# COLUMN GABBAR

# Monthly **CoinDCX**

December, 2022



# appy New Year Readers!

CoinGabbar has been pursuing the path of knowledge since the beginning. We have tried to bring our resources to use so as to make the best available to our readers over the period of time. Although Crypto adoption is limited to a certain percentage of the population till now, the majority doesn't want to miss what is happening in the Crypto World.

To bring this quest to rest, CoinGabbar has come up with this monthly newsletter where we will be covering the happenings of the Crypto World in a concise bulletin. The bulletin will share the news that will wrap around the Crypto World along with the stories that had an impact, as a special feature.

The effort is aligned with the guest that CoinGabbar is on towards the mass adoption of Blockchain & Crypto Technology.

The year that went by saw some major changes in the Industry. While the Market Capitalization of the majority of the Crypto Assets was struggling to hold its ground, there were stories of failures that kept rocking an already unstable boat. While we saw some projects rising to the occasion in terms of their problem-solving approach, there were others that vanished in thin air before the investors can even get a whiff of them. We saw Bitcoin coming in as a standard for the Industry as Ethereum Hard Fork, we also witnessed projects like Luna collapsing.

However, the feature of the month is the collapse of the FTX Exchange. The primary reason associated with this event is the lack of a regulatory framework. The Governments and Regulators should now take a firm stand towards the direction of a Regulated Regime.



Co-founder at CoinGabbar

One thing is for sure, Crypto has arrived and it is there to stay. So instead of repelling or ignoring it, the Regulators should work towards a mechanism that ensures the protection of technology and the monies of people invested in the project.

Also, this month we are featuring a few projects that have taken a bold step of self-regulation and have brought hopes of transparency in the Crypto Industry. CoinDCX and Sun Crypto are two leading exchanges in India that have already adopted the mechanism and have gained a one-up in the trust factor.

CoinGabbar is proud to be associated with Coin-DCX and Sun Crypto in compiling their Proof of Reserves and making it live on its platform (https://www.coingabbar.com/en/proof-of-reserve). CoinGabbar is relentlessly working towards bringing transparency in the Crypto World.

CoinGabbar is an advocate of the idea that the Crypto World needs a Regulatory Framework to bring discipline in the Financial Aspects and also to prevent fake projects from skimming the hard-earned money of the investors.

We wish all our readers a Happy New Year 2023 and wish this year sets the curtain on the Crypto Winter and brings to light the bright Summer Sun.

#### **Global Market Watch**

#### Major Events Affecting Prices of Crypto and Equity Market

In the month of December, the broader crypto market and the US equity market experienced multiple ups and downs because of macroeconomic circumstances. The prices of leading cryptocurrencies, as well as crypto-linked US stocks, hit their lowest.

In addition, the market was affected by the interest rate hike meeting of the US Federal Reserve. Not just that but the anticipation of a global recession also affected the prices of both sectors.



#### FED Meeting & Interest Rate Hikes for December



The US Federal Reserve (FED) announced a 50 basis point increase in interest rates this month. Following the announcement, the price of the top cryptocurrencies increased briefly before falling dramatically.

After four consecutive 75 basis point raises, the Fed softened its monetary tightening stance towards the year's end. With the 50 basis point increase, the Fed's interest rate now stands at 4.5%.

Meanwhile, the broader market predicted a 50 basis point hike in response to the revelation of lower-than-expected year-on-year Consumer Price Index (CPI) rates. The CPI was announced on December 13 at 7.1%, which was lower than the predicted CPI of 7.3%.

The hike in interest rates had a negative impact on the cryptocurrency market. According to the crypto trading community, speculators bought the rumor of the 50 basis point hike and sold the news.

As per reports, after the announcement of a 50 basis point interest rate hike, over \$17 million in trades were liquidated from crypto exchanges in one hour. Crypto traders who bet money on the positive market trend suffered significant losses. Around 93.25% of longs worth \$15.91 million were liquidated across all deals.

Experts believe that this showcases a shift in FED's stance and that interest rates will be reduced further in future FOMC meetings. This also implies that the likelihood of a worldwide recession is probably zero.

Meanwhile, FED Chairman Jerome Powell's speech suggested that FED will maintain its current policy of not relaxing monetary policy and will raise interest rates again in 2023.

In response to Powell's speech, the global trading community believes the FED is attempting to force the US economy into a deep recession. Whereas, some others believe that rising interest rates are the only way to strengthen the US economy.

# Price Updates for Leading Cryptocurrencies in December

The below-mentioned prices were last updated on Dec 31 at 12:00 PM (IST)

For the month of December, the broader crypto market remains highly volatile and unpredictable. At the time of writing, the global cryptocurrency market cap stands at \$794 million, a drop of 6.95% in the last month. At the start of the month, the total crypto market cap was \$860 million.

The crypto market leader, Bitcoin price is currently trading at \$16,542. This follows a 4% decrease in the last month. At the start of the month, Bitcoin's price was trading at \$17,164.

As per CoinGabbar statistics, ETH, the second largest cryptocurrency by market cap, is currently trading at \$1,194, which decreased by 7.77% in the last 30 days.



In addition, the price of Binance (BNB) has decreased by 18.22% in the last month. BNB is currently ranked 5th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the time of writing, the price of BNB was trading at \$245.

The price of XRP also decreased by 16% in the month. XRP is currently ranked 6th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the time of writing, XRP was trading at \$0.3407.

Dogecoin (DOGE) continues to lose momentum and is currently trading at \$0.6817. It has decreased by 36% in the last 30 days. Another memecoin, Shiba Inu, also plummeted more than 14% in the last month.

#### The Predictions for the Year 2023

The month of December was no less than a roller coaster ride for the crypto industry. Many collapsed, many rose. But as they say, it is always good to stay positive. So here's some positive news for our readers.



### Algorand (ALGO)

has the potential to play a significant role in the ensuing bull market. ALGO is currently trading at \$0.1807, a loss of more than 95% from its all-time high of \$3.28 four years ago.

#### Aave (AAVE) 🚮



a DeFi platform that allows users to lend and borrow cryptocurrency, will also continue to rise in 2023. With a total market value of \$783 million, Aave is one of the top 50 most valuable cryptocurrency ventures among the many hoping to cash in on the DeFi mania.

Talking about memecoins, they have a unique fan base in the cryptocurrency industry, and many investors are optimistic about the token's future growth possibilities. Here are the three memcoins you must count on for 2023.

#### Dogecoin (DOGE) (1)



During the ongoing market downturn, the price of Dogecoin has dropped 89.51% from its all-time high of \$0.7376 to \$0.07738. However, the technical chart shows that the price movement has practically gone sideways, indicating that the bearish momentum is fading. Therefore, even though DOGE is in a consolidation phase, the RSI slope is rising, indicating that the underlying bullishness is increasing. Also, the low price rejection of this week's candle shows that buyers are seeking to retrace their steps from this support.

By the middle of 2023, the price might reach \$0.157 with consistent buying.

#### Shiba Inu Coin (SHIB) 😽



The Shiba Inu coin dropped 90.62% from its all-time high of \$0.000083 to its current low of \$0.0000828. As a result, the SHIB has been on a sideways rally for the past seven months, similar to DOGE, indicating that buyers are defending lower levels. Considering the weekly time frame chart, the coin is expected to show a bullish continuation pattern that, in theory, suggests a strong bull run after it breaks past its resistance trendline.

Depending on how the market reacts, this bullish breakout might boost the price of SHIB to \$0.000001 by the first quarter of 2023.

#### Dogelon (ELON) 🗐



Dogelon's market value fell 99.10% from it's high \$0.00003263 all-time of \$0.000002958. The coin is believed to have potential to release the contained bullish momentum, resulting in a price spike in that direction. In anticipation of a breakout, the price has been bouncing between the convergent trendlines. The RSI indicator's bullish divergence, which represents the strength of the current price trend, shows that the ELON price is likely to break the overhead trendline.

Prices might increase by 92% as a result of this bullish breakout, reaching \$0.00000566 by the middle of 2023.

To stay updated with more such updates, register yourself at www.coingabbar.com today. We at CoinGabbar, offer the latest price updates and technical analysis of cryptocurrencies and much more.



#### **Features of the Month**

One odd day you wake up to know that somewhere in the Bahamas, billions of dollars vanished out of thin air and governments could not do anything. Now you think that the news is just clickbait because billions can't be just washed off within hours. Well, if you still believe that, you need to read this story till the very end. The day went wild for cryptocurrency when FTX, the third-largest crypto exchange by

#### What Really Happened?

FTX was a centralized cryptocurrency exchange that acted as an intermediary to facilitate the trade for digital blockchain assets. The collapsed exchange FTX also invented its native token FTT which was trading close to \$25 before things went south. Coindesk, a leading cryptocurrency news portal reported that Alameda Research, an SBF-owned quant trading firm, has over \$5 billion in FTT holdings. This indicated that the majority of its foundational assets were in

#### How FTX Went Bankrupt?

Right after the dump of FTT token, FTX was under the pressure of paying out \$6 billion to their users, for which it did not have adequate liquidity. SBF reached out to different venture firms, asking them for a bailout but nothing worked. Surprisingly, CZ from Binance came forward to bail out its close rival but only after due diligence from their end.

This promise for bailing out the exchange did not work out as Binance turned

# The Great FTX Fiasco A Detailed Insight

volume, reduced to ashes within days. This is the story of the great FTX fall, explaining to you the reasons that pushed the exchange towards bankruptcy. We shall dive deep into understanding the motives of the ex FTX CEO, Sam Bankman Fried and how he, along with his other associates, orchestrated the entire fiasco.



the native token of FTX, its sister company rather than any stablecoin, fiat, or gold.

This disclosure from a reputed news source and no-satisfactory answer from the FTX exchange became the reason for the panic selling of the FTX token. At this very time, Changpeng Zhao of Binance tweeted about squaring off Binance's FTT positions worth more than \$500 million. This mass dump of FTT from Binance acted as the last nail in the coffin of FTT.



away from its position on 9th November. Binance in its official statement said that it had concerns about the way FTX mishandled the customer funds.

After Binance backed out from the deal, Bahamian authorities took no time in seizing the FTX's subsidiary in the Bahamas on 10th November. This forced the SBF to accept the fact that FTX had done a major blunder in managing the customer funds. SBF shared a long thread declaring that Alameda research will wind down all of its trades with immediate effects.

#### The Bankruptcy of the Year 2022

The 11<sup>th</sup> of November became the witness of multiple twists and turns in the FTX case. Sam Bankman Fried was replaced by John J. Ray, an insolvency professional who is known for liquidating Enron, an energy trading business. Right after that, SBF went on to file Chapter 11 bankruptcy protection claiming to have both assets and liabilities in the range of \$10 billion to \$50 billion. However, SBF also claimed that the US subsidiary of the exchange had nothing to do with this and that FTX.US is 100% liquid.

Well the day could not get any worse, FTX reported an unauthorized transfer of over \$500 million of digital assets from the exchange to unknown wallets. The exchange was reported as a hack, however, the enraged community went on to read between the lines and accused SBF of orchestrating everything for his own benefit.

## What happened to SBF?

This December *Sam Bankman Fried* was arrested in the Bahamas and sued with charges of financial fraud, money laundering, and multiple other charges. After that, he has been extradited to the USA and will now face a trial for defrauding FTX investors along with other serious charges as read out by the U.S. Attorney of the Southern District of New York.

multiple fraudulent charges and cooperating with the investigative agencies for SBF's prosecution. Right now, SBF is out of custody on pretrial bail with a bond of \$250 million, the highest ever in history. In the times to come, SBF is to face multiple charges before getting convicted for his deeds.

Gary Wang and Caroline Ellison, two associates of SBF, have already pleaded guilty to



#### But What about the Customers?

Even if SBF and others get convicted and get jailed, will the customers of the FTX exchange get their money back? This is one of those many questions that are being raised by the community of investors that had their holdings in this centralized exchange.

In a reply to this question, the current CEO of FTX has asked for some more time from the users and other stakeholders in the exchange. Ray said, that FTX is under 100% liquidation

and they are expecting to compensate all the affected customers. However, we would have to wait before this actually turns into a reality and until then there is no other measure using which FTX users can get their money back.



#### The Bottom Line

FTX was a leading cryptocurrency exchange in the world but the entire fraud was not related to cryptocurrency at all. FTX fell because of undisclosed leverage in its native token and using customer funds to facilitate SBF's own ventures. This led the exchange to a position where a single scoop from a media exchange created a domino effect eventually leading it to its fall. The accused are under trial and they

are expected to be convicted soon, on the other hand, the investors are hopeful about getting something out of the total liquidation of FTX's assets. However, the impact it had on the crypto industry would be felt for a long time. It taught crypto investors about the importance of having custody of their digital assets and not relying on any centralized platform too much.

# CoinGabbar's Contribution Towards Trust Released PoRs for Leading Crypto Exchanges

Transparency and trust are the two core pillars on which a centralized crypto exchange lays it's foundation. However, the recent market conditions have terribly impacted both these aspects and shaken the crypto industry to the core. At this time when fear, uncertainty, and doubt are at their peak, there is a dire need for transparency in the operations of exchanges to incite the required trust in their community. However, achieving this level of transparency in a centralized exchange is only possible while releasing the on-chain details of all the customer's holdings and proving that the

exchange has enough liquidity to pay all of their customers if required.

Releasing these on-chain details is no easy task as the exchanges need a trustable third-party platform that can integrate their wallet addresses and list all the virtual digital asset holdings of the exchange that their users can verify. But there was no such platform that could take up the job of integrating the wallet addresses of centralized exchanges.



# PoR Coin CX



This is when CoinGabbar decided to take up the job and become the world's first 100% independent crypto research marketplace to execute this task. Centralized exchanges have massive holdings and integrating their wallets without any errors is no cakewalk. Along with

that, the entire reputation of the exchanges was staked on these reports as even a minor bug could manipulate the total value of the exchange holding. With great power comes great responsibilities and CoinGabbar used its power of building to fulfill the responsibility of inciting trust amidst extreme FUD. We at CoinGabbar worked tirelessly to integrate the Proof-of-Reserves for CoinDCX and SunCrypto, the two leading cryptocurrency exchanges with millions of users.

After days of building, CoinGabbar created an extremely safe, automated, and live PoR mechanism that was ready to release the Proof-of-Reserve of any crypto exchange in the world. CoinGabbar took a completely transparent approach while integrating the wallet addresses of CoinDCX and SunCrypto, releasing their Proof-of-Reserve reports on our platform.

After the deliberate efforts of our team, we proudly became the world's first crypto information and research marketplace that released the Proof-of-Reserve reports for exchanges that cater millions of crypto investors. The audit reports for these exchanges ensure that they are financially sound and all the investor funds stored in the exchange are 100% secure. CoinDCX and SunCrypto

have 1:1 assets backed with zero fractional reserve operations, making it India's first crypto exchange to make all of its holdings 100% transparent.

The Proof-of-Reserve reports were released worldwide and all the major media outlets including Business Insider, Business Today, Outlook, Binance Feed, Forkast, CryptoReporter, CoinMarketCap, CoinGape, and many others covered it thoroughly. However, this is not the end.

CoinGabbar has a lot more to come. We are becoming the industry standard for trust and reliability by offering 100% unbiased and transparent PoR reports of exchanges to the crypto community.

We are building the world's leading cryptocurrency information and research portal on the foundations of transparency and trust.



#### **Policy Changes In and Around the World**

The fallout of the crypto exchange FTX and many other scams have turned the broader crypto market highly volatile. As a result, governments around the world are adopting or amending existing crypto regulations in order to safeguard their citizens from potential losses.

India, United Kingdom, Italy, Brazil, France, and Alaska are among the top countries that have provided official insight about their crypto regulations. So here is a dive deep into the policy changes made by these countries.



#### **Indian** Government Officials Update on the **Cryptocurrency Bill**

On December 20, the Indian Ministry of Finance during the winter parliamentary session, discussed developments regarding the establishment of crypto regulation in India. The ministry stated that the Indian government is willing to establish a crypto regulatory framework in India with international collaboration.

In the crypto community, India is well-known for its hefty capital gains taxes on cryptocurrency. Even then, crypto experts believe that India will soon establish a crypto regulation in the times to come, and it might soften its hawkish stance on tax gains.



#### **UK's Central Bank Plans to Tighten Regulations Governing** Cryptocurrency Trading

In an interview on December 24, UK Central Bank Deputy Governor Jon Cunliffe stated that the Bank of England is considering broader crypto regulation to protect investors and the financial system.

It was noted that regulation is essential to safeguard investors in the extremely volatile cryptocurrency market. Currently, the UK only monitors crypto exchanges to ensure that companies have appropriate anti-money laundering (AML) and terrorist financing protocols in place, but crypto assets themselves are not regulated. Once the UK enacts crypto regulations, it will increase transparency between crypto exchanges and users of the nation.



#### France will Tighten it's Existing Crypto Regulations

France is under mounting pressure to address flaws in its existing crypto regulations. The reports highlighted that the Finance Commission Senator Hervé Maurey intends to amend the existing crypto regulation. The amendments include a ban on registered crypto companies conducting domestic business without a complete regulatory license until 2026.

The amendment proposed by the Senate on Dec 15, will be reviewed by France's parliament in January 2023. If passed, the Senator's proposal would compel businesses to obtain a license from France's financial regulator, the Autorité des Marchés Financiers (AMF), from October 2023. Currently, France is considered as one of the top twenty crypto economies, easily ranking among the most "business-friendly" nations. As per statistics, 3.4 million people, or 5.0% of France's total population, currently own cryptocurrency.



#### **Brazil's President Approved a Bill to Regulate Digital Assets**

Brazil's President Jair Bolsonaro signed a crypto bill into law, establishing a regulatory framework for the usage and trading of cryptocurrency in the country recently. The law will now consider digital assets as a digital representation of value that can be used as a form of payment in the largest South American country.

The approved law paved the way for the creation of a federal agency to regulate businesses dealing with virtual assets. As per reports, 16 million Brazilians currently own cryptocurrencies. This implies that Brazil's adoption of a legal regulatory framework will undoubtedly encourage other South American countries to follow the same suit.



#### **Italy Plans to Tax Cryptocurrency Trading Gains**

As per Italy's Budget documents released on December 1, the country plans to strengthen crypto regulations in 2023 by expanding its tax laws to include cryptocurrency trading. Reports highlighted that the government intends to levy a 26% tax on cryptocurrency trading profits above \$2,062.

Furthermore, if the proposal is passed, taxpayers will have the option to declare the value of their digital asset holdings as of January 1, 2023, and pay a 14% tax. The tax increase would likely inflame local investors, whose capital gains will be affected. In Italy, over 1.3 million people hold cryptocurrencies currently. This figure is nowhere near as high as in some other European nations, but the government is eager to place the regulations in the country as soon as possible.



#### Kazakhstan Tightens Regulations for Cryptocurrency Miners & Investors

Kazakhstan lawmakers passed the "On Digital Assets of the Republic of Kazakhstan" crypto assets bill, as well as four other bills governing crypto mining in the country. The bill was passed by Kazakhstan's lower house of parliament, Mäjilis, and is now being considered by the Senate.

The proposed bills include licensing for digital miners, as well as new corporate income taxes and a value-added tax for individuals who interact with cryptocurrencies. The bill allows miners to purchase electricity from the common power grid only when there is surplus energy.

Furthermore, the bill proposes a ban on advertising cryptocurrency transactions. This indicates that the prolonged burden of the crypto winter on Kazakhstan crypto investors and miners will become more evident after the bill was signed into law. Kazakhstan is currently one of the world's largest bitcoin mining centers, and the country contributed 13.22% of the total BTC hash rate as of January 2022.

The Above mentioned developments regarding crypto policies by respected countries indicate that in the future, we will undoubtedly witness more countries adopt and amend existing crypto regulations.





The leading voice in the crypto sphere aka **CoinGabbar**, recently connected with Umesh Kumar, the founder and CEO of a leading Indian Exchange— SunCrypto to know about his project and opinions on the future of cryptocurrency.

Umesh also shared some of his personal experiences and how he managed building SunCrypto in such a short span of time. Hear what the man himself has to say as he talks about his success mantras.

#### Q. Tell us about SunCrypto.

I'm Umesh Kumar, the founder, and CEO of a crypto startup called Suncrypto. I along with my business partner Mr. Pramod Yadav created this startup in 2021 to help the crypto community of India start their crypto journey. We recently completed 1 year of our business and have 9 Lakh plus active users and we will be hitting 1 Million soon. SunCrypto is a leading cryptocurrency exchange where we focus on becoming the best user-friendly exchange so that every age group, gender, and people of different financial backgrounds can understand it better and do better with us.

#### Q. What was your motto behind the project when you started?

We created SunCrypto when the pandemic was at its peak. We wanted to create a platform that was user-friendly. And so far, I believe we are walking in the right direction because more than 70% of our users are from Tier 3 and Tier 4 cities. It's good to see how readily our users and crypto enthusiasts have accepted us within just two years of our existence.

#### Q. Who has been your inspiration in building this?

As such, I can't recall anything to call inspiration. I was a crypto user and the same goes for my business partner. While we ourselves were facing issues with trading, we thought of creating an exchange that will solve the problem. SunCrypto is based on the experience of a trader, marketing person (myself) and an IT guy (my business partner Mr. Pramod). It is created with a motive to impart values where users can learn and earn. Therefore, doing better and bringing something into the crypto universe which can help other traders like me was the inspiration for me.

#### Q. Do you think you have achieved your objective already or there's still a long way to go?

We are very close to achieving it. When we started, our main goal was to provide the most user-friendly platform but with time new things kept adding to our objectives. We wanted the best in security, the best in terms of features, the best in offers, and customer support. And with the speed we are going, I think within a year we will be successful in achieving all of them. And by then I guess our objective will contain new things and we will start working on them. Being better than before will never stop for us as long as we are working.

#### Q. What difficulties did you face while building this project? And how did you overcome them?

Creating SunCrypto was the biggest project for us, this was the first startup for me. And just like any other startup, we faced many situations. Within a month of our launch we had 50,000 users. It was an overwhelming experience for us, but at the same time it was stressful too as we weren't prepared for this. Other than this we faced many technical issues, pressure from the government. Every other day there was news of higher authorities talking against cryptocurrency, news about banning it, and much more. But with time we got used to it as now we know, crypto is the future.

#### Q. Was there a time when you thought of giving up? What motivated you to hold on?

It's not been that long for our business but honestly I might have thought of giving up once or twice within this time span. Being a CEO is more tiring than you might think. But two things that kept me going were, my dedication and reason for starting this business and making it this grand. And obviously the crypto community we have built, the user feedback we get, and the trust they have maintained in our startup are enough.

#### Q. As a founder and CEO of an exchange what key points would you want the newbies of the crypto world to remember?

According to me, two kinds of people enter the crypto market, one who thinks of creating a business, and another who has heard about crypto, its money-making schemes, etc. People who entered crypto for business purposes must know that there's a big scope in this market but that doesn't mean anything will survive here. You must be doing proper market research. Your business must have a value and that value will come only if you are providing a solution to any problem. Build your USPs, and build the market for yourself, don't just wait for the opportunities to come to you. Also, you do not need to start from something big. Taking small steps can take you long.

Talking about the people who got into it just for the money, they need to be much more cautious about everything as they will lose money instead of earning if they don't have the knowledge. These users need to understand that the crypto market is full of volatility and the chances of high returns are more of a scam. Crypto investing is about entering a new mode of investment technology but with the right knowledge.

#### Q. What is your overall philosophy for leading an organization?

I don't have much experience in handling a business. I'm a young entrepreneur who believed in an idea and executed it well. All my team including me is in our early 20s and that's what helps us understand each other better. Crypto is such a fun topic and we believe working in a crypto-based company should be fun as well. Other than this, our company's motto is Learn and Earn. And this is not only for users but for the employees as well. We make our team undergo regular classes and discuss all about blockchain, cryptocurrency, metaverse, and web 3.0 to expand their knowledge. This brings a balance in their personal and professional growth, plus helps the organization grow too.

#### Q. What is your approach to making big-picture decisions?

Decision-making doesn't happen in just a few steps, there are a lot of things to consider. The two things I always keep in mind is that whenever you think of anything, always consider both the positive and negative sides. And be prepared for the falls in advance.

The other important point for me is finding out the dependency of the problem. Looking for dependency as to why this problem is created and what was the starting point of it.

# Q. Apart from directing India's leading crypto exchange what else do you do in your spare time?

Actually, even in my spare time, I'm hovering over the internet and looking at the market news and updates. When I really have enough time I prefer to watch interviews of well-known people, listen to music sometimes or go out for cricket.

Since I started this business, it has become a habit for me to watch the stories of startup building and analyzing their progress. If they have failed, what was the reason? Like the cases of Motorola, One plus was on hype at a time, and now we barely hear about them, why so? So that's what I do in my spare time.

#### Q. What do you think about the challenges that cryptocurrencies are facing today?

The story of cryptocurrency started around 2009 but there are still doubts and negative images of it in the eyes of the government. In the last 2-3 years, I can't even count how many times we have heard about the banning of cryptocurrency and other stuff. So these comments affect the cryptocurrency market.

For some part, this is the fault of the businesses that made mistakes and ruined the image of cryptocurrency. Other than this, the bear market. Even though the bear and bull markets are part of this market, 2022 was mostly bearish. People lost their investments, companies lost money, and their user base. This created a negative impact on people. And how can we forget about the heavy tax application. In India, we have 1% TDS on every transaction and a 30% tax deduction. Right now the Indian exchanges are down by 90% in terms of volume and the biggest reason for this is 1% TDS because for common users it's a lot. The data of the last few

months collected TDS turned out to be around 60.64 Cr, this is collected with barely 10% volume of exchange. Imagine how much it would be if the volume reached normal. And that can be done easily if the TDS percentage is decreased. In my opinion, if the TDS is charged only 0.01% this can happen. That's the main purpose for this TDS right so at least let the user be a little less stressed. This will also create an environment-friendly arena for new crypto startups and businesses. Cryptocurrency really needs proper market regulation not in India but worldwide and I am happy to see countries working towards it. For the upcoming budget 2023, the Bharat Web3 Association will be discussing this, and probably will come out for better TDS regulations as well.

#### Q. Any general take on the crypto industry? What is the next big thing we should expect?

The Crypto industry is so new, in the last few years only, people started getting to know about it. Personally, I have been a fan of cryptocurrency since I heard of it, its features of privacy, decentralization, speed, etc are so helpful for this generation. We have seen so much advancement till now but we are still stuck with the old and slow financial institutionS.

The next big thing? I think crypto itself is a big thing right now and even in the future, it will be the next big thing as there is so much scope for improvement, modification, and addition of new features. In the next 5-7 years crypto adoption will be on the next level, it will be the crypto boom.

Talking about the present, Blockchain is the best technology at the moment. It has such high real-life use cases that I can spend hours talking about this. The future will be ruled by a mix of these two technologies.

#### Q. What are your views on the upcoming boom—metaverse and web3?

That's an exciting topic to talk about. Even though Web3 hasn't developed much, there are already some platforms and products that are working on web3 development like Ethereum, Interledger protocol, Ox, Filecoin, etc. Metaverse adoption is at its peak right now, almost every other brand is using it for promotional activities or making their services more fun. It's exciting to see the growing process of these future technologies and I'm waiting for the future when these will be a normal part of everyone's life.

#### Q. Anything you want to add about India's crypto tax?

India's tax application on crypto was a sigh of relief that probably the government won't ban it. We are not against the tax but only concerned about the 1% TDS because it is affecting the users greatly. This is applied to every single transaction that is limiting the users to make more transactions. Hence decreasing the volume of exchanges.

I just want to suggest that the TDS percentage should be decreased a little, making it 0.01% can be helpful. In return, the government could collect more funds and use it for building the economy of India. There are many countries that are doing great in terms of taxation, So we should be taking them as an example and learning from them.

#### Q. Where, according to you, does India stand when it comes to having the proper infrastructure required for mass crypto adoption?

India is in second place for having the highest number of crypto users in the world, and I'm sure soon we will become number one as well. The growth India has shown in adopting cryptocurrency is huge and very impressive. But India is definitely lacking in terms of infrastructure, compliance, and regulations. The country is doing good at the moment but there's always room for improvement. And that can only happen when we have proper crypto regulations.

Believe me, if crypto regulations and taxation fall in place, India will lead the crypto world and the whole community will be following us.



#### **Learn with Gabbar**

#### The Need of Security in Crypto Sphere

Year 2022 witnessed the most crypto hacks. And the month of December, served as cherry on the cake. Be it FTX collapse or the arrest of Mango Markets exploiter, events like these sparked the need for security in the crypto community. And to help you understand what is this security and why is this needed, Gabbar wants you to read this till the end.

#### Word of the month: Security

The growth and advancement of cryptocurrencies have increased the opportunities for bad actors to take advantage of the several security vulnerabilities in smart contracts to defraud consumers. Despite the fact that investing in cryptocurrencies can be a good investment, it is more vulnerable to scams than any other form of payment.

Crypto scams are a sort of financial fraud that can take different forms, such as phishing and rug pulls. Since blockchain technology is not governed by any central authority, it acts as an advantage for scammers to indulge in fraudulent activities.

Since cryptocurrency transactions are also pseudonymous and transparent, it is quite doubtful that you'll be able to get back money lost to a scammer.

#### Why is Security Needed in the Crypto Industry?

With the increasing global acceptance of cryptocurrency, the number of scams in the industry is also increasing at a substantial rate. As the use of cryptocurrencies continues to rise, crypto exchanges have become potential targets of cyber criminals. Cyber-attacks are getting more effective, and hackers are experimenting with new methods of targeting cryptocurrency exchanges. Also, there are serious worries about the security of cryptocurrency projects because the number of thefts from exchanges has been going up every year.

Hence, it becomes essential to look at all the aspects in order to gain back the trust of crypto users and to make them sure about the safety and security of their holdings.

#### How do you need to Secure your Crypto Project?

When it comes to an organization's internal safety, the focus should be more on compliance than on weaknesses. Every project needs to ensure its safety and security to stay in the long run. And in order to safeguard the safety and security of your firm against any internal attack, you must impose strict compliance and restrict employee access to authority. Employees should be granted the fewest privileges possible in order to prevent abuse.

Security audits only address external security, however strong structural compliance ensures that you are protected internally from any sort of attack.

With that being said, here are the things that users must keep in mind.

- Find out the invested entities in the project if you are planning to interact with the project's smart contract
- Never enter any credential details on a website with HTTP protocol, always use only HTTPS settings in your browser
- The selection of a proper crypto wallet is crucial, choose only non-custodial wallets to store your crypto assets.
- If the value proposition of the project is too good to be true, it is highly likely that the project could be a Ponzi scheme. Keep this in mind.

#### The Way Forward

Finding the best cryptocurrency security measure is crucial to protect your crypto assets and mitigate the common risks involved. The world of cryptocurrencies is growing quickly, and so are the number and types of attacks on the system and its users. Aside from the fundamental procedures of due diligence, crypto security has a long way to go in terms of developing standards and powerful systems.

And this is why CoinGabbar says, Research—Select—Invest!

