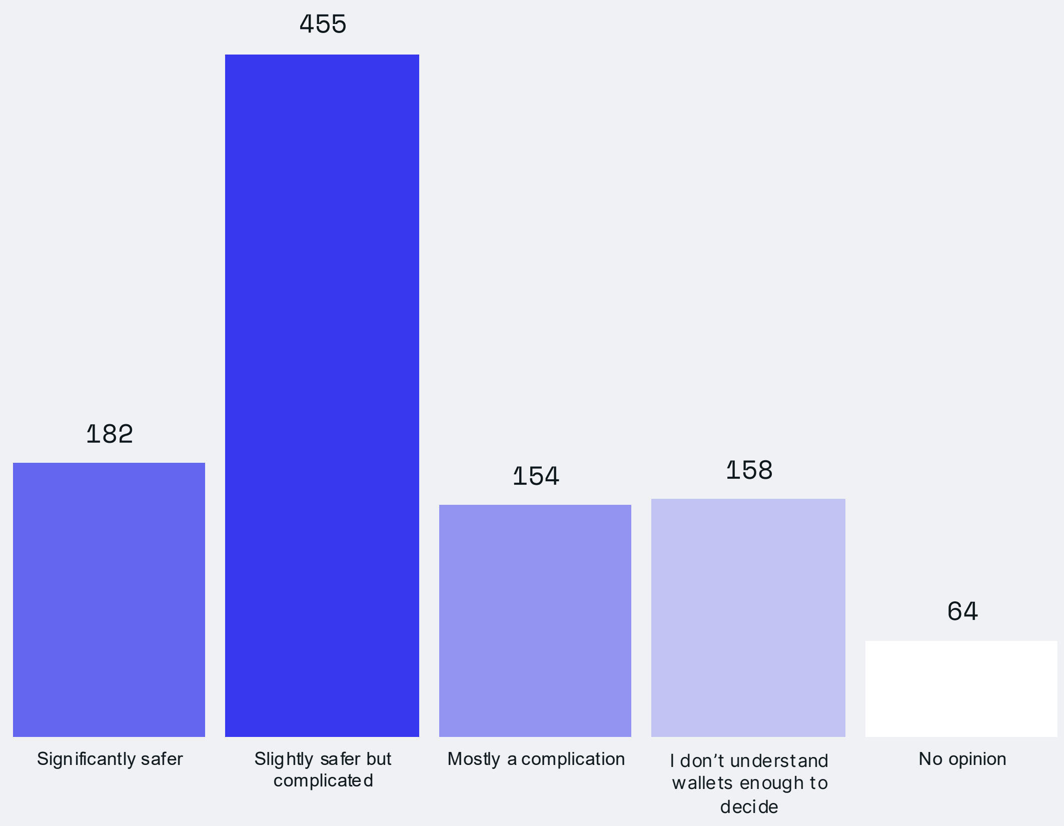
Over 82% want better recovery mechanisms. The principle of "not your keys, not your coins" has met its human limit.

Recovery mechanisms, MPC wallets, and third-party custodianship (regulated or otherwise) will play an increasingly important role in user retention.

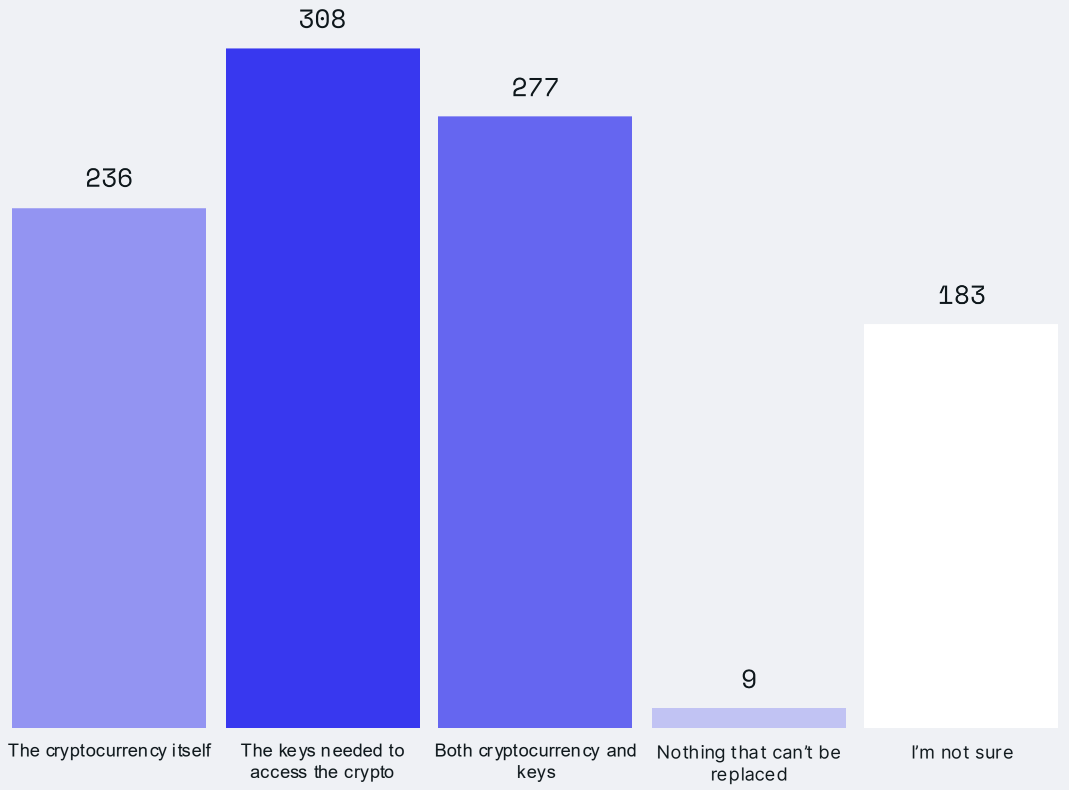
Do crypto wallets make you feel safer about your crypto assets, or do they add unwanted complexity to the investment experience?

Wallet UX remains a barrier to adoption. This validates UX-first wallet solutions like Rabby or Phantom, and supports MetaMask's recent push toward educational overlays.

A more intuitive UX could unlock DeFi and NFT adoption among the next billion users.



What do crypto wallets hold?



Half of those surveyed still don't grasp wallet fundamentals. This misunderstanding opens the door for scams and technical mishaps.

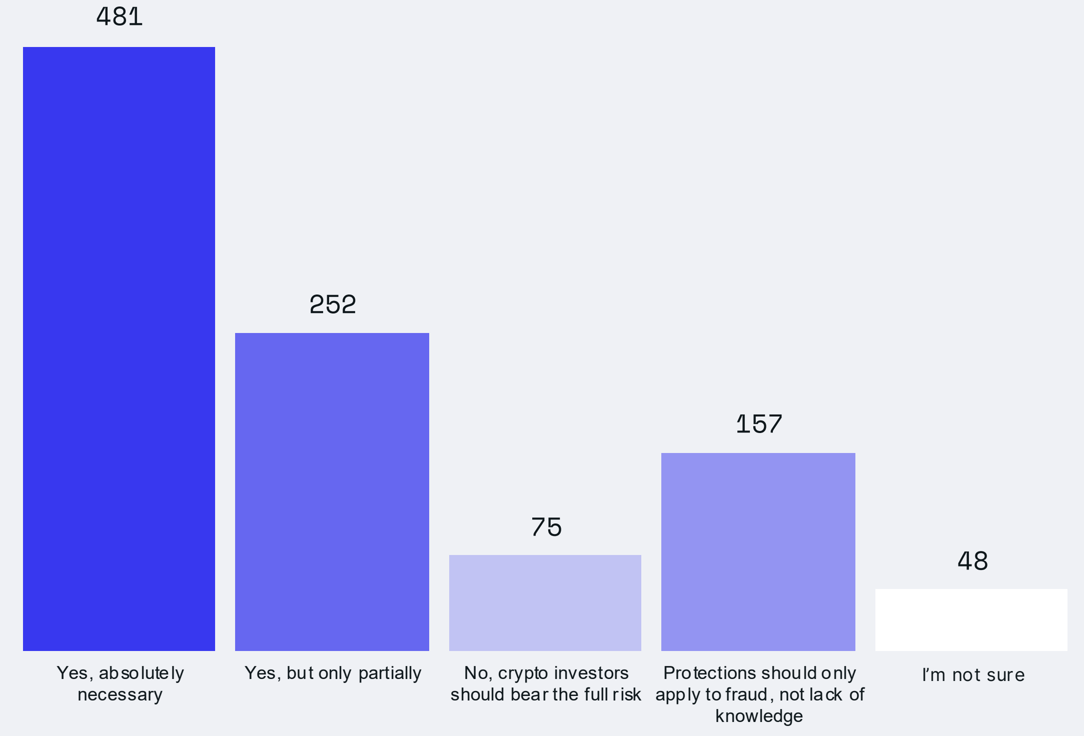
The takeaway? Wallet providers and dApps must invest in basic education and onboarding flows. Crypto literacy is still a bottleneck.

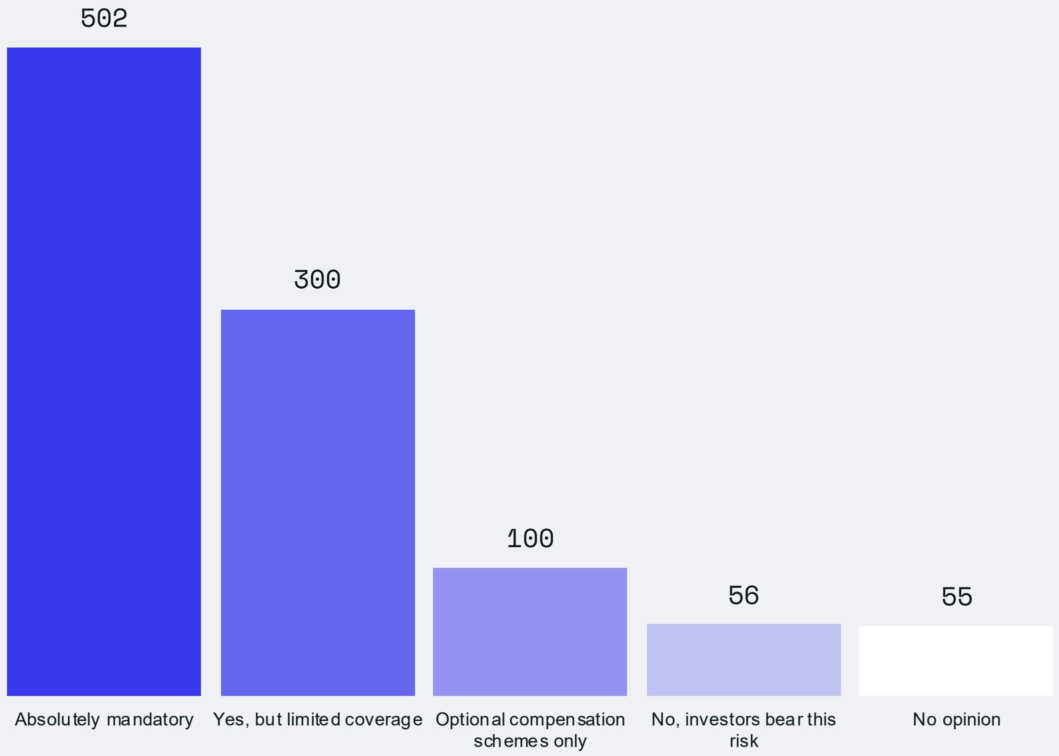
Traditional banking provides protections against fraud that reimburse account holders. Should similar protections apply to crypto investors who suffer losses from fraud or inadequate knowledge?

A combined 72.36% want parity with traditional finance protections.

This will drive demand for insurance, custody guarantees, and legal recourse mechanisms.

For crypto to replace banks, it must match—or exceed—their safety standards.





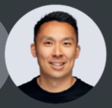
Should crypto platforms have mandatory compensation schemes to cover investor losses from hacks or technical failures?

A striking 79.18% believe some form of mandatory compensation should be enforced. This echoes growing sentiment post-FTX, Celsius, and BlockFi.

Crypto platforms will need to integrate compensation funds, insurance protocols, or collaborate with third-party risk carriers to remain competitive—and trusted.

05 Survey summary

Survey summary



ANTHONY YEUNG
CCO AT COINCOVER

"CoinCover's The Trust Factor survey explores how the next wave of regulation could reshape the cryptocurrency landscape, drawing responses from over 1,000 participants—both crypto users and non-users alike.

The data reveals a clear appetite for stronger guardrails in the sector. While just over 50% of respondents are currently invested in crypto, nearly 85% have engaged with it in some form.

Yet, loss of funds remains a common theme: nearly half have either experienced a crypto loss themselves or know someone who has, underscoring the persistent risks.

Confidence in understanding crypto risks is mixed, with only 16% feeling "extremely confident" and nearly 28% unsure or not confident at all.

Crucially, regulation is seen not as a threat but as a catalyst: 69% say they'd be more likely to invest—or invest more—if crypto were regulated like traditional finance.

There is strong support for sector-specific rules, with 85% favouring either bespoke or blended regulatory frameworks. Respondents also believe regulation's primary purpose should be consumer protection, not just systemic stability.

Security concerns are front of mind. Over 79% believe crypto platforms should offer some form of mandatory compensation for losses due to hacks or technical failures. Additionally, more than 70% support protections similar to traditional banking in fraud cases.

The findings point to a maturing mindset around digital assets: one that supports innovation, but demands accountability. For crypto to scale sustainably, the path forward appears clear—education, transparency, and smart regulation will be essential."

06 Meet the experts

Meet the experts

OUR SURVEY PROVIDED AN ESSENTIAL SNAPSHOT OF MARKET SENTIMENT AROUND CRYPTO REGULATION FOR 2025.

Yet, we aimed to explore even deeper—capturing unique perspectives directly from the pioneers and innovators steering the future of cryptocurrency.

Introducing The Trust Factor Panel—eight distinguished crypto leaders who offer unparalleled insights into the regulatory landscape and the critical factors shaping the industry's next chapter.

ANASTASIJA PLOTNIKOVA
CEO & CO-FOUNDER OF FIDEUM GROUP

DIMA KATS
CEO OF CLEAR JUNCTION

LUCIA SLATER
DIRECTOR AT WEB3 POLICY SPACE

ANDY VAN SUSTEREN
VP SALES AT MANGOPAY

ENEKO KNÖRR
CO-FOUNDER & CEO OF STABOLUT

MARK WALKER
CEO & EDITORIAL DIRECTOR AT THE FINTECH TIMES

DAVID JANCZEWSKI
FOUNDER AT COINCOVER

LEÏLA NASSIRI-JAMET
FRACTIONAL GENERAL COUNSEL

Anastasija Plotnikova

CEO & CO-FOUNDER OF FIDEUM GROUP

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"REGULATORS ARE NO LONGER ASLEEP AT THE WHEEL. THEY HAVE RESPONDED WITH STRICTER MEASURES."

Anastasija Plotnikova

01 **How do you foresee regulatory developments, such as Europe's mica framework, impacting the evolution of crypto markets globally over the next five years?**

This is a very interesting question because MiCA harmonises the rules for issuers, service providers, and stablecoins. It reduces legal uncertainty and opens the door for banks and traditional finance institutions—already authorised under capital markets regimes—to offer crypto services.

That is a net positive. At the same time, there is a divergence emerging between the EU's stringent approach and the United States' seemingly more permissive path.

We are entering a two-track global market. Being first to legislate is important, but it also allows other jurisdictions to learn from your missteps.

For example, Tether decided not to get licensed in the EU and now only serves customers outside of it. Whether this weakens the European stablecoin market remains to be seen. Companies are likely to gravitate towards looser regimes, especially in a tight-budget climate.

The US is positioning itself as innovation-friendly. They say, "Come here, we are the crypto capital," while Europe says, "We've regulated everything, come and get licensed," but without the warm welcome. That contrast will shape the global market.

02 **What specific regulatory changes do you believe would enhance institutional confidence and significantly drive mainstream adoption of cryptocurrencies?**

There are two broad user groups in crypto: retail users, who are early adopters and tech enthusiasts, and institutional players.

Institutions need clarity on asset classifications, custody standards, independent proof of reserves, and global custodial capital requirements. They want audited financial disclosures—everything that exists in traditional finance because it has been battle-tested.

Retail users were the original drivers of adoption. In Europe, legislation now places strong emphasis on user protection following failures like FTX and Celsius, where over-leverage and poor counterparty risk management pushed institutions away. These protections are welcome, but there is concern they may now suffocate DeFi, which has millions of users globally.

In the Western world, we take access to financial tools for granted. In many other regions, crypto offers alternatives they would otherwise not have.

"INSTITUTIONS WANT EVERYTHING THAT EXISTS IN TRADITIONAL FINANCE BECAUSE IT HAS BEEN BATTLE-TESTED"

ANASTASIJA PLOTNIKOVA
CEO & CO-FOUNDER
FIDEUM GROUP

Anastasija Plotnikova

For institutions, clarity exists in jurisdictions like the EU, UK, and UAE. But everyone is waiting to see what the United States does. The passage of the STABLE GENIUS Act could unlock trillions in institutional capital.

Their success could trigger more favourable regulations elsewhere, as other countries compete to attract that capital.

03 What lessons can regulators draw from recent crypto failures, such as exchange collapses, significant hacks, and stablecoin instability, to prevent similar events in the future?

This is not just a legal or operational issue—it's also a moral one. For years, crypto was semi-regulated, undefined, and largely unmonitored. That neglect led to systemic failures like FTX and Celsius.

Regulators are no longer asleep at the wheel. They have responded with stricter measures, and while these sometimes swing too far, they are focusing now on key priorities like clear risk disclosures, mandatory insurance, proof of reserves, and governance standards.

Operational resilience and systemic stability are also being addressed, particularly in exchange operations and settlement networks. The collapse of FTX highlighted the risks of commingled funds, absence of independent audits, and weak governance.

In response, jurisdictions like the EU and UAE now require strict asset segregation, standard audit practices, and board-level accountability. These changes are genuinely positive for the industry and for users.

04 Do you believe that crypto platforms currently have enough incentive to proactively protect users, or is stricter regulatory enforcement needed to ensure greater responsibility?

For regulated and centralised firms, reputation is everything. Security is a major priority.

However, proactive security investment is often de-prioritised because firms may find it cheaper to pay fines or settle issues later. So while enforcement technically exists, implementation is inconsistent.

That's why market-driven initiatives may be more effective. Voluntary proof of reserves, bug bounty programmes, and self-regulatory bodies are gaining traction and can complement formal oversight.

Community accountability also plays a role. When hacks occur, the crypto community often rallies quickly—especially on platforms like X—to trace the funds and share alerts. Unlike regulators, who take evenings and weekends off, the crypto community operates around the clock. This grassroots monitoring shows we are maturing as an industry.

05 How do you envision the future role of crypto regulation in striking a balance between user privacy, the ideals of decentralisation, and government oversight, especially given recent developments in DeFi and privacy-focused crypto assets?

The core ideals of crypto include privacy, ownership of assets, and freedom from government interference.

Anastasija Plotnikova

These are important and beneficial, especially for those not engaged in illicit activity. However, the world is still debating whether mass surveillance has made us safer or just feel safer.

Centralised Know-Your-Customer measures and privacy-focused decentralised models are adversaries, but they are also necessary counterweights.

Privacy advocates help check government power, while regulators prevent misuse. For example, some Coinbase user data leaks might have been avoidable under a more pseudonymous DeFi model.

We need innovation to deliver privacy-by-design systems using tools like zero-knowledge proofs and on-chain credentials. Blockchain's transparency is both its strength and its vulnerability.

Data regulations like GDPR have not truly protected consumers, so privacy and compliance must be reimagined together. The two sides should collaborate more closely.

06 **Do you proactively anticipate regulation? Do you take steps to ensure compliance with likely future regulatory changes? If so, what are your reasons?**

Yes, this has become an operational priority for every serious crypto company, including ours.

We constantly monitor emerging frameworks—such as MiCA's second-level measures, FATF recommendations, and evolving US legislative proposals. We also participate in industry associations that engage directly with regulators to influence balanced policymaking.

Being involved in early discussions provides us with a window into regulators' thinking. Are they open to sandboxes? Are they signalling a crackdown? These insights help us adjust our product roadmap and legal structure before rules are finalised.

This is no longer a side task. It is a key part of ensuring business continuity, whereas in the past we focused almost entirely on building and deploying technology.

"BLOCKCHAIN'S TRANSPARENCY IS BOTH ITS STRENGTH AND ITS VULNERABILITY."

ANASTASIJA PLOTNIKOVA
CEO & CO-FOUNDER
FIDEUM GROUP

Andy van Susteren

VP SALES AT MANGOPAY

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"TAILORED REGULATIONS SHOULD FOCUS MORE ON FUNCTION AND RISK EXPOSURE THAN FORM."

Andy van Susteren

01 **How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next few years?**

MiCA marks a significant step forward in creating regulatory clarity within the European crypto landscape. Over the next five years, I expect frameworks like MiCA to become benchmarks that other jurisdictions look to when developing their own regulations.

This harmonisation will foster greater trust and encourage institutional involvement, particularly from players who have been hesitant due to uncertainty. It may also nudge global firms toward higher operational standards, given the cross-border nature of crypto businesses.

MiCA's structured approach offers investor protections and operational certainty. If done right, it could encourage greater institutional participation and drive innovation. That said, there is a valid concern that the added complexity and cost of compliance could pose challenges for early-stage startups. However, the framework can also level the playing field and reduce regulatory risk — a long-term benefit that should not be underestimated.

02 **In your opinion, what are the primary risks of directly applying traditional financial regulations to crypto? Are there specific aspects of crypto that would necessitate more tailored regulations?**

Imposing conventional financial regulations on crypto presents challenges, especially when the sector's structural differences are overlooked.

For one, it may interfere with the kind of innovation crypto is set to offer and create grey areas of compliance. The key concern, in my view, is misalignment. Regulating decentralised or non-custodial platforms as if they were traditional banks doesn't reflect how these models actually function.

Crypto's programmability, peer-to-peer nature, and composability call for bespoke rules that account for smart contracts, DAOs, and non-custodial actors. Tailored regulations should focus more on function and risk exposure than form. For example, how value is transferred or custody is handled, rather than whether a service "looks" like a bank or an exchange.

"REGULATING PLATFORMS AS IF THEY WERE BANKS DOESN'T REFLECT HOW THESE MODELS ACTUALLY FUNCTION."

ANDY VAN SUSTEREN
VP SALES
MANGOPAY

Andy van Susteren

03 **Considering crypto's decentralised and borderless nature, how can global collaboration among regulators realistically work? Are there particular areas where global consensus is critical?**

True global consensus may be difficult - we've already seen how much debate MiCA has sparked, even within the EU - but I do believe coordination around core principles is not only possible but necessary. Certain areas demand international alignment, such as cybersecurity, operational standards, anti-money laundering (AML), and counter-terrorist financing.

Rather than a single global regulator, I think we'll see a network of regional regulators operating under a shared framework or set of principles. That approach is more feasible in the short term and can still enable consistency.

For example, MiCA has laid the groundwork in Europe, but to avoid regulatory arbitrage, similar principles need to be adopted elsewhere. This will ensure that funds flowing in and out of Europe remain under coherent oversight.

04 **What should be the main regulatory priorities—consumer protection, operational resilience, systemic financial stability, enabling innovation, or something else entirely?**

All those areas are important, but in terms of priorities, there's a natural order. In the immediate term, consumer protection and operational resilience must come first. Look at the recent failures — collapsed exchanges, widespread hacks, and stablecoin issues.

These have caused direct harm to consumers and, perhaps more critically, have eroded public confidence.

If crypto is to reach a point where it's used for everyday transactions - for example, paying for groceries - confidence must be restored. That starts with trust in the infrastructure and the safeguards that protect users. Without that, systemic growth and adoption will stall.

That said, regulation should aim to support innovation while maintaining strong consumer protections. Regulators must strike a delicate balance: protect consumers without overburdening early-stage experimentation. The frameworks being developed - MiCA included - should reflect that nuance. Ultimately, mass adoption will be driven by both trust and usability.

05 **Do you proactively anticipate regulation? Do you take steps to ensure compliance with likely future regulatory changes? If so, what are your reasons?**

Absolutely. Mangopay provides a compliant, modular payment infrastructure that can help any multi-party businesses, including crypto to scale - bridging the gap between decentralized governance and real-world financial systems. Our services — from AML and KYC to transaction monitoring and fiat on/off ramps — are built to meet the demands of regulators without compromising on the modular ethos of Web3.

We see ourselves as enablers of global regulatory alignment, offering a consistent compliance and payments stack across jurisdictions.

Andy van Susteren

In essence, we help businesses operate more like mature financial institutions without losing their edge.

Crypto is at an inflection point where innovation must meet compliance to scale responsibly. At Mangopay, we sit at the intersection of those forces. Our platform helps projects move from experimental to trusted — and from local to global — with the necessary regulatory guardrails in place.

Crucially, our controls are designed to be robust yet flexible. While it's important to align with current frameworks like MiCA, we're also mindful of the need to stay adaptable as the regulatory landscape continues to evolve. That agility is what allows us — and our partners — to remain ahead of the curve.

"IF CRYPTO IS TO REACH A POINT WHERE IT'S USED FOR EVERYDAY TRANSACTIONS – FOR EXAMPLE, PAYING FOR GROCERIES – CONFIDENCE MUST BE RESTORED."

ANDY VAN SUSTEREN
VP SALES
MANGOPAY

David Janczewski

FOUNDER OF COINCOVER

COINCOVER.COM →

“THE BIGGEST RISK IS A MISMATCH BETWEEN THE STRUCTURE OF TRADITIONAL FINANCE AND THE CRYPTO INDUSTRY.”

David Janczewski

01 **How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next five years?**

In general, I believe regulation will be positive for the crypto market. It's about building confidence. Crypto has dealt with fifteen years of negative publicity, often due to bad actors. With incoming regulation, those incidents should become less common. That, in turn, should boost confidence in the market.

MiCA is one of the most forward-looking regulatory frameworks out there. I hope it creates what I call a "gravity effect," generating enough awareness and interest that other regulators begin thinking about crypto in similar ways.

While we may not achieve global consistency in regulation, we can aim for global standards. That would still allow for a degree of consistency that benefits the market.

02 **Considering crypto's decentralised and borderless nature, how can global collaboration among regulators realistically work? Are there particular areas where global consensus is critical?**

I don't think we'll see complete global harmony in crypto regulation, but there is already a high degree of consensus in areas like anti-money laundering, terrorist financing, and consumer protection. That common ground suggests there can be alignment, even if it isn't uniform.

Instead of full agreement, we're more likely to see aligned frameworks—approaches that differ in detail but share the same goals. The industry can help by developing standards, much like the Wi-Fi standards set by a body that enables interoperability across manufacturers.

Crypto has token standards, but they're not yet deeply embedded. If the industry takes more initiative, it could support regulators in creating effective frameworks.

03 **What specific regulatory changes do you believe would enhance institutional confidence and significantly drive mainstream adoption of cryptocurrencies?**

There's a need to recognise that crypto is not just another financial asset. Some regulators treat it like equities or commodities and try to apply the same rules. That's problematic.

What we need is crypto-specific regulation. Yes, we can harmonise around core areas like AML and KYC, but we also need regulation that acknowledges the underlying technology and how it works.

The current approach often creates a square-peg, round-hole situation, which leads to friction and makes it hard for companies to operate, particularly in places like the UK.

04 **What are the primary risks of directly applying traditional financial regulations to crypto?**

The biggest risk is a mismatch between the structure of traditional finance and the crypto industry. Traditional financial markets are horizontally integrated. A broker-dealer focuses on brokering deals across asset classes, and regulation is layered accordingly. But crypto firms are vertically integrated.

David Janczewski

A single exchange may offer customer onboarding, custody, brokerage, matching services, and clearing—all under one roof.

This creates a problem. Regulators apply licensing requirements to each activity, which means crypto firms need multiple approvals just to operate. That's a significant barrier. The industry's integrated model evolved for speed and efficiency. Regulation needs to evolve too, to either accommodate that model or offer an equivalent framework.

05 **What lessons can regulators draw from recent crypto failures, such as exchange collapses, significant hacks, and stablecoin instability, to prevent similar events in the future?**

Regulators typically set standards and rely on firms to self-report compliance. That's where crypto offers a new opportunity.

Blockchain provides a public record that can be analysed in real time. Companies like Chainalysis and ourselves already do this. Regulators could do the same, using blockchain's transparency to detect issues before they become crises. But this would require a change in how regulators operate.

Proactive monitoring using blockchain analytics could shift that model, but it's a different kind of work. It would require investment and a mindset change.

06 **Do you believe that crypto platforms currently have enough incentive to proactively protect users, or is stricter regulatory enforcement needed to ensure greater responsibility?**

There are already strong incentives for good actors to follow best practices. If you embed those practices early on, it's far easier than trying to adapt later.

"THERE'S A NEED TO RECOGNISE THAT CRYPTO IS NOT JUST ANOTHER FINANCIAL ASSET."

DAVID JANCZEWSKI
FOUNDER
COINCOVER

David Janczewski

The challenge is levelling the playing field. Bad actors may still find ways to cut corners. But if regulation focuses on core fundamentals and encourages informed debate, we can build a safer and more trustworthy market.

A truly knowledgeable regulator would understand this. The investment needed to build such a team would pay back many times over in economic and reputational value. The better the regulator understands crypto, the better the regulations will be, and the more businesses will want to work with them.

07 **How do you envision the future role of crypto regulation in striking a balance between user privacy, the ideals of decentralisation, and government oversight, especially given recent developments in DeFi and privacy-focused crypto assets?**

My background is in cash, and I think it provides a useful analogy. Regulators don't know where every physical banknote is at all times. But cash is mostly used in small-value transactions, so there's a sense of proportionality.

Crypto needs similar treatment. Regulation should match the scale of the transaction. We don't want overly burdensome compliance requirements for small-value transfers. The template already exists in how we regulate physical cash.

Bad actors will always exist, but proportionality will protect the vast majority of users while still targeting harmful behaviour.

08 **Do you proactively anticipate regulation? Do you take steps to ensure compliance with likely future regulatory changes? If so, what are your reasons?**

Yes. We are actively preparing for future regulation. It's much easier to build good practices into your business from the beginning than to retrofit them later.

Regulators and crypto firms often see each other as adversaries. Regulators think crypto is the Wild West. Crypto firms think regulators are too burdensome. We need to bring those two sides closer together.

The conversation has to become more informed and constructive.

I would go so far as to say that if a regulator made a significant investment in its crypto capabilities—say, increasing its team tenfold—it could yield enormous economic value. Such a regulator would understand the market deeply, implement thoughtful rules, and attract more crypto businesses to its region. That kind of expertise and leadership would be a huge asset.

Dima Kats

CEO OF CLEAR JUNCTION

CLEARJUNCTION.COM →

"CRYPTOCURRENCIES ARE SO INNOVATIVE THAT EXISTING FINANCIAL REGULATIONS CANNOT BE APPLIED EASILY."

Dima Kats

01 **How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next five years?**

This isn't a million-dollar question. It's a multi-billion-dollar question. We view these regulatory developments as reasonable and expected.

The first attempts to regulate crypto started around six years ago. In Europe, places like Estonia led the way by issuing permissions for crypto dealings.

Later, regulators in Malta and Gibraltar began offering oversight, with Malta in particular seeing success at the time. The UK followed by introducing its crypto asset regulatory regime.

Now we are seeing comprehensive licensing across Europe. Gibraltar still issues licences, although they are not as impactful now. In the UK, we are waiting for a proper framework to be discussed and implemented.

As blockchain becomes more widely accepted and trusted, regulation makes sense. It is part of the technology's journey toward driving the next stage of financial development.

02 **In your opinion, what are the primary risks of directly applying traditional financial regulations to crypto? Are there specific aspects of crypto that would necessitate more tailored regulations?**

Cryptocurrencies are so innovative that existing financial regulations cannot be applied easily.

For instance, there is still uncertainty around whether crypto should be regulated like a payment method or as an investment product. In the UK, the crypto asset regime focuses more on investment, specifying who can buy or sell crypto. It does not address who can move crypto or facilitate on-chain transfers.

As the industry matures, we are likely to see different regulatory treatments for different uses. Money used for payments will need a different framework than assets used for investment.

There are risks in both directions. If regulators under-regulate, consumers may be harmed or criminal activities may go unchecked. If they over-regulate, businesses will suffer, and the industry will move elsewhere.

In the United States, the federal government appears to be relaxing some restrictions, and investor activity has grown rapidly as a result. That illustrates the cost of going too far in either direction.

03 **Do you believe there is a clear divergence between the regulatory approaches of Europe and the United States? If so, do you favour one?**

Yes, right now it appears that Europe and the United States are taking different approaches.

That is partly because they are the only two major regions actively developing frameworks. Everyone is watching to see what the UK will do, and whether it aligns with one of these models or introduces a new approach.

Dima Kats

Even within the United States, we see a split. While the federal government has become more supportive, state-level regulators are stepping in to address what they see as gaps. This is all still developing. It is fascinating to observe how societies respond to this evolving space.

04 **What should be the main regulatory priorities—consumer protection, operational resilience, systemic financial stability, enabling innovation, or perhaps something else entirely—and what's the reasoning behind your choice?**

That is a very good question. Regulators must strike a careful balance between multiple priorities. They need to protect consumers and financial infrastructure while also ensuring the country remains competitive as a market for innovation.

This balance is not easy to achieve. If you offered me a regulator's job, I am not sure I would take it.

If the UK does not come up with a thoughtful and effective approach, investment may shift to other countries.

On the other hand, if the UK creates a forward-looking framework, it could secure London's role as a global hub for financial technology.

We lost some attractiveness after Brexit, especially with the loss of licence passporting into the EU.

This is now a major test for UK policymakers to show that Britain is still a strong place to launch and grow fintech businesses.

"PRIVACY WAS A MAJOR CONCERN IN THE EARLY DAYS OF CRYPTO. BUT TODAY, CRYPTO IS ABOUT MORE THAN PRIVACY."

DIMA KATS
CEO
CLEAR JUNCTION

Dima Kats

05 **What lessons can regulators draw from recent crypto failures, such as exchange collapses, significant hacks, and stablecoin instability, to prevent similar events in the future?**

One way to prevent future incidents is to ban crypto entirely. But of course, that is not a serious solution.

Regulation must be balanced. Consumer protection can be achieved through well-designed frameworks, but also through education. Over time, people will naturally become more familiar with how crypto works. Fifty years ago, no one understood credit cards.

Now it is second nature. The same will happen with crypto. The question is how many people will be harmed before that knowledge becomes widespread. Regulators should play a role in promoting consumer education.

06 **How do you envision the future role of crypto regulation in striking a balance between user privacy, the ideals of decentralisation, and government oversight, especially given recent developments in DeFi and privacy-focused crypto assets?**

Privacy was a major concern in the early days of crypto. But today, crypto is about more than privacy.

In the context of payments, crypto is often used because it is efficient, fast, and low cost. Some companies use it for liquidity transfers, not because of privacy, but because it is practical.

At the same time, there has been significant investment in tools that help screen transactions and assess risk. These tools have improved transparency and reduced concerns about anonymity.

Privacy and decentralisation are different issues. Some stablecoin issuers are more decentralised than others. For example, Ripple and Tether have different philosophies. Over time, society will find its own balance in terms of which values matter most.

07 **Do you proactively anticipate regulation? Do you take steps to ensure compliance with likely future regulatory changes? If so, what are your reasons?**

Yes, we are closely watching UK regulators and waiting for further announcements. We have seen discussion papers, but we are still waiting for clear decisions.

In the meantime, we make assumptions. First, we apply common sense. Second, we look at how existing fiat regulations might be adapted to crypto.

Third, we study what other regulators, such as those behind MiCA, have proposed.

We expect the UK's eventual framework will resemble what is being done in the US and Europe. Based on that, we are already shaping our compliance practices to be ready for what is likely to come.

Eneko Knörr

CO-FOUNDER & CEO OF STABOLUT

STABOLUT.COM →

"REGULATION IS A GOOD THING; WE ARE PRO-REGULATION. EVERYONE UNDERSTANDS THAT REGULATION WILL BRING BILLIONS OF USERS, LARGE FUNDS, AND FAMILY OFFICES INTO THE SPACE."

Eneko Knörr

01 How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next five years?

What we'll see is that governments will regulate crypto more over the coming years, all over the world. MiCA is one of the first and most comprehensive regulatory frameworks, so it will serve as a reference point for other jurisdictions. That's concerning.

Speaking as a European, even though my company is based in Hong Kong, because while MiCA includes some constructive elements, several aspects are flawed. There's a risk it could stifle innovation and, more worryingly, undermine individual freedom.

If other regions replicate these missteps, the global crypto landscape could become more constrained than necessary.

Now, regulation is a good thing; we are pro-regulation. Everyone understands that regulation will bring billions of users, large funds, and family offices into the space. But regulation needs to be done right.

02 Are there specific aspects of crypto that would necessitate more tailored regulations?

Institutional investors require regulation. These players need clear rules—compliance, proof of reserves, and assurance that they are operating in a transparent and secure environment—just like when they trade stocks on traditional platforms. That's definitely an area where regulation is needed.

03 What specific regulatory changes do you believe would enhance institutional confidence and significantly drive mainstream adoption of cryptocurrencies?

Institutional investors need to know there are clear guidelines for exchanges and crypto service providers. If that's in place, they feel safe—because there's a regulator overseeing the details of what exchanges are doing. That sense of oversight and structure is key to building confidence.

04 Considering crypto's decentralised and borderless nature, how can global collaboration among regulators realistically work? Are there particular areas where global consensus is critical?

Global collaboration is difficult in such a huge and diverse world, where even governments struggle to get along.

But while it's incredibly challenging, it's not impossible. One area where international alignment is both necessary and feasible is AML—anti-money laundering. AML policies in banks are already global, and most governments collaborate on that.

Preventing criminal abuse of crypto is essential. But the challenge is striking the right balance. Too often, in the name of security, there are so many restrictions that end up limiting personal freedom. A global framework should focus on targeted and effective measures like AML, without sacrificing the core principles of crypto—openness, privacy, and freedom.

Eneko Knörr

05 Do regulators understand crypto well enough to achieve that balance between regulation and innovation?

That's the main problem: the barriers are still high for policymakers because they don't understand the technology.

With MiCA, for instance, we're seeing regulation created by bureaucrats under the influence of strong traditional finance lobbies. It's obvious that traditional banks are pushing back against crypto.

If regulators don't understand the technology or the importance of innovation, they'll create limitations that push the industry away. I think that's exactly what's happening in Europe with MiCA.

06 Do you proactively anticipate regulation? Do you take steps to ensure compliance with likely future regulatory changes?
If so, what are your reasons?

Yes—every crypto platform or stablecoin issuer, like us, knows we must operate with both present and future regulations in mind. Even without clear regulation, we try to comply as much as possible because, as a financial product, we need to provide users with a sense of safety and certainty.

Good regulation, crafted by people who understand crypto and innovation, could attract billions of users. That's totally necessary. But overly strict regulation, created by bureaucrats heavily influenced by big finance, could even kill crypto.

07 What lessons can regulators draw from recent crypto failures, such as exchange collapses, significant hacks, and stablecoin instability, to prevent similar events in the future?

The underlying message is that regulation must focus on consumer protection and operational standards like proof of reserves and transparency. Without this, failures are more likely. But regulators must understand the space to design these protections effectively, or they risk overcorrecting and stifling innovation.

08 What should be the main regulatory priorities—consumer protection, operational resilience, systemic financial stability, enabling innovation, or perhaps something else entirely—and what's the reasoning behind your choice?

Priorities should include enabling innovation, protecting users through transparency and clear rules, and ensuring operational security.

However, this must be done without undermining the openness and decentralisation that make crypto valuable.

09 Do you see differences between how Europe and other regions are approaching crypto regulation?

Yes. Europe is leading in regulation, but that's not necessarily a good thing. Europe also led in AI regulation without having any major AI companies. Now with crypto, it's the same. Europe is the leader in regulation, but not in crypto usage or stablecoin adoption.

Eneko Knörr

In contrast, the United States seems to understand that the future lies in stablecoins. They are pushing to make dollar-denominated stablecoins easy to use. Meanwhile, Europe is doing the opposite, making it harder for euro stablecoins to thrive because they want to prioritise their CBDC projects.
That could be a strategic mistake if the future truly belongs to stablecoins.

"GOOD REGULATION, CRAFTED BY PEOPLE WHO UNDERSTAND CRYPTO AND INNOVATION, COULD ATTRACT BILLIONS OF USERS"

ENEKO KNÖRR
CO-FOUNDER & CEO
STABOLUT

Leïla Nassiri-Jamet

FRACTIONAL GENERAL COUNSEL

“RIGHT NOW, CONSUMER PROTECTION IS THE PRIORITY.USERS STILL FACE POOR DISCLOSURES, UNCLEAR TERMS, AND WEAK SAFEGUARDS IF SOMETHING GOES WRONG.”

Leïla Nassiri-Jamet

01 **How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next five years?**

MiCA is a big step toward harmonising crypto regulation across the EU. But the real test is in how it is applied across Member States.

MiCA leaves room for interpretation, which means how it is applied in practice could vary across Member States, especially on things like licensing conditions, whitepaper approvals, or how DeFi is treated.

Over the next five years, we are likely to see a difference between compliant and licensed platforms that will gain access to institutional players, capital, and marketing channels, and the others, non-compliant or fully decentralised by design, that may operate outside the EU and be excluded from the EU market entirely. Globally, MiCA sets a reference point, but its influence depends on how clearly and consistently it is implemented.

02 **What specific regulatory changes would enhance institutional confidence and significantly drive mainstream adoption of cryptocurrencies?**

Custody clarity, especially in smart contract environments. When control of assets is split across smart contracts or multi-party setups (like MPC wallets), it is not always clear who has the legal responsibility. Institutions need certainty, for example, around liability or safeguarding obligations.

Next, we need better staking regulation clarity. Right now, there is no unified framework for staking, and that is a problem.

> "PRIVACY-PRESERVING TOOLS LIKE ZERO KNOWLEDGE PROOFS OR SELF-HOSTED WALLETS SHOULD NOT BE TREATED AS INHERENTLY SUSPICIOUS."

LEÏLA NASSIRI-JAMET
FRACTIONAL GENERAL COUNSEL

Models vary widely, including direct staking, staking-as-a-service, and liquid staking, and each raises different legal questions around custody or financial promotion, for example.

Institutions need clarity on where staking fits, under MiCA, MiFID II, or other regimes, so they can assess risk, licensing needs, and exposure with confidence.

Finally, stablecoins. While MiCA introduces a regime for stablecoins, there are still a few open questions.

Leïla Nassiri-Jamet

03 **What are the primary risks of directly applying traditional financial regulations to crypto? Are there specific aspects of crypto that would necessitate more tailored regulations?**

The biggest risk is regulatory misalignment. Traditional frameworks like MiFID II and PSD2 are designed around centralised intermediaries. But many crypto activities are decentralised or non-custodial, so trying to force those models into legacy rules just doesn't fit. You also risk overregulating early-stage innovation. Regulation is needed, but it cannot be copied and pasted from TradFi.

04 **Considering crypto's decentralised and borderless nature, how can global collaboration among regulators realistically work?**

Global harmonisation is unlikely soon. What is more realistic is alignment around core risks, like AML, market integrity, or investor protection. Some of that will happen through mutual recognition, jurisdictions agreeing to treat each other's rules as equivalent.

But for that to work, we need to start from the same baseline. Right now, we do not even have a shared agreement of how crypto assets should be qualified, let alone what counts as a stablecoin, a utility token, or a VASP. Bodies like FATF or IOSCO are pushing for more consistency, but we are not there yet.

05 **What should be the main regulatory priorities—consumer protection, operational resilience, systemic financial stability, enabling innovation, or something else—and why?**

Right now, consumer protection is the priority. Users still face poor disclosures, unclear terms, and weak safeguards if something goes wrong.

That needs to be addressed with clear custody standards, transparency, and proper complaint processes.

Longer term, I think the bigger risk is operational. We have seen how a single exploit, like a bridge hack or a smart contract failure, can wipe out user funds or destabilise an entire ecosystem.

That is where DORA comes in. MiCA-licensed crypto firms will also need to comply with DORA, which forces firms to manage IT and cyber risks more like traditional financial institutions.

06 **What lessons can regulators draw from recent crypto failures like exchange collapses or stablecoin depegs?**

Most of the failures weren't down to the technology — they were governance failures.

The key takeaways? Keep client funds segregated. Make sure there's basic board oversight and independent audits in place. And if one firm's handling trading, custody, and pricing, there need to be proper checks. Putting all that power in one place without oversight is just asking for trouble.

Leïla Nassiri-Jamet

07 Do you proactively anticipate regulation? If so, why?

Yes. It is part of my role to work on anticipating regulations. By tracking regulatory trends early, I can help businesses build in compliance from the start, so they are not caught off guard. This is about enabling the business; if we know what regulators care about, we can use that to design products. It also helps with getting institutional access, partnerships, or building a credible and trusted brand.

Finally, from a risk and cost perspective, it is cheaper to build with compliance in mind than to restructure it under regulatory scrutiny or enforcement.

08 Do crypto platforms currently have enough incentive to proactively protect users, or is stricter enforcement needed?

The incentives are definitely improving. More platforms, especially those with institutional clients or long-term ambitions, are realising that strong compliance and user protection are not just a ticking box exercise. They are real competitive advantages. You are already seeing players like Coinbase, Circle, and Bitstamp lean into this. Whether it is pursuing licensing or proactively engaging with regulators, they understand that trust is what drives adoption.

That said, regulation helps ensure that all market participants compete under the same set of rules. It helps ensure good actors are not undercut by less responsible ones. Ideally, regulation should be proportionate, more focus on firms that hold client funds or operate exchanges, while leaving space for innovation at the infrastructure layer. A balanced approach helps raise industry standards without stifling innovation.

09 How do you see the future of crypto regulation balancing privacy, decentralisation, and government oversight?

It starts with recognising that decentralisation exists on a spectrum. The law needs to draw a clear line between fully autonomous protocols and those run or maintained by identifiable teams.

Privacy-preserving tools like zero knowledge proofs or self-hosted wallets should not be treated as inherently suspicious. The compliance burden should fall on the access points, such as exchanges or on-ramps.

What we need is regulation that stops abuse without stamping out decentralized innovation. That means applying rules where they make sense, to wallet providers and platforms that help people interact with protocols, rather than trying to regulate the protocols themselves. The aim should be to protect users, not to push everyone back into centralised systems.

Lucia Slater

DIRECTOR AT WEB3 POLICY SPACE

WEB3POLICYSPACE.COM →

"I THINK REGULATORY DEVELOPMENTS WILL ACCELERATE CRYPTO'S MOVEMENT INTO THE MAINSTREAM."

Lucia Slater

01 **How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets globally over the next five years?**

I'm really excited about it. I think regulatory developments will accelerate crypto's movement into the mainstream. We're already seeing the option to pay with crypto for everyday transactions, such as shopping or sending money internationally. That is an exciting outcome of regulation.

Another major positive is reducing the amount of crypto used for criminal activity. Crypto still suffers from the stigma of being used to fund terrorism or for illicit trade. Regulatory clarity will help change that narrative.

That said, I do have concerns. As the sector becomes more regulated, smaller players may struggle to enter the market. Compliance costs can be high, and that creates barriers to entry. Governments will need to support innovation by ensuring access points remain, such as offering regulatory sandboxes to allow smaller players to operate temporarily without full compliance requirements.

02 **Do the current regulatory measures disproportionately affect smaller companies?**

Yes. Regulation, by nature, tends to be more burdensome for smaller firms. Larger companies usually have more resources and can absorb compliance costs more easily.

That's a key concern around innovation. Smaller players may be discouraged from entering the market. However, governments are in a difficult position. Regulation is needed to protect consumers, but it must be balanced to ensure it doesn't stifle innovation entirely.

03 **What are the primary risks of directly applying traditional financial regulations to crypto? Are there specific aspects of crypto that would necessitate more tailored regulations?**

There are definite benefits to a "same risk, same regulation" approach. But crypto is not the same as traditional finance, and that creates problems.

What makes crypto exciting is that it's accessible to anyone, anywhere. Applying traditional finance models risks creating the same kind of anti-competitive structures we see in banking, where a few large institutions dominate. That oligopolistic model stems in part from high barriers to entry. We don't want to replicate that in crypto.

Sandboxes are a great idea to counter this. They allow new companies to operate for a limited time, without full compliance, while still giving governments the opportunity to learn what kind of regulation might be needed.

A further challenge is that traditional finance regulations don't work for decentralised systems. You can't regulate a truly decentralised protocol the same way you would a bank. That is a major challenge for policymakers.

Lucia Slater

04 **Considering crypto's decentralised and borderless nature, how can global collaboration among regulators realistically work?**

Given the global and borderless nature of crypto, harmonising regulation across jurisdictions would be ideal. Unfortunately, that's extremely difficult in practice. Every country has its own laws and frameworks. For a business operating globally, it's expensive and complex to comply with different rules in each jurisdiction.

As for truly decentralised systems, most governments now accept that these cannot be regulated in the traditional sense. You can't fine or imprison Bitcoin. However, governments are focusing on entities that are not fully decentralised—companies with CEOs and teams that are clearly profiting.

Those companies will be subject to regulation. Most crypto companies, in fact, want regulation. It gives them predictability and helps them make long-term investments. It also provides clarity around consumer protections and operational expectations.

05 **How do you envision the future role of crypto regulation in striking a balance between user privacy, the ideals of decentralisation, and government oversight, especially given recent developments in DeFi and privacy-focused crypto assets?**

This is a really interesting and divisive question. Many early crypto adopters valued privacy and decentralisation above all else.

It was about freedom and access. Crypto was supposed to be like digital cash.

Unfortunately, the direction we're heading in seems to be moving away from that. We are entering an era of reduced privacy, and crypto is part of that trend.

Governments are investing in central bank digital currencies (CBDCs), and while they claim these will function like digital cash, we don't yet know how much privacy will be preserved.

If CBDCs offer very limited privacy, that could set a precedent for how crypto is treated too. For example, the EU is already banning privacy coins from crypto accounts by 2027.

I think it's a shame, because cash is still fully anonymous, and that level of privacy has always been accepted.

"TRADITIONAL FINANCE REGULATIONS DON'T WORK FOR DECENTRALISED SYSTEMS."

LUCIA SLATER
DIRECTOR
WEB3 POLICY SPACE

Lucia Slater

But I understand why it's happening. Governments won't allow large sums to move without knowing who is sending or receiving them. It is the world we live in today.

06 **Do you believe that crypto platforms currently have enough incentive to proactively protect users, or is stricter regulatory enforcement needed to ensure greater responsibility?**

I think there is enough incentive for good actors. Building a company around best practices from the beginning makes it easier to operate and scale. Retrofitting those practices later is much harder.

The real challenge is levelling the playing field. We need to find ways to keep bad actors out while allowing responsible companies to thrive.

That means regulators and industry leaders need to have informed, balanced discussions—not sensationalised ones.

The truth is, if a regulator made a serious investment in understanding the crypto sector—growing their team, developing deep expertise—it would pay back enormously in economic value.
A regulator that truly understands this space will attract more businesses and set a standard others will want to follow.

"IF A REGULATOR MADE A SERIOUS INVESTMENT IN UNDERSTANDING THE CRYPTO SECTOR IT WOULD PAY BACK ENORMOUSLY IN ECONOMIC VALUE."

LUCIA SLATER
DIRECTOR
WEB3 POLICY SPACE

Mark Walker

CEO AND EDITORIAL DIRECTOR AT THE FINTECH TIMES

THE FINTECH TIMES →

“REGULATION NEEDS TO BALANCE ENABLING INNOVATION WITH MAINTAINING THE TOOLS GOVERNMENTS RELY ON TO MANAGE ECONOMIC STABILITY.”

Mark Walker

01 How do you foresee regulatory developments, such as Europe's MiCA framework, impacting the evolution of crypto markets over the next couple of years?

Things move exceptionally fast in crypto – five years in this space feels like fifty in traditional finance. That said, MiCA is likely to cause some short-term pain but will ultimately make the mainstream adoption of cryptocurrencies and digital assets much more viable.

A clear regulatory framework is exactly what fintechs and financial institutions need in order to operate effectively. It offers a basis for trust, stability, and ultimately enables broader participation in the ecosystem. Over time, I think we'll see MiCA improve conditions for the sector and encourage more mainstream adoption.

02 What are the risks of applying traditional financial regulations to crypto, and are there areas where more tailored rules are needed?

There are significant risks in directly applying traditional finance regulations to crypto. The crypto space is fundamentally decentralised – applying a centralised regulatory mindset just doesn't fit. That's something we saw play out a few years ago, particularly with the SEC in the US. Firms like Ripple and Coinbase felt they were being unfairly targeted by frameworks built for traditional financial instruments.

Thankfully, that approach is starting to shift. Regulators across major jurisdictions are now working on more specific rules tailored to the nuances of crypto. It's also worth noting that "crypto" is a broad term – covering everything from stablecoins to utility tokens to digital securities.

Each of these asset types demands a different regulatory approach. For example, virtual assets might sit more naturally under a securities-style framework, while stablecoins lean more towards monetary policy and payments infrastructure. Encouragingly, we're now seeing regulators begin to recognise and act on this distinction.

03 Are there any specific regulatory changes you feel would enhance institutional confidence or drive further mainstream adoption of cryptocurrencies?

The most significant developments so far have been the introduction of MiCA in Europe and the GENIUS stablecoin framework in the US. These are landmark changes that give the crypto sector clearer rules to work within.

In the Middle East, for example, we've seen the creation of VARA (Virtual Assets Regulatory Authority), which is specifically tasked with overseeing virtual assets. This targeted approach shows that regulators are actively encouraging growth while trying to create guardrails.

What's particularly interesting now is how we define "mainstream adoption." Are we talking about uptake within financial institutions, or widespread consumer use at a retail level? Each path presents different regulatory and infrastructure requirements.

Mark Walker

04 Given crypto's decentralised and borderless nature, can global regulatory collaboration realistically work? Are there particular areas where global consensus is critical?

If the aim is to enable retail-level adoption – especially for things like stablecoins used across borders – then global consensus is essential. You need countries to align if money is going to move seamlessly and securely between jurisdictions.

That said, crypto and traditional regulatory systems are currently pulling in opposite directions. Decentralised systems operate without borders or central oversight, while financial regulation remains highly centralised and nationally governed.

This tension is perhaps the biggest barrier to progress. While the technology exists to scale crypto globally, political and regulatory cooperation is the sticking point. We've seen this across other industries too – it's not a tech limitation anymore; it's a governance challenge. And that will take time to overcome.

05 What do you believe should be the main regulatory priorities today – consumer protection, operational resilience, systemic financial stability, or enabling innovation?

All of those are important, but for me, the immediate priority has to be consumer protection.

A lot of crypto products are being positioned as solutions for the unbanked or underbanked. That's a noble aim – but we have to ensure it's done in a way that genuinely benefits those communities, rather than exploiting them. Regulation is essential here to ensure transparency, fair pricing, and responsible product design.

"GLOBAL CONSENSUS IS ESSENTIAL."

MARK WALKER
CEO & EDITORIAL DIRECTOR
THE FINTECH TIMES

Financial stability is another key concern. Crypto is decentralised by design, which means governments can't intervene in the same way they do with traditional currencies. Think back to COVID-19 – governments were able to issue financial support, furlough schemes, and stimulus payments because they controlled their monetary systems. That wouldn't have been possible in a world running solely on decentralised cryptocurrencies.

That's why regulation needs to balance enabling innovation with maintaining the tools governments rely on to manage economic stability.

Mark Walker

06 **And finally, how do you see this playing out? Is there a path forward you can see for resolving these tensions between decentralised systems and government-led regulation?**

I suspect we'll see smaller groups of aligned countries come together to figure out shared frameworks – mini regulatory blocs that can operate with some consistency.

This was part of the initial promise of central bank digital currencies (CBDCs): combining the efficiency of crypto with the oversight and protection of traditional monetary systems. That momentum has slowed somewhat, but we may now see governments shift focus towards regulated stablecoins instead.

Rather than launching CBDCs themselves, many governments may start supporting the creation of national stablecoins as a more pragmatic approach.

It offers a similar outcome but with less disruption to existing infrastructure.

Ultimately, one of the next major steps will be working out how platforms can protect users and how regulatory enforcement can be implemented effectively. That's the foundation we'll need to build if adoption is going to continue.

"CRYPTO AND TRADITIONAL REGULATORY SYSTEMS ARE CURRENTLY PULLING IN OPPOSITE DIRECTIONS. THIS TENSION IS PERHAPS THE BIGGEST BARRIER TO PROGRESS."

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07 Appendix

UK, US and EU regulations - how CoinCover helps with compliance

CoinCover's products are designed to help keep customers compliant, with defensible security measures.

This table provides an overview of the principal regulations in the UK, US and EU that our products contribute towards.

Product	Regime	Regulation	Relevant clause	CoinCover's contribution
CoinCover | Recover	FCA	SYSC 4.1	Sound systems & continuity plans	Ensures wallet access continuity through disaster recovery
CoinCover | Recover	FCA	PRIN 10	Protection of client assets	Reduces risk of permanent key loss
CoinCover | Protect	FCA	SYSC 6.1	Anti-financial crime systems	Detects & prevents unauthorised transactions
CoinCover | Protect	FCA	Consumer Duty	Avoiding foreseeable harm	Prevents client fund loss due to fraud
CoinCover | Recover	MiCA	Article 70	Safeguarding client cryptoassets	Ensures recovery capability post-key loss
CoinCover | Protect	MiCA	Article 62	ICT security measures	Supports fraud monitoring infrastructure
CoinCover | Recover	DORA	Chapter II	ICT risk management	Strengthens business continuity for digital assets
CoinCover | Protect	DORA	Chapter III	Incident reporting	Supports real-time threat detection & response
CoinCover | Protect	SEC	Custody Rule (proposed)	Enhanced security for client assets	Reduces fraud and unauthorised access risks
Both	SEC	Reg SCI	Systems compliance & integrity	Demonstrates cyber resilience & monitoring

CoinCover is a leading provider of digital asset protection, ensuring businesses and investors can operate securely without risk of theft, loss or human error. By combining advanced security technology with proactive fraud prevention, CoinCover eliminates the biggest barrier to mainstream digital asset adoption: trust.

Founded in 2018, CoinCover pioneered the digital asset protection category and continues to set the industry standard. Today, it safeguards the assets and customers of over 550 of the most prominent names in the digital asset ecosystem, providing end-to-end security against fraud threats, operational failures and accidental loss.

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