btc markets

**23rd February 2026**

Dr. Sean Turner, Committee Secretary
Senate Economics Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Sent via economics.sen@aph.gov.au

**SUBMISSION ON CORPORATIONS AMENDMENT (DIGITAL ASSETS FRAMEWORK) BILL 2025**

BTC Markets Pty Ltd (BTCM) are an Australian-based digital asset exchange. This year marks our 13th in operation. We have over 380,000 Australian clients who have traded more than AU$34.5bn dollars. Our sister company, BTCM Payments, holds an Australian Financial Services License for non-cash payments and general advice. We hold ISO 27001 and ISO 9001 certification. This reflects our commitment to operating at the highest standards and mirror international best practices.

We appreciate the opportunity to make a submission in response to the amendment bill. Our industry longevity and local client base makes us uniquely positioned to provide insight on these issues. Our commentary in this submission speaks from this experience. It highlights several areas where the draft legislation risks creating uncertainty, unnecessary regulatory burden, and divergence from international practice. The commentary also references our prior submission to the Treasury consultation process[1] (October 2025) throughout.

**1. Need for a Government Issued Token Classification Framework**

BTC Markets stresses that the Digtial Asset Platform (DAP) regime cannot function without a clear method for determining whether a digital asset is a financial product. As our prior submission notes, “each exchange has had to make judgement calls based on their own due diligence,” a situation that creates systemic ambiguity and inconsistent outcomes across the industry. This clarity should also take into consideration the listing location of a product that would meet the definition of a financial product per the Corporations Act. It would be

[1] Consultation - Regulating digital asset platforms – exposure draft legislation - Consult hub

detrimental to Australian consumer protections if products which if listed in Australia would be a financial product, are listed in offshore jurisdictions in a way that would have the effect of reducing consumer protections.

**2. Unclear Communication and Marketing Obligations**

If a DAP is itself deemed a financial product, platforms may be restricted in how they explain their services to consumers. The earlier submission warns that recommending a financial product requires a specific AFSL authorisation, and that obtaining such variations is "an extraordinarily lengthy process." This could impede consumer education and reduce market competitiveness.

**3. Concerns About Potential Reclassification as a Financial Market**

The draft allows for DAPs — a platform intended for non-financial assets—to be transitioned into the financial market regime under the direction of the Minister. BTC Markets previously described this as "an arbitrary process" that creates a "sword of Damocles" over Australian operators. The October submission argues that no clear harm or benefit has been articulated to justify such a shift, and that the uncertainty would deter investment.

In addition, we would add that there should be no presumption that the existing obligations in markets law can be used as a proxy for right-sized obligations for DAPs. Equally, there are no limiting principles regarding ministerial decision-making. It is imperative at this stage that rigorous controls are implemented to protect against arbitrary ministerial outcomes in the future.

**4. Clearing and Settlement Licence Requirements**

The prior submission emphasises that clearing and settlement facilities under the Corporations Act relate to "transactions relating to financial products" which DAPs do not conduct. As trades on centralised platforms are internal ledger movements with no counterparty risk, imposing a separate clearing and settlement licence would add cost and complexity without improving consumer outcomes. Acknowledgement also needs to be given that if digital asset market operators in Australia atomically match and settle trades within their matching engine there is no clearing, only settlement. Only appropriate settlement provisions should apply to any licensing requirements.

If credit, novation or netting is applied then learing obligations may come into operation. It should also be considered whether credit or clearing applies if Australian consumer funds or assets are transported offshore for matching or settlement.

**5. Issues With Proposed Benefits of Intermediated Staking**

BTC Markets identifies two proposed benefits in section 55.9 that are not achievable:

- Platforms cannot return staked assets earlier than the protocol allows.
- Platforms cannot accept liability for failures in "public digital token infrastructure," which is outside their control.

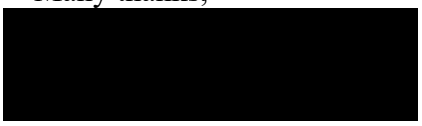
Our previous submission warns that including these concepts "may mislead clients to believe that they are possibilities or that platforms accept that level of liability."

**6. Overall Impact on Industry Viability**

The combined effect of the proposed obligations without considering the differences between digital asset trade/match/settlement and traditional finance trade/match/settlement/clearing — multiple licences, expanded AFSL requirements, restricted staking options, and potential exposure to market licence obligations—creates a framework that may be unworkable in practice. The October submission states that "the burden this will place on businesses will be enormous," risking slower innovation, higher costs, and reduced competition.

BTC Markets reiterates its support for proportionate, fit for purpose regulation and market licenses as well as willingness to continue engaging as legislation develops.

Many thanks,



**Caroline Bowler**
**Chair, BTC Markets Pty Ltd**