



CRYPTO 2025

Year End Wrap





Executive Summary

➔ 2025 in one paragraph

2025 pushed crypto further into regulated finance and everyday rails, while also showing that security and compliance remain hard constraints. The year included a major U.S. stablecoin law, a significant shift in how U.S. crypto ETPs can be created and redeemed, and a sharp reminder of operational risk through the Bybit theft attributed by the FBI to North Korean actors. It also featured a meaningful change in U.S. enforcement posture toward a major exchange, a major Ethereum network upgrade going live, and continued global concern about uneven implementation of anti money laundering standards for virtual asset service providers.





The year's defining milestones

● February 21, 2025

The FBI said North Korea was responsible for the theft of approximately \$1.5 billion in virtual assets from Bybit on or about this date.

● February 27, 2025

The U.S. SEC announced dismissal of its civil enforcement action against Coinbase.

● May 7, 2025

Ethereum activated the Pectra upgrade.

● June 5, 2025

Circle said its shares were expected to begin trading on the NYSE under ticker "CRCL," following pricing of an upsized IPO.

● June 26, 2025

FATF published a targeted update reporting that 40 out of 138 assessed jurisdictions met or mostly met the relevant sub criterion for virtual asset risk and risk based approach, and only one jurisdiction was fully compliant across the assessed elements.

● July 18, 2025

The White House said President Donald J. Trump signed the GENIUS Act into law, establishing a U.S. framework for payment stablecoins and their issuers.

● July 29, 2025

The U.S. SEC said it approved orders to permit in kind creations and redemptions by authorized participants for crypto asset ETP shares.

● August 14, 2025

Bitcoin set a new record above \$117,000 during the late summer rally.

● September 18, 2025

The U.S. SEC approved generic listing standards for commodity based trust shares, including products holding crypto asset commodities.

● October 6, 2025

CoinGecko's BitcAoin listing records an all time high of \$126,080 on this date.

● October 10 to October 11, 2025

A sharp market selloff triggered more than \$19 billion in liquidations across leveraged crypto market positions.



The year's defining milestones

● **December 11, 2025**

Terraform Labs co founder Do Kwon was set to be sentenced in New York federal court after pleading guilty in August 2025 to fraud related charges tied to TerraUSD and Luna.

● **December 12, 2025**

The OCC conditionally approved several crypto firms, including Circle and Ripple, for national trust bank charters.

● **December 12, 2025**

Do Kwon was sentenced to 15 years in prison in New York federal court for fraud tied to TerraUSD and Luna.

● **December 15, 2025**

The UK planned to begin regulating cryptoassets from October 2027, with legislation to be introduced to Parliament and detailed rules developed by the FCA and Bank of England.

What mattered most in 2025

-  Stablecoins became a policy and market structure issue, not only a trading tool, after the GENIUS Act became law in the United States.
-  Crypto market access kept moving toward traditional rails, highlighted by the SEC's in kind creation and redemption change for crypto ETPs and the OCC charter approvals reported in December.
-  Security stayed a first order risk, with the Bybit theft and official attribution reinforcing state linked cyber threats as a recurring constraint.
-  Enforcement posture and legal exposure remained material, with the SEC dismissal of the Coinbase case and continued high profile fraud proceedings tied to earlier cycle failures.
-  The Ethereum base layer continued to ship major upgrades, with Pectra as a major protocol milestone.



content



EXECUTIVE SUMMARY	2
TABLE OF CONTENTS	5
WHAT HAPPENED IN CRYPTO IN 2025	6
MARKET IN NUMBERS	10
AUSTRALIA'S REGULATION AND MARKET DEVELOPMENT	16
SECURITY, COMPLIANCE, AND ACCOUNTABILITY	18
ONCHAIN MARKETS, DEFI, AND TOKENIZATION IN 2025	20
WHAT CHANGED STRUCTURALLY IN 2025	27
2025 WRAPPED	30
FORWARD LOOK, 2026 SCHEDULED MILESTONES	31



What Happened in Crypto in 2025

➔ Rules and rails moved from positioning to execution

In 2025, major jurisdictions started converting intent into implementation. On July 18, 2025, the United States put a payment stablecoin framework into federal law through the GENIUS Act. In the UK, the government set out a runway toward regulating cryptoasset activities, with an intended start from October 2027 and detailed rules to be developed by the FCA and the Bank of England. Treating the settlement layer as infrastructure changes where scale gets constrained. Reserve management, redemption pathways, disclosure standards, and distribution relationships become gating items, particularly for products targeting institutional reach.





US VS UK STABLECOIN REGULATION TIMELINE

KEY MILESTONES & EFFECTIVE DATES



UNITED STATES: GENIUS ACT (FEDERAL PAYMENT STABLECOIN FRAMEWORK)

- MARCH 13, 2025** SENATE BANKING COMMITTEE ADVANCES BILL
- JUNE 17, 2025** ENGROSSED IN SENATE (FLOOR MILESTONE)
- JULY 18, 2025** PUBLIC LAW 119-27 ENACTED

EFFECTIVE DATE
JANUARY 18, 2027
 OR 120 DAYS AFTER FINAL REGS

- JANUARY 14, 2026** TREASURY REPORT DEADLINE
- JULY 18, 2026** RULEMAKING DEADLINE
- JULY 18, 2028** FINCEN GUIDANCE & RULEMAKING

UNITED KINGDOM: REGULATORY RUNWAY (HMT, FCA, BANK OF ENGLAND)

- APRIL 29, 2025** HMT PUBLISHES DRAFT STATUTORY PROVISIONS (STABLECOIN ISSUANCE & CUSTODY)
- MAY 28, 2025** FCA CP25/14 CONSULTATION OPENS
- JULY 31, 2025** FCA CP25/14 CONSULTATION CLOSES
- JULY 31, 2025** FCA CP25/14 CONSULTATION CLOSES
- SEPTEMBER 19, 2025** FCA CP25/25 PUBLISHED
- NOVEMBER 10, 2025** BOE CONSULTATION ON SYSTEMIC STABLECOINS OPENS
- DECEMBER 15, 2025** CRYPTOASSETS REGULATIONS 2025 LAID IN PARLIAMENT

REGIME START
OCTOBER 2027
 HMT ANNOUNCEMENT



Global standard setters kept landing on the same bottleneck. FATF's June 26, 2025 targeted update described uneven implementation of virtual asset standards across assessed jurisdictions. For cross border markets, uneven implementation becomes operational drag, because counterparties inherit the weakest link problem even when local controls are strong.





Market access and corporate form became the real story

On July 29, 2025, the U.S. SEC approved orders to permit in kind creations and redemptions by authorized participants for crypto asset ETP shares. It is a mechanics level change, but it directly affects how exposure is created, redeemed, hedged, and arbitrated, and how smoothly products behave under stress. Earlier in the year, on February 27, 2025, the SEC dismissed its civil enforcement action against Coinbase. Put beside the ETP plumbing shift, market access reads as a single decision chain: wrapper design, legal posture, custody support, and distribution permissions all converge in what institutions can offer.

2025

SEC CRYPTO ACTIONS TIMELINE

JANUARY

- JAN. 21: SEC ACTING CHAIRMAN **MARK T. UYEDA** ANNOUNCED FORMATION OF A **NEW CRYPTO TASK FORCE**, LED BY COMMISSIONER **HESTER PEIRCE**.

FEBRUARY

- FEB. 27: SEC ANNOUNCED JOINT STIPULATION TO DISMISS ONGOING CIVIL ENFORCEMENT ACTION AGAINST **COINBASE**.

MARCH

- MAR. 27: SEC ANNOUNCED JOINT STIPULATION TO DISMISS CIVIL ENFORCEMENT ACTION AGAINST **KRAKEN (PAYWARD)**, WITH PREJUDICE.
- MAR. 27: SEC ANNOUNCED **DISMISSAL** OF CIVIL ENFORCEMENT ACTION AGAINST **CUMBERLAND DRW**.

MAY

- MAY 2: SEC ANNOUNCED **DISMISSAL** OF CIVIL ENFORCEMENT ACTION AGAINST **IAN BALINA**.
- MAY 8: SEC FILED SETTLEMENT AGREEMENT IN **SEC V. RIPPLE LABS**.
- MAY 15: SEC DIVISION OF TRADING AND MARKETS STAFF PUBLISHED **FAQS** ON CRYPTO ASSET ACTIVITIES AND DISTRIBUTED LEDGER TECHNOLOGY.
- MAY 29: SEC ANNOUNCED JOINT STIPULATION TO **DISMISS** CIVIL ENFORCEMENT AGAINST **BINANCE ENTITIES**.

JULY

- JULY 29: SEC VOTED TO APPROVE ORDERS PERMITTING **IN-KIND CREATIONS** AND **REDEMPTIONS** FOR CRYPTO **ASSET ETP SHARES**, AND RELATED ETP ORDERS.

AUGUST

- AUG. 7: SEC AND RIPPLE PARTIES FILED STIPULATION TO DISMISS APPEAL AND CROSS APPEAL IN **RIPPLE LITIGATION**.

Stablecoins also moved deeper into mainstream corporate and regulated workflows through structure, not messaging. Circle announced pricing of an upsized IPO on June 4, 2025, and said shares were expected to begin trading on the NYSE on June 5 under ticker CRCL. In December, the OCC announced conditional approvals for five national trust bank charter applications, including approvals involving Ripple National Trust Bank and conversions for BitGo, Fidelity Digital Assets, and Paxos, plus a de novo charter approval for First National Digital Currency Bank. Trust bank charters are not an end state by themselves, but they sit close to custody and fiduciary workflows, which is where institutional adoption clears or stalls.



Constraints stayed binding, even as the rails improved

A defining early year shock was the Bybit theft. The FBI said North Korea was responsible for the theft of approximately \$1.5 billion in virtual assets from Bybit on or about February 21, 2025, tied to activity it referred to as “TraderTraitor.” At that scale, incidents convert into controls: counterparty reviews, custody requirements, withdrawal policies, incident readiness, and sanctions and transaction monitoring expectations.

While security and compliance set the constraints, core infrastructure kept shipping. Ethereum activated the Pectra upgrade on May 7, 2025, with contemporary coverage focusing on staking efficiency and scaling related capacity, including changes such as higher validator effective balance and increased blob capacity for rollup throughput. The impact lands first as new operating parameters for infrastructure providers, then shows up downstream in costs and capacity.

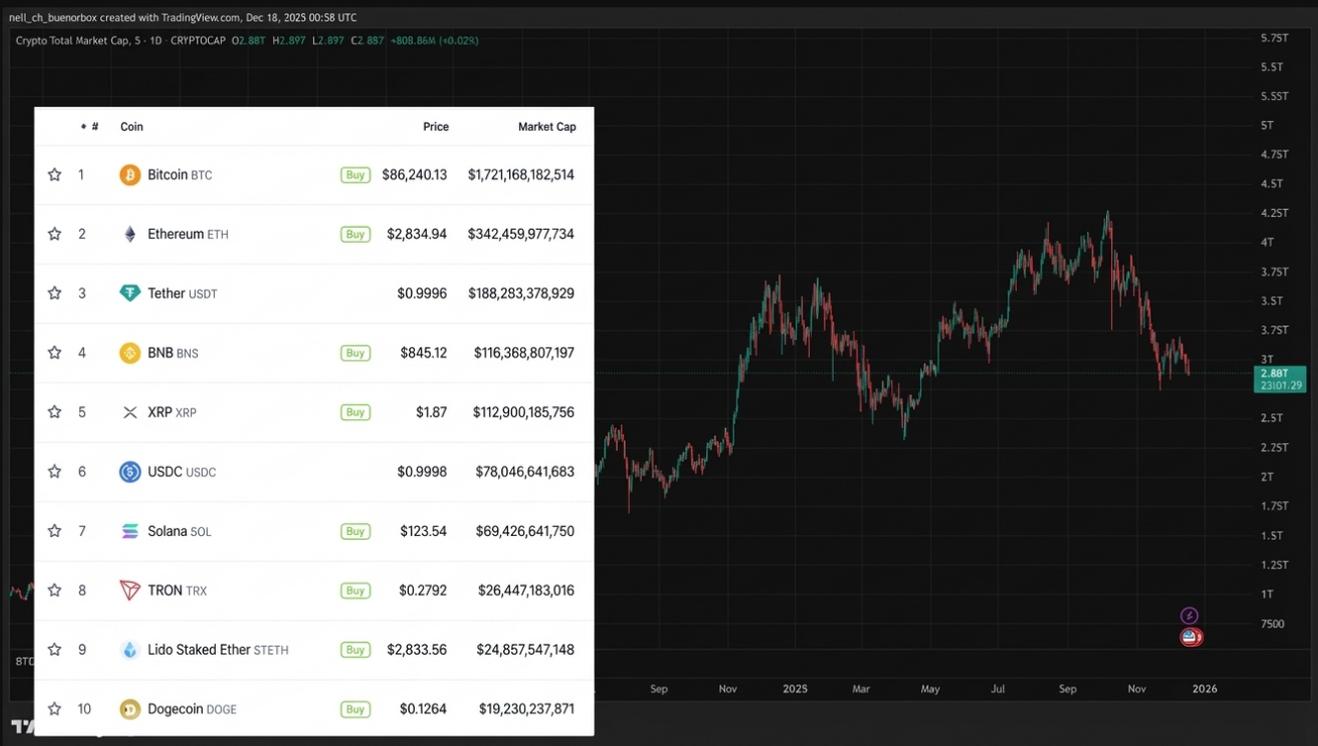
The year also kept processing the last cycle through courts. Terraform Labs co founder Do Kwon pleaded guilty in August 2025 to fraud related charges tied to TerraUSD and Luna, and was sentenced in December 2025. Even with better rails and cleaner wrappers, tolerance for weak disclosure and aggressive claims tightened.





Market In Numbers

Market cap concentration and Top 10 leadership



As of December 15, 2025, the top 200 assets sum to about \$2.79 T in market cap, with the top 10 at about \$2.05 T, or ~73.4% of the top 200. The comparable December 15, 2024 snapshot shows the top 200 at about \$3.34 T, with the top 10 at about \$2.46 T, or ~73.8%. Concentration at the top stayed broadly stable year over year, which keeps the market’s investable surface anchored to a small leadership set rather than broadening into the long tail; within that set, reordering mattered, including BNB moving from rank 6 to rank 4 and XRP moving from rank 3 to rank 5.



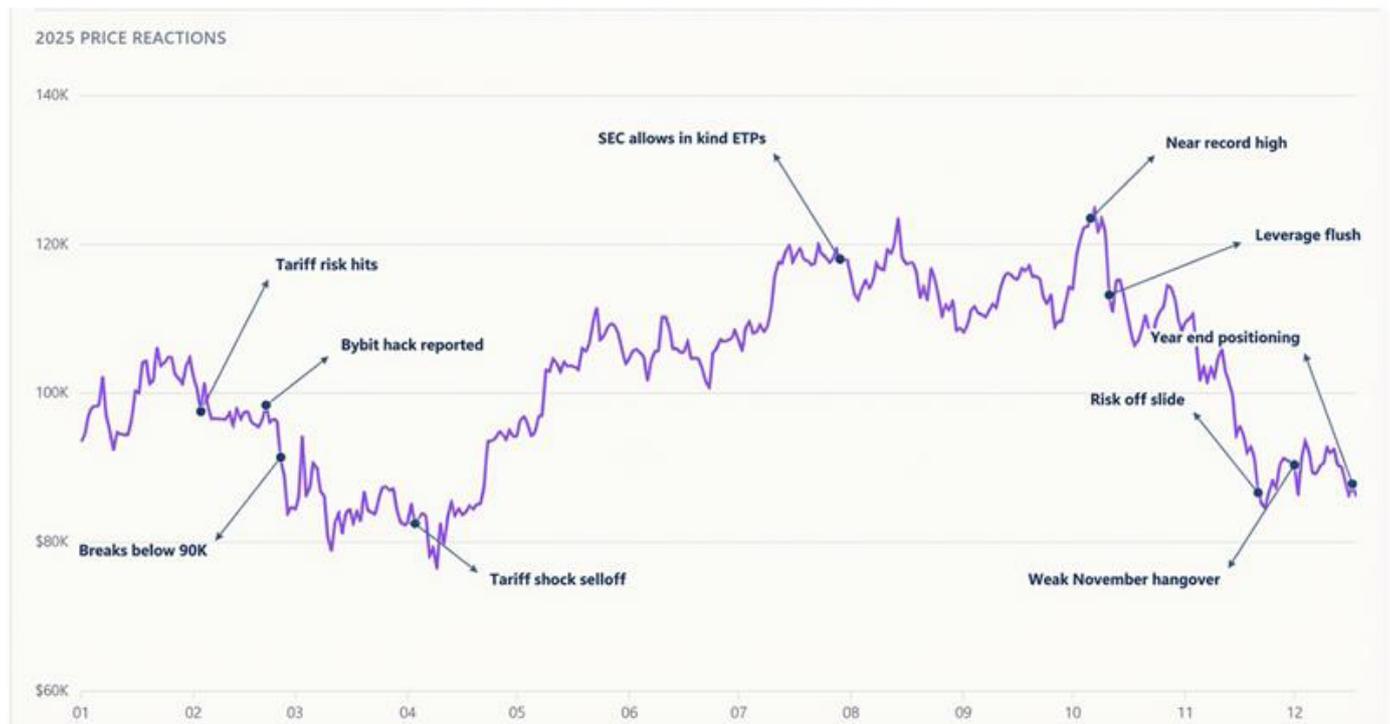
Cross asset performance, BTC and ETH versus traditional benchmarks



Metals led the year, and crypto did not. Gold and silver held their uptrends into December, while Bitcoin and Ethereum finished the period below their starting level after giving back mid year gains. The contrast is useful because it shows where capital found steadier conviction, and where it did not. If the market shifts into a clearer risk on phase, crypto has room to recover simply because it is starting from lagging relative performance rather than already pricing in a strong year.

Bitcoin price path with the 2025 event tape

Bitcoin price path with the 2025 event tape

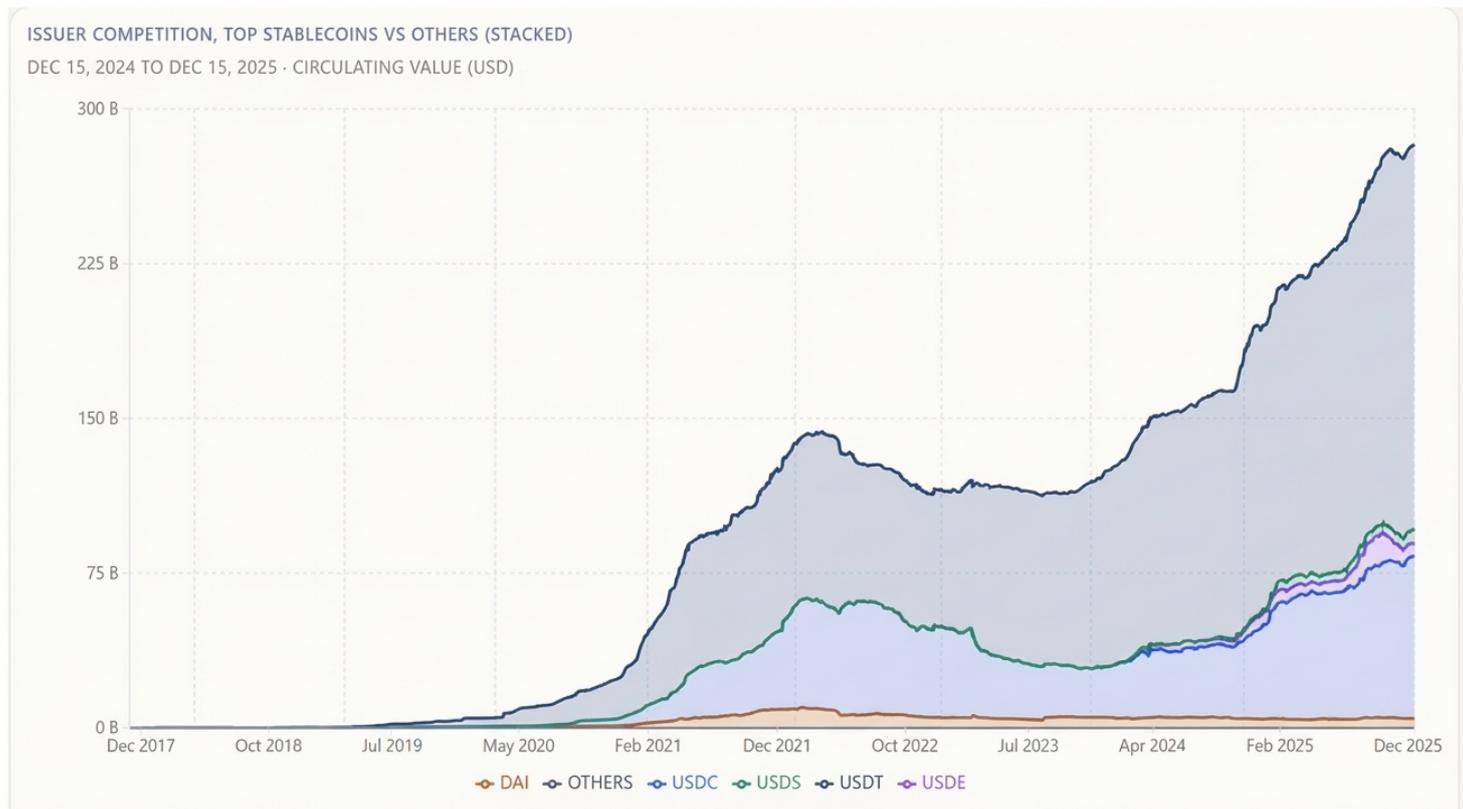


2025 was volatile even though many investors entered the year expecting a straightforward bull run. The price action kept swinging because the market was forced to reprice risk whenever real world constraints changed, not because sentiment shifted on its own. When access and policy looked clearer, prices tended to stabilize, then new shocks arrived and volatility returned.

Two themes made the year feel dramatic. First, trade policy and geopolitics repeatedly hit global risk appetite. Reports tied a major October selloff to tariff announcements and export control threats, which tightened financial conditions and triggered large liquidations, turning a normal drawdown into a fast, mechanical unwind. Reports also linked sharp moves to the Israel Iran escalation, where higher oil and inflation risk fed into a broader risk off mood, and crypto moved with it. In that context, the year's big events did not "explain" every candle, but they explain why volatility stayed elevated, because each one changed the constraints investors had to trade inside.

Stablecoin supply growth and issuer dominance

Stablecoin supply growth and issuer dominance



Total stablecoin circulating value rose from about \$203.62 B on December 15, 2024 to about \$308.30 B on December 15, 2025, roughly +51.4%. In market terms, that is a much larger pool of dollar settlement capacity sitting inside crypto, which increases the system's ability to clear trades, post collateral, and move value across venues without repeatedly converting back to bank money. The practical implication is that stablecoin supply stopped being a side metric and became a primary indicator of liquidity conditions, because growth at that scale directly expands the amount of "ready to deploy" dollars available for spot, derivatives margin, and onchain credit.

The dominance layer matters because the rail grew, but it did not grow evenly. Through 2025 the top players by circulating value were Tether (USDT) and Circle (USDC) by a wide margin, with a smaller second tier behind them, commonly including USDS, USDe, and DAI. When a settlement layer is both large and concentrated, the market's stress profile is shaped by how those leading issuers manage redemptions, reserves, and operational continuity, and by where distribution concentrates across major exchanges and chains. That concentration is why stablecoins sit alongside policy and market structure in the 2025 story, not because they are novel, but because they became the central cash leg the rest of the market increasingly clears through.

BTC dominance and the alt complex



Source: <https://www.tradingview.com/chart/2siDZm6r/?symbol=CRYPTOCAP%3ABTC.D>

BTC dominance finished roughly flat year over year, while ETH's share ended lower, and the path between those endpoints explains the 2025 composition trade. BTC share climbed through the first half and printed a mid year peak in the mid 60s, then rolled over hard into late Q3 and early Q4 before settling back into a high 50s to low 60s range. The year was not a steady drift, it was a sequence of reweighting regimes. Periods of rising dominance point to concentration in the most liquid benchmark, while the later drawdown in dominance shows rotation pressure returning, but not in a way that re-established ETH's relative share. With ETH down from ~14.24% to ~12.82% alongside BTC holding ~61.8%, any breadth that appeared was episodic and selective, not a sustained, benchmark led broadening.



DeFi TVL and collateral depth



Source: <https://defillama.com/>

Total DeFi TVL is about \$225.33 B on December 15, 2025, down from about \$244.34 B on December 15, 2024, roughly -7.8% year over year, while the 2025 path spans a trough near \$145.91 B and a peak near \$328.22 B. The point is the range, not the endpoint: TVL behaved like a collateral layer that expanded aggressively in risk on phases and contracted sharply in deleveraging phases, consistent with a year where onchain execution and leverage channels mattered, but collateral durability still depended on stable settlement liquidity and risk appetite holding simultaneously.





Australia's Regulation and Market Development

Australia's 2025 progression was defined less by moving from policy intent to draft architecture while the courts and regulators kept testing how far existing law reaches. Treasury set the direction for a domestic digital asset industry agenda that explicitly covered payment stablecoins, then moved into consultation on bringing digital asset platforms and tokenised custody platforms into the Corporations Act framework. In parallel, a payments modernisation track was framed to capture new payment methods, including stablecoins, which pulled stablecoin design questions closer to mainstream payments policy rather than leaving them as a niche crypto topic.

AUSTRALIAN DIGITAL ASSETS & STABLECOIN DEVELOPMENT (2025)

MAR 21, 2025
TREASURY POLICY STATEMENT

Digital assets, payment stablecoins policy. Draft legislation consultation flagged.

APR 22, 2025
ASIC FEDERAL COURT SUMMARY

Summary of Full Federal Court outcome in Block Earner matter.

JUL 10, 2025
PROJECT ACACIA USE CASES

RBA announces settlement assets, including stablecoins, deposit tokens, pilot wholesale CBDC.

AUG 22, 2025
AUSTRAC DIRECTS BINANCE AU

External auditor directed for AML and CTF controls.

AUG 22, 2025
AUSTRAC DIRECTS BINANCE AU

External auditor directed for AML and CTF controls.

SEP 5, 2025
ASIC SPECIAL LEAVE APPEAL
High Court grants special leave to appeal Block Earner decision.

SEP 25, 2025
TREASURY CONSULTATION OPENS
Digital Asset Platforms & Tokenised Custody Platforms draft laws.

OCT 9, 2025
PAYMENTS REGULATION DRAFT
Payments regulation modernisation exposure draft released, stablecoins explicitly in scope.

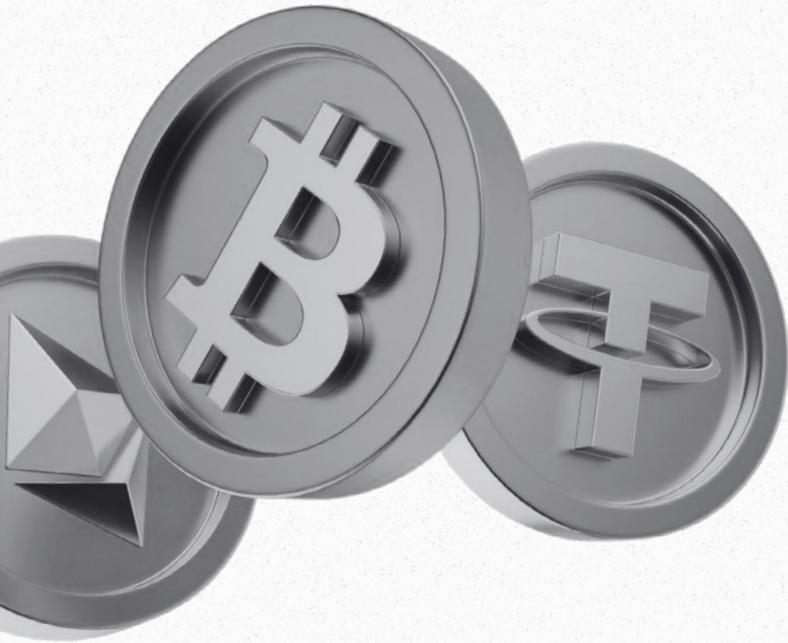
OCT 8, 2025
GEMINI AUSTRALIAN ARM
Gemini launches via locally registered entity.

OCT 29, 2025
ASIC INFO 225 UPDATE
Publishes transitional support, class no action position through June 30, 2026.

NOV 26, 2025
CORPORATIONS AMENDMENT BILL 2025
Digital Assets Framework Bill introduced.

DEC 9, 2025
ASIC FINALISES EXEMPTIONS
Exemptions for certain stablecoins, wrapped tokens, linked to clarified perimeter.





The legal perimeter remained active throughout the year. The Block Earner matter shaped how the current financial services framework was being applied to certain crypto products, and the decision did not settle quietly, because ASIC later secured High Court special leave to appeal. That sequence kept the classification question live and reinforced that, in Australia, adoption can expand while the legal boundary is still being clarified at the highest level.

Regulatory posture also showed up through supervision and transition mechanisms. AUSTRAC's direction for Binance Australia to appoint an external auditor was a visible reminder that AML and CTF controls are treated as operational fundamentals for large venues. ASIC's updated guidance and later exemptions aimed at supporting innovation sat in the same lane, the market was being asked to operate inside a clearer reading of existing law while the draft framework progressed toward Parliament.

On the market development side, the signal was that Australia treated settlement and infrastructure as the adoption pathway. The RBA and DFCRC advanced Project Acacia into a phase that conditionally selected use cases across real money pilots and proofs of concept, explicitly testing settlement with stablecoins, deposit tokens, and wholesale CBDC options. Alongside that institutional track, venue localisation continued, including a major offshore exchange launching an Australian arm via a locally registered entity, which fit the broader pattern of market participants aligning structure and presence with the emerging rule set.



Security, Compliance, and Accountability

Security sat in the same lane as market structure

On February 26, 2025, the FBI attributed the Bybit theft (on or about February 21, 2025) to North Korea and said it refers to this activity as "TraderTraitor." The FBI described an operation built for throughput, rapid conversion into other assets, then dispersal across thousands of addresses on multiple blockchains, with an expectation of further laundering and eventual fiat conversion. FATF later described the same event as a state actor case that combined social engineering with malicious code to access wallet infrastructure, then pushed laundering through unregistered VASPs, including over the counter traders, plus some mixers and bridges, with complexity amplified by the number of wallets involved (including 125,000 Ethereum wallets referenced in the report). That is the scale to emphasise in the narrative, the incident is not only a custody failure, it is a cross venue transaction routing problem that immediately tests screening, freezing, interoperability controls, and escalation paths across the full stack.



LARGEST CRYPTO INCIDENTS BY REPORTED LOSS

REPORTED 2025

\$1.5B
BYBIT (ETH)

EXCHANGE COMPROMISE. REPORTED FEB 2025. LARGEST SINGLE CRYPTO THEFT ON RECORD.

\$223M

CETUS PROTOCOL (SUI)

DEFI EXPLOIT. REPORTED MAY 2025.

\$73M

PHEMEX

HOT WALLET BREACH. INCIDENT JAN 2025.

\$110M

BALANCER

DEFI EXPLOIT. REPORTED NOV 2025.

\$70M

UPCX

ADMIN/UPGRADE KEY COMPROMISE. REPORTED APR 2025.

\$50M

INFINI

INSIDER/PRIVILEGED ACCESS ABUSE. REPORTED FEB 2025.

\$44M

COINDCX

INTERNAL OPERATIONAL ACCOUNT COMPROMISE. REPORTED JULY 2025.





Across the wider year, the shape of loss events reinforced the same conclusion: concentration risk sits in key custody and user compromise, and incidents are frequent enough to become a baseline operating condition. CertiK reported 344 security incidents in H1 2025, with phishing driving the highest count of incidents, and wallet compromise described as the most costly attack vector over the period. Chainalysis' mid year update framed 2025 as already more severe than the entirety of 2024 for thefts from crypto services by the end of June, with the Bybit incident accounting for most of those service losses. By year end, this is why security moved into counterparty review and market access gating, custody architecture, signing policy, address screening standards, and the minimum controls institutions asked to see before expanding exposure.

On June 26, 2025, FATF published a targeted update on implementation of its standards for virtual assets and VASPs. It reported that 40 of 138 assessed jurisdictions were "largely compliant," and only one was "fully compliant," and it highlighted persistent gaps around licensing and registration, identifying entities conducting VASP activity, offshore VASPs, and Travel Rule implementation. FATF also stated that stablecoin use by illicit actors has risen since 2024, and that most on chain illicit activity now involves stablecoins, with layering patterns that use dormant VASP accounts and anonymity enhancing methods, and with discussion of stablecoin issuer models that include freezing or monitoring capabilities. In practice, the compliance perimeter and the incident perimeter overlapped, because the same rails that make stablecoins operationally useful also compress the time between compromise, distribution, and cash out.

Accountability from the prior cycle continued to resolve through courts

On August 12, 2025, the U.S. Attorney's Office for the Southern District of New York announced that Terraform Labs founder Do Kwon pleaded guilty to fraud. In December 2025, the same office announced he was sentenced to 15 years in prison, with reporting also reflecting a 15 year sentence outcome in New York federal court. The timeline was part of the story, market cycles reset quickly, but institutional resolution takes longer, keeping prior-cycle failures present while new rails and products expand. The implication was a higher bar for governance, disclosure, and how risks were communicated in the next phase.

By December, three threads were running together, not separately. State-linked theft risk stayed real, AML implementation remained uneven across jurisdictions, and formal accountability continued to land through courts. The operating environment tightened, even as the market continued to professionalise.

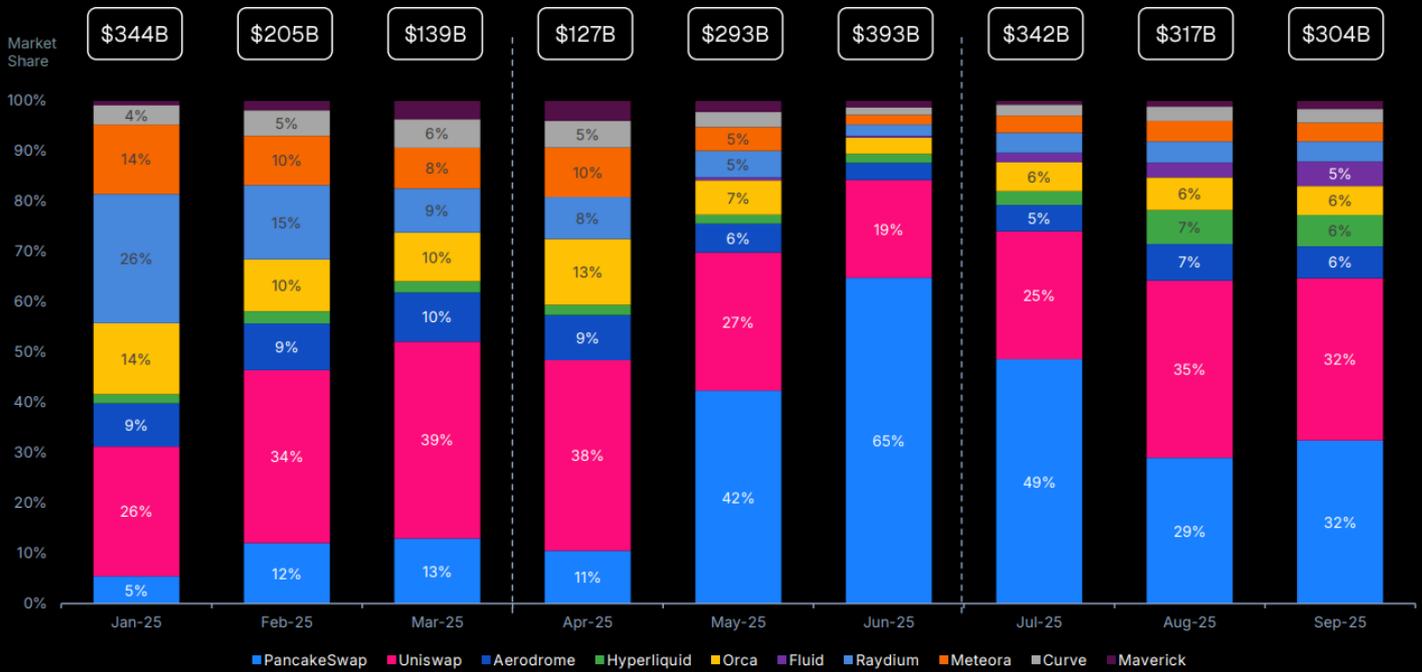


Onchain Markets, DeFi, and Tokenization in 2025

➔ Execution and leverage moved onchain, then started shaping cross venue risk

By Q3, onchain markets were no longer a side venue for spot rotation. Spot DEX volume across the top 10 venues reached \$963.7B for the quarter, while perp DEX volume across the top 10 venues (excluding Aster) reached \$1.81T. In spot, the DEX:CEX ratio had moved materially higher versus where the year started, roughly 10% heading into 2025, then settling at 0.18 (18%) in Q3 after peaking at 0.23 (23%) in Q2, which is the kind of share shift that changes where execution routes, inventory, and reflexive flows concentrate. Over the same window, open interest on the top 10 perp DEXes (excluding Aster) rose from \$8.9B on July 1, 2025 to \$17.1B on October 1, 2025, which is the point where onchain derivatives stop being an “alternative product” and start behaving like an additional leverage channel that can add, remove, or concentrate risk quickly.





Source: <https://assets.coingecko.com/reports/2025/CoinGecko-2025-Q3-Crypto-Industry-Report.pdf>

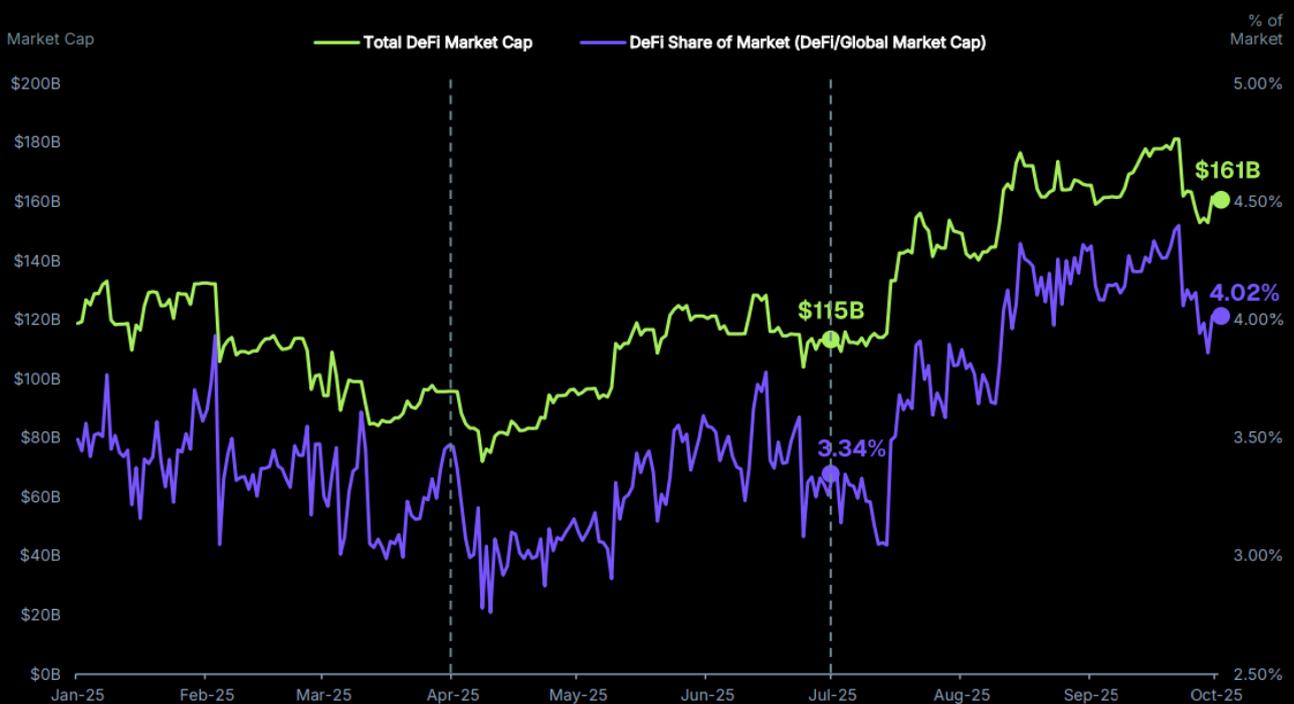
At that scale, the market stops debating narratives and starts living inside mechanics. Liquidation rules become part of market structure, because they decide when leverage is forcibly converted into market orders and how quickly a move turns into forced flow. Oracles become a first order dependency, because the price feed is the trigger, it determines the timing, synchronisation, and clustering of liquidations across venues. Depth becomes a stress variable, not a background condition, because thin books and fast liquidation loops compress the window for discretionary risk reduction and can turn a directional move into a cascade. Even when exposure is held through familiar wrappers, the position sits downstream of these dynamics, because hedging demand, basis behaviour, and dealer inventory respond to where leverage is accumulating and where it is being unwound.



DeFi and tokenization converged around collateral and settlement, not narratives

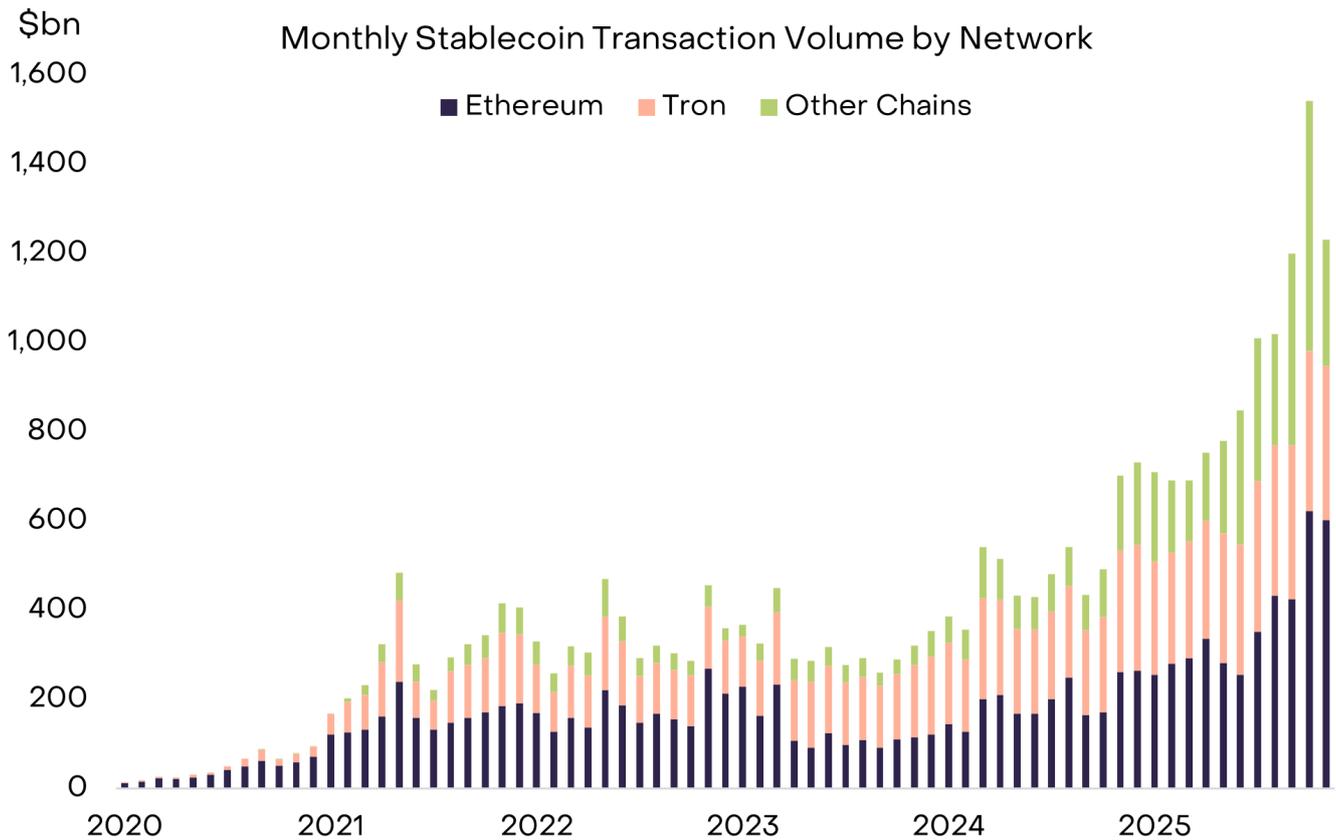
The 2025 DeFi rebound showed up in aggregates, which is when it starts to look like a liquidity layer rather than a collection of apps. DeFi market cap rose 40.2% in Q3, DeFi share of total market rose to 4.02%, and DeFi TVL rose 40.2% from about \$115B at the start of July to about \$161B by end September. In practice, that matters because TVL and market cap moves of that size usually reflect broader repricing across the stack, including where collateral is parked, where borrowing capacity sits, and where leverage is being expressed.

Total DeFi Market Cap and DeFi Share of Overall Market (2025 Q1 – 2025 Q3)



Spource: <https://assets.coingecko.com/reports/2025/CoinGecko-2025-Q3-Crypto-Industry-Report.pdf>

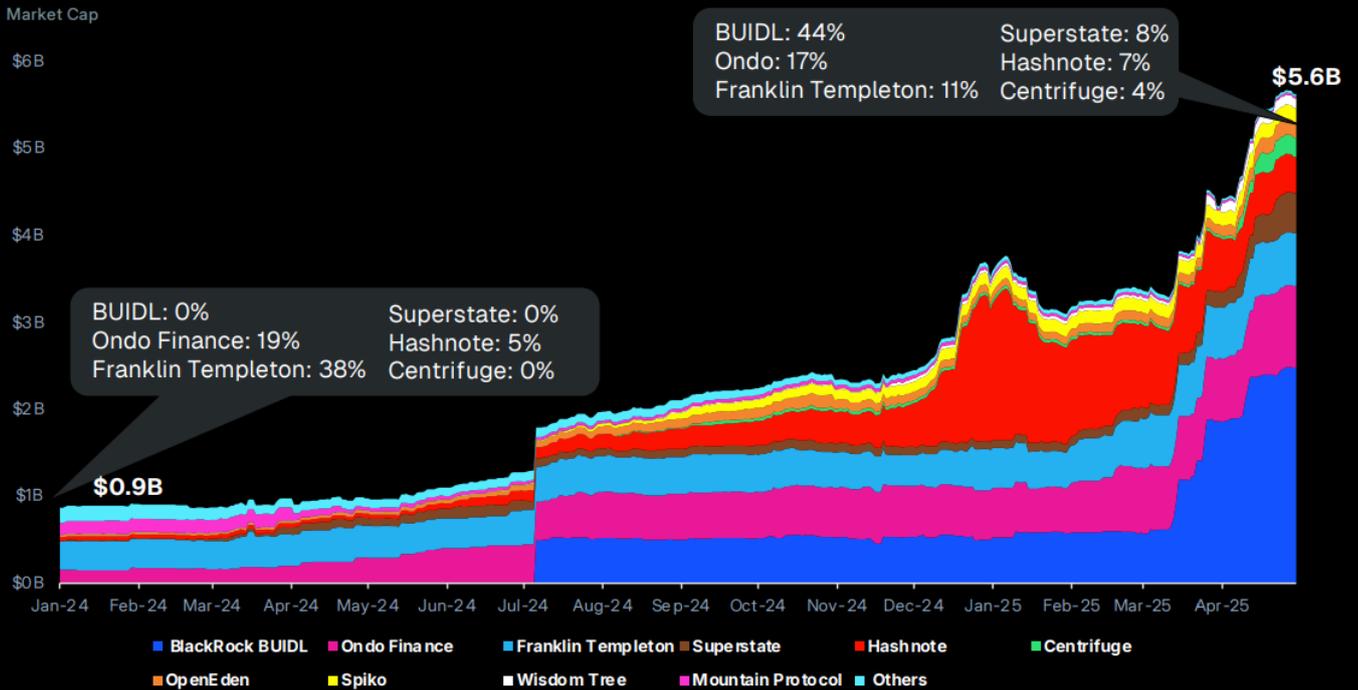
Stablecoins underwrote a lot of that operational expansion. Outstanding stablecoin supply reached \$300B, and monthly stablecoin transactions averaged \$1.1T per month over the six months ending in November 2025. That throughput is the difference between “crypto settlement” as a concept and settlement as a working rail, it changes how quickly capital can move between venues, how collateral can be repositioned, and how fast a risk event can propagate.



Source: Allium, Grayscale Investments. Data as of December 12, 2025. For illustrative purposes only.

Source: <https://research.grayscale.com/reports/2026-digital-asset-outlook-dawn-of-the-institutional-era>

Tokenization became easier to evaluate once the underlying asset was familiar and behaved like cash management rather than a concept demo. Tokenized treasuries reached about \$5.6B by April 2025, up about \$4.7B since the start of 2024, with holdings concentrated in a little over 11,000 addresses. This is why tokenization and DeFi are one section in 2025, not two. Stablecoins functioned as settlement buffers, tokenized bills functioned as yield bearing cash equivalents, and DeFi venues provided execution and credit. They are not separate narratives, they are connected parts of the same collateral pathway.



BUIDL		Ondo		Franklin Templeton		Superstate		Hashnote	
\$2.5B		\$941.2M		\$607.9M		\$461.0M		\$411.6M	
+\$2.5B		+\$780.5M		+\$282.3M		+\$461.0M		+\$367.2M	

Source: <https://assets.coingecko.com/reports/2025/CoinGecko-2025-RWA-Report.pdf>

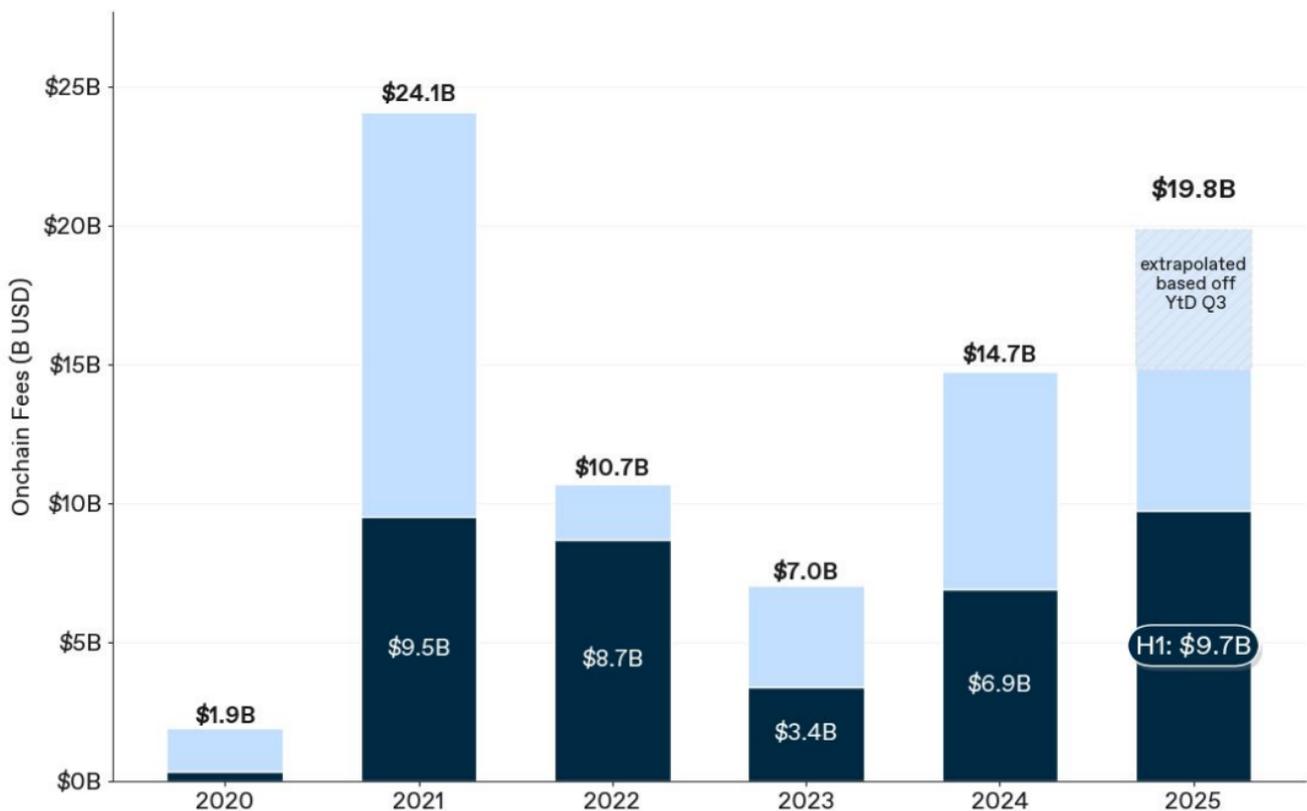
The constraint in 2025 was not whether tokenization existed, it was scale relative to global capital markets. Tokenized assets were still only about 0.01% of global equity and bond market capitalization. That kept the story grounded: tokenization was real enough to shape onchain collateral quality, but still early enough that concentration, legal structure, and operational design carried outsized importance.



Revenue and value capture became the filter for what counted as durable growth

A mature year left a footprint in fees and distributions, not just in TVL and volume. One aggregated onchain fee dataset projected \$19.8B of user paid onchain fees for 2025 (based on end of Q3 data) and \$9.7B in H1 2025. The composition matters as much as the total: 63% of H1 fees were attributed to DeFi and finance applications, versus 22% attributed to blockchains. That split is a structural statement, applications captured more of the monetization layer as base rails became more efficient, and activity concentrated where trading, perps, and financing live.

Onchain Fees Per Year



Source: <https://www.datocms-assets.com/65672/1761822830-1kx-revenue-report-full-draft.pdf>



The cost reset is part of the same story. Average transaction fees were reported down 86%, while usage expanded to 169M average daily transactions and 273M monthly transacting wallets in H1 2025. Lower unit costs did not remove risk, but they changed what could scale. More users and more transactions at lower marginal cost increased the importance of business model quality, because growth could no longer be explained by congestion alone, it had to be explained by repeat usage that was willing to pay.

Value distribution also moved back into view. Net value distributed to token holders reached \$1.9B in Q3 2025 on a “net of emissions” definition. In a year end wrap, this is the cleanest way to communicate maturity without leaning on slogans: 2025 made onchain markets easier to audit as an economic system. Execution scaled, collateral got more legible, and the investable conversation shifted toward fee durability, incentive burden, and whether value capture mechanisms actually delivered under real throughput.





What Changed Structurally in 2025

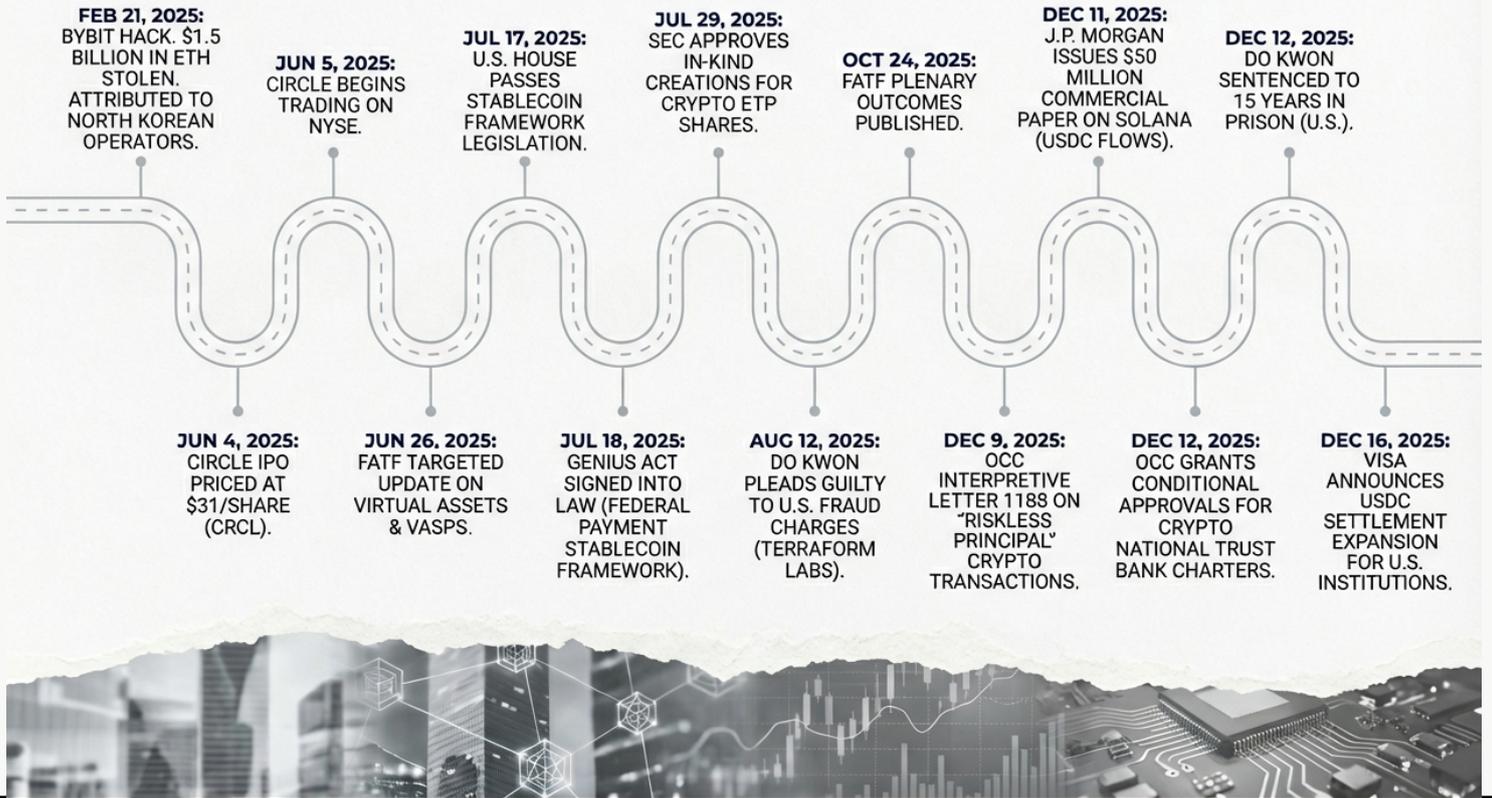
Rules and wrappers became the operating layer

In 2025, the durable shifts showed up in plumbing and process, not narrative. The United States moved stablecoins further into a federal framework, pulling the category toward explicit obligations, governance expectations, and supervision. At the same time, the market kept converging on familiar wrappers and workflows, where rules, operational controls, and counterparties determine what scales. Regulatory adjustments around crypto ETP mechanics also mattered at the margin. They changed how large participants can create and redeem exposure, hedge, and run arbitrage, which feeds directly into liquidity and tracking behavior when conditions tighten. In a market still prone to abrupt stress, these mechanics are part of the risk story.





2025 STRUCTURAL TIMELINE



Stablecoins became easier to evaluate through institutional lenses because the ecosystem leaned harder into recognizable corporate forms. A major issuer’s move into public market disclosure norms and governance expectations raised the baseline for how the category is assessed. Alongside that, steps toward more formal custody and fiduciary structures pulled key workflows closer to regulated frameworks. None of this removes execution risk, but it resets the reference points. The conversation shifts away from category legitimacy and toward operational credibility, redemption behavior, disclosure quality, partner dependencies, and what holds up under stress.



The market structure story became visibly hybrid

At the venue level, 2025 continued to blur the old boundary between “onchain” and “traditional.” Onchain derivatives activity reached a scale that was harder to dismiss, and tokenization became easier to explain when the underlying asset was familiar, especially tokenized treasuries. That combination made venue mix, collateral pathways, and inter venue linkages more important to track than in earlier cycles, because risk can originate in one domain and propagate into the other.

Even with better rails, constraints did not loosen. High profile security failures and uneven cross border standards kept operational resilience and compliance gaps in view. Court outcomes tied to prior cycle failures added institutional memory that stayed present, even as the market pushed forward.



2025 Wrapped

2025 was the year crypto's centre of gravity shifted from belief to execution. Stablecoins moved from a market utility into a policy and payments question, and the United States put a federal framework around payment stablecoins through the GENIUS Act.

Market access also became more defined as the SEC permitted in kind creations and redemptions for crypto ETPs, and the SEC dismissed its civil enforcement action against Coinbase earlier in the year.

The industry kept moving toward recognisable institutional forms and workflows. Circle's path into public market disclosure norms signalled a higher baseline for how stablecoin issuers are assessed, and the OCC's conditional trust bank charter approvals involving several crypto firms pulled custody and fiduciary expectations closer to traditional supervisory structures. In parallel, Ethereum activated the Pectra upgrade, showing that core infrastructure continued to ship while the rulebook tightened.

The year also clarified the constraints that do not ease just because rails improve. The Bybit theft, and the FBI's attribution to North Korean actors, reinforced state-linked operational risk as a recurring feature of the landscape. FATF's targeted update kept the spotlight on uneven implementation of virtual asset and VASP standards, and court outcomes tied to the prior cycle, including Do Kwon's guilty plea and sentencing, underlined that accountability continues to land. That is the end point for 2025 in this report: clearer rules and broader access, paired with a higher bar for security, compliance, and operational credibility.





Forward Look, 2026 Scheduled Milestones

2026 has fewer “headline” moments on a fixed calendar than 2025, but the dated items that do exist are mostly plumbing and rulebook deadlines. Those are the milestones that can change market access, settlement rails, and compliance frictions without needing a narrative reset. This section is informational only, it is not financial advice.

January 2026, reporting regimes switch on and major chain maintenance windows cluster

- ✓ **January 1, 2026:**
EU DAC8 crypto-asset reporting rules begin applying, with RCASPs required to collect reportable user transaction data for the 2026 period.
- ✓ **January 1, 2026:**
Basel Committee Pillar 3 crypto-asset exposure disclosure standard becomes effective for bank reporting.
- January 1, 2026:**
- ✓ US digital-asset broker reporting expands to include cost basis coverage for certain digital-asset transactions effected on or after this date.
- ✓ **January 7, 2026:**
Ethereum “BPO2” blob-parameter update activation.
- ✓ **January 7, 2026:**
opBNB mainnet “Fourier” upgrade.
- ✓ **January 8, 2026:**
Arbitrum One and Arbitrum Nova “ArbOS 51” upgrade window (scheduled; subject to the network’s governance and release readiness).
- ✓ **January 12, 2026:**
Qtum hard fork activates at block 5,483,000 (mandatory upgrade).
- ✓ **January 14, 2026:**
BNB Smart Chain “Fermi” mainnet upgrade.



February 2026, stablecoin rulemaking and AML standards re-enter focus

- ✓ **February 9–13, 2026:**
FATF Plenary week, a common window for public statements and jurisdiction-level actions.
- ✓ **February 10, 2026:**
Bank of England consultation on systemic stablecoins closes.
- ✓ **February 12, 2026:**
UK FCA consultation package on stablecoin issuance and cryptoasset custody closes.

March 2026, EU tokenization market structure checkpoint

- ✓ **March 24, 2026:**
FATF Plenary week, a common window for public statements and jurisdiction-level actions.

June 2026, FATF cycle resumes

- ✓ **June 2026 (Plenary week):**
FATF mid-year plenary window, often a checkpoint for updates on global VASP standards implementation.

July 2026, EU transition gates and US stablecoin implementation clocks

- ✓ **July 1, 2026:**
MiCA transitional runway reaches the maximum EU-wide limit in jurisdictions that used the full period, tightening the “operate while transitioning” path for legacy cryptoasset service providers.
- ✓ **July 10, 2026:**
AMLA guideline milestone on minimum requirements for business-wide AML risk assessments.
- ✓ **By July 18, 2026:**
GENIUS Act one-year post-enactment deliverables fall due across specified rulemaking and reporting items written into the statute.

October 2026, FATF year-end window

- ✓ **October 2026 (Plenary week):**
FATF late-year plenary window, often when enforcement and standards messaging resets ahead of year-end compliance planning.

November 2026, US political calendar event

- ✓ **November 3, 2026:**
US midterm elections.



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➔ **Website:**
www.alphanode.global

➔ **Email:**
info@alphanode.global