

Dear Investors,

BC Group and OSL experienced another month of milestones, announcing on 5 July that [the Group and ZA International had signed a mutual collaboration agreement](#), which will see SFC-licensed OSL Digital Securities become the exclusive digital asset trading partner to ZA.

On 15 July, [OSL was proud to announce the official launch of its dedicated digital asset prime brokerage in the Americas](#), led by [Head of Americas Fernando Martínez](#).

The announcements are set against the broader industry context of digital asset price recovery, with [Bitcoin hitting the USD40,000 mark](#) twice; and regulation, [with authorities forcing multiple high-volume platforms with “lighter-touch” regulatory approaches to update or constrain these practices](#).

On 28 July, [US Democratic Senator Elizabeth Warren publicly called on US Treasury Secretary Janet Yellen to take urgent action on digital assets](#), listing the following aspects of the ecosystem that require regulation: stablecoins, cyberattacks and ransomware, decentralized finance (DeFi), operational risk for banks, and a need for transparency for hedge funds and institutional crypto investment.

While many existing digital asset brands view upcoming regulation as an impediment to business, financial institutions see regulatory clarity as a critical step in offering digital asset products and services to clients. At BC Group, these developments represent a validation of its approach to regulation, and a growth opportunity for OSL and the wider digital asset ecosystem.

This is in-line with the Group's strategic vision and approach to the market, which holds that regulatory compliant digital asset trading is the future of the asset class. The OSL digital asset platform was built with regulation in mind and to service the global institutional and professional segment.

It's truly an exciting time to be [Hong Kong's first and only type 1 & 7 SFC-licensed digital asset platform](#). The OSL business again performed well during the month of July, and more details around the Group's 2021 half-year business performance will be at the Group's interim results presentation next month (invitations to follow separately).

OSL executives and BC Group senior leadership also continued to appear in well-known media and market events in July:

- OSL head of Distribution and Prime Matt Long joined a panel at Citigroup on “To Crypto or not to Crypto” on 29 July
- BC Group Executive Director Gary Tiu presented [at the Hong Kong Securities and Investment Institute on “From Crypto to Virtual Assets: Journey towards a regulated asset class in Hong Kong”](#) on July 29
- OSL Global Head of Trading [Ryan Rabaglia spoke to Reuters on upward digital asset price movement](#) on 25 July

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- On 19 July, OSL CEO [Wayne Trench was quoted by the Hong Kong Economic Journal on the outlook for regulated players in Hong Kong](#) (Chinese only)
- [IBS Intelligence reported on the OSL Americas launch](#) on 16 July
- On 9 July, OSL Head of Distribution and Prime [Matt Long spoke to Insider on Singapore's growing importance as a hub for digital assets](#)
- [Finews.asia](#) and [CrowdFund Insider](#) reported the ZA-BC Group tie up on 5 July

Digital asset market developments

[Elon Musk again made the crypto market swoon \(this time with help from Jack Dorsey\)](#) when he said on 27 July that Tesla would accept Bitcoin again in the future. This development, coupled with [rumours that Amazon would begin accepting Bitcoin after it posted a crypto job](#), sparked a buying frenzy in digital assets, driving the BTC price to USD40,000 for the first time since early in the year, and creating fresh buzz around the asset class.

BTC then retracted, only to recover back to USD40,000 the next day on the back of [Binance's decision to cap withdrawals and leverage amid regulatory scrutiny](#). [Under pressure from authorities, Binance also announced that its CEO was willing to step down and that it would pursue a more regulated path globally](#).

Investment in the 'picks and shovels' of the growing global digital asset infrastructure ecosystem also continued to accelerate during the month of July, highlighted by [derivatives trading platform FTX closing a USD900 million fundraise at a USD18 billion valuation](#); [digital asset custody firm Fireblocks raising USD310 million at a USD2 billion valuation](#); [stablecoin issuer Circle announcing it will go public in a USD4.5 billion SPAC deal](#); [OpenSea NFT marketplace raising \\$100 million at a USD1.5 billion valuation](#), and [Deutsche Borse becoming a majority shareholder of Crypto Finance AG](#).

Meanwhile on 1 July, [Soros Fund Management, the family investment firm managed by billionaire George Soros, was rumoured to have begun trading Bitcoin](#), while [US Treasury Secretary Janet Yellen held a second session with working group including the chairs of the Fed, SEC, and CFTC on 17 July to discuss stablecoin regulations and risks](#).

Sotheby's, like many high-end auction houses, [continued its support of digital assets, selling a rare diamond for USD12.3 million in digital assets to an undisclosed bidder in Hong Kong on 10 July](#), claiming the transaction shows that a "milestone was reached in the adoption of cryptocurrencies."

Global leading investment bank [Goldman Sachs made a splash on 26 July when it's asset management arm filed an application for a decentralized finance and blockchain ETF with the Securities and Exchange Commission](#).

Now more than ever, regulation is becoming a key element of the growing digital asset market, as the asset class again proved its efficacy, resilience and ability to deliver returns in the face of a litany of challenges.

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As the market continues to innovate and mature, and digital assets become even more widely adopted, regulated firms like OSL have a once-in-a-generation opportunity to capture institutional inflows from the traditional financial services sector.

The team at BC Technology Group and OSL are, as always, available to discuss June's updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)