

WHAT HAVE WE OBSERVED IN MAY 2022?



In June 2022 we observed the release of EU DLT Pilot project regulations. DeFi projects, under certain thresholds, will operate in EU jurisdiction, from March 2023 for a period of three years.

Meta is cautiously integrating digital assets on Facebook and Instagram. NFT collectibles and “monetized likes” – Stars will be tested on a limited scale. Lesson learnt from Libra convinced Meta to keep an eye on the reactions from financial regulators and ultra-decentralized community.

Axie Infinity’s current play-to-earn model is broken, the team is exploring play-AND-earn route. The running app StepN has similar problems plus struggles from security attacks.

Markets are shrinking with Bitcoin down to \$20K. El Salvador still defends its Bitcoin choice and Elon Mask tweeted “cryptonight” implying his expectations for early price recovery. Lower prices combined with lower trading volumes negatively impacted valuations of crypto exchanges. With overall alertness, they feel a growing pressure from regulators and the public that seems to blame them for the losses.

Stablecoin and DeFi projects are still in a turbulent zone: rumors about Tether, Celsius, \$11B cryptobank halted withdrawals, less known Magic Internet Money, credit platform Venus experienced difficult times. Centralized stablecoin look much better and expand their markets.

New York State reacted to stablecoin crunch and amended its ‘Bitlicense’ with strict requirements as per quick and unconditional redeemability, backing reserves and regular audits. Many other jurisdictions focused their attention on stablecoin regulations.

Binance’s Changpeng Zhao visited a remote island of Palau, discusses community development. Sora project reached out to Sri Lanka amid economic and governmental crisis, offered help in drafting novel economic policies.

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