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A COMPARATIVE ANALYSIS

CoinDCX

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Preface

The evolution of Web3 technologies has far outpaced the development of clear and harmonised legal frameworks. In this shifting era, courts across jurisdictions have emerged as critical sites of interpreting clarity, adapting, and at times stretching existing legal principles to address questions that policymakers are yet to conclusively resolve. Whether it is the classification of crypto assets, the enforceability of smart contracts, or the attribution of liability in decentralised systems, judicial decisions have increasingly shaped the contours of the global digital asset ecosystem.

It is within this context that the *Crypto & Courts* seeks to bridge a crucial gap in existing literature. While policy papers and regulatory consultations offer forward-looking perspectives, there remains a relative absence of consolidated, comparative analyses of judicial precedents across jurisdictions. This series attempts to fill that void by systematically tracking and analysing global case law developments, thereby providing a grounded understanding of how legal systems are responding in real time to technological disruption.

Crypto and the Courts: A Global Case Law Analysis (January 2024)[1], laid the foundation by mapping key judicial approaches to property rights, governance of Web3 service providers, and the nature of decentralisation. The second report[2] expanded this inquiry, capturing the rapid developments in 2024 & 2025 and examining emerging themes such as liability, arbitration, and the recognition of non-financial crypto use cases. Together, these report a prominent central insight: in the absence of settled regulation, courts are not merely interpreters of law; they are active participants in shaping the future of Web3.

This report builds on that trajectory with an analysis of recent global case laws. Developed by CoinDCX[3]. This edition seeks to further strengthen the interface between academia, industry, and

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[1]Crypto and the Courts: A Global Case Law Analysis (Koan Advisory, January 2024).
[2]Sai Krishna & Associates and CoinDCX, *Crypto Report* (2025) https://www.saikrishnaassociates.com/wp-content/uploads/2025/08/Crypto-Report_COINDCX-SA.pdf accessed 6 July 2026.
[3]CoinDCX (accessed 6 July 2026).

legal practice. It reflects a continued commitment to producing rigorous, accessible, and policy-relevant scholarship.

We would like to place on record our sincere gratitude to Koan Advisory[4] for conceptualising and supporting this initiative, and to SaiKrishna & Associates[5] for their continued intellectual leadership in this space and thanking them for the previous version and this edition will be incomplete without the acknowledgement of their editions as it is building upon it. Their contributions have been instrumental in shaping this series into a meaningful resource for policymakers, practitioners, and researchers alike.

With the evolution of the Web3 ecosystem, the importance of tracking judicial thinking will only grow. I would like to express my sincere appreciation to Sanhita Chauriha from the Policy Team for her contribution to this report. It is our hope that this report contributes to a more informed, nuanced, and globally aware discourse on crypto regulation and legislations, one that recognises the central role of courts in bridging the gap between innovation and law.

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[4] Koan Advisory, *Foundation* https://www.koanadvisory.com/foundation/ accessed 6 July 2026.
[5] Sai Krishna & Associates, *Home* https://www.saikrishnaassociates.com/ accessed 6 July 2026.

Executive summary

The global jurisprudence on digital assets has entered a decisive new phase. While earlier judicial engagement with crypto assets was dominated by questions of classification whether crypto-assets constitute property, securities, or commodities; the period between 2025 - 2026 reflects a marked doctrinal shift. Courts across jurisdictions are not preoccupied with defining crypto; instead, they are increasingly focused on assigning responsibility.

This evolution signals the emergence of what may be termed the "liability era" of crypto jurisprudence. Across the United States[6], United Kingdom[7], Australia[8], New Zealand[9], Hong Kong[10], India[11], and other major jurisdictions, courts have begun consolidating principles around custodial responsibility, investor protection, fraud liability, and market conduct. Appellate affirmation of high-profile convictions, particularly in cases involving misuse of customer funds by centralized exchanges, has reinforced the position that digital asset platforms cannot rely on technological novelty to evade traditional legal standards. Crypto intermediaries are being treated, in substance, as financial actors subject to fiduciary and statutory obligations[12].

Simultaneously, a significant uptick in criminal enforcement actions including large-scale prosecutions, AML violations, and market manipulation cases demonstrates that regulatory agencies and courts are converging on a common principle: the underlying technology does not alter the applicability of core legal doctrines. Misrepresentation, and unlawful enrichment remain actionable irrespective of whether they occur on-chain or off-chain.

In parallel, civil litigation has expanded beyond exchanges and issuers to encompass promoters, influencers, and ecosystem participants, reflecting a broader understanding of distributed liability within the crypto economy. Class actions and investor claims increasingly invoke securities law analogues, consumer protection frameworks, and tort-based principles, even in the absence of bespoke crypto regulation.

Notably, courts have also shown restraint in certain areas. In jurisdictions such as the United Kingdom, while crypto-assets are now firmly recognised as property, courts have declined to extend traditional legal remedies without doctrinal justification. Instead, they are incrementally adapting

[6]U.S. Department of State (accessed 6 July 2026).
[7]Foreign, Commonwealth & Development Office (accessed 6 July 2026).
[8]Department of Foreign Affairs and Trade (accessed 6 July 2026).
[9]New Zealand Parliament, *New Zealand Parliament* https://www.parliament.nz/ accessed 6 July 2026.
[10]Hong Kong Special Administrative Region Government, *Hong Kong - the Facts* https://www.gov.hk/en/about/abouthk/facts.htm accessed 6 July 2026.
[11]Government of India, *India at a Glance* https://www.india.gov.in/explore-india/facts-of-india/india-at-a-glance accessed 6 July 2026.
[12]Sri Mulyani, Siti Mariyam and Le Ho Trung Hieu, 'Legal Construction of Crypto Assets as Objects of Fiduciary Collateral' (2023) *Law Reform* https://www.researchgate.net/publication/370299938_Legal_Construction_of_Crypto_Assets_as_Objects_of_Fiduciary_Collateral accessed 6 July 2026

equitable principles such as restitution and constructive trusts to address the unique characteristics of digital assets.

Another defining feature of this period is the growing judicial discomfort with regulatory ambiguity. Earlier decisions, particularly in the United States have already cautioned against "regulation by enforcement." The current phase builds on that foundation, with courts implicitly urging legislatures and regulators to establish clearer frameworks, even as they continue to adjudicate disputes within existing legal boundaries.

Taken together, these developments reveal a maturing legal ecosystem. The narrative is no longer about whether crypto fits within the law, but about how established legal principles are being applied, tested, and, in some instances, stretched to accommodate a rapidly evolving financial architecture.

This report captures this transition. It documents a world in which digital assets are no longer legally exceptional, but increasingly ordinary, subject to the same expectations of accountability, transparency, and legal consequence as traditional financial instruments.

The central insight seems clear in terms of the future of crypto litigation which will be defined by technological innovation and also by the courts' ability to anchor that innovation within enduring legal norms.

Introduction

A few years ago, when the first wave of crypto disputes began reaching courtrooms, judges were often confronted with a strangely basic question: *what exactly are we dealing with here?*

In one courtroom, Bitcoin was described as "a thing of value but not quite money."[13] In another, it was cautiously slotted into the category of property though with visible hesitation. Lawyers leaned heavily on analogies: gold, shares, commodities, sometimes even poker chips. None fit perfectly. The law, as it often does when faced with technological change, was trying to catch up by comparison.

Crypto & Courts documented the phase of classification. Courts across jurisdictions were, in effect, learning a new language. They asked whether crypto-assets could be owned, whether they could be stolen, whether they could be frozen, and whether existing doctrines could stretch far enough to contain them. The answers were uneven, but a pattern eventually emerged: crypto, whatever else it may be, is property. That recognition did not solve everything, but it settled something fundamental.

The period from 2025 onwards reads differently. The hesitation is less visible. The analogies are fewer. Courts are no longer asking what crypto is but they are asking what happens *because* of it. What happens when an exchange collapses and customer funds are missing? What happens when a token is marketed aggressively and then abandoned? What happens when code is used not just to transact, but to exploit?

In other words, the conversation has shifted from classification to consequence.

One way to understand this shift is to look at the kinds of disputes now coming before courts. Earlier cases often revolved around recognition: can this asset be protected? Today's cases revolve around responsibility: who is liable when that asset is misused, lost, or misrepresented? The fact patterns themselves tell the story. They are less about abstract definitions and more about very real losses: investors unable to access funds, platforms accused of quietly reallocating assets, founders facing criminal charges for what they insist were "innovative financial structures."

There is also a noticeable change in tone. Courts appear less inclined to treat crypto as an exceptional category requiring special indulgence. Instead, there is a quiet but firm insistence on continuity: fraud is still fraud, even if it is executed through smart contracts; custody still carries obligations, even if assets are held in wallets rather than bank accounts; markets still require fairness, even if they operate across decentralised networks.

At the same time, this is not a story of simple transplantation. The law is not being applied mechanically. Judges are aware often explicitly that digital assets behave differently. They move

[13] Susan Ross and Kathleen Scott, 'Florida State Criminal Court Judge Finds that Bitcoin Is Not "Money"' (Global Regulation Tomorrow, 30 July 2016) accessed 6 July 2026.

instantly, often anonymously, across jurisdictions. They can be controlled without physical possession. They can lose or gain value dramatically within hours. These features have forced courts to adapt at the edges: granting urgent injunctions to prevent dissipation, experimenting with methods of service, and, in some cases, rethinking how remedies should be structured.

But there are limits to this adaptability, and courts have been careful not to overstep them.

In several instances, like in Australia and the United Kingdom, courts recognizing crypto as property does not mean every traditional remedy automatically applies. Where doctrines such as conversion or trespass do not sit comfortably with intangible, decentralised assets, courts have resisted forcing a fit. Instead, they have turned to equitable principles of restitution, constructive trusts not because they are novel, but because they are flexible enough to accommodate novelty.

Running alongside these doctrinal developments is a more practical reality: enforcement has intensified.

High-profile prosecutions, regulatory actions, and investor lawsuits are no longer outliers; they are becoming the dominant mode through which crypto-related disputes are resolved. This has important consequences. It means that the evolution of crypto law is being shaped not only by carefully reasoned judicial opinions, but also by the hard edges of enforcement, criminal liability, financial penalties, and, increasingly, personal accountability for founders and executives.

Perhaps the most striking feature of this phase is what it says, implicitly, about the status of crypto itself.

There was a time when digital assets were treated as something external to the legal system, an experiment running parallel to it. That moment has passed. Crypto is now firmly within the law's field of vision. It is not being treated as an anomaly to be understood, but as an activity to be governed.

This does not mean that the law has fully caught up. Far from it. Gaps remain, particularly in areas of cross-border enforcement, regulatory coordination, and the treatment of decentralised systems with no clear controlling entity. Courts are often working with tools that were not designed for these problems. And yet, rather than waiting for perfect clarity, they are proceeding incrementally applying what exists, adapting where necessary, and deferring where appropriate.

This report captures this moment of transition. It is a moment in which the legal system has moved past the question of recognition and into the far more difficult terrain of accountability. The cases that follow are not unified by a single doctrine or outcome. What unites them is something subtler: a shared judicial instinct that innovation does not displace responsibility. Crypto has become the legal mainstream, carrying with it not just opportunity, but consequence.

Core Web3 Concepts

Blockchain as the base layer[14]

Blockchain is as a ledger, and also as a *consensus-driven record of state*. Every transaction updates the "state" of the system, and once validated, becomes extremely difficult to reverse. This technical finality sits uneasily with legal systems, which are built on the possibility of reversal whether through restitution, injunctions, or appellate review. Courts are therefore grappling with a structural mismatch: while the blockchain treats a transaction as final, the law may still consider it voidable (for fraud, coercion, or mistake). This raises deeper questions around evidentiary value i.e., are blockchain entries self-authenticating, or do they require external validation? Increasingly, litigation shows that blockchain records are treated as *strong but not conclusive* evidence, especially where off-chain facts are contested.

Decentralisation[15]

Decentralisation in Web3 operates across multiple layers i.e., network validation, governance, development, and economic control. A system may be decentralised in one sense (e.g., distributed validators) but highly concentrated in another (e.g., token ownership or developer control). This layered reality becomes critical in legal analysis. Courts are less interested in ideological claims of decentralisation and more in *who had the ability to influence outcomes*. This has led to a functional approach: if a small group can upgrade contracts, pause protocols, or significantly influence governance votes, they may still attract liability. The concept therefore evolves from "absence of central authority" to "diffusion of accountability," which is precisely what regulators are now trying to counterbalance.

Smart contracts[16]

Smart contracts execute deterministically; if X condition is met, Y outcome follows; without regard to context, fairness, or intent. This creates tension with traditional contract law, which is inherently interpretive. For instance, doctrines like mistake, misrepresentation, or unconscionability assume that agreements can be examined beyond their literal terms. In a smart contract, however, the "terms" are the code itself. Courts are increasingly being asked whether the code is the contract, or merely the *mechanism of performance*. The emerging view leans toward the latter i.e., code executes obligations,

[14] Author(s), 'Article Title' (2024) *Journal Name* https://www.sciencedirect.com/science/article/abs/pii/S0275531924004471 accessed 6 July 2026.
[15] OECD report: Making Decentralisation Work Organisation for Economic Co-operation and Development, *Making Decentralisation Work: A Handbook for Policy-Makers* (OECD Publishing 2019) https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/03/making-decentralisation-work_g1g9faa7/g2g9faa7-en.pdf accessed 6 July 2026.
[16] Author(s), 'Article Title' (2026) *Journal Name* https://www.sciencedirect.com/science/article/pii/S0164121226000221 accessed 6 July 2026.

but legal rights and liabilities may still be assessed independently. This distinction becomes critical in cases involving exploits, where one party argues that an action was "technically permitted" but legally wrongful.

Tokens

Tokens are not just digital assets; they are *containers of programmable rights*. A single token can simultaneously represent economic interest, governance power, and access rights, making classification inherently difficult. Legal systems, however, rely on categorisation of securities, commodities, payment instruments and each with its own regulatory consequences. This mismatch has led to fragmented jurisprudence, where courts often apply a *substance-over-form* approach, examining how the token is marketed, used, and understood by participants. The deeper issue is that tokens blur the line between *contractual rights and property rights*, forcing courts to reconsider foundational distinctions in financial and property law.

Decentralised Finance (DeFi)[17]

DeFi protocols replicate core financial functions that are lending, trading, derivatives but replace institutional intermediaries with smart contracts. This removes traditional gatekeepers like banks and brokers, who typically bear regulatory obligations such as KYC, risk management, and fiduciary duties. In their absence, risk is redistributed to users and encoded into the protocol itself. However, when failures occur whether due to hacks, design flaws, or market manipulation the absence of a clear intermediary complicates liability. Courts are now confronting a fundamental question: *can liability exist without a legally recognised intermediary?* Early approaches suggest a search for "control points," such as developers or governance participants, rather than accepting a complete liability vacuum.

Stablecoins[18]

Stablecoins sit at the intersection of public monetary systems and private digital infrastructure. Technically, they are designed to maintain price stability through reserves, algorithms, or hybrid mechanisms. Legally, however, they raise questions traditionally reserved for banking and payment systems, redeemability, reserve adequacy, and consumer protection. The core tension lies in whether stablecoin issuers are merely technology providers or de facto financial intermediaries. As stablecoins become embedded in payment flows and cross-border transfers, regulators and courts are increasingly treating them as systemically important, subjecting them to standards closer to those applied to banks or payment operators.

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[17] Patrick Schueffel, 'DeFi: Decentralized Finance – An Introduction and Overview' (2021) *Journal of Innovation Management* 9(3) I–XI https://www.researchgate.net/publication/357776852_DeFi_Decentralized_Finance_-_An_Introduction_and_Overview accessed 6 July 2026.

[18] What to Know About Stablecoins J.P. Morgan, 'What to Know About Stablecoins' (4 September 2025) https://www.jpmorgan.com/insights/global-research/currencies/stablecoins accessed 6 July 2026.

Standard-setting bodies have already begun sketching the contours of stablecoin regulation, but their approaches need tighter alignment. The Financial Stability Board[19] has emphasised that stablecoins must meet "same activity, same risk, same regulation",[20] calling for comprehensive frameworks addressing governance, redemption rights, and cross-border risks, particularly for global stablecoin arrangements. The Bank for International Settlements[21], along with the Committee on Payments and Market Infrastructures[22], has pushed for payment-system integrity, arguing that stablecoins used for payments must ensure settlement finality, robust reserve backing, and interoperability with existing financial infrastructure. The International Organization of Securities Commissions[23] has focused on market conduct and investor protection, highlighting disclosure standards, governance failures, and risks where stablecoins resemble securities or collective investment schemes. Meanwhile, the Basel Committee on Banking Supervision[24] has taken a prudential lens, prescribing capital treatment and exposure limits for banks dealing with stablecoins, especially differentiating between well-backed and high-risk variants. Finally, the Financial Action Task Force[25] continues to stress AML/CFT compliance and the "travel rule"[26], ensuring that stablecoin transactions do not create regulatory blind spots. Taken together, these bodies are converging on a common baseline reserve transparency, redemption certainty, operational resilience, and cross-border coordination but fragmentation persists in how these principles are implemented, making harmonisation the next critical step.

Wallets and Self-Custody[27]

In Web3, control over assets is determined by possession of private keys, not by entries in a central registry. This creates a unique legal dynamic where *control and ownership may diverge*. For example, assets held on custodial platforms may legally belong to users but be controlled by the platform, raising questions in insolvency scenarios. Conversely, in self-custody, users have full control but no recourse if keys are lost. Courts are therefore being pushed to reinterpret traditional doctrines of custody, bailment, and trust in a cryptographic context, often without clear legislative guidance.

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[19]Financial Stability Board, *Financial Stability Board* https://www.fsb.org/ accessed 6 July 2026.
[20]Financial Stability Board, 'FSB Finalises Global Regulatory Framework for Crypto-Asset Activities' (17 July 2023) https://www.fsb.org/2023/07/fsb-finalises-global-regulatory-framework-for-crypto-asset-activities/ accessed 6 July 2026.
[21]Bank for International Settlements, 'Committee on Payments and Market Infrastructures – Overview' https://www.bis.org/cpmi/about/overview.htm accessed 6 July 2026.
[22]Bank for International Settlements, 'Committee on Payments and Market Infrastructures – Overview' https://www.bis.org/cpmi/about/overview.htm accessed 6 July 2026.
[23]International Organization of Securities Commissions, *International Organization of Securities Commissions* https://www.iosco.org/ accessed 6 July 2026.
[24] https://www.bis.org/bcbs/index.htm
[25]Bank for International Settlements, 'Basel Committee on Banking Supervision' https://www.bis.org/bcbs/index.htm accessed 6 July 2026.
[26]Financial Action Task Force, *Financial Action Task Force* https://www.fatf-gafi.org/en/home.html accessed 6 July 2026.
[27]Telco, 'What Are Self-Custody (Non-Custodial) Wallets?' https://www.telco.in/en/support-center/cryptocurrency-basics/what-are-self-custody-non-custodial-wallets accessed 6 July 2026.

DAOs[28]

DAOs enable decentralised governance through token-based voting and on-chain execution of decisions. However, they often lack formal legal personality, existing instead as fluid, borderless collectives. This creates significant challenges in litigation who can sue or be sued, how liability is apportioned, and how judgments can be enforced. Courts have begun experimenting with analogies to partnerships or unincorporated associations, but these frameworks only partially capture the nature of DAOs. The deeper issue is that DAOs separate *decision-making power from legal responsibility*, a gap that legal systems are still struggling to reconcile.

Oracles[29]

Blockchains are inherently closed systems as they cannot access external data without intermediaries. Oracles serve this function by feeding real-world information into smart contracts. While technically necessary, this introduces a critical point of trust in an otherwise trust-minimised system. If oracle data is incorrect or manipulated, the resulting on-chain actions may still execute flawlessly just based on faulty inputs. Legally, this shifts focus to questions of reliance and standard of care: can oracle providers be held liable, and what constitutes negligence in this context? The issue highlights that Web3 does not eliminate trust, but rather *reconfigures where trust is placed.*

Interoperability and cross-chain systems[30]

As multiple blockchains evolve, interoperability solutions such as bridges enable assets and data to move across networks. While this expands functionality, it also multiplies risk. A single cross-chain transaction may involve multiple protocols, validators, and security assumptions. When disputes arise, courts face a fragmented landscape where responsibility is distributed and often opaque. Tracing assets across chains, identifying liable parties, and asserting jurisdiction become significantly more complex, pushing legal systems toward more technologically informed approaches to adjudication.

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[28] Law Commission of England and Wales, *Decentralised Autonomous Organisations: Scoping Paper* (11 July 2024) https://cdn.websitebuilder.service.justice.gov.uk/uploads/sites/54/2026/01/Decentralised-autonomous-organisations-scoping-paper.pdf accessed 6 July 2026.
[29] Chainlink Labs, 'What Are Blockchain Oracles?' https://chain.link/education/blockchain-oracles accessed 6 July 2026
[30] Author(s), 'Article Title' (2025) *Journal Name* https://www.sciencedirect.com/science/article/pii/S1546221825009257 accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2

Cases studied in Volume 1 & Volume 2[31]				
Case	**Facts**	**Legal question**	**What was heald**	**Why this matters**
Crypto Assets as Property (Core Jurisprudential Foundation)				
AA v Persons Unknown (UK, 2019)[32]	Ransomware attack; insurer traced Bitcoin payments to exchange wallets and sought injunction to recover assets	Can Bitcoin be treated as "property"?	Crypto satisfies Ainsworth test i.e., definable, identifiable, transferable, stable	First *modern common law anchor*: crypto is not mere data that unlocks injunctions, recovery, proprietary remedies
Ruscoe v Cryptopia (NZ, 2020)[33]	Exchange hack then liquidation and there was dispute whether crypto belongs to users or company	Is crypto property? Is it held on trust?	Crypto was held in property and held on trust for users	Defines custodial liability model for exchanges as trustees and crucial for insolvency regimes
Australian Securities and Investments Commission v NGS Crypto Pty Ltd (No 3) [2024] FCA 822(Australia, 2024)[34]	Unlicensed crypto investment scheme; freezing orders issued on crypto holdings	Whether crypto qualifies as "property" for enforcement	Crypto is intangible property under statute	Enables regulatory enforcement tools (freezing, receivership) in crypto
In Re Blockchain Tech Pty Ltd	Dispute over misappropriated	Whether Bitcoin satisfies common	Meets all 4 Ainsworth	Confirms global convergence on

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[31] *Select cases from 2 editions of reports previously written in similar grounds*
[32]Steven Baker, Jenna Rennie and Gwen Wackwitz, 'Recovering the Ransom: High Court Confirms Bitcoin Status as Property' (White & Case, 10 February 2020) https://www.whitecase.com/insight-alert/recovering-ransom-high-court-confirms-bitcoin-status-property accessed 6 July 2026.
[33]*Ruscoe v Cryptopia Ltd (in liq)* [2020] NZHC 728.
[34]*Cases* [2024] FCA 822 https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2024/2024fca0822 accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
(Australia, 2024)[35]	Bitcoin under trust/bailment structure	law property test	criteria; trust obligations apply	property classification
Gate MENA DMCC & Huobi MENA FZE v Tabarak Investment Capital Limited & Christian Thurner [2020] DIFC TCD 001[36]	Theft of 300 BTC due to escrow negligence	Whether Bitcoin is property; liability of custodians	Bitcoin recognised as property; fiduciary duties highlighted	Introduces custodian liability and security standards gap
Janesh v Unknown Person (Singapore, 2022)[37]	NFT used as collateral; dispute over foreclosure	Whether NFTs are property	NFTs satisfy Ainsworth test	Extends property doctrine and non-fungible assets included
ByBit Fintech Ltd v Ho Kai Xin and others [2023] SGHC 199 (ByBit case)[38]	Employee diverted USDT funds to personal wallets	Can stablecoins be held in trust?	Crypto is a thing in action; property and trust capable	Moves beyond UK: crypto fits traditional property categories
Australian AFP v Bigatton / Chen v Blockchain Global (Australia)[39]	Earlier assumed crypto as property in enforcement contexts	Implicit classification	Courts treated crypto as property	Shows judicial pragmatism before doctrinal clarity
Securities Law & Classification				

[35] *Re Blockchain Tech Pty Ltd* [2024] VSC 690 https://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/vic/VSC/2024/690.html accessed 6 July 2026.

[36] *Gate Mena DMCC (formerly Huobi OTC DMCC) and Huobi Mena FZE v Tabarak Investment Capital Ltd and Christian Thurner* [2020] DIFC TCD 001 https://www.difccourts.ae/rules-decisions/judgments-orders/technology-and-construction-division/1-gate-mena-dmcc-2-huobi-mena-fze-v-1-tabarak-investment-capitallimited-2-christian-thurner-2020-difc-tcd-001 accessed 6 July 2026.

[37] *Janesh s/o Rajkumar v Unknown Person ("CHEFPIERRE")* [2022] SGHC 264.

[38] *ByBit Fintech Ltd v Ho Kai Xin and others* [2023] SGHC 199 [35] https://www.elitigation.sg/gd/s/2023_SGHC_199 accessed 6 July 2026.

[39] Justice Michael Jackman, 'Is Cryptocurrency Property?' (Speech, Commercial Law Association, 21 June 2024) https://www.fedcourt.gov.au/__data/assets/rtf_file/0006/118914/Jackman-J-20240621.rtf accessed 6 July 2026

Cases studied in Volume 1 & Volume 2[31]				
EC v. Ripple Labs, 20 Civ. 10832 (AT)(SN) (SEC v. Ripple)[40]	XRP sales challenged as securities	Is XRP an "investment contract"?	Retail sales are not securities; institutional sales are securities	Introduces context-based classification (same asset is not same treatment)
SEC v. Terraform Labs. Pte. Ltd., 23-cv-1346 (JSR) (S.D.N.Y.) (SEC v. Terraform)[41]	Collapse of TerraUSD stablecoin; fraud allegations	Are algorithmic stablecoins securities?	Ongoing; Howey test central	Shows limits of legacy securities law
Wells Notice to Paxos (BUSD)[42]	SEC alleges BUSD is unregistered security	Stablecoin classification	Dispute unresolved	Regulatory uncertainty i.e., stablecoins sit between payment & security
Commodity Futures Trading Commission v. Blockratize, Inc. d/b/a Polymarket[43]	Unregistered prediction markets in DeFi	Commodity derivatives regulation	Enforcement action taken	Shows DeFi is outside regulatory perimeter
Uniswap Labs scrutiny (SEC)[44]	Investigation into decentralised exchange	Applicability of securities law to protocols	Ongoing	Raises protocol vs intermediary distinction
NFTs & Procedural Innovation				
Osbourne v Persons Unknown (UK, 2023)[45]	NFTs stolen; claimant sought injunction	Can NFTs be property? Can service happen via	NFTs are equivalent to property; service	Courts adapting procedural law to Web3 realities

[40]Justice Michael Jackman, 'Is Cryptocurrency Property?' (Speech, Commercial Law Association, 21 June 2024) https://www.fedcourt.gov.au/__data/assets/rtf_file/0006/118914/Jackman-J-20240621.rtf accessed 6 July 2026
[41]Sam Reynolds, 'SEC Asks Court for Summary Judgement Against Do Kwon, Terraform' (CoinDesk, 3 November 2023) accessed 6 July 2026.
[42]Nelson Wang, 'Paxos "Categorically Disagrees" With SEC That BUSD Is a Security, Says It Will Litigate if Needed' (CoinDesk, 13 February 2023) accessed 6 July 2026.
[43]Commodity Futures Trading Commission, 'CFTC Orders Event-Based Binary Options Markets Operator to Pay $1.4 Million Penalty' (Press Release No 8478-22, 3 January 2022) https://www.cftc.gov/PressRoom/PressReleases/8478-22 accessed 6 July 2026.
[44]Uniswap Labs, 'A Win for DeFi - SEC Closes Investigation into Uniswap Labs' (25 February 2025) https://blog.uniswap.org/a-win-for-defi accessed 6 July 2026.
[45]*Cases* Court Citation https://www.casemine.com/judgement/uk/6494a474744f894966d0167a accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
		blockchain?	via NFT allowed	
AA v Persons Unknown (extension logic)[46]	Injunctions against unknown persons	Jurisdiction & enforcement	Allowed proprietary injunctions	Enables anonymous defendant litigation in crypto
Governance Protocols				
Mt. Gox Bankruptcy (Japan, 2014)[47]	Largest Bitcoin exchange collapse after hack	Exchange liability; user recovery	Long insolvency proceedings	Triggered global exchange regulation frameworks
United States of America v. Binance Holdings Limited (CR23- 178 RAJ) (USA v. Binance, 2023)[48]	Allegations of regulatory evasion & unregistered offerings	Compliance, AML, securities violations	Ongoing enforcement	Shows extraterritorial enforcement trend
United States v. Bankman-Fried, 22-cr-0673 (LAK) (S.D.N.Y.) (FTX case, 2023)[49]	Fraud, misuse of customer funds	Corporate governance failure	Criminal liability established	Reinforces segregation, governance, audit necessity
Re Gatecoin Limited [2023] HKCFI 91, (Gatecoin case)[50]	Exchange insolvency	Asset classification & recovery	Crypto treated within insolvency framework	Builds Asian jurisprudence on insolvency + crypto
Financial Stability Layer				

[46] Staff report, "UKJT Legal Statement on Cryptoassets and Smart Contracts aims to give market confidence that England & Wales is a crypto-friendly jurisdiction," Herbert Smith Freehills, December 16, 2019, Available at: https://hsfnotes.com/tmt/2019/12/16/ukjt-legal-statement-on-cryptoassets-and-smart-contracts-aims-to-give-market-confidencethat-england-wales-is-a-crypto-friendly-jurisdiction/.

[47] Robert McMillan, "The Inside Story of Mt. Gox, Bitcoin's $460 Million Disaster", WIRED, March 3, 2014, Available at: https://www.wired.com/2014/03/bitcoin-exchange/.

[48] SEC v. Binance Holdings Limited, Bam Trading Services Inc., Bam Management Us Holdings Inc., And Changpeng Zhao, Civil Action No. 1:23-cv-01599, Available at: https://www.sec.gov/files/litigation/complaints/2023/comp-pr2023-101.pdf

[49] Sage D. Young, Bradley Keoun, "The Epic Collapse of Sam Bankman-Fried's FTX Exchange: A Crypto Markets Timeline," CoinDesk, November 12, 2022, Available at: https://www.coindesk.com/markets/2022/11/12/the-epic-collapse-of-sam-bankmanfrieds-ftx-exchange-a-crypto-markets-timeline/.

[50]Jocelyn Chi and Anson Li, 'Hong Kong Court's Landmark Decision on the Treatment of Cryptocurrency as Trust or Company's Assets' (Kroll, 1 June 2023) accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
Director of Public Prosecutions v Briedis & Anor [2021] EWHC 3155 (Admin)[51]	The DPP applied for a Property Freezing Order under POCA against assets, including cryptocurrency, suspected to be the proceeds of unlawful conduct.	Can cryptocurrencies be included in a civil recovery Property Freezing Order under the statutory definition of property in POCA.	The court held that cryptocurrencies fall within POCA's broad definition of property as "things in action and other intangible or incorporeal property".	It confirms the flexibility and robustness of asset recovery frameworks to swiftly freeze easily transferable digital assets during civil recovery proceedings.
Dubai Court Case ; Labour Case No. 1739 of 2024[52]	An employee sued for unpaid wages, including salary denominated in EcoWatt tokens. The employer argued crypto payments were not legally binding under UAE law.	Can cryptocurrency be treated as a valid and enforceable form of wage payment? Is an employer bound to pay in crypto if contractually agreed?	The Court upheld the employment contract and ordered payment in EcoWatt tokens. It affirmed that agreed crypto payments are enforceable without conversion to fiat.	It legitimises crypto as a medium of payment in contractual relationships. Signals a strong pro-innovation stance and boosts confidence in crypto adoption.
SEC v. Terraform Labs. Pte. Ltd., 23-cv-1346 (JSR) (S.D.N.Y.) (SEC v. Terraform)[53]	Algorithmic stablecoin failure wiped billions	Stability mechanisms	Litigation ongoing	Highlights systemic risk of algorithmic models

[51] *Cases* Court Citation https://www.casemine.com/judgement/uk/619e85cab50db90aca77869a accessed 6 July 2026.
[52] Mike Millard, 'Dubai Court Recognises Crypto Salaries in Landmark Decision' (DL News, 17 August 2024) accessed 6 July 2026.
[53] Sam Reynolds, 'SEC Asks Court for Summary Judgement Against Do Kwon, Terraform' (CoinDesk, 3 November 2023) https://www.coindesk.com/policy/2023/11/03/sec-asks-court-for-summary-judgement-against-do-kwon-terraform/ accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
Paxos – BUSD[54]	Regulatory scrutiny over collateral backing	Investor protection	Issuance halted	Push toward reserve-backed transparency norms
Standard Bank of South Africa v South African Reserve Bank and Others [2025][55]	The SARB forfeited funds from a liquidated company's accounts for allegedly violating exchange control laws by exporting capital via Bitcoin.	Does cryptocurrency fall within the statutory definitions of "capital," "money," or "currency" under the Exchange Control Regulations of 1961.	The Pretoria High Court ruled that cryptocurrency does not fit these statutory definitions and set aside the forfeiture orders.	It reinforces that penal regulatory provisions must be interpreted narrowly, placing the onus on the legislature rather than courts to amend outdated laws for digital assets.
AML Enforcement and Bank Secrecy Act Violations by Global Crypto Platforms				
Regulatory Scrutiny of OKX (2023–2025)[56]	Major offshore crypto exchange OKX faced intense regulatory scrutiny for serving U.S. customers without registering or utilizing robust AML protocols.	What are the operational implications for global platforms facing mounting, un-adjudicated U.S. regulatory compliance pressures?	No formal federal BSA fines were levied, but the platform voluntarily exited the U.S. market, while its affiliate paid a $1.2 million state fine.	It proves that the threat of enforcement post-Binance is powerful enough to drive voluntary market exits, though exiting does not completely clear past liabilities.

[54]Nelson Wang, 'Paxos "Categorically Disagrees" With SEC That BUSD Is a Security, Says It Will Litigate if Needed' (CoinDesk, 13 February 2023) https://www.coindesk.com/policy/2023/02/13/paxos-categorically-disagrees-with-sec-that-busd-is-a-security-says-it-will-litigate-if-needed/ accessed 6 July 2026.
[55]*Standard Bank of South Africa Ltd v South African Reserve Bank and Others* (047643/2023) [2025] ZAGPPHC 481 https://www.saflii.org/za/cases/ZAGPPHC/2025/481.html accessed 6 July 2026.
[56]Merkle Science, 'What the OKX Sanctions Mean for Crypto Compliance in 2025' (17 March 2025) https://www.merklescience.com/blog/what-the-okx-sanctions-mean-for-crypto-compliance-in-2025 accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
United States v. BitMEX (2020–2024)	Offshore crypto exchange BitMEX was charged by U.S. regulators for willfully offering derivatives trading to U.S. users without an AML/KYC program.	Does the Bank Secrecy Act apply extraterritorially to offshore digital asset platforms that serve U.S.-based customers.	BitMEX settled for $100 million in civil penalties, and its founders later pleaded guilty to criminal violations of the Bank Secrecy Act.	It proved that corporate location does not insulate offshore platforms from U.S. AML compliance and that executives can face personal criminal liability for systemic failures.
New York v. KuCoin; United States v. KuCoin (2023-2025)[57]	KuCoin was sued by state and federal authorities for operating an unregistered crypto exchange and failing to maintain proper AML controls.	Can state-level securities violations escalate into federal criminal Bank Secrecy Act indictments for failing to register as a money transmitter	KuCoin settled with New York State for $22 million and subsequently pleaded guilty to federal charges, incurring a massive $297 million penalty	The case illustrates growing state and federal coordination in crypto enforcement, using massive financial penalties as deterrents against non-compliance.
Liability, DAOs & Decentralisation				
Mantra DAO Inc. and Another v. John Patrick Mullin and Others HCA 749/2022 [2024] HKCFI 209924[58]	The founders of Mantra DAO sued its managers for ceasing reports and withdrawing crypto assets without authorization, while defendants claimed token-holder governance	Should the court grant an interim Accounts Disclosure Order to traditional corporate founders when project governance is technically token-based.	The court granted the disclosure order, balancing financial transparency for the plaintiffs with confidentiality safeguards for the defendants.	It highlights the ongoing legal tension between token-based decentralized governance models and traditional corporate ownership frameworks during asset disputes.

[57] Economic Laws Practice, 'New York v KuCoin: Enforcement Action Highlights AML Failures in Crypto Markets' (Lexology, 2023) https://www.lexology.com/library/detail.aspx?g=990662ff-78e8-43fb-b0f2-eccb28bcaedf accessed 6 July 2026.
[58] *Mantra DAO Inc and another v John Patrick Mullin and others* [2024] HKCFI 2099 https://legalref.judiciary.hk/lrs/common/ju/loadPdf.jsp?url=https://legalref.judiciary.hk/doc/judg/word/vetted/other/en/2022/HCA000749_2022.doc&mobile=N accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
	dictated the actions.			
Risley v. Universal Navigation Inc., 22 Civ. 2780 (KPF) (S.D.N.Y.) (Uniswap case)[59]	Decentralised protocols under regulatory lens	Who is liable?	Unresolved	Core tension: code vs control vs responsibility
Fantom Foundation Ltd v Multichain Foundation Ltd [2024] SGHC 17325[60]	Fantom sued Multichain after a security breach on a cross-chain bridge resulted in a $127 million loss due to centralized key management.	Is a bridge operator liable for breach of contract when it fails to maintain promised decentralized security structures, and how volatile crypto should be valued.	The court granted a default judgment against Multichain, assessing cryptocurrency damages conservatively using the asset valuation on the exact date of the breach.	It sets a precedent for contractual liability when platforms misrepresent operational decentralization, while offering a baseline methodology for judicial crypto valuation.
United States v. Keonne Rodriguez and William Lonergan Hill (Southern District of New York) (Samourai Wallet)[61]	The co-founders of Samourai Wallet were indicted for operating a crypto-mixing service that allegedly laundered over $100 million in criminal proc	Can developers of privacy-focused software be held criminally liable for money laundering and operating an unlicensed money-transmitting business.	The criminal indictment remains pending, with prosecutors targeting the founders' intentional marketing of the tool to dark web actors and evasion of BSA rules.	It signals strict regulatory scrutiny on privacy tools, indicating that developers face severe liability if they knowingly build or promote features to evade AML/KYC laws.

[59] *Risley v Universal Navigation Inc* 22 Civ. 2780 (KPF) (SDNY, 29 August 2023) https://law.justia.com/cases/federal/districtcourts/new-york/nysdce/1:2022cv02780/577791/90/ accessed 6 July 2026.
[60] [2024] SGHC 173 https://www.elitigation.sg/gd/s/2024_SGHC_173 accessed 6 July 2026.
[61] United States Department of Justice, 'Founders and CEO of Cryptocurrency Mixing Service Arrested and Charged with Money Laundering and Unlicensed Money Transmitting Offenses' (24 April 2024) https://www.justice.gov/usao-sdny/pr/founders-and-ceo-cryptocurrency-mixing-service-arrested-and-charged-money-laundering accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
Wyoming DAO recognition[62]	DAOs recognised as LLCs	Legal personality	Partial recognition	Early attempt to fit DAOs into corporate law
Arbitration of Crypto Disputes				
Williams et al. v. Binance et al. ([2024] Second Circuit Court of Appeals)[63]	Investors filed a class-action lawsuit accusing Binance of selling unregistered security tokens to raise capital in violation of U.S. laws.	Do transactions on a global crypto platform constitute "domestic transactions" under the Morrison framework if trade matching occurs in the U.S.-based servers.	The Second Circuit reversed the dismissal, finding that placing irrevocable orders from the U.S. satisfied the "irrevocable liability" test for domestic application.	It sets a powerful precedent that global, hybrid, or decentralized exchanges may be subjected to U.S. securities laws based on the physical location of their infrastructure and users.
Christopher Lochan and Jeremy Leeder v. Binance Holdings Limited et al. 2024 ONCA 784[64]	Canadian investors launched a class action against Binance for selling unregistered derivatives, while Binance moved to stay the suit via its mandatory Hong Kong arbitration clause.	Is an arbitration clause buried in a clickwrap contract enforceable if it imposes prohibitive costs and unilateral changes on retail investors.	The Ontario Court of Appeal held the arbitration clause void because it was unconscionable, contrary to public policy, and insulated Binance from local accountability.	It carves out an exception to the Competence-Competence principle, preventing global crypto platforms from using unfair arbitration clauses to immunize themselves against local consumer laws.
Coinbase, Inc. v.	Users sued	When two	The U.S.	It establishes that

[62] Counsel for Creators LLP, 'Wyoming DAOs as LLCs' (25 May 2022) https://counselforcreators.com/log/wyoming-daos/ accessed 6 July 2026.
[63] *Williams v Binance* No 22-972 (2d Cir, 8 March 2024) https://law.justia.com/cases/federal/appellate-courts/ca2/22-972/22-972-2024-03-08.html accessed 6 July 2026.
[64] *Christopher Lochan and Jeremy Leeder v Binance Holdings Limited, Binance Canada Capital Markets Inc and Binance Canada Holdings Ltd* 2024 ONCA 784 (Ontario Court of Appeal) https://jusmundi.com/en/document/decision/en-christopher-lochan-and-jeremy-leeder-v-binance-holdings-limited-binance-canada-capital-markets-inc-and-binance-canada-holdings-ltd-reasons-for-decision-of-ontario-court-of-appeal-2024-onca-784-monday-28th-october-2024 accessed 6 July 2026.

Cases studied in Volume 1 & Volume 2[31]				
Suski et al.[65]	Coinbase over a sweepstakes event whose official rules mandated court litigation, conflicting with Coinbase's general user agreement containing an arbitration clause.	contracts contain conflicting dispute resolution terms, should a court or an arbitrator decide which contract takes supremacy.	Supreme Court held that a court, not an arbitrator, must determine which agreement governs when multiple contracts conflict.	arbitration clauses and delegation provisions do not automatically override subsequent agreements, reinforcing that arbitration remains strictly a matter of mutual contractual consent.

[65] *Erlinger v United States* 23–370 (Supreme Court of the United States, 21 June 2024) https://www.supremecourt.gov/opinions/23pdf/23-3_879d.pdf accessed 6 July 2026.

Case 1

Coinbase, Inc. v. Securities and Exchange Commission[66]

Brief facts of the case

The dispute arose when Coinbase, one of the largest crypto exchanges in the United States, petitioned the Securities and Exchange Commission (SEC) to initiate formal rulemaking tailored specifically to the digital asset industry. Coinbase argued that the absence of clear regulatory guidance created significant compliance uncertainty, particularly regarding whether and how existing securities laws apply to crypto assets and trading platforms.

Despite repeated petitions and industry engagement, the SEC declined to undertake bespoke rulemaking, maintaining that existing securities laws were sufficient to regulate crypto markets. Coinbase challenged this refusal under the Administrative Procedure Act (APA), contending that the SEC's denial was arbitrary, capricious, and lacked reasoned explanation.

The matter was brought before the United States Court of Appeals for the Third Circuit, which was tasked with determining whether the SEC's refusal to engage in rulemaking met the standards of administrative law.

Analysis

1. Administrative law & crypto regulation

At the heart of the case lies a fundamental administrative law question: *Can a regulator simply refuse to clarify the law in a rapidly evolving sector?* The Third Circuit emphasized that while agencies retain discretion in deciding whether to initiate rulemaking, such discretion is not absolute. Under the APA, agencies must provide a reasoned explanation for their decisions, particularly where:

- There is significant industry reliance on regulatory clarity
- The issue involves novel and complex technological developments
- The agency has previously engaged with the subject matter

The Court found that the SEC's blanket refusal failed to meet this standard.

2. "Arbitrary and Capricious" standard applied
The Court held that the SEC's response was arbitrary and capricious, highlighting three key deficiencies:

- Lack of reasoned explanation: the SEC did not adequately justify why existing securities laws were sufficient despite evident ambiguity in their application to crypto assets.

[66] Hodder Law, 'The Coinbase v SEC Ruling: A Step Toward Regulatory Clarity for Crypto' (21 January 2025) https://hodder.law/the-coinbase-v-sec-ruling-a-step-toward-regulatory-clarity-for-crypto/ accessed 6 July 2026.

- Failure to engage with industry concerns: Coinbase's petition raised detailed, substantive issues regarding classification, custody, and trading of digital assets, which the SEC did not meaningfully address.
- Inconsistency in regulatory approach: the Court noted the disconnect between the SEC's active enforcement actions in the crypto space and its unwillingness to clarify the regulatory framework through rulemaking.

3. Remand and regulatory accountability
Rather than compelling the SEC to draft new rules, the Court issued a remand, directing the agency to:

- Reconsider Coinbase's petition
- Provide a more comprehensive and reasoned explanation for its position

This reflects judicial restraint and respecting agency expertise while ensuring procedural accountability.

<u>Key takeaways</u>

(a) Limits on regulatory discretion - this reinforces that regulators cannot evade rulemaking responsibilities indefinitely, especially in emerging sectors like crypto. Administrative discretion must be exercised transparently and rationally.

(b) Judicial check on "regulation by enforcement" - the ruling implicitly critiques the SEC's reliance on enforcement actions without parallel regulatory clarity, signalling that courts may intervene where such approaches create legal uncertainty.

(c) Recognition of crypto-specific complexity - by acknowledging the need for "customized" or "bespoke" rulemaking, the Court recognises that traditional financial regulations may not seamlessly apply to decentralized and blockchain-based systems.

(d) Strengthening industry participation in rulemaking - the decision empowers industry actors to seek judicial review where regulatory inaction hampers compliance, thereby reinforcing participatory governance in administrative law.

(e) Global regulatory implications - this case sets a persuasive precedent beyond the U.S., particularly for jurisdictions like India, where regulators are still grappling with classification and oversight of crypto assets. It underscores the importance of proactive, principle-based rulemaking over reactive enforcement.

<u>Why this case matters</u>

Unlike cases that classify crypto assets as property or securities, *Coinbase v. SEC* operates at a deeper structural level; it questions how regulation itself should evolve in response to technological disruption. In doing so, it shifts the conversation from *"What is crypto?"* to *"How should regulators govern crypto?"* a far more consequential inquiry for the future of global digital asset markets.

Case-2

BSV Claims Limited v. Bittylicious Limited and Others[67]

Brief facts of the case

The case emerges from an ambitious £9 billion class action brought by BSV Claims Ltd against a group of major crypto exchanges, including Binance, following the coordinated delisting of Bitcoin Satoshi Vision (BSV) in 2019. The delisting, triggered by reputational and governance concerns surrounding the asset, led to a sharp and sustained decline in its market value.

The claimants framed their loss not merely in terms of immediate price impact, but as a deeper structural injury to the asset's long-term trajectory. They argued that the exchanges' actions deprived investors of the opportunity to realise future gains which they termed "foregone growth" on the premise that BSV would have continued appreciating but for its removal from key trading platforms.

The exchanges resisted this framing, pointing to the inherently volatile and liquid nature of crypto markets, and emphasizing that investors were neither locked into their positions nor prevented from mitigating losses once the delisting became public knowledge.

Analysis

The Court approached the dispute not as a novel crypto-specific problem, but through the lens of orthodox principles of damages and market behaviour effectively asking whether digital assets warrant any departure from traditional financial reasoning.

At the threshold, the Court rejected the attempt to characterise BSV as a unique or irreplaceable asset. Instead, it situated cryptos firmly within the category of freely tradeable, fungible market commodities, where value is continuously shaped by market participation rather than inherent uniqueness. This framing proved decisive: once crypto was treated as a liquid market instrument, the obligations of investors followed accordingly.

Building on this, the Court applied 'the market mitigation rule', a long-standing doctrine requiring claimants to take reasonable steps to limit losses where an active market exists. Here, the delisting announcements were neither sudden nor opaque; they were widely reported and immediately

[67] *BSV Claims Limited v Bittylicious Limited and others* [2025] EWCA Civ 661 (Court of Appeal, 21 May 2025) https://www.judiciary.uk/wp-content/uploads/2025/05/BSV-Claims-v-Bittylicious-and-others.pdf accessed 6 July 2026.

reflected in market conditions. Investors, the Court noted, had both the knowledge and the means to exit positions, rebalance portfolios, or shift into alternative crypto-assets.

What the claimants effectively sought, however, was the ability to remain passive in the face of declining value and later recover hypothetical gains that might have materialised in a counterfactual world. This, the Court was unwilling to accept. It drew a sharp line between actual loss and speculative expectation, holding that damages cannot be anchored in imagined future appreciation particularly in markets as volatile and sentiment-driven as crypto.

In doing so, the Court implicitly reinforced a broader principle: participation in digital asset markets carries with it an expectation of active risk management, not retrospective insulation from market outcomes. To allow otherwise would not only distort established damages doctrine but also open the floodgates to expansive, hindsight-driven litigation against market intermediaries.

It was held that, *The Court substantially curtailed the claim, holding that losses based on speculative "foregone growth" were not recoverable, particularly where claimants failed to take reasonable steps to mitigate losses in a liquid and transparent market.*

Key takeaways

(a) Crypto-assets are judicially positioned as fungible, market-driven commodities, not unique assets warranting exceptional treatment.

(b) The duty to mitigate applies with full force in digital asset markets, especially where liquidity enables exit.

(c) Claims based on hypothetical future gains are legally unsustainable, particularly in volatile asset classes.

(d) The ruling acts as a structural check on large-scale speculative litigation against exchanges.

(e) Courts are signalling a clear preference for continuity with traditional financial law, rather than carving out crypto-specific exceptions.

Why this case matters

What makes this decision particularly significant is that it quietly resolves a question that sits beneath many crypto disputes: *are digital assets exceptional, or should they be treated like any other traded instrument?* By firmly placing cryptos within the framework of traditional market commodities, the Court shuts the door on a growing trend of expansive, hindsight-driven claims that attempt to socialise market risk. In doing so, it not only protects exchanges from disproportionate liability arising out of listing decisions, but also reinforces a discipline that is foundational to financial markets that investors bear the consequences of both action and inaction. For jurisdictions still grappling with how to regulate crypto, the judgment offers an insight i.e., the future of digital asset law is likely to evolve through adaptation of existing principles, not the creation of entirely new ones.

Case 3

Ping Fai Yuen v. Fun Yung Li[68]

Brief facts of the case

The dispute arose in the aftermath of the United Kingdom's enactment of the Property (Digital Assets etc.) Act 2025, a landmark statute that formally recognised digital assets, including Bitcoin, as a distinct category of personal property. Against this evolving legal backdrop, the claimant alleged wrongful interference with his Bitcoin holdings, asserting that the defendant had exercised unauthorised control over the assets.

Seeking relief, the claimant turned not to novel statutory remedies, but to traditional common law torts, specifically conversion and trespass to goods, causes of action historically designed to protect possessory interests in tangible property. The claim thus squarely presented a foundational legal tension: whether recognition of digital assets as "property" automatically imports the full suite of remedies traditionally available for physical goods.

The defendant resisted this framing, arguing that while Bitcoin may now be recognised as property, its intangible, decentralised, and non-possessory nature renders it fundamentally incompatible with torts premised on physical control and interference.

Analysis

The Court approached the issue with notable caution, resisting the temptation to equate statutory recognition of digital assets with wholesale doctrinal transplantation. Instead, it treated the case as an exercise in boundary-setting defining not just what digital assets are, but what legal consequences flow from that classification.

The Court acknowledged that Bitcoin now falls squarely within the category of personal property under the 2025 Act. This marked an important shift from earlier doctrinal uncertainty, affirming that crypto-assets are capable of ownership, transfer, and legal protection. However, the Court was equally clear that recognition as property does not operate as a legal shortcut, automatically extending all traditional remedies to a fundamentally different class of assets.

Turning to the tort of conversion, the Court revisited its conceptual foundations. Conversion, it noted, is historically anchored in interference with tangible goods capable of possession where one party wrongfully assumes control over a physical object to the exclusion of another. Bitcoin, by

[68]DLA Piper, 'Conversion and Cryptoassets: High Court draws the line' (31 March 2026) https://www.dlapiper.com/en/insights/publications/2026/03/conversion-and-cryptoassets accessed 6 July 2026.

contrast, does not exist as a physical thing, nor can it be “possessed” in the conventional sense. Control over Bitcoin is mediated through cryptographic keys and distributed ledger systems, rather than physical custody.

This distinction proved decisive. The Court held that attempting to apply conversion to Bitcoin would stretch the tort beyond its doctrinal limits, effectively detaching it from its possessory roots. A similar reasoning applied to trespass to goods, which likewise depends on direct, physical interference with tangible property.

Crucially, the Court did not leave the claimant without remedy. Instead, it redirected the analysis toward equitable and proprietary frameworks, suggesting that disputes involving digital assets are better resolved through doctrines such as:

- proprietary restitution,
- unjust enrichment, and
- constructive trusts.

These remedies, the Court observed, are inherently more flexible and better suited to addressing intangible, value-based interests rather than physical interference. In doing so, the judgment reflects a broader judicial philosophy: that the law should evolve through principled adaptation, not forced analogies. Rather than reshaping traditional torts to fit digital assets, the Court preferred to deploy legal tools that already operate effectively in non-physical contexts.

The Court held that claims in conversion and trespass to goods are not maintainable in respect of Bitcoin. While Bitcoin is recognised as property under the statutory framework, appropriate remedies lie in equitable and proprietary claims, including restitutionary relief and constructive trusts.

<u>Key takeaways</u>

(a) Bitcoin is legally recognised as property, but not all property remedies follow automatically.

(b) Traditional torts like conversion and trespass remain confined to tangible, possessory goods.

(c) Crypto disputes will increasingly be resolved through equitable and proprietary doctrines, not classical tort law.

(d) The judgment highlights a measured judicial approach; adapting existing principles without distorting them.

(e) It marks one of the first judicial interpretations of the Property (Digital Assets etc.) Act 2025, setting an early precedent for its application.

<u>Why this case matters</u>

This decision goes to the heart of a critical misconception in digital asset law that once crypto is recognised as "property," the rest of property law simply follows. The Court firmly rejects that shortcut. Instead, it draws an important structural distinction between classification and consequence, making clear that legal recognition is only the starting point, not the end of the inquiry. In doing so, the judgment charts the likely direction of future crypto litigation: away from rigid, possession-based doctrines and toward more flexible, value-oriented remedies. For practitioners and policymakers the challenge is to see the existing law applies to crypto, which parts of it apply, and how far they can stretch without breaking.

Case 4

LT v. RV[69]

Brief facts of the case

The dispute arose out of the collapse of a digital asset trading platform, giving way to a high-value conflict over the control and distribution of residual assets. Amidst ongoing arbitration proceedings conducted under the Hong Kong International Arbitration Centre rules, the parties entered into a private settlement agreement valued at approximately $84 million, ostensibly resolving the dispute.

However, the validity of this settlement was soon called into question. One of the key signatories to the agreement was an executive associated with the platform that was alleged to have acted without proper authority, particularly in light of an ongoing corporate restructuring that had altered internal governance and decision-making powers. What initially appeared to be a commercially pragmatic resolution thus evolved into a deeper legal challenge concerning authority, corporate control, and the limits of arbitral finality.

The claimant approached the Hong Kong Court of First Instance seeking to set aside the settlement, arguing that the agreement could not bind the company if executed without proper authorization, and that its enforcement would result in unjust diversion of assets.

Analysis

The Court's reasoning reflects a careful balancing of two competing imperatives: the principle of party autonomy in arbitration and the need to safeguard legal and commercial integrity, particularly in high-value disputes involving distressed digital asset entities.

At the threshold, the Court examined the issue of authority through the lens of corporate governance. It noted that while arbitration agreements and settlements are generally respected as

[69] Herbert Smith Freehills Kramer LLP, 'Hong Kong Court Declares Crypto Arbitration Settlement Agreement Null and Void Due to Signatory's Lack of Authority' (17 March 2026) https://www.hsfkramer.com/notes/arbitration/2026-03/hong-kong-court-declares-crypto-arbitration-settlement-agreement-null-and-void-due-to-signatorys-lack-of-authority accessed 6 July 2026.

expressions of party autonomy, such autonomy presupposes that those acting on behalf of a company are duly empowered to do so. In this case, the restructuring framework had materially altered the distribution of authority within the company, and the executive in question no longer possessed actual authority to bind the entity.

This finding was not treated as a mere technical defect. Instead, the Court emphasised that authority goes to the very validity of consent which is a foundational requirement for any binding agreement, including those reached in arbitration. Without valid consent, the settlement could not stand.

The Court then turned to the broader implications of enforcing the agreement. It observed that doing so would likely result in the dissipation or diversion of significant assets, potentially prejudicing creditors and other stakeholders. Given the quasi-insolvency context of the dispute, the Court was particularly sensitive to the risk that private settlements could be used to reallocate value in ways that circumvent established priority frameworks.

In exercising its supervisory jurisdiction, the Court made it clear that arbitration does not operate in a vacuum. While courts are generally reluctant to interfere with arbitral outcomes, such deference is not absolute especially where:

- the integrity of the process is compromised,
- fundamental issues of authority arise, or
- enforcement would produce inequitable or unlawful outcomes.

Here, the convergence of defective authority and risk of asset diversion justified judicial intervention.

The Court declared the settlement agreement null and void, holding that the signatory lacked actual authority to bind the company. Consequently, the arbitral outcome based on the settlement was set aside.

Key takeaways

(a) Arbitration agreements and settlements are only as valid as the authority of those executing them.

(b) Courts retain a robust supervisory jurisdiction to intervene where arbitral outcomes are fundamentally flawed.

(c) In crypto disputes involving distressed entities, creditor protection and asset preservation are central considerations.

(d) Corporate governance failures can have direct and decisive legal consequences, even in arbitration contexts.

(e) The principle of party autonomy in arbitration is not absolute and yields to concerns of legality and fairness.

Why this case matters

This decision is a sharp reminder that while arbitration is often seen as a self-contained, party-driven mechanism, it ultimately rests on the same foundational principles as any other legal process: authority, consent, and legitimacy. In the context of crypto markets, where corporate structures can be opaque and governance frequently in flux, the case exposes a critical vulnerability: high-value decisions may be taken by actors whose authority is unclear or contested. By stepping in, the Court signals that it will not allow arbitration to become a vehicle for private value reallocation at the expense of broader stakeholder interests, particularly in scenarios resembling insolvency. More broadly, the judgment reinforces an emerging theme across crypto jurisprudence that innovation in markets does not dilute the need for institutional discipline, governance clarity, and judicial oversight.

Case 5

Singapore – Re Taylor, Joshua James and another [2025] SGHC 104[70]

Brief facts of the case

The case arose in the context of the liquidation of Eqonex Capital Pte Ltd, a crypto-related entity operating a digital asset platform. Upon the company's insolvency, a dispute emerged between customers and liquidators regarding the legal characterisation of crypto-assets held by the platform. Customers contended that their assets were held by the platform in a custodial capacity and therefore constituted trust property, which should be excluded from the liquidation estate and returned to them directly. The liquidators, on the other hand, argued that the absence of clear trust arrangements meant that such assets formed part of the company's general pool of assets, to be distributed among creditors.

The resolution of this dispute hinged on the interpretation of the platform's terms of service and custody arrangements. While the documentation referred to the platform "holding" or "safeguarding" customer assets, it did not expressly state that such assets were held on trust, nor did it clearly provide for segregation or fiduciary obligations in the strict legal sense. This raised a fundamental question as to whether such language was sufficient to establish a trust relationship under Singapore law.

Analysis

The Singapore High Court approached the issue by applying orthodox principles of trust law, particularly the requirement of certainty of intention. It reiterated that for a trust to arise, there must be a clear and unequivocal intention on the part of the parties that the relevant assets are to be held for the benefit of another. This intention must be evident from the language used and the overall structure of the arrangement.

[70] *Re Taylor, Joshua James and another (Official Receiver, non-party)* [2025] SGHC 104 (High Court of Singapore, 4 June 2025) https://www.elitigation.sg/gd/s/2025_SGHC_104 accessed 6 July 2026.

In this case, the Court found that the contractual terms fell short of this threshold. Generic expressions such as "holding," "storing," or "safeguarding" assets were held to be commercially descriptive rather than legally determinative. They did not, in themselves, demonstrate an intention to create a trust. The absence of explicit provisions relating to segregation of assets, restrictions on use, or fiduciary duties further weakened the claim that a trust relationship existed.

The Court also drew a careful distinction between the recognition of crypto-assets as property and the existence of a trust over such property. While earlier decisions, particularly *ByBit Fintech Ltd v. Ho Kai Xin [2023] SGHC 199*, had established that crypto-assets are capable of being treated as property under Singapore law, the present case clarified that this recognition does not automatically give rise to proprietary or fiduciary protections. A trust is a separate legal construct, requiring independent proof of intention and structure.

In the absence of such clarity, the Court characterised the relationship between the platform and its users as contractual, akin to a debtor-creditor arrangement. This reflects a broader judicial reluctance to infer fiduciary obligations in commercial settings without clear evidence, particularly in emerging industries where contractual drafting may not yet be standardised.

Key takeaways

(a) The creation of a trust over crypto-assets requires clear, express, and unambiguous language demonstrating intention.

(b) Generic custody terminology such as "holding" or "safeguarding" is insufficient to establish fiduciary relationships.

(c) Recognition of crypto-assets as property does not automatically imply trust protection.

(d) In insolvency scenarios, absent a trust, customer assets may be treated as part of the liquidation estate.

(e) Legal outcomes in crypto custody disputes are heavily dependent on contractual drafting and structuring, rather than technological features.

Why this case matters

This decision is particularly significant because it shifts the centre of gravity in crypto disputes from abstract legal recognition to practical legal structuring. Earlier jurisprudence focused on whether crypto-assets could be owned or protected at all; this case makes clear that the real question is how those rights are documented and enforced in commercial arrangements. For exchanges and custodians, this places a premium on precise drafting failure to clearly establish a trust structure that can fundamentally alter the risk profile of their operations.

From a user perspective, the ruling is equally consequential. It challenges the widespread assumption that assets held on an exchange are automatically segregated or protected. Instead, it underscores that customer protection is contingent on the legal architecture underpinning the platform, not merely on how the service is marketed or described. This has direct implications for retail investors, particularly in jurisdictions where exchange failures have exposed gaps in asset segregation.

The case reflects a maturing judicial approach to digital assets. Courts are no longer content with recognising crypto as property; they are now interrogating the legal relationships that govern its custody and use. In doing so, they are reaffirming a core principle: technological innovation does not dilute the need for legal clarity. Where parties intend to create fiduciary protections, they must do so explicitly. In the absence of such clarity, traditional insolvency principles will prevail.

Finally, the ruling has cross-jurisdictional relevance. As exchanges operate globally, inconsistencies in custody structures can lead to significantly different outcomes depending on the governing law. This decision therefore serves as a cautionary benchmark not only for Singapore-based entities, but for the broader crypto ecosystem; highlighting that the line between custodial protection and creditor exposure is ultimately drawn by legal drafting, not by technology.

Case 6

Australia – Poulton v. Conrad [2025] TASFC 7[71]

Brief facts of the case

This case came before the Full Court of the Supreme Court of Tasmania as an appeal involving issues connected to Bitcoin and its legal classification. While the appeal itself was ultimately dismissed on procedural grounds, the proceedings brought into focus a deeper and unresolved legal question within Australian jurisprudence: how should Bitcoin be characterised as property under common law?

Although the Court did not need to conclusively determine this issue to dispose of the appeal, it took the opportunity to engage with the question in obiter. This was particularly significant given the existing divergence in Australian case law, most notably the Victorian Supreme Court's decision in *Re Blockchain Tech Pty Ltd [2024] VSC 690*, which had approached crypto-assets within more traditional property frameworks. The Tasmanian Court's observations therefore emerged against a backdrop of doctrinal uncertainty.

Following this decision, the matter gained further prominence when the High Court of Australia granted special leave to appeal in February 2026. The involvement of the Commissioner of Taxation who sought leave to intervene, the broader implications of the case, particularly for taxation and asset classification. As of May 2026, however, the substantive issue remains pending final determination.

Analysis

In its obiter observations, the Full Court endorsed the view that Bitcoin may be understood as a distinct, third category of intangible property separate from traditional choses in possession and choses in action. This characterisation reflects an attempt to move beyond existing legal categories,

[71] H1/2026 (High Court of Australia) https://www.hcourt.gov.au/cases-and-judgments/cases/current/case-no-h12026 accessed 6 July 2026.

which do not neatly accommodate assets that are decentralised, intangible, and controlled through cryptographic mechanisms rather than legal rights against a person.

A key element of the Court's reasoning was the concept of control via private keys. Unlike traditional forms of property, where possession is either physical (as in tangible goods) or relational (as in enforceable rights), Bitcoin operates through exclusive control over cryptographic credentials. The Court recognised that this form of control bears functional similarity to possession, even if it does not align perfectly with classical legal definitions. This marks an important conceptual shift from possession as a physical or legal construct to possession as a form of technological control.

This approach stands in contrast to earlier reasoning in *Re Blockchain Tech Pty Ltd*, where the emphasis was on fitting crypto-assets within established doctrinal categories rather than recognising a new one. The Tasmanian Court's willingness to articulate a "third category" reflects a more adaptive judicial stance, acknowledging that existing legal taxonomies may be insufficient to fully capture the nature of digital assets.

At the same time, the Court's observations remain non-binding, as they were made obiter and not as part of the ratio decidendi. This creates a degree of legal uncertainty: while the reasoning is influential, it does not conclusively settle the issue. The pending appeal before the High Court is therefore expected to play a decisive role in determining whether this conceptual framework will be formally adopted within Australian law.

<u>Key takeaways</u>

(a) Bitcoin may be recognised as a distinct category of intangible property, separate from traditional classifications.

(b) Control via private keys is emerging as a functional equivalent to possession in crypto jurisprudence.

(c) There is a judicial divergence within Australia on how crypto-assets should be classified.

(d) Obiter observations, while influential, do not create binding precedent leaving the issue legally unsettled.

(e) The High Court appeal is likely to become a definitive authority on crypto-as-property in Australia.

<u>Why this case matters</u>

This case is significant not because it resolves the legal status of Bitcoin, but because it openly acknowledges that existing legal categories may be inadequate. By entertaining the possibility of a "third category" of property, the Court signals a willingness to adapt foundational legal concepts rather than force digital assets into ill-fitting frameworks. This is a notable departure from earlier judicial approaches that prioritised doctrinal continuity over conceptual clarity.

The emphasis on control through private keys is particularly important. It reframes the legal understanding of possession in a way that aligns more closely with how crypto-assets actually function in practice. If adopted more broadly, this approach could influence not only property law, but also areas such as insolvency, secured transactions, and enforcement, where possession plays a central role.

Equally important is the procedural posture of the case. The fact that the High Court has granted special leave, coupled with the involvement of the Commissioner of Taxation, indicates that the stakes extend well beyond private disputes. The eventual ruling is likely to have far-reaching implications for taxation, asset recovery, and regulatory classification of crypto-assets in Australia.

Finally, the case illustrates a broader moment in global crypto jurisprudence. Courts are increasingly recognising that the challenge is not simply to apply existing law to new technology, but to determine when legal categories themselves must evolve. *Poulton v. Conrad* sits squarely within this transition marking a shift from incremental adaptation to more fundamental reconsideration of legal concepts.

Case 7

Rhutikumari v. Zanmai Labs Pvt Ltd

Brief facts of the Case

The case arose in the wake of a significant cyberattack on the WazirX crypto exchange, operated by Zanmai Labs Pvt Ltd, which resulted in substantial losses of user-held digital assets. In response, the exchange proposed a loss socialisation mechanism, seeking to distribute the financial impact of the hack across all users on the platform irrespective of whether their individual wallets had been directly affected.

This proposal triggered immediate legal challenge. A group of users approached the Madras High Court under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim protection against the implementation of the scheme. The dispute raised fundamental questions about the nature of user rights in virtual digital assets (VDAs) and the extent to which an exchange could unilaterally restructure those rights in the aftermath of a crisis.

The exchange defended its approach by pointing to operational exigencies and a parallel restructuring framework being considered in Singapore, arguing that collective loss-sharing was necessary to stabilise the platform. The petitioners, however, framed the issue as one of individual proprietary rights being overridden without consent.

Analysis

The Court approached the dispute not merely as a contractual disagreement, but as a question of rights, ownership, and institutional responsibility in digital asset ecosystems.

At the outset, it addressed the status of VDAs under Indian law. While India lacks a comprehensive statutory framework governing cryptos, the Court drew from evolving global jurisprudence to recognise that digital assets are capable of being treated as property, carrying with them enforceable proprietary rights. This recognition proved foundational, it shifted the analysis away from platform-level discretion and toward user-level ownership interests.

Building on this, the Court examined the role of the exchange. Rejecting the notion that platforms operate merely as neutral facilitators, it characterised exchanges as custodial intermediaries, holding user assets in a position analogous to trustees or fiduciaries. This framing imposed a higher standard of responsibility: the exchange was not free to deal with user assets as part of a collective pool, but was instead obligated to preserve and protect individual entitlements.

The proposed loss socialisation mechanism was tested against this standard and found wanting. The Court observed that distributing losses across unaffected users effectively amounted to a forced reallocation of proprietary rights, undertaken without consent and outside any clear legal basis. Such a mechanism, it held, could not be justified merely on grounds of commercial expediency or systemic stability.

A further dimension of the case concerned the attempted reliance on a foreign restructuring framework. The Court was particularly cautious here, noting that Indian users could not be bound by a Singapore-based scheme that had neither contractual grounding nor judicial sanction within India. Allowing such cross-border imposition, the Court warned, would undermine domestic legal protections and create uncertainty around jurisdictional authority in digital asset disputes.

Taken together, the Court's reasoning reflects a clear normative stance: platform-level solutions cannot override user-level rights, especially in the absence of explicit consent or legal mandate.

The Court granted interim protection, restraining the implementation of the loss socialisation scheme and directing that user assets be safeguarded pending further proceedings.

<u>Key takeaways</u>

(a) VDAs are recognised as property under Indian jurisprudence, carrying enforceable proprietary rights.

(b) Crypto exchanges function as fiduciary or custodial intermediaries, not mere transaction platforms.

(c) Loss socialisation without user consent constitutes an impermissible interference with proprietary rights.

(d) Foreign restructuring mechanisms cannot be unilaterally imposed on Indian users.

(e) The ruling strengthens judicial oversight over platform conduct in crisis scenarios.

Why this case matters

This decision marks a pivotal moment in India's evolving crypto jurisprudence, not because it resolves regulatory ambiguity, but because it reorients the legal conversation around user rights. In an industry often driven by platform-led solutions to systemic risks, the Court draws a firm line: efficiency cannot come at the cost of ownership. By recognising VDAs as property and exchanges as fiduciaries, the judgment introduces a rights-based framework that places users not platforms at the centre of legal protection. It also signals judicial resistance to the growing practice of importing offshore restructuring models into domestic disputes without adequate safeguards. More broadly, the case positions Indian courts as active participants in shaping global crypto norms, demonstrating that even in the absence of comprehensive regulation, core legal principles property, trust, and consent remain decisive anchors in navigating digital asset disputes.

Lessons for India

What these cases collectively offer India is not a ready-made regulatory blueprint, but something arguably more valuable: a set of judicial instincts that can guide how the country chooses to shape its own approach to digital assets. India today sits in a peculiar position. On one hand, it has one of the largest crypto user bases in the world, and a growing ecosystem of exchanges, developers, and investors. On the other, it continues to operate without a comprehensive statutory framework, relying instead on taxation measures, anti-money laundering compliance, and a cautious regulatory stance. This gap between market reality and legal structure is precisely where courts and comparative jurisprudence become important. The lesson is not that India must replicate global models, but that it must decide *which principles it is willing to anchor its system in, and which risks it is willing to tolerate.*

The first and perhaps most immediate lesson is the importance of clarity on the legal status of digital assets. Indian courts, particularly in Rhutikumari v. Zanmai Labs, have already taken a meaningful step by recognising crypto as property, aligning with international developments. But this recognition, while significant, is still fragmented and context-specific. What global jurisprudence shows is that classification cannot remain implicit or case-dependent for long. Property status is not just a symbolic label it determines how assets are owned, transferred, secured, and recovered. Without legislative clarity, different arms of the law; taxation, insolvency, consumer protection may continue to treat the same asset differently, creating inconsistencies. For India, the lesson is clear: formalising the property status of VDAs in a comprehensive and cross-cutting manner is no longer optional; it is foundational.

Closely tied to this is the second lesson: the need to carefully define the nature and limits of remedies. One of the most striking features of global case law is not just what courts have allowed, but what they have refused to allow. Whether it is the rejection of conversion claims for Bitcoin in the UK or the refusal to recognise speculative "foregone growth" damages in market disputes, courts are drawing boundaries to prevent legal overreach. For India, this is particularly relevant because the temptation to overcorrect either in favour of investors or platforms remains strong. The lesson here is restraint. Recognising VDAs as property does not mean importing all traditional remedies wholesale. Instead, India must consciously decide which remedies make sense in a digital context, and where equitable and flexible doctrines may be better suited than rigid, legacy frameworks.

A third lesson emerges around the role and responsibility of crypto exchanges. The Madras High Court's approach in treating exchanges as custodial or fiduciary intermediaries is not an isolated development but it reflects a broader global shift toward recognising the power imbalance between platforms and users. In practice, most users do not control their private keys or fully understand the operational risks of exchanges. This creates a dependency that is closer to a trust relationship than a purely contractual one. For India, this has significant implications. If exchanges are to be treated as fiduciaries, then questions of asset segregation, transparency, risk disclosure, and governance become central. The idea is to redefine their role within the ecosystem as custodians of user rights rather than neutral facilitators of trade.

Equally important is the lesson on regulatory conduct and institutional accountability. The *Coinbase v. SEC* decision highlights a problem that is not unique to the United States regulatory ambiguity combined with enforcement-heavy approaches. India has, to some extent, followed a similar path: cautious public warnings, selective restrictions, and delayed legislative action. While this approach may be driven by legitimate concerns around financial stability and systemic risk, it carries its own costs. Uncertainty discourages innovation, pushes activity into less transparent channels, and makes compliance difficult even for well-intentioned actors. The global trend suggests that courts are increasingly unwilling to accept prolonged regulatory silence. For India, the lesson is that clarity is not a concession to the industry, it is a prerequisite for effective oversight.

Another critical takeaway lies in the area of cross-border legal friction. Crypto markets operate seamlessly across jurisdictions, but legal protections do not. The rejection of foreign restructuring mechanisms in Indian courts highlights a growing concern: the risk that global platforms may attempt to impose offshore solutions on domestic users. This is not merely a technical issue, it goes to the heart of sovereignty and user protection. India, like many jurisdictions, has yet to fully develop its cross-border insolvency and enforcement mechanisms for digital assets. The lesson here is twofold. First, domestic courts must remain vigilant in protecting local users from external frameworks that lack legal grounding. Second, India must begin engaging more seriously with international coordination mechanisms, whether through bilateral agreements or multilateral standards, to address the inherently global nature of crypto disputes.

Perhaps the most understated but important lesson is the rejection of crypto exceptionalism. Across jurisdictions, courts are consistently resisting the idea that digital assets require entirely new legal systems. Instead, they are applying familiar principles: property, trust, mitigation, authority while adapting them where necessary. This approach is particularly relevant for India, where policy debates often oscillate between over-regulation and complete prohibition. The global experience suggests that the more sustainable path lies somewhere in between: integrating crypto into existing legal frameworks while acknowledging its unique features. This avoids both regulatory arbitrage and unnecessary complexity, ensuring that similar risks are treated consistently regardless of technological form.

At the same time, these cases also highlight the importance of investor responsibility, a dimension that is often underemphasised in policy discussions. In highly volatile markets like crypto, the law cannot function as a safety net against all losses. Courts have been clear that investors are expected to act prudently, mitigate risks, and make informed decisions. For India, where retail participation in crypto is significant and financial literacy remains uneven, this raises important questions. Regulatory frameworks must strike a balance between protection and responsibility ensuring that users are not exploited, but also that they are not insulated from the consequences of their choices. This calls for a stronger emphasis on disclosure norms, investor education, and risk awareness, rather than purely prohibitive measures.

Finally, and perhaps most importantly, these cases show that the development of digital asset law is inherently incremental. There is no single moment of clarity, no comprehensive statute that resolves all questions. Instead, the law evolves through a combination of judicial decisions, regulatory interventions, and market practices. For India, this is both a challenge and an opportunity. The absence of a rigid framework allows for flexibility and learning from global developments, but it also requires a degree of decisiveness in setting core principles. The lesson is not to wait for perfect consensus, but to begin building a coherent system, one that is capable of evolving as technology and markets continue to change.

In the end, the question for India is how to do so without losing sight of first principles. Property, trust, accountability, and fairness are not new ideas, but they remain remarkably resilient even in the face of technological disruption. The cases examined here show that the future of digital asset law will not be defined by radical departures, but by careful adaptation. For India, the path forward lies in embracing this approach grounding innovation in legal certainty, and ensuring that as markets evolve, the underlying system of rights and responsibilities evolves with them.

Conclusion

What emerges from these cases is not a fragmented set of rulings, but a coherent judicial direction in how digital asset disputes are being understood and resolved across jurisdictions. Courts are no longer grappling with whether crypto-assets fall within the legal system, they are now engaged in the more complex task of determining *how existing legal principles apply, and where their limits lie*. This shift marks a clear transition: digital assets have moved from the periphery of legal uncertainty into the mainstream of commercial and financial litigation, where traditional doctrines are being actively tested and refined.

A central theme across these decisions is the growing consensus that digital assets constitute property, even if they do not neatly fit within existing categories. The enactment of the Property (Digital Assets etc.) Act 2025[72] reflects this evolution, recognising that crypto-assets may form a distinct "third category" of personal property, neither tangible goods nor traditional choses in action. This recognition is echoed judicially, whether in India or the UK, and serves as the foundation for rights-based claims. However, what courts have been equally careful to emphasise is that classification as property does not automatically import the full spectrum of traditional remedies. Instead, it opens the door to a more nuanced inquiry into the *nature* of the asset and the *appropriate legal response*.

This distinction becomes particularly important when examining how courts are approaching remedies. Rather than stretching existing doctrines beyond their conceptual limits, courts are demonstrating restraint. In cases like *Ping Fai Yuen*, traditional torts such as conversion and trespass, historically rooted in physical possession, are deemed ill-suited for intangible, decentralised assets like Bitcoin. At the same time, in *BSV Claims*, damages law is applied with equal rigour, rejecting speculative claims based on "foregone growth" and reinforcing the expectation that losses in liquid markets must be actively mitigated. Together, these rulings signal a broader judicial approach: adaptation without distortion. The law is not being rewritten to accommodate crypto; it is being carefully calibrated to ensure that its internal coherence remains intact.

Equally significant is the manner in which courts are redistributing responsibility across the digital asset ecosystem. These cases collectively impose a form of behavioural discipline on all key actors. Regulators are required to act with clarity and reasoned justification, as seen in *Coinbase v. SEC*, where the refusal to engage in rulemaking was scrutinised under administrative law principles. Exchanges, particularly in *Rhutikumari v. Zanmai Labs*, are treated not merely as platforms but as custodial intermediaries with fiduciary obligations toward users. Investors, as highlighted in *BSV Claims*, are expected to act prudently and mitigate losses, rather than rely on retrospective claims. Even corporate actors, as seen in *LT v. RV*, are held to strict standards of authority and governance, with courts willing to intervene where internal failures threaten broader stakeholder interests. What

[72] *Finance Act 2025* (c 29) https://www.legislation.gov.uk/ukpga/2025/29 accessed 6 July 2026.

emerges is a judicially constructed framework where accountability is not diffused by decentralisation but reassigned with precision.

Another defining feature of this body of jurisprudence is the rejection of crypto exceptionalism. Courts are consistently resisting arguments that digital assets require entirely new or bespoke legal treatment. Instead, they are applying familiar principles: property, fiduciary duty, mitigation, authority while remaining attentive to technological differences. This approach aligns with broader global regulatory thinking, where the emphasis is increasingly on applying "same risk, same regulation" rather than creating parallel systems. The implication is clear: while the technology may be novel, the underlying legal logic remains continuous. Crypto is being integrated into the legal system, not set apart from it.

At the same time, these cases reveal persistent tensions between the global nature of crypto markets and the territorial nature of law. Platforms operate across jurisdictions, assets move seamlessly across borders, and restructuring mechanisms are often designed offshore. Yet courts have shown a clear willingness to assert jurisdiction where user rights are affected. In *Rhutikumari*, the rejection of a Singapore-based restructuring framework underscores that domestic legal protections cannot be displaced by foreign arrangements. Similarly, in *LT v. RV*, the court's intervention in an arbitral settlement highlights that even transnational dispute mechanisms remain subject to local oversight where issues of authority and fairness arise. These decisions reinforce a key principle: while crypto markets may be borderless, legal accountability remains jurisdiction-specific.

Taken together, these developments point toward an emerging legal architecture that is both pragmatic and evolutionary. Courts are not attempting to design comprehensive frameworks; instead, they are resolving concrete disputes and, in doing so, incrementally shaping the contours of digital asset law. This process is necessarily uneven, but it is also grounded in real-world problems: asset loss, platform failure, regulatory ambiguity which lends it a degree of practical legitimacy. As private litigation continues to rise alongside regulatory efforts, it is becoming clear that judicial decisions will play a central role in defining market behaviour and legal expectations.

Looking ahead, three trajectories appear particularly likely. First, the continued consolidation of property-based frameworks, with courts refining the rights and incidents attached to digital assets. Second, a growing reliance on equitable and proprietary remedies, better suited to addressing intangible and decentralised forms of value. Third, an increasing emphasis on institutional accountability, where exchanges, regulators, and intermediaries are held to higher standards of conduct. These trends suggest that the future of digital asset law will not lie in radical legal innovation, but in the disciplined extension of existing principles into new technological contexts.

In that sense, the broader story is of adaptation. The law is not being displaced by code; it is absorbing it. Not by abandoning its foundations, but by testing their limits and reinforcing them where necessary. The result is a legal system that is evolving in step with technological change, cautiously, incrementally, and with a clear preference for continuity over rupture.

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