

# The Tide of Institutional Adoption of Digital Assets is Getting to Be A Strong One

Newsletter #6- Week Ending August 16th

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This week we are focusing on institutional adoption of digital assets and cryptocurrency. And our market research report, which covers the trend of transaction fees paid to cryptocurrency miners as well as MVRV (Market Value to Realized Value), is live on our website!

Read on below, where we cover the latest news on how governments and large institutions are adding their strength to the ecosystem of digital assets.

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## The Digital Assets Ecosystem is Becoming More Robust

Lately, there has been a substantial uptick in the number of blockchain service providers. One of the most notable examples of this is the largest bank in South Korea, KB Kookmin Bank. According to an article by Joshua Stoner of [securities.io](https://securities.io), because this is the largest bank in South Korea, “moves made by a bank of this stature are followed closely by many”. For KB Kookmin Bank’s piece, they are developing custodian services with a group of companies. The goal here is to not just support cryptocurrency exchanges, but provide services supporting the exchange of digital securities as well.

[BitOoda](#), a FINRA (Financial Industry Regulatory Authority) member and US Securities and Exchange Commission registered broker-dealer is launching a division that will be a

private placement agent and will broker secondary-market transactions for SAFTs (Simple Agreements for Future Tokens). This is a powerful development, as “BitOoda’s SAFT brokerage division gives the U.S. digital asset ecosystem its first financial services firm for secondary-market SAFT trading that is fully compliant with securities regulations.” Not only does this provide much needed services to a rather nascent sector, it provides regulatory clarity, meaning less risk when trading digital assets, which in turn, as we covered in one of our [recent newsletters](#), paves the way for institutional adoption.

### **In Other News Of Regulatory Clarity...**

The United States’s [OCC](#) (Office of the Comptroller of the Currency) set the framework for companies to deal in digital assets on a national scale, a broad defining and easing of digital asset transactions throughout the US. Essentially, OCC has formally recognized “the role of banks in providing digital currency custody”. Going further, “the OCC said ‘providing cryptocurrency custody services, including holding the unique cryptographic keys associated with cryptocurrency, is a modern form of traditional bank activities.’” This is an important and consequential note for the OCC to make, as it provides stability to digital asset trading by allowing established institutions to regulate them.

### **Institutional Adoption of Bitcoin**

Wider adoption of the cryptocurrency comes as [Microstrategy](#), a business intelligence firm, has “[poured] all \$250 million of its planned inflation-hedging funds into the digital currency.” This is rather substantial, as Microstrategy is a company valued at around \$1.2 billion. CEO Michael J. Saylor said, in a statement to NASDAQ, that, among other reasons why Bitcoin will have “more long-term appreciation potential than holding cash”, the crypto has a strong ecosystem to back its use. If the above news is a question as to whether the filling in of the digital asset ecosystem is convincing companies to invest heavily in digital assets, this can certainly serve as an answer.

### **The Upshot:**

- Regulatory clarity is making strong gains as government integrated, large financial entities such as the KB Kookmin Bank and BitOoda offer digital asset trading services.

- The US has had a particularly strong declaration handed down by the OCC, recognizing banks as digital asset custody providers; another win in the realm of regulatory clarity.
- Bitcoin saw a large vote of institutional confidence from Microstrategy, a company valued at \$1.2 billion, as it turned all of its inflation-hedging funds into the cryptocurrency.