

COIN GABBAR'S JANUARY

2023 BULLETIN

IS  **BINANCE**
TOO BIG
TO FAIL?

EFFECT OF
FED
MEETING

PRICE
UPDATES

POLICY
CHANGES

RENDEZVOUS
WITH **ROHAS NAGPAL**





Sudeep Saxena

Co-founder at CoinGabbar

This month has been a roller coaster ride for the Crypto World. While Bitcoin showed signs of resurgence, there were certain Crypto Assets that tanked due to various reasons. Overall, the Market has seen a happy ending in the month of January 2023.

With the changes coming in Crypto Pricing, even the market has started looking positive. With this optimistic sentiment, the overall market perspective is seeing a change. There are some hush-hush voices in the Investor Circles about the next Bull Run getting started.

But this all is just a phase. To our perception, this is just a long due positive move as a result of the suppression of the genuine Crypto Market Valuation because of a series of collapses in the Crypto Exchanges.

One interesting thing to observe here is that the projects that saw a downfall were not directly related to Crypto Technology. They were all built on the long-standing desire of the human race to play on the Financial Valuation of anything, which in this case was Blockchain Technology. So, to sum it up, it was not the Blockchain Industry that went into a loss, it was actually the Financial Companies, playing on the speculation of the valuation of Blockchain Technology, that suffered losses and collapse because of their greedy adventures.

But there are a few technology companies that are working day and night to create an impact on our lives with the help of Blockchain Technology. Coin Gabbar appreciates all the builders that stand committed to the development irrespective of the negativities prevalent in the market, in the hope of Sunny days ahead.

Global Market Watch

Watch Out the **Global Crypto Market with CoinGabbar**

Bitcoin kicked off 2023 with a bang, as investors eagerly anticipated a reversal of the monetary tightening that had caused market panic in the previous year. After a tumultuous 2022, the cryptocurrency market experienced a remarkable turnaround in January, with the tokens that had suffered the most losses the previous year experiencing the most gains. Bitcoin's impressive monthly performance resulted in significant gains for APT, GALA, T, MANA, and SOL, making them the top-performing altcoins of the month.



Major Events That Took Place in the Month of January

Mastercard and Binance Launch Bitcoin Rewards Card in Brazil

Mastercard and Binance have said that a prepaid card backed by Bitcoin and other cryptocurrencies will be available in Brazil. Brazil probably has the largest economy in Latin America. The Brazilian version will "allow all new and existing Binance users in Brazil with a valid national ID to make purchases and pay bills with cryptocurrencies." As per reports, it will charge a 0.9% fee for each bitcoin transaction. It will also offer 8% cash back on certain purchases and will not charge for ATM withdrawals.



Crypto Firms Cut Nearly 3,000 Jobs in January

It was a tough month for crypto employees, because this month, at least 14 businesses, including Coinbase, Gemini, Digital Currency Group, ConsenSys, and Blockchain.com, announced staff reductions. At least 2,900 cryptocurrency employees were laid off in the first month of 2023 across 14 different cryptocurrency organizations as the industry's businesses tightened their belts.



Early Bitcoin Investor, Davinci Jeremie say 'Buy Shiba Inu'

Davinci Jeremie is well-known in the crypto community for his 2013 YouTube video in which he urged people to buy at least \$1 worth of Bitcoin (BTC). Recently, the early Bitcoin investor has developed a particular fondness for SHIB, which he regularly promotes to his enormous following.



Genesis Declares Bankruptcy

Genesis, a collection of over 200 crypto lending and trading enterprises, declared bankruptcy when FTX collapsed. Genesis, FTX's biggest lender, ceased withdrawals in November and cut 30% of its staff early in the month of January.



The Next Major Upgrade for Ethereum Network

Ethereum Shanghai network upgrade is the next major upgrade for the Ethereum network that core developers have chosen to work on before implementing upgrades related to the Surge. As the Surge is an upgrade path that improves the blockchain's maximum transactions per second (TPS), Ethereum developers stated that the Shanghai upgrade will ensure minimal delays and issues as they prepare for the Surge upgrade



Effect of FED Meeting and Indian Budget on Crypto World

In 2023, inflation worries will prompt the Fed to raise rates again. US inflation is dropping, according to recent data. In November, the CPI reported 7% inflation, down from June's 9%.

It is almost certain that the Fed's policy-making body will increase the federal fund's target range to 4.50%-4.75%. That would be a shift down to a 25-basis-point rise, which was the FOMC's typical rate hike up until last year when it was lagging behind in normalizing its ultra-loose monetary policy. FOMC expects "continuing rises in the target range." Keeping "increases" in its policy statement implies at least two more 25-basis-point raises.

Recent Fed speakers have supported slowing rate hikes, pointing to a 25-basis-point hike. The announcement is to be made on 1st Feb.

Powell's press conference is yet to convey exact signals.

Talking about the adoption of Cryptocurrency in India, the IT Minister Gives a Green Signal to Cryptocurrency in India. On January 19, an Indian government official Rajeev Chandrasekhar spoke about cryptocurrency at an event in Bengaluru. Rajeev asserted that "cryptocurrencies are not illegal in India if legal procedures are followed."

The comments of the IT Minister are significant since the Indian government will present the annual budget for the upcoming fiscal year on February 1.

Bitcoin Analysis as per chart



The rally in the cryptocurrency markets began in early January, with Bitcoin leading the charge. Bitcoin has had an impressive start to the year, with a 45.12% surge, making it the best month since a 40% rally in October 2021 and its best January since 2013. This remarkable performance has been a boon for investors, as Bitcoin continues to demonstrate its potential as a viable asset class.

On January 1st, Bitcoin (BTC) began its first day with a small green candle forming a low of \$16,500. The price then continued

its upward trajectory, closing near \$23,125 on January 31st, representing a gain of approximately 40%. During the month of January, Bitcoin made a low of \$16,500 and a high near \$23,960. The long-term resistance line is in the \$25,200 area, which is the high of August 2022. If BTC breaks through this resistance, it could open up the possibility of a rally towards \$30,000. On the support side, \$22,200 is the major support level; if the price closes below this, the bears will regain control and push the price toward the \$20,000 round number.



Price Updates for Cryptocurrencies in January

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

For the month of January, the broader crypto market remains highly volatile. At the time of writing, the global cryptocurrency market cap stands at \$1.04 trillion, a rise of 26.45% in the last month. At the start of the month, the total crypto market cap was \$794 million.

The crypto market leader, Bitcoin price is currently trading at \$23,125. This follows a 40.10% increase in the last 30 days. At the start of the month, Bitcoin's price was trading at \$16,542.

As per CoinGabbar statistics, ETH, the second largest cryptocurrency by market cap, is currently trading at \$1,585, which increased by 33.05% in the last 30 days. At the start of the month, ETH price was trading at \$1,196.

In addition, the price of Binance (BNB) has increased by 26.70% in the last 30 days. BNB is currently ranked 5th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, BNB price was trading at \$246.30.

The price of XRP also increased by 20% in the last 30 days. XRP is currently ranked 6th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, XRP price was trading at \$0.3389.

The price of Cardano (ADA) has increased by 59% in the last 30 days. ADA is currently ranked 8th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, the ADA price was trading at \$0.2458.

Dogecoin (DOGE) continues its upward journey and is currently trading at \$0.09612. DOGE is currently ranked 9th in CoinGabbar's top cryptocurrency ranking in terms of market cap. It has increased by 36.85% in the last 30 days. At the start of the month, DOGE price was trading at \$0.07024.

The price of Polygon (MATIC) is currently trading at \$1.0873 and increased by 46.50% in the last 30 days. MATIC is currently ranked 10th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, the MATIC price was trading at \$0.7586.

The price of Solana (SOL) has increased by 139% in the last 30 days. SOL is currently ranked 12th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, the SOL price was trading at \$9.97.

Another memecoin, Shiba Inu, also rose more than 47% in the last 30 days. SHIB is currently ranked 16th in CoinGabbar's top cryptocurrency ranking in terms of market cap. At the start of the month, SHIB price was trading at \$0.000008090.

5 Best Performing Crypto Assets of January 2023

In 2022, cryptocurrencies were the most battered asset class. Over the course of the year, the overall market capitalization fell by more than 63%. However, in January 2023, the broader cryptocurrency market showed some positive optimism.

As per CoinGabbar analysis, the top five best-performing assets in January 2023 were Gala, Solana, Apecoin, Aptos, and Fantom.

Gala (GALA)

Gala is a blockchain-based decentralized gaming ecosystem. The Gala token, the Gala network's native virtual currency, is utilized to fuel all transactions inside the ecosystem. The recent price increase in the GALA token is owing to the announcement of a new pivot by the ecosystem's developers. As per reports, the developers are currently working on two projects with actors The Rock and Mark Wahlberg, two of Hollywood's biggest names. Experts believe that the token has enormous potential to continue its bull run in the near future.

Solana (SOL)

Solana is a community-based blockchain technology that is aiming for long-term viability. In the past few months, the token suffered significant losses owing to the fallout of the crypto exchange FTX. But in January 2023, the token reversed its bearish trend and started a fresh bull run.

The price increase came after Ethereum founder Vitalik Buterin expressed his support for the Solana ecosystem. Another reason driving the SOL price was the anticipation of a new memecoin, BONK, development on the Solana network.

Apecoin (APE)

ApeCoin is an ERC-20 token that is used within the APE Ecosystem to facilitate and promote community-wide distribution across the web3. This month, the APE token gained tremendous traction from the NFT community.

The price increase transpired because of a rise in trading volume and the floor prices of several NFT collections. Reports reveal that if we compare the fundamental indicators of the industry with the movement of APE on the market, Apecoin benefited from the rise of the NFT market.

Aptos (APT)

Aptos is a layer-1 blockchain that is highly scalable and adaptable. The APT token has grown in popularity over the past few months. The APT price has surged significantly after NFTs became more popular on the blockchain, with more collections launching on Aptos.

Furthermore, Binance contributed significantly to the recent price movement. The crypto exchange earlier announced the addition of two new cryptocurrency liquidity pools (APT/BTC & APT/USDT).

Fantom (FTM)

FTM is the native token of the Fantom network, a smart contract platform designed to compete with Ethereum.

There are various reasons for the FTM price increase, but the most significant overnight news for the project is an "interchain" communication announcement that advances the Fantom cross-blockchain interoperability.



Features of the Month

IS BINANCE TOO BIG TO FAIL

Fortune favors the brave, especially if you are brave enough to put your home at stake to buy a virtual coin. This is the story of a software developer, who decided to explore blockchain during a gambling eve and ended up being the biggest face of the industry.

Today, we are talking about Changpeng Zhao, CEO of Binance Holdings Ltd., and how he laid the foundation for the most successful exchange the crypto industry has ever seen.

Binance has withstood everything from massive hacks to the largest withdrawals the crypto industry has ever seen. Nevertheless, nothing has been able to challenge Binance's dominance in the industry.



Leader of the Pack

There is no doubt about the fact that a large number of cryptocurrency exchanges are flourishing in the industry, but Binance is its undisputed leader. You can get an idea of its size by the fact that Coinbase, its closest competitor, has a daily trading volume that is a mere tenth of Binance's. This demonstrates the sheer magnitude of Binance's success and its dominance in the industry.

Since its inception, Binance has been committed to bringing blockchain and cryptocurrencies to the masses. With only 2% of the world having adopted cryptocurrencies, Binance has achieved an impressive annual trading volume of nearly one trillion. Through its various products and resources, Binance is striving to reach the remaining 98%. This demonstrates the immense potential of Binance in the near future, where cryptocurrencies will become an integral part of global commerce.



The Rise of Binance: CZ's Sprint to the Top

In 2013, CZ stumbled upon Bitcoin when his friends asked him to invest 10% of his total net worth in the cryptocurrency. As a software developer, Zhao was captivated by the concept and decided to liquidate his apartment for a million dollars and invest the entirety in Bitcoin. Unfortunately, the investment didn't go as planned, as the value of Bitcoin plummeted from \$600 to \$200 shortly after. However, CZ persevered and held onto his Bitcoin, eventually making \$17 million from his investments. He then joined Blockchain.info and later OKCoin as the

project CTO, cementing his place in the cryptocurrency world.

This was the time when CZ decided to build his own exchange and that is how Binance was founded in 2017. Binance became an instant hit in the crypto industry with CZ becoming a crypto billionaire within 8 months of the launch of the exchange. The launch of the Binance exchange was followed by the development of Binance Coin (BNB) and later on Binance Smart Chain in 2020.

After the successful initial coin offering (ICO) of the BNB token, CZ raised \$15 million and

invested it in creating a robust infrastructure for the Binance exchange. Within just 143 days of its launch, Binance had already become the third-largest cryptocurrency exchange in the world. However, due to a shift in Chinese government policies, Binance had to relocate outside of China.

The primary factor behind Binance's unstoppable rise was its ability to accommodate a massive user base without any technical issues. Binance can process up to 1.4 million orders per second, allowing the exchange to scale at an unprecedented rate.

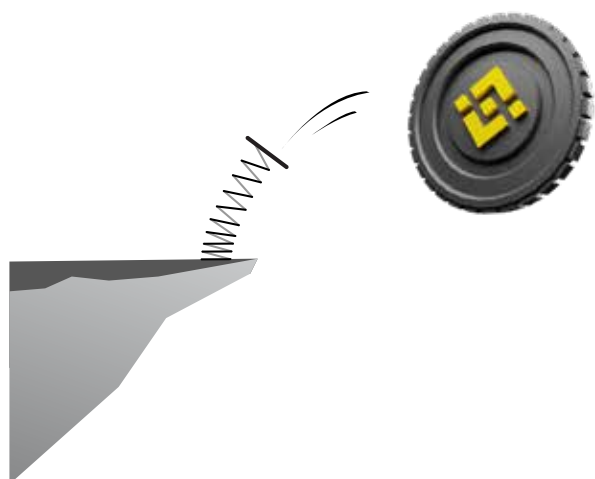


The Hurdles and the Hikes

The growth of Binance was not without its challenges. Allegations, anonymous hacks, regulatory crackdowns, and relocation outside of China were all obstacles that had to be overcome. Despite these hurdles, Binance CEO Changpeng Zhao (CZ) was able to establish a dominant presence in the crypto industry.

CZ also used various channels of communication, such as Twitter, to interact with users and build trust in the exchange. The success of Binance's native token BNB became the backbone of CZ's execution while also allowing users to reduce their exchange fees by 50%.

However, the biggest challenge in front of Binance was to reach out to those societies in the world that have never used cryptocurrencies before. Binance took the task in hand and gained unprecedented growth by dominating the countries that were relatively new to the blockchain space. Binance ensured to leverage this advantage and became the most effective multilingual crypto exchange in the world. Rather than being hindered by the challenges it faced, Binance used them to its advantage and developed them into strengths.



| **The Shades of Grey**

The meteoric rise of Binance has attracted the attention of government regulators, journalists, and other industry stakeholders. Since the rise of cryptocurrency, journalists are particularly interested in the domain and the sudden rise of Binance did not get unnoticed by a constant watch. Apart from that Binance has also given adequate fodder to the media to dive deeper into questioning its methodology.

It is to be noted, Binance is a completely private company and is not bound to make its accounts public. As a result, the net profit, loss, cash reserves, and collective revenue of the exchange are never shared with its users. This creates a state of ambiguity in which users of the exchange have close to no information about the financials of the exchange that is the custodian of their cryptocurrencies.

Apart from that CZ is also accused of creating an entirely new crypto exchange in the U.S. to avoid the operations of the main exchange.

| **Fear, Uncertainty, and Doubt**

The FTX Fallout was an event that gained the attention of the entire world, even those who were not involved in space. The magnitude of the loss was so immense that it sent shockwaves throughout the market. However, the role of Binance in escalating the entire FTX fiasco has largely gone unnoticed. To recap, it was Binance who first tweeted their concerns about the financials of FTX and proposed to dilute their \$500 million worth of FTT holdings in the market. To ensure that this mass

This had avoided Binance's financial operations from being held accountable in U.S jurisdiction. This was a serious allegation on Binance. Despite the claims of the exchange that it has all the regulatory licenses to operate in Europe, Dubai, and Canada, it is still under investigation by the authorities for submitting scant information for legal approvals.

The U.S. Department of Justice is investigating Binance's role in money laundering and assisting economies in evading trade sanctions. Adding to Binance's worries, most prosecutors believe they have gathered enough evidence to bring the exchange and its top executives under scrutiny. John Reed Stark, a former chief of the U.S. Securities and Exchange Commission's Office of Internet Enforcement, has also claimed that Binance's operations are worse than those of FTX, with no public knowledge of its financials. This has caused a great deal of concern among investors and regulators alike.

liquidation would not have a detrimental effect on the market, Binance promised to do it in an orderly fashion.

Unfortunately, the entire FTT holdings were liquidated immediately, causing extreme panic among investors. The fear, uncertainty, and doubt that developed during the fallout were blamed on Binance for allegedly fabricating the situation to push FTX to its breaking point. Some of the top minds in the market even accused Binance of orchestrating the entire

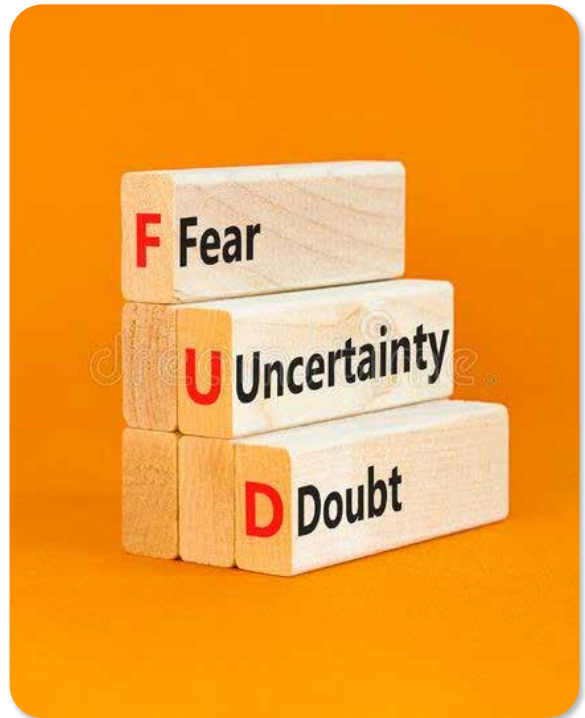
scenario to eliminate a close rival from the market. CZ also attempted to come forward as a helping hand by offering a bailout of FTX, but later retracted the offer after gaining a closer look into its books in the name of due diligence.

The demise of FTX at an unprecedented rate also hurt badly to Binance as the fire of FUD reached its shore very soon. Binance witnessed billions of dollars of withdrawals within the few hours of FTX's fall. Despite a few minor halts, Binance could handle the situation and liquidate the assets of its users without much trouble. However, the entire incident left many loopholes exposed in Binance operations and valid questions were raised on the claims of its cent percent liquidity.

| Is Binance Too Big to Fail?

With trillions of dollars of trade volume and a market valuation of over \$60 billion, Binance is the largest player in the market. Even imagining the fall out of the biggest whale in the sea is a trauma for many investors and could potentially send the entire crypto market into a tailspin. However, it is also true that a central entity gaining this much muscle in the blockchain industry goes against the very values of the technology. The last market fall triggered a minor test of Binance's actual liquidating capacity and it possibly could go worse.

But is Binance too big to fail? Well, the answer lies in understanding the fact that no matter how strong a centrally controlled organization is, there is no point in fueling more to its strength. Binance is a great example that how strong the crypto industry could become, but the ultimate goal of decentralizing the finances does not entertain monopolies in the space.



Bringing Blockchain to the Decision Makers

CoinGabbar in Pravasi Bhartiya Diwas Sammelan & Global Investors Summit

The world is well-acquainted with India through the eyes of its diaspora. Not only do they represent the nation, but they are also the driving force behind its flourishing economy. Indians are present in large numbers across the globe, contributing to the nation's soft power.

As the global economy continues to embrace technology to improve its operational models, India's FinTech sector is leading the charge in innovation. Leveraging the power of blockchain technology, India is now in the final stages of testing its Central Bank Digital Currency.

It is now more important than ever to educate not only Indians but the world, about blockchain technology. This is why CoinGabbar has stepped forward to become part of the largest celebration of the Indian diaspora, the Pravasi Bhartiya Sammelan-2023.



What is Pravasi Bhartiya Sammelan 2023?

The Ministry of External Affairs proudly hosts the Pravasi Bhartiya Sammelan to celebrate the invaluable contributions of Non-Resident Indians to the development of India. Pravasi Bhartiya Diwas is commemorated on the 9th of January each year to mark Mahatma Gandhi's return to India from South Africa in 1915.

This year, the cleanest city in India, Indore, hosted the Pravasi Bharatiya Sammelan with the theme 'Diaspora: Reliable Partners for India's Progress in Amrit Kaal'. This gathering of innovators, thinkers, and entrepreneurs provided Non-Resident Indians with a unique opportunity to explore new ventures and contribute to the nation's growth.

This event will work towards strengthening the ties between India and its citizens living overseas, reconnecting them to their roots and honoring exemplary contributors of the Indian diaspora with the Pravasi Bhartiya Samman, the highest honor conferred on a Non-Resident Indian.

On 9th January 2023, Prime Minister Narendra Modi and the President of Guyana, Mohamed Irfaan Ali, inaugurated the event. The award ceremony was presided over by the Honorable President of India, Smt. Draupadi Murmu, the following day, 10th January.

CoinGabbar Educating India About Blockchain Innovation

CoinGabbar actively participated in the Pravasi Bhartiya Sammelan and the MP Global Investment Summit 2023. During this five-day event, CoinGabbar engaged with thousands of visitors, introducing them to the various facets of blockchain technology in India.

From the fundamentals to the core of decentralized storage of immutable data, CoinGabbar was asked hundreds of questions, all of which were answered to the satisfaction of the inquirers. CoinGabbar is striving to raise awareness about blockchain technology and to educate a new generation of innovators to help drive its widespread adoption. Blockchain technology is a revolutionary step towards transparent, efficient, and immutable records of information that can revolutionize businesses around the globe.

By leveraging the power of blockchain, businesses can benefit from increased security, improved efficiency, and greater transparency. This technology has the potential to revolutionize the way we do business, and CoinGabbar is committed to helping make that a reality.

CoinGabbar's presence at the MP Global Investment Summit opened the eyes of many established businesses to the practical applications of blockchain technology in supply-chain management, record keeping, decentralization of storage, and as a secure and efficient value transfer system.

By showcasing the potential of blockchain, CoinGabbar demonstrated how this technology can revolutionize the way businesses operate.



The Future of Blockchain in India

Indian government's neutral stance on cryptocurrencies is often confused with its reasoning behind blockchain. However, the government of India is extremely welcoming towards blockchain adoption in the country. Prime Minister Modi himself honoured the students of IIT Kanpur with blockchain degrees while the Reserve Bank of India is in the final stage of testing Retail CBDCs. The pace of blockchain adoption in India is as fast as anywhere in the world while also having the required talent to maximize its potential.

CoinGabbar is proud to be working towards educating the commons with a 360-degree view of the technology and its use cases. With

over 100,000 users, CoinGabbar provides them with free access to a rich information marketplace and a wide range of useful products. Our mission is to empower people to make informed decisions about blockchain technology and its potential.

Furthermore, CoinGabbar officially announces that we are diligently working on a suite of courses on blockchain and cryptocurrencies. This project is currently in development and will soon be serving millions of blockchain and crypto enthusiasts around the globe. We are excited to provide a comprehensive learning experience that will help people better understand this rapidly evolving technology.

The Way Ahead

CoinGabbar's constant presence in global events is bringing blockchain innovation to the doors of decision-makers all around the world. The stage is set for blockchain innovation to make an impact on the future of finance and international supply chains.

As a leading proponent of blockchain innovation, CoinGabbar assures its audience that we will leave no stone unturned in making crypto a safe and secure space to operate in. We are dedicated to exploring every avenue to make this a reality.



Changes in Policy

Policy Changes In and Around the World

As the crypto market continues to grow and evolve, governments and regulators further implement new policies to address the risks and opportunities presented by cryptocurrencies.

In January 2023, several countries like India, the United States, the European Union, El Salvador, Israel, and Japan amended or issued official insights regarding crypto regulations. So, let's take a deep dive into each country's policy changes and examine their official remarks regarding upcoming crypto regulations.

Indian Government Talks About Crypto Policies

On January 19, an Indian government official, Rajeev Chandrasekhar, spoke about crypto assets at an event in Bengaluru. Rajeev stated that "cryptocurrencies are not illegal in India if legal procedures are followed."

This statement created a buzz in the Indian crypto community regarding the upcoming legal framework for cryptocurrencies. Experts believe that the government will definitely take benefit from its G20 presidency.

To that end, India's federal economic affairs secretary, Ajay Seth stated in December 2022 that the G20 countries will soon evaluate the significance of cryptocurrencies in India. This indicates that the Indian crypto community might witness a legal regulatory framework for crypto assets soon.



The United States Announces Insights On Cryptocurrency

On January 24, New York's financial regulator announced the implementation of strict measures to ensure investor safety in the aftermath of the FTX collapse. New York's senior financial regulator stated that the state government will soon issue new guidelines requiring businesses to separate their customers' crypto assets from their own.

Furthermore, lawmakers in two US states, Mississippi and Missouri, have announced the establishment of bills to safeguard and assist bitcoin mining operations and node operators in the respective states.

The proposed measures from the three US states mentioned above indicate that the US will soon become a global hub for crypto adoption. Experts believe that the country's stance towards cryptocurrency is favourable, which may help native citizens in the near future.



European Union Brings Clarity To Crypto Market

On January 23, the European Parliament's economic affairs committee voted on a proposal to bring clarity to the cryptocurrency market. As per reports, the EU voted on concessions reached by all parties. It was a draft law that enabled authorities in adopting Basel III's final components.

Basel III is a set of policies that world leaders have agreed to. It implies that banks would be required to set aside punitive capital amounts used to pay for their digital asset holdings. In



one of the law's amendments, financial institutions would have to give crypto exposures a risk weighting of 1.250% of capital. By doing so, they will be able to cover a loss.

In addition, recent reports reveal that the Markets in Crypto Assets Regulation (MiCA), a vital element of new European Union legislation, has been delayed due to technical issues. However, the final vote will now have to be delayed until April 2023.

El Salvador Approves Digital Securities Bill

On January 11, El Salvador's legislative assembly approved a digital securities bill. The bill authorizes the country to issue Bitcoin-based bonds. The bill was initially introduced in parliament in November 2022.

The bill is expected to establish a foundation for a legal framework of digital assets. This will give legal clarity for any transfer operations involving digital assets used in El Salvador. Meanwhile, the bill's main purpose is to make the issuance of volcanic bonds more feasible.

El Salvador has received a lot of attention in recent months as it switched to Bitcoin. The country's president, Nayib Bukele, is so confident in Bitcoin that he plans to buy one BTC every day, despite media criticism. Experts noted that the country is setting an example in the Arab region, which may



Israel Plans To Establish New Regulatory Framework For Digital Assets

On January 03, the Israel Securities Authority (ISA) announced planned on establishing a new regulatory framework for digital assets. The ISA noted that the government intends to amend the country's existing securities regulations.

As per the proposal, the country's regulations would be amended to incorporate digital assets into existing securities regulations, potentially classifying most crypto assets as financial investments regulated by the ISA.

ISA noted that the goal of this proposal is to protect investors while also allowing for the distinctive features of cryptocurrencies. Experts believe that the upcoming amended crypto regulation would undoubtedly assist the Israeli crypto market to expand even more.



Japan Issued Guidelines For Taxing **NFT Transactions**

On January 16, the National Tax Agency of Japan issued guidelines for taxing NFT transactions, including those involving blockchain gaming. The guidelines were issued by the authorities, and they offer a simplified approach to taxing these large and frequent transactions.

While Japan is taxing digital collectables, the country is also interested in the web3 industry. In recent months, several events have transpired, including a proposed tax cut by crypto enthusiasts in order to keep competence in the country. In addition, the country is also attempting to revive its economy by prioritizing the metaverse.

To sum up, the month of January witnessed the continuation of policy reforms pertaining to digital assets. The crypto community believes that the increased regulation and control have helped to reduce unlawful activities like money laundering and fraud in the near future. However, the reforms have also made it more difficult for legitimate businesses to operate in the sector.

Despite these challenges, the overall sentiment in the industry remains positive, as many believe that these changes will ultimately lead to greater mainstream acceptance and adoption of cryptocurrencies. Overall, the crypto policy changes in January 2023 have been a step in the right direction toward building a more secure and trustworthy cryptocurrency ecosystem.



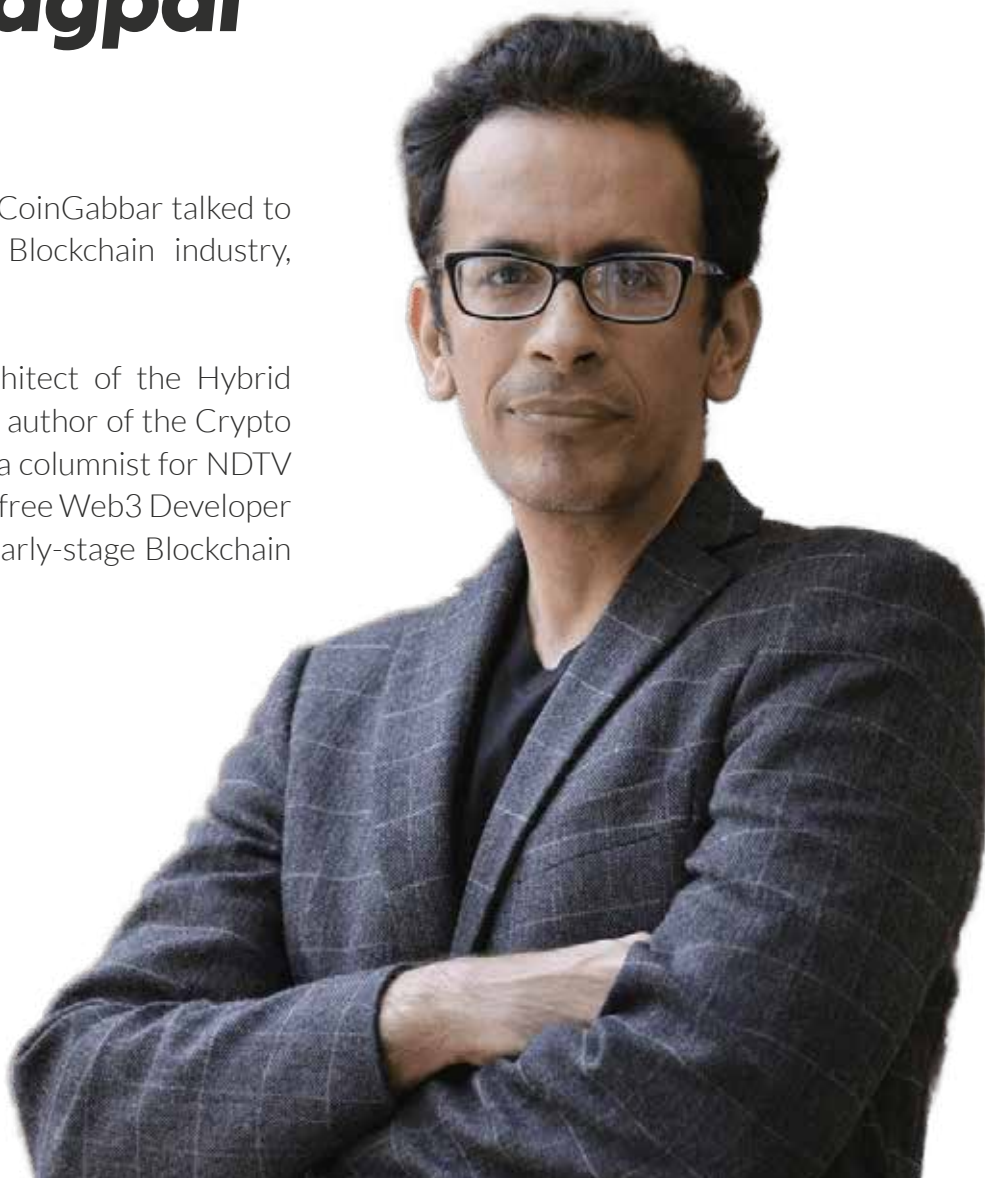
Rendezvous with Founder

**Gabbar Interviewed the *Chief
Blockchain Architect* of the Hybrid
Finance Project,**

Rohas Nagpal

For the month of January, CoinGabbar talked to the popular face of the Blockchain industry, Rohas Nagpal.

The Chief Blockchain Architect of the Hybrid Finance Project (HyFi) and author of the Crypto Playbook, Rohas Nagpal is a columnist for NDTV and Mint and conducts the free Web3 Developer Course. He also mentors early-stage Blockchain startups.



Q. Tell us about yourself and brief us about your past experiences in your long career.

I started my career in the early 90s as a hacker. Those were the days of Solaris, FreeBSD, Windows NT & Novell NetWare. My lifelong love affair with Cryptography started when I chanced upon David Chaum's work on blind digital signatures and the "Handbook of Applied Cryptography" by Menezes, Oorschot & Vanstone.

In 1999, I co-founded the Asian School of Cyber Laws. Over the next 16 years, I worked in cyber investigation & cyber law. I proudly count some of the best investigators & lawyers among my students. I have also had the privilege of assisting the Govt. of India in framing draft rules under the Information Technology Act.

My work spanned 18 countries and I have investigated cyber crimes & data breaches for hundreds of organizations across many sectors - from aerospace & banking to law enforcement, pharma & shipping. I also had the privilege of leading the teams that developed "The Collaborative Online Investigation Network" & the "ASCL Volatile Evidence Retrieval Tool".

I authored the Cyber Crime Investigation Manual, which has been referred to as a "bible for cybercrime investigators" by the Times of India.

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In 2016, I co-founded BankChain - a community of 37 banks plus IBM, Microsoft & Intel. Our core product was a "self-building" blockchain ecosystem with a web app, PWA, and a Blockchain REST API service. The project went into hibernation in early 2018 after the Reserve Bank of India's ban on crypto. I continued as a Blockchain Architect for some very interesting projects.

In 2020, after the Supreme Court struck down the RBI ban, I became actively involved with the crypto industry. Currently, I am the Chief Blockchain Architect of the Hybrid Finance Blockchain (HyFi).



Q. Tell us about HyFi. What is HyFi and Why does the world need it?

HYFI Blockchain is a permissioned Layer-1 Blockchain with distributed consensus between identified block validators. It has full support for data privacy, KYC, AML, CFT & other regulatory compliances.

HYFI's core product is FLIPs. A fractional License of Intellectual Property (FLIP), is a type of digital asset that represents fractional ownership of a specific intellectual property, such as art, books, movies, music, software & video games.

FLIPs are a new asset class that allows for the fractionalization & tokenization of intellectual property rights on the HYFI Blockchain. This means that creators can now monetize their intellectual property rights in a more efficient, cost-effective, and transparent way.

With the use of FLIPs, creators can now sell a small percentage of their intellectual property rights to multiple investors, allowing them to raise capital while still retaining ownership of their work. This also enables investors to purchase a small stake in a piece of intellectual property, making it accessible to a wider range of people. Additionally, FLIPs can be traded on the HYFI Marketplace, allowing for a secondary market for these assets to exist. FLIPs can also be securely stored in the HYFI Wallet.

Q. And how is HyFi helpful to a newbie?

HyFi can help budding artists, authors, filmmakers, musicians, and tech startups make more money.

Q. When did you decide to dive into the blockchain space? How did you start?

I first heard of Bitcoin in 2011, when I was assisting the police in a case involving the drug mafia. I found the concept fascinating and even mined some bitcoins.

And then I made one of my biggest mistakes. I "deleted" my bitcoins!

In 2015, I decided to move into the blockchain space. I barricaded myself at home and spent 4 months studying bitcoin technology and setting up multichain blockchains. Since then it's been a

Q. Is it true that you deleted your Bitcoins? How many did you delete and do you regret doing that?

Yes, it's true! But I don't want to think about it anymore :-)

Q. Would you like to share the wisdom you gained while working as a cybercrime investigator forensic expert?

Anything can be hacked!

You can have the best security systems in the world and you still can get hacked! That does not mean we give up on security. It means that we have to plan for the inevitable!

Q. You've worked with multiple blockchain projects in the past, how HyFi is different and better than the rest of them?

All the projects I have worked on are awesome. But what I really like about HYFI is that we are using blockchain to the maximum for solving 3 massive global problems:

- Traditional methods for managing & monetizing intellectual property rights in the art, books, movies, music, software & video games industry are inefficient, costly, and lack transparency.
- Creators are not connected to the end-consumers. This results in limited engagement & monetization.
- Investors do not have access to high-growth Intellectual Property assets.

Q. What do you think about the future of blockchains? Share your long term views

I believe that there is only one blockchain use case - Smart Asset Lifecycle Management. This includes issuance, transfer, exchange, escrow, reissuance, redemption, one-way payments, atomic transfers, multi-sig transactions, retirement, and destruction. A blockchain smart asset is the digital representation of a real-world asset (e.g. gold, equity shares, fiat currency, copyright license, etc.).

The blockchain removes the characteristic of infinite reproducibility from a digital asset. It confirms that each unit of value was transferred only once, solving the long-standing problem of double spending. A blockchain can assign title rights because it provides a record that compels offer and acceptance. So any project which relies on the Smart Asset Lifecycle Management capability of blockchains will do well. Other projects will fail.

Q. You have a long list of publications; what, according to you, are the most common misconceptions people have about blockchain and crypto?

Misconception 1

Many people think that blockchain and cryptocurrencies are the same things. They do not know that blockchain is a technology and cryptocurrency is a use case.

Misconception 2

Many people think that all blockchain tokens are the same and have no real-world value. They do not know that there are many types of tokens - currencies, utility coins, governance tokens, subscription tokens, etc.

Q. Where, according to you, does India stand when it comes to blockchain and crypto regulation in the country?

I think India has taken a very good approach to blockchain and crypto regulation. Speculative cryptocurrencies have been defined as Virtual Digital Assets (VDA) and taxed at 30% with no offsets except the cost of acquisition.

But several solid tokens are not considered VDAs - gift cards & vouchers, mileage points, reward points, loyalty cards, and subscriptions to websites, platforms, and applications

Q. Concluding statements with a message for our users.

Think beyond crypto!

Blockchain is so much more than crypto. It's an awesome industry to work in and there are phenomenal opportunities in WEB3 development, token economics, crypto crime investigation, blockchain law, and community management.



Learn with Gabbar

Consensus Mechanisms in Blockchain

Blockchain technology is no longer just a buzzword associated with cryptocurrencies; it is revolutionizing several industries worldwide. It has a wide range of use cases, from finance to supply chain management. Businesses are using blockchain to create new revenue streams and secure their data. But what makes this technology practical is the consensus mechanism that lies at its core. The consensus mechanism ensures smooth functioning among participants in a blockchain network.

Imagine a distributed network where every vote is counted, with each participant having the same rights. Also, every transaction is verified by the decision made with a majority of votes, and that too without any need for a central authority. It's exactly what consensus mechanisms enable in the world of blockchain technology. Let's explore consensus mechanisms and some of the most commonly used options available.

What is Consensus Mechanism?

Here, "consensus" refers to a general agreement or understanding among a group of people or entities. For example, a group of friends decides on a restaurant to eat at. They each suggest different options, but through discussion and negotiation, they reach an agreement on one restaurant to go to. Everyone agrees on the decision, and that's their consensus.

In the context of distributed systems and blockchain, "consensus" is the process of reaching an agreement on the state of the system among all the participating nodes. For example, while verifying a transaction in the blockchain, validators can reach a consensus on the state that whether the transaction is legitimate or not. Consensus in a blockchain network is achieved through the use of a consensus mechanism.

Consensus Mechanisms are algorithms or protocols that are designed to ensure that all nodes in the system agree on the same state. These are simply the algorithms used to reach consensus on a Blockchain. Different nodes may have different views of the system's state due to network delays, failures, or malicious actors. A consensus mechanism ensures that all nodes in the system agree on the same state.



How does a **Consensus Mechanism** Work?

The consensus mechanism includes several steps to get a response from the access nodes. Nodes need to validate transactions to ensure that they are legitimate. Transactions are grouped into blocks and added to the blockchain. The consensus mechanism is used to reach an agreement among the nodes on which block should be added next. An algorithm may require at least 51% of nodes to reply to reach a consensus or agreement on a data value or transaction. The purpose of the blockchain is defined by the consensus algorithm employed by it. Each consensus mechanism has its own way to reach an agreement.

First, the validators are selected based on certain criteria, the block is added to the chain, and then rewards are distributed to the validators in the form of native cryptocurrency. For example, in Proof-of-Work (PoW), the node that solves a complex mathematical puzzle first (using computational power) gets the right to add the following block and take rewards. While in Proof-of-Stake (PoS), the node that holds the most coins gets the right to add the next block. Whenever the next block is added to the blockchain, all nodes in the network update their copies of the blockchain to ensure that they are all in the same state.

Commonly used **Consensus Mechanisms**

A consensus mechanism is a choice that organizations and blockchain developers make with an understanding of the desired outcome. There are several different types of consensus mechanisms, each having its own strengths and weaknesses

Consensus Mechanism	Feature	Pros	Cons	Use cases
Proof of Work (PoW)	Miners (nodes) compete to solve a difficult mathematical puzzle. The first miner to solve a puzzle using computational power adds a block to the blockchain and gets rewards.	More secure, as it requires a significant amount of computational power to carry out an attack. Widely established and proven effective.	Slow transaction processing. High energy consumption. Centralization of mining power. Mining requires expensive computational equipment.	Bitcoin, Litecoin, and Dogecoin.

Proof of Stake (PoS)	Nodes use their own cryptocurrency to participate in block validation. Then Validators are selected randomly based on the size of the cryptocurrency they stake in to participate. A higher stake means a higher chance of selection in the validating process.	Highly scalable and enable faster transaction processing. Low energy consumption. Reduced risk of centralization. Cost-effective as there is no need for expensive hardware.	Highly dependent on validators to be honest. Vulnerability to reorganization attack. Inadequate security as an attacker can easily obtain a large number of coins and can control the network.	Bitcoin, Litecoin, Ethereum 2.0, Cardano, & Polkadot, and Dogecoin.
Delegated Proof of Stake (DPoS)	Users in the network use their stake or coins to vote for candidates or delegates. The top delegates are elected to validate transactions and add new blocks.	Increased speed and scalability. Low energy consumption. Less Hardware is required	Less secure, and a 51 percent attack is easier to carry out. Possibility of vote buying. Trust issues related to Candidates	Bitshares, Steem, Lisk, and Ark
Proof of Burn (PoB)	Nodes burn coins by sending them to an address from which they cannot be recovered. The validators are then selected at random, with the probability of selection proportional to the number of coins burned	Secure and resistant to Sybil attacks. Energy efficient. Cost-effective and less hardware required compared to PoW.	Wastage of resources in terms of burned coins. Lack of incentives for burning. More complex to implement.	Slimcoin

Proof of Activity (PoA)	Uses a hybrid approach of PoW and PoS. First, block is mined using the PoW approach. Then block is sent to a group of validators, who use PoS to validate it and ensure that it is legitimate. If the block is valid, the miner is rewarded.	<p>A more scalable approach than PoW.</p> <p>Increased security and fault tolerance due to the combined approach.</p> <p>Less computationally intensive than PoW.</p>	<p>Complex to implement than other consensus mechanisms.</p> <p>Still requires computational power to mine blocks.</p> <p>Reliant on Validators</p>	Decred
Proof of Capacity (PoC)	Nodes contribute disk space to the network, which is then used for generating a large number of hashes. The node with the most hashes will validate the block and get incentivized.	<p>A low-cost investment in terms of hardware, as it only needs a hard drive to store the hashes.</p> <p>More energy efficient.</p> <p>Mining data can be easily erased, and the drive can be reused for other purposes.</p>	<p>Vulnerability to disk failure can affect mining activities.</p> <p>Risk of data breaches and manipulation.</p>	Burstcoin
Proof of Authority (PoA)	is Used in private blockchains where the organization controls and selects validators based on their identities.	No possibility of malicious nodes or bad actors because participation is only permitted after identity authentication.	Centralized validators are pre-approved.	VeChain, JPMCoin, and Ethereum testnets (Kovan, Goerli, and Rinkeby)

	Validators have the right to add the transaction to the next block and broadcast it to the rest of the network.	<p>Very high throughput.</p> <p>Fewer computational resources are required.</p>	<p>Not suitable for public networks as the identity of validators are accessible to anyone.</p> <p>Heavily reliant on validators</p>	
Proof of History (PoH)	Uses timestamps to validate transactions. Nodes generate a hash of the network's current state. These hashes are then arranged into a Merkle tree, with the root of the tree representing the network's entire state. This root hash is then used as the timestamp for the next block and is used by other nodes to validate transactions	<p>High throughput and the ability to handle a large number of transactions.</p> <p>More secure due to the timestamping used for validation.</p> <p>Lower transaction fees.</p>	<p>Limited use cases and adaptability.</p> <p>Less decentralized as the timestamping node may have more power and influence than other nodes</p>	Solana
Proof of Elapsed Time (PoET)	Network assigns a random wait time to each node. The node with the shortest wait time is selected to create the next block.	<p>Energy efficient, as it uses a random wait time algorithm instead of any computing power.</p> <p>Cost-effective for businesses.</p>	<p>Only compatible with closed or permissioned networks.</p> <p>Less decentralized and can be manipulated.</p>	Hyperledger Sawtooth

Proof of Importance (PoI)	Nodes on the network are given an importance score based on several factors, including transaction history, network reputation, and other metrics. The node with the highest importance score creates the next block. This block is then broadcast to the network, where it is validated by the other nodes	<p>Fairness due to the influence of several factors.</p> <p>Energy efficient.</p> <p>Identity-based</p>	<p>Limited applications.</p> <p>Centralized.</p> <p>Complexity in implementation due to the scoring system</p>	NEM
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Blockchains are able to maintain a level of decentralization and scalability due to their consensus mechanism. The consensus mechanism defines the fundamentals and properties of blockchain as well as its domain of application. It is like the heart of a blockchain; it decides how the network operates, who has the power to validate transactions, and how new blocks are added to the chain.

There are several consensus algorithms, each with its own set of pros and cons. But there is no one-size-fits-all solution for all blockchains. Different types of blockchains will use different consensus algorithms. Businesses and organizations should select a consensus mechanism that fulfils their specific needs and objectives.



Gabbar Archive

Accomplishments by Gabbar in Jan 2023

India's leading crypto research and information marketplace CoinGabbar has been making waves in the crypto community because of its commitment towards encouraging global cryptocurrency adoption.

In January 2023, the platform stood at the forefront of the Prawasi Sammelan and Global Investors Summit (GIS) 2023 to educate and enlighten the people about the significance of digital currencies. Furthermore, CoinGabbar also published the Proof-of-Reserves of yet another leading Indian Cryptocurrency Exchange, WazirX, taking another step towards transparency. Read more about CoinGabbar's achievements in the month of January below.



CoinGabbar in **Global Investors Summit (GIS) 2023**

This month, CoinGabbar was an active participant at the Invest MP - Global Investment Summit 2023. With the goal of reaching out to international stakeholders, CoinGabbar led the blockchain technology in one of India's biggest investor summits.

The platform enlightened Invest MP - Global Investment Summit attendees about the significance of blockchain as a technology. Furthermore, the platform provided an insider's perspective of the industry while emphasizing the large-scale adoption of blockchain technology in accordance with the policies of the Indian government.

The summit was a great success for the platform in establishing itself as a leading crypto information marketplace in India.

CoinGabbar in Pravasi Bhartiya Diwas 2023

In the same month, CoinGabbar also joined the Pravasi Bhartiya Sammelan to promote blockchain innovation on a worldwide scale by emphasizing the importance of information, education, and community. The event was organized by the Ministry of External Affairs, and it was an online event.

This event was a step towards deepening India's ties with its citizens living overseas and reconnecting them to their roots. Meanwhile, the event was yet another success for CoinGabbar in terms of establishing brand value.



Gabbar Released PoR for WazirX

On January 11, leading Indian crypto exchange WazirX released its Proof of Reserves in collaboration with CoinGabbar. With this, CoinGabbar has effectively integrated the Proof-of-Reserves of three leading cryptocurrency exchanges, namely CoinDCX and SunCrypto.

WazirX's Proof-of-Reserves and seamless experience of the CoinGabbar platform ensures security, transparency, and easy accessibility for all its users.

WazirX's released reports ensure that they are financially sound and all the investor funds stored in the exchange are secure. WazirX has zero fractional reserve operations, making it one of the few crypto exchanges in the world to make all of its holdings 100% transparent. This, move by CoinGabbar was another step towards truth and transparency.



Crypto Educator: **CoinGabbar**

CoinGabbar has become a go-to source of information for anyone looking to learn more about the world of cryptocurrencies with a strong focus on community engagement and education. Whether you are a beginner or an experienced trader, the platform's articles and resources can help you stay up-to-date on the latest trends and developments in the crypto space.

So if you're willing to get into some action and become a part of the global cryptocurrency community, be sure to check out CoinGabbar and see what all the buzz is about



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