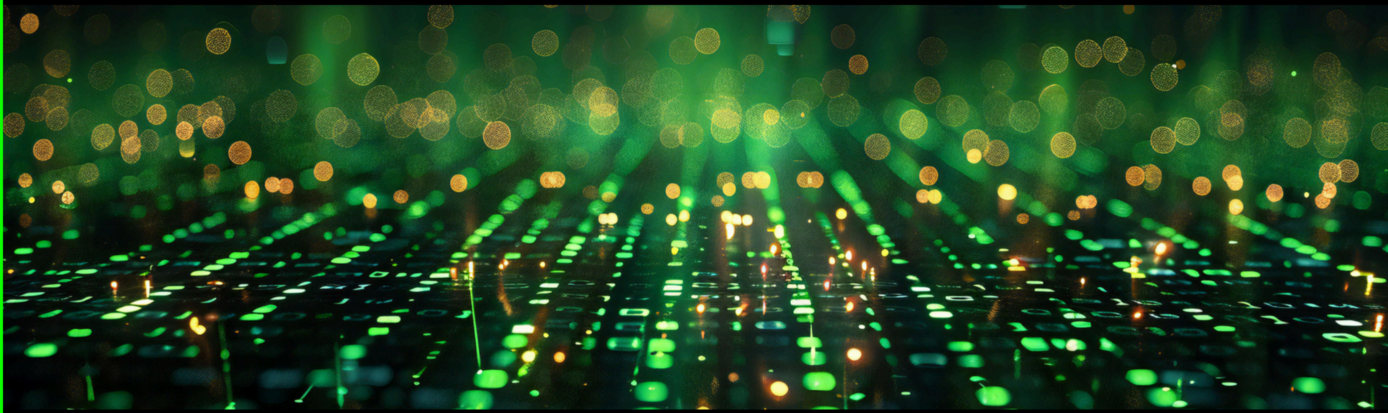
22 April 2025



Welcome to Scale Compliance's

NEWSLETTER

🚨 Inside the $1.4B Bybit Hack: How Lazarus Group Pulled Off the Biggest Crypto Heist in History

On February 21, 2025, the cryptocurrency world was rocked by the largest exchange hack ever recorded. Dubai-based exchange Bybit lost approximately $1.4 billion in digital assets, primarily Ethereum (ETH), to a sophisticated cyberattack later attributed to North Korea's Lazarus Group .

How the Hack Unfolded

The attackers exploited vulnerabilities in Bybit's cold wallet infrastructure. They began by compromising the Safe{Wallet} user interface, injecting malicious JavaScript to manipulate transaction approvals. This allowed them to reroute a routine transfer of funds to their own addresses without immediate detection .

Once the funds were secured, the hackers employed advanced laundering techniques.

They split the stolen assets across multiple intermediary wallets, converted them into various cryptocurrencies, and utilized decentralized exchanges and cross-chain bridges to obscure the transaction trail.

Bybit's Response and Recovery Efforts
In the wake of the breach, Bybit acted swiftly to mitigate the damage. The exchange secured emergency liquidity to replenish its reserves and launched the LazarusBounty program, a platform designed to incentivize the crypto community to track and freeze the stolen funds.

The LazarusBounty program offers a 10% reward on recovered funds, split between those who successfully freeze the assets and those who provide verifiable leads. Since its inception, the platform has processed over 2,000 reports and has a total bounty pool of $140 million.

The Broader Implications
This incident underscores the growing threat of state-sponsored cyberattacks in the cryptocurrency sector. The Lazarus Group, linked to North Korea's intelligence agency, has been implicated in multiple high-profile crypto thefts, using the proceeds to fund the country's nuclear program .

The Bybit hack also highlights the need for enhanced security measures across the industry. Despite employing cold storage and multisignature wallets, Bybit's defenses were breached, emphasizing that no system is entirely foolproof.

Moving Forward
Bybit's proactive approach, including full transparency and community engagement through the LazarusBounty program, sets a precedent for how exchanges can respond to such crises. As the industry grapples with increasing cyber threats, collaborative efforts between exchanges, security experts, and users will be crucial in safeguarding digital assets.

💱 Uniswap Teams Up with Robinhood, MoonPay, and Transak to Simplify Crypto-to-Cash Conversions

In a significant move to enhance user experience and accessibility, decentralized exchange Uniswap has partnered with Robinhood, MoonPay, and Transak to facilitate seamless crypto-to-fiat transactions. Starting February 27, 2025, users in over 180 countries can sell supported cryptocurrencies and have the proceeds deposited directly into their bank accounts through these platforms.

This integration is currently live on the Uniswap wallet for both Android and iOS devices, with plans to extend the feature to the Uniswap browser extension and web application in the near future. Uniswap highlighted that transitioning between crypto and cash has traditionally been cumbersome, often requiring users to navigate centralized exchanges and manage complex crypto addresses.

With this new partnership, such transactions can now be completed with just a few clicks within the Uniswap wallet.

The announcement comes shortly after the U.S. Securities and Exchange Commission (SEC) concluded its investigation into Uniswap Labs without pursuing any enforcement action. Uniswap Labs received a Wells notice from the SEC in April 2024, but the regulator stated on February 25, 2025, that it had no plans to take further action. Similarly, the SEC also dropped its probe into Robinhood's crypto division this week.

Uniswap remains the world's largest decentralized exchange, boasting a total value locked (TVL) of $4.2 billion, according to DefiLlama. However, the platform has experienced a 30% decline in TVL since the beginning of the year, reflecting broader market trends. In late January, Uniswap launched its anticipated v4 platform, offering enhanced user experience and developer options across 12 blockchain networks.

Despite these advancements, Uniswap's native token, UNI, saw a 5.4% decrease on the day of the announcement, falling to $7.60 amid a general market downturn.

This collaboration marks a significant step towards bridging the gap between decentralized finance (DeFi) and traditional financial systems, making it easier for users worldwide to convert their digital assets into fiat currency.

💳 Mastercard’s Multi-Token Network: Building the Future of Trusted Digital Value Exchange

The world is moving toward a future where value is exchanged not only in traditional currencies but also in tokenized assets, stablecoins, and digital currencies. Yet trust, security, and interoperability remain critical challenges.

Mastercard is stepping in to address this gap with its Multi-Token Network (MTN), a groundbreaking infrastructure designed to enable regulated, secure, and seamless transfers of tokenized assets across blockchain-based ecosystems.

What is the Multi-Token Network (MTN)?
MTN is Mastercard's new solution to connect financial institutions, fintechs, central banks, and businesses into a secure environment for exchanging digital assets.

It acts as a bridge, combining Mastercard's proven security standards with blockchain innovation. MTN provides a set of tools and rules for four key pillars of trusted digital asset exchange:

1. **Trust in Counterparties Identity**, verification, and anti-money laundering (AML) tools baked into every transaction.
2. **Trust in Assets Tokenized money**, stablecoins, and CBDCs with full transparency and compliance checks.
3. **Trust in Technology Blockchain-agnostic infrastructure** supporting multiple token standards across public and private networks.
4. **Trust in Consumer Protections Security standards** like those applied in the card payments ecosystem – fraud monitoring, dispute resolution, and regulatory compliance.

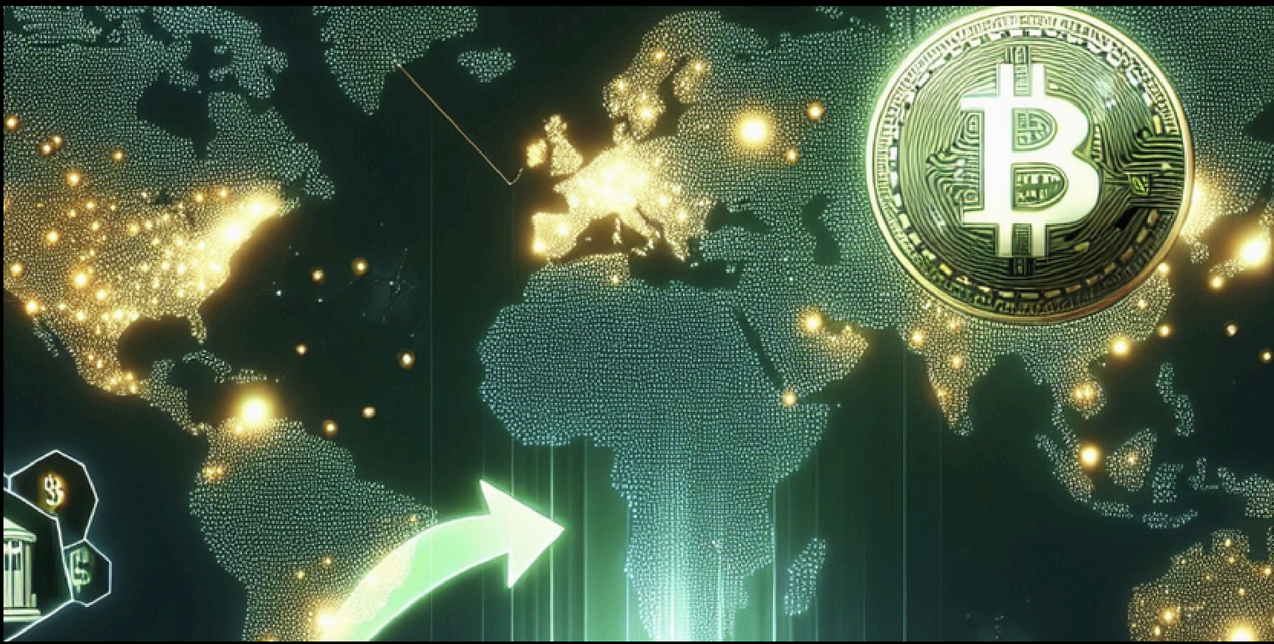
As the digital economy evolves, institutional players are increasingly entering the tokenized assets space, from tokenized deposits to real-world assets (RWA) like real estate or commodities on-chain. However, without trusted infrastructure, mainstream adoption is limited. Mastercard's MTN is positioning itself as the backbone for:

- Cross-border tokenized payments
- Stablecoin and CBDC interoperability
- Smart contract-enabled commerce
- Digital identity integration in financial transactions

Mastercard's Multi-Token Network is not just another blockchain experiment, it's a scalable infrastructure designed to bridge traditional finance (TradFi) and decentralized finance (DeFi) in a regulated and trusted environment.
For businesses exploring digital assets, MTN represents a strategic opportunity: future-proof infrastructure, built with compliance at its core.

This is the infrastructure layer the tokenized economy has been waiting for.

Global Crypto Ownership Reaches 562 Million People in 2024



The latest global data reveals a powerful signal: over 562 million people worldwide now own cryptocurrency as of 2024.

This milestone marks a +34% year-on-year increase, underscoring the unstoppable momentum of digital assets moving from niche speculation into mainstream finance. The world is no longer asking if crypto will matter – but how it will reshape the future of money, payments, and financial infrastructure.

What's Driving the Surge in Crypto Ownership?
Several key trends have accelerated crypto adoption across both retail and institutional segments:

- Stablecoins & Tokenized Fiat: Growing demand for stable, blockchain-based payment instruments in cross-border commerce.
- Emerging Markets Adoption: Crypto as an alternative financial system in regions with high inflation or limited banking access.
- Regulatory Clarity: Jurisdictions like Europe (MiCA) and the UAE establishing crypto-specific regulatory frameworks.
- Digital Identity & Web3: Consumer interest in decentralized applications, NFTs, and self-sovereign identity models.
- Institutional Entry: Banks, asset managers, and payment networks integrating tokenized assets into their offerings.

Regional Breakdown of Crypto Ownership

- Asia-Pacific continues to lead in volume and adoption, with countries like India, Vietnam, and the Philippines seeing double-digit penetration rates.
- Latin America shows strong growth driven by remittances and stablecoin use cases.
- Europe & North America remain key hubs for regulated crypto finance and infrastructure innovation.

What This Means for Financial Services
The rise of 562 million crypto users isn't just a consumer trend – it's a signal to financial institutions, regulators, and businesses: **Digital assets are becoming a standard part of the financial ecosystem.**

Forward-looking organizations are already adapting by:

- Integrating crypto wallets and on/off ramps into their platforms.
- Offering compliant custody and tokenization solutions.
- Exploring stablecoin payments and cross-border settlement layers.
- Partnering with blockchain infrastructure providers for secure asset exchange.

562 million crypto owners in 2024 is more than a statistic, it's a signal of a profound global shift. For financial services, compliance leaders, and innovators, the message is clear:

The future of money is digital, decentralized, and already in the hands of over half a billion people.

The time to prepare, innovate, and lead in this space is now.

Why Scale Compliance is the Strategic Partner for the Tokenized Future

As crypto adoption surpasses 562 million users globally and industry leaders like Mastercard build the infrastructure for a multi-token economy, one thing becomes clear:

The future of finance will be powered by digital assets – but governed by trust, compliance, and security.

At Scale Compliance, we enable financial institutions, fintechs, and Web3 innovators to operate at the forefront of this transformation – without compromising on regulatory standards.

How We Support the Next Era of Digital Finance:

- **Crypto Compliance Frameworks**: End-to-end solutions for KYC, KYT, AML, and risk monitoring tailored to tokenized assets, stablecoins, and DeFi environments.
- **Transaction Monitoring & Smart Escrow**: Automated monitoring of blockchain-based transactions with customizable rules and real-time alerts.
- **Compliance-by-Design Infrastructure**: Advisory and technology integration to align your business with evolving global standards like MiCA, FATF Travel Rule, or local VASP requirements.
- **Training & Human Expertise**: Specialized compliance training modules for teams operating in crypto, tokenization, and Web3 ecosystems.

Scale Compliance

Our mailing address is:
info@scalecompliance.com
www.scalecompliance.com