

4 December 2023

Director – Crypto Policy Unit  
Financial System Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Submitted by email: [crypto@treasury.gov.au](mailto:crypto@treasury.gov.au)

Dear Director,

### **Regulating Digital Asset Platforms Proposal Paper**

Thank you for the opportunity to provide a submission to the Regulating Digital Asset Platforms Proposal Paper released in October 2023.

In short, Australia has a productivity growth problem.

The regulation of digital asset platforms (and necessarily, what will be excluded or signposted for eventual reform) is an opportunity to strategically position Australia for productivity growth from use of this technology and to defend itself from threats (including geopolitical competition) from use of this technology.

BADAS\*L has provided many policy submissions over the years. What bears repeating and emphasising in this consultation is that:

**In an emerging and maturing global digital environment, Australian law, law-making and regulatory supervision, must improve its competency to cope with fast-paced innovation. This involves three things:**

1. **Recognition that the digital world is developing (fast) without digitally native legal tools for real-time compliance.**
2. **Support for regulatory equivalence. For the uses of technology to produce outcomes equivalent to the outcomes that existing laws are in place to protect, what is required is articulation of the policy principle/s that link to the desired regulatory outcome/s of new or existing ‘plain language’ law. That is, support is required for the translation of plain language law into its ‘everyday people readable’ form. This Proposal Paper by Treasury goes some ways towards this (e.g. the Policy goals and regulatory outcomes section at 5.4). The practical result is that above all else projects can always strive for regulatory equivalence despite technical or semantic legal arguments about – or enforcement of - the application of law, and everyday people can easily understand and be informed about the outcomes required from a relationship or exchange using the technology.**
3. **Adapting to the digital world by preparing an accompanying version of ‘plain language’ law that is ‘machine readable’ (e.g. in JSON format on an official code repositories).**

The Government is responsible for policy leadership that enables Australia to thrive, not to merely survive.

Businesses and communities responsibly involved with permissionless blockchain technology and token activities in and from Australia are hardly surviving. Most of the talent has already moved offshore or are in the process of moving offshore or are putting plans in place in foreign markets to subsidise maintaining a high anticipated compliance cost operation in Australia.

If the right balance is struck, Australia can participate in the economic upside of the global shifts towards permissionless blockchain innovation and permissioned interactions performed on permissionless blockchains (such as privately issued stablecoins, tokenisation and transfers of real-world assets / fractions, etc), as well as to contribute to permissionless protocol security through activities like staking.

I welcome the opportunity to discuss this submission and assist the Treasury with their ongoing efforts and will provide a confidential detailed submission separately.

Yours sincerely,

Signed by:  
  
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**Joni Pirovich**

Principal

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