



**crypto.com**

## **Crypto Regulation Survey**

Does regulation do more harm than good?

July 2020

## Research and Insights

Survey Report



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# 1. Executive Summary

We collected 19,381 responses during the course of the survey. The main takeaways from the survey are listed below.

## Key Takeaways:

- Majority of respondents (43%) thought their countries' regulations were neutral to crypto. More respondents believed their countries' regulations were crypto-friendly (29%) instead of unfriendly (11%);
- 45% of respondents believed that more regulation is beneficial to crypto adoption, whereas 23% of respondents were neutral and 21% of respondents believed it is harmful;
- Our respondents tended to view regulation favorably. Higher score was observed for "more regulation may help to change the general public's stigma" (3.68) and "I feel safer to use regulatory compliant crypto service provider" (3.89) than other questions;
- Moreover, respondents tended to believe in the crypto's spirit "be your own bank". The statement "People should be responsible for keeping their own crypto safe, instead of relying on consumer protection regulation" got a score of 3.71;
- Only 17% of respondents had heard of Travel Rule while 83% had not. We expect the number to be higher for those who worked in crypto industry. Still, only less than half (45%) were aware of the Travel Rule;
- More than half (55%) of respondents had not filled crypto for tax while only one fourth (25%) of respondents reported they had done so.

## 2. Introduction

As the cryptocurrency market gets mature day by day, it also draws more and more attention from the government and regulators. It is an inevitable consequence that more crypto-related regulations will come in the coming years. In light of this – how do our users think about crypto regulation? Does it do more harm than good?

Through this survey, we aim to study the following:

- Public's awareness and opinions on Crypto regulation;
- The current state of crypto taxation.

This survey was distributed to all Crypto.com users and we have collected 19,381 effective replies in one week. We would like to express our sincerest thanks to all of you who have spent your valuable time for participating in the survey.

Besides this public survey report, we would also like to introduce our proprietary research insights offering. Every month, we will select a special theme for our Feature Article to be shared exclusively with [Crypto.com Private](#) clients via our newsletter.

As you can see, the theme this month is Crypto Regulation. We have dedicated resources to this research project in the hopes of ensuring the Feature Article will bring perspective-changing and in-depth analysis. If you are interested, please upgrade your card to get access to this monthly newsletter.

## 3. Results

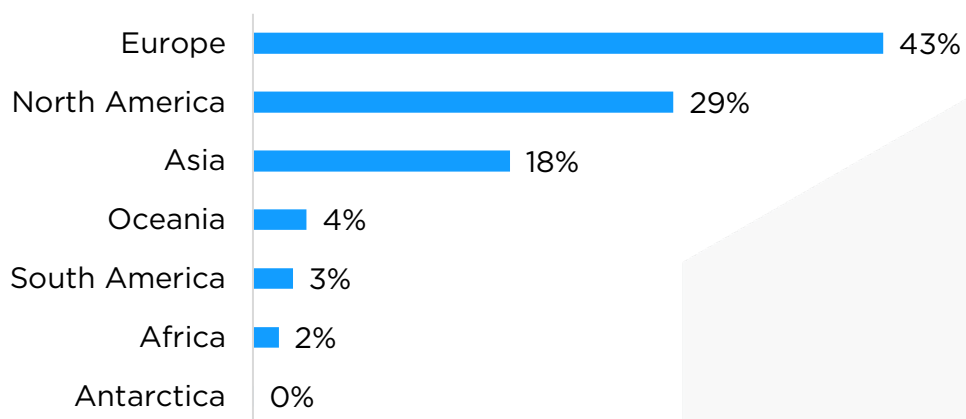
In this section, we analyzed data collected from 19,381 respondents.

### 3.1 Demographics

#### Geographic Location

Geographically, most of respondents were from Europe (43%), followed by North America (29%) and Asia (18%).

#### In which country are you residing?



Accordingly, 75% of respondents were from developed economies and 23% were from developing economies. Classification was obtained from [this IMF report](#).



**Developed**

**75%**

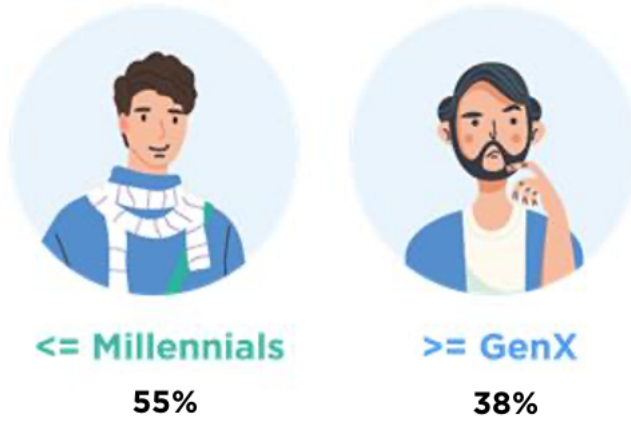


**Developing**

**23%**

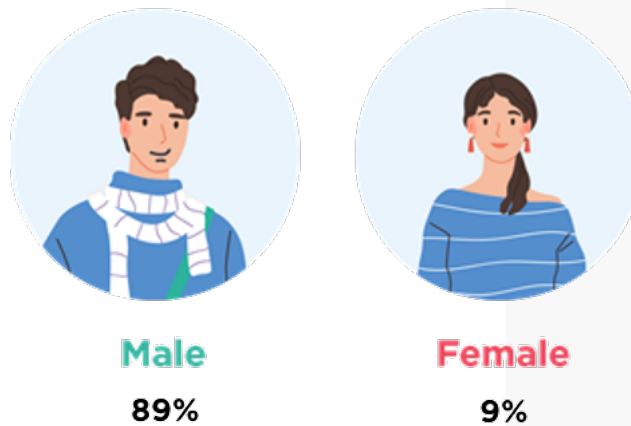
## Age

55% of respondents were millennials or younger (born after 1980), while 38% were GenX or older (born before 1981). Classification for Millennials / GenX was obtained from [this article](#) by the Pew Research Center.



## Gender

Data showed that 89% of respondents were male and only 9% were female.

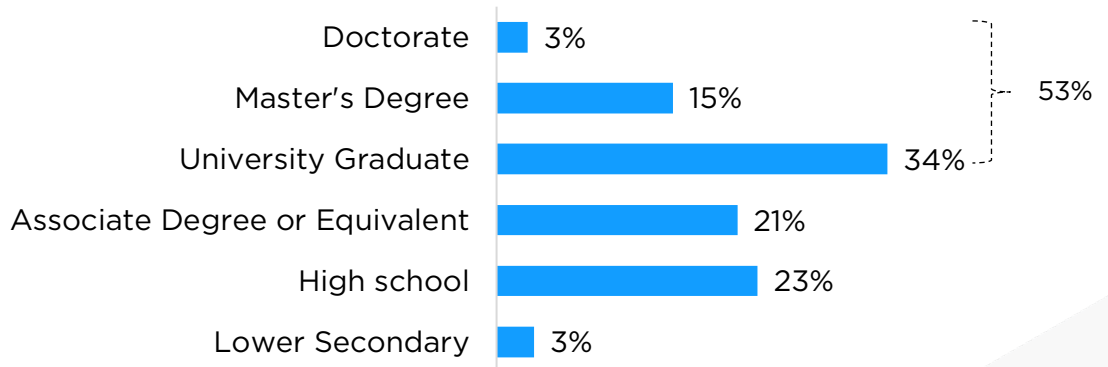




### Educational Background

Overall, 53% of respondents had bachelor’s degrees or higher. The breakdown by specify subtypes is shown below:

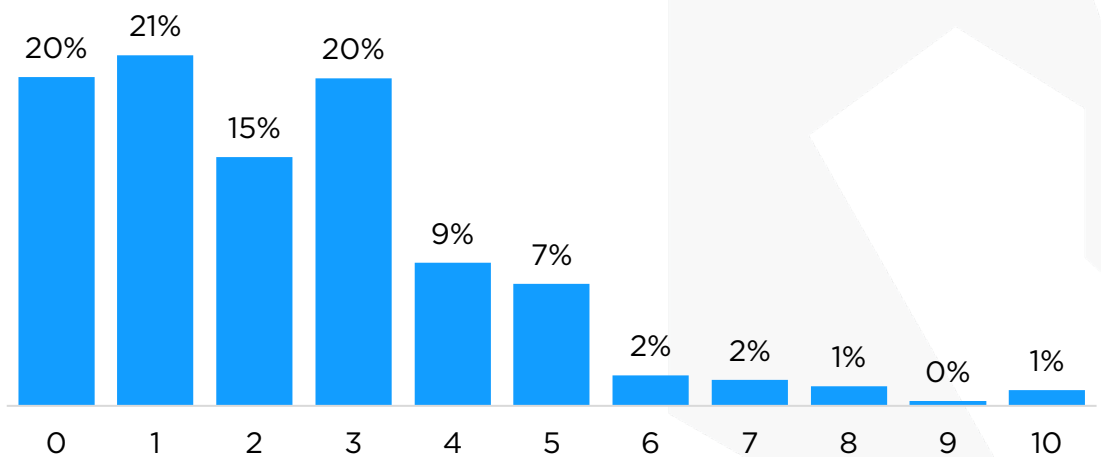
#### Educational Background



### I have about \_\_\_ year(s) experience in crypto.

Overall, more than half of the respondents (56%) had less than or equal to 2 years experiences in crypto and the average year of experience was 2.27 years.

#### Years of Experience



I have \_\_\_\_ knowledge / experience in crypto.

45% of respondents considered that they had basic knowledge in crypto, whereas the ratio for intermediate was 44% and advanced was 10%.

### Knowledge in Crypto



Are you working in the crypto industry or your work is closely related to crypto?

While most respondents (89%) did not work in the crypto industry, there were 10% respondents who were working in the crypto industry, or their work is closely with crypto.



89%



10%

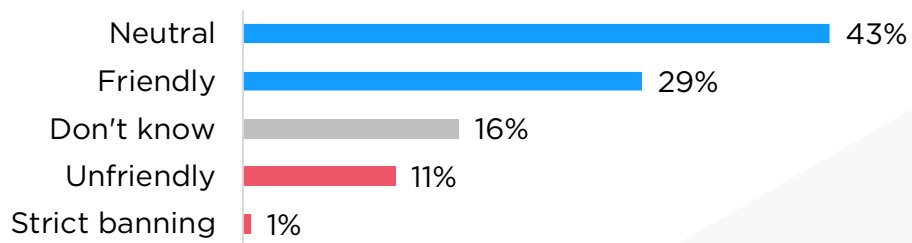
### 3.2 Crypto Regulations

In this section, we asked users' general opinions and experiences on crypto regulations.

**My country is regulatory \_\_\_\_ on crypto.**

Majority of respondents (43%) thought their countries' regulations were neutral to crypto. More respondents believed their countries' regulations were crypto-friendly (29%) instead of unfriendly (11%).

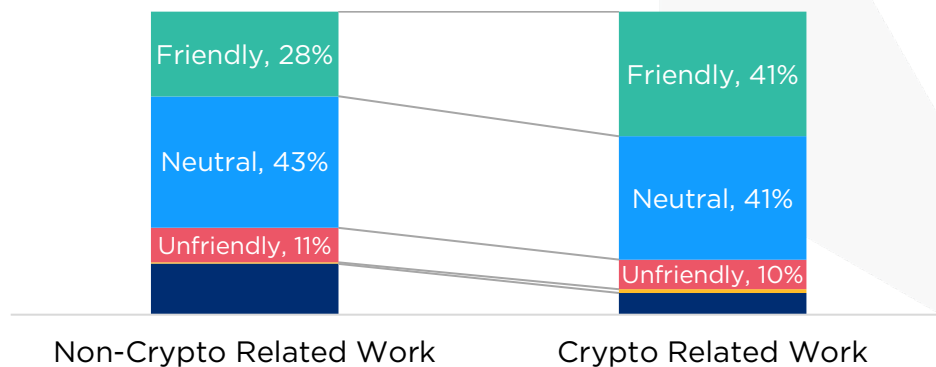
#### My country is regulatory \_\_\_\_ on crypto



Respondents whose work was related to crypto believed that their countries were more regulatory-friendly than their counterpart. This can potentially be explained by:

- They were more informed and knowledgeable on the issue;
- Bandwagon Effect: Public opinion tended to impinge upon itself;
- Survival Bias: Crypto-friendly countries tended to have more crypto-related jobs

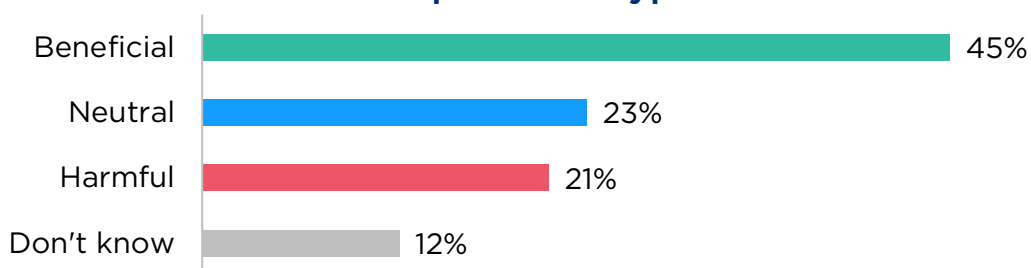
#### My country is regulatory \_\_\_\_ on crypto



**I believe that more regulation is \_\_\_\_ to the adoption of crypto.**

45% of respondents believed that more regulation is beneficial to crypto adoption, whereas 23% of respondents were neutral and 21% of respondents believed it is harmful.

**I believe that more regulation is \_\_\_\_ to the adoption of crypto**



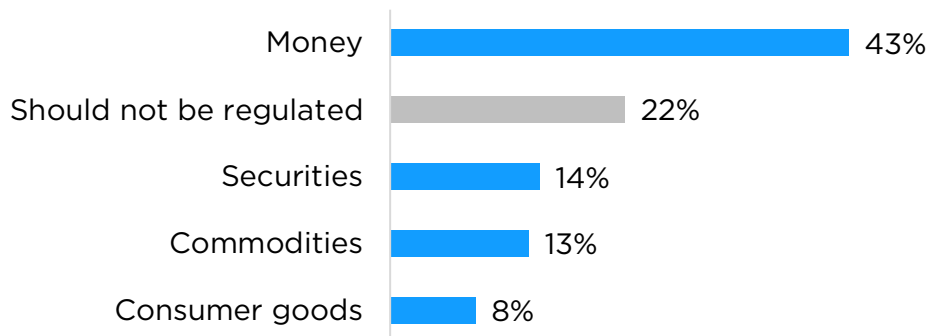
We had allowed respondents to enter free-text to explain why they believe more regulation is beneficial / harmful to crypto adoption. The top-mentioned items are listed below:

Rank	Beneficial	Harmful
1	Help adoption	Hinder adoption
2	Improve safety	Hate government control
3	More trust	Against nature of crypto
4	Reduce scam	Raise tax burden
5	Good for education	Less freedom
6	More reliable	Stifle innovation
7	More legitimacy	Benefit regulators only
8	More transparency	Become fiat likeness
9	Reduce manipulation	
10	Less volatility	

### Crypto should be regulated as:

43% of respondents thought that crypto should be regulated as money, while that for “should not be regulated” was 22%.

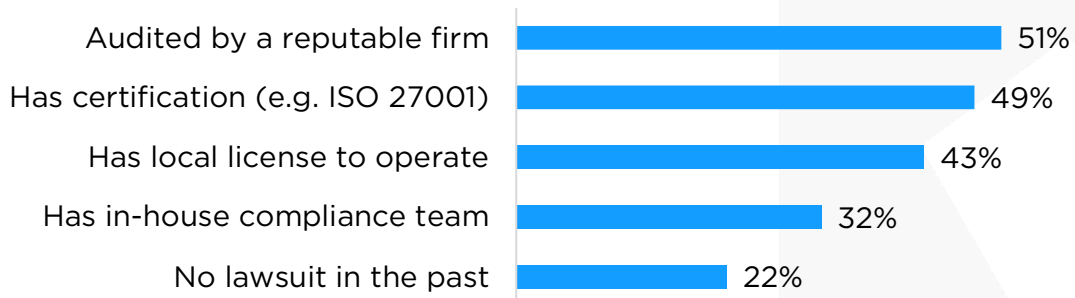
### Crypto should be regulated as:



### In your view, which of the following(s) are important factors for a company to be considered as in good regulatory compliance?

The top three options all were selected by more than one-third of respondents, including “audited by a reputable firm” (51%), “has certification” (49%) and “has local license to operate” (43%).

### Good Regulatory Compliance



### How much do you agree with this statement?

We had presented a series of statements for our respondents to rate them from 1 (not agree at all) to 5 (completely agree). Here we summarized the result with the weighted score:

Question	Score
More regulation on crypto may help to change the general public's stigma of crypto being only used by criminals for illegal transactions.	3.68
I will not use a crypto service provider if my personal information and transactions details are traceable by regulators.	3.27
I feel safer to use a regulatory compliant crypto service provider than a non-compliant one.	3.89
People should be responsible for keeping their own crypto safe, instead of relying on consumer protection regulation.	3.71
Decentralized application / finance should be regulated.	3.13

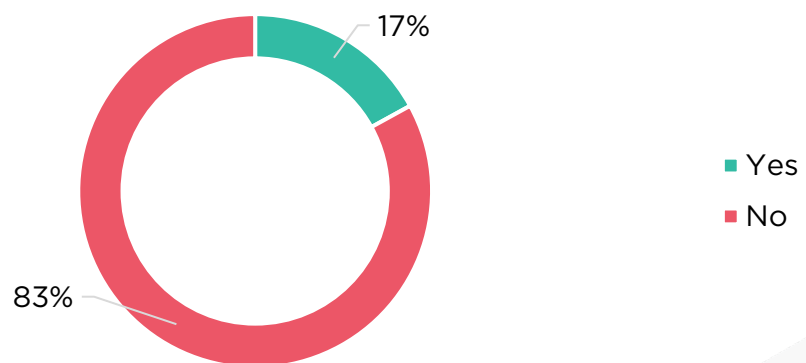
Overall, our respondents tended to view regulation favorably. Higher scores were observed for “more regulation may help to change the general public’s stigma” (3.68) and “I feel safer to use regulatory compliant crypto service provider” (3.89). Even if one’s personal information will be traceable by regulator, the score for “I will not use it” was only 3.27, meaning that people were not that repelling to regulators’ surveillance.

However, respondents tended to believe in the crypto’s spirit “be your own bank”. The statement “People should be responsible for keeping their own crypto safe, instead of relying on consumer protection regulation” got a score of 3.71, while that “Decentralized application / finance should be regulated” was only 3.13.

### Have you heard of "Travel Rule"?

Overall, only 17% of respondents had heard of Travel Rule while 83% haven't.

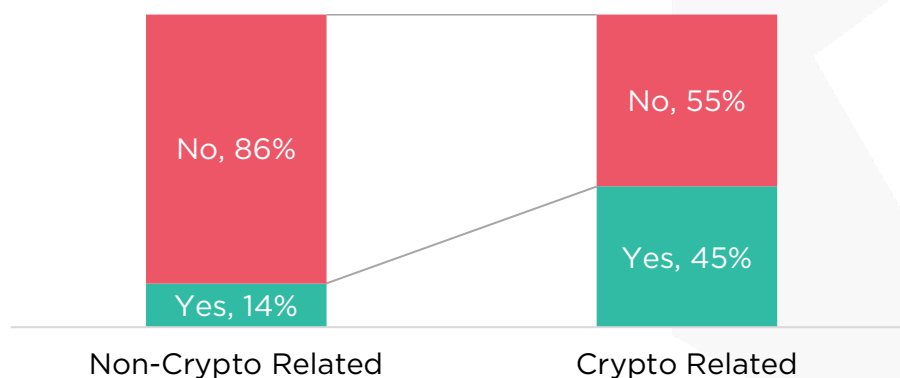
### Have you heard of "Travel Rule"?



One expectation is that people who worked in crypto industry / whose work is closely related to crypto should have heard of Travel Rule.

The result was in general true that the ratio for answer "Yes" was 3 times higher than its counterpart. Still, only less than half (45%) of people worked in crypto industry were aware of the Travel Rule.

### Have you heard of "Travel Rule"?



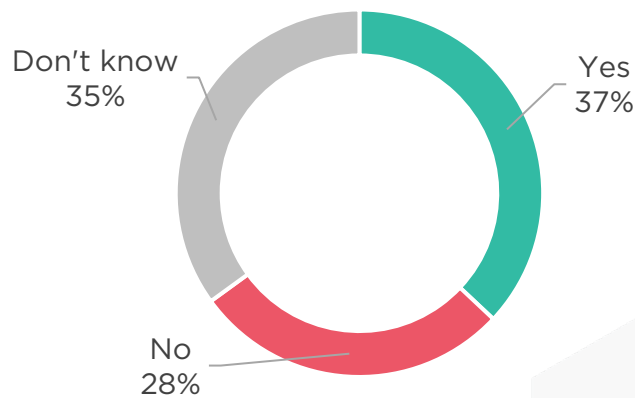
### 3.3 Crypto Taxation

We then switched to ask our respondents questions regarding tax.

#### Does your country charge crypto tax?

More than one third of respondents (37%) replied that their countries charge crypto tax.

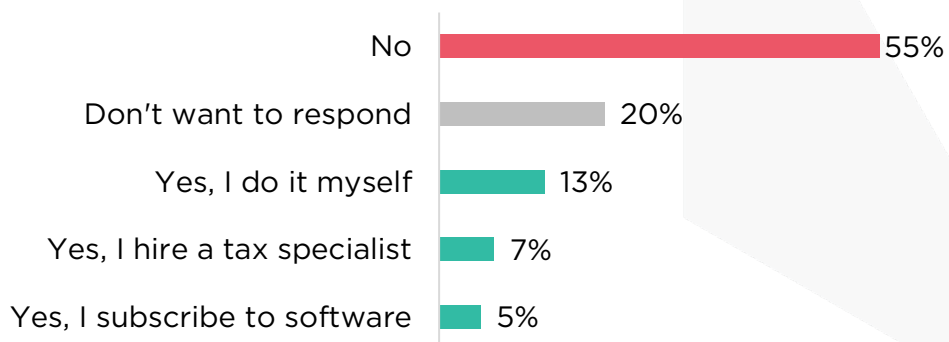
#### Does your country charge crypto tax?



#### Have you filled your crypto tax?

More than half (55%) of respondents had not filled their crypto tax while only one fourth (25%) of respondents reported they had done so.

#### Have you filed your crypto tax?

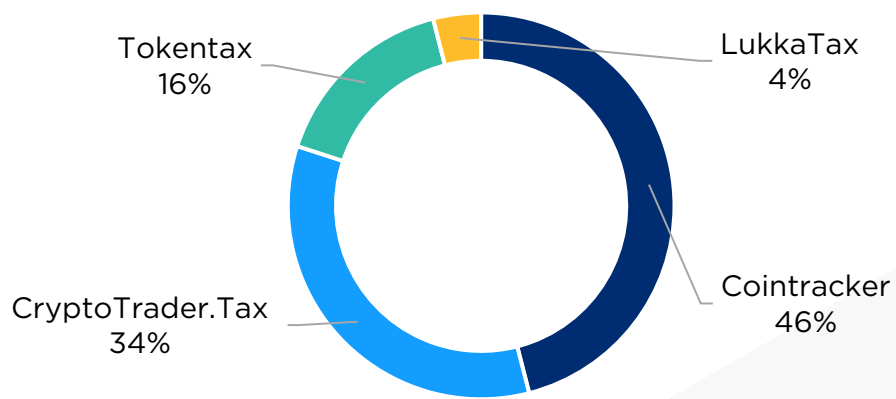




**Subsequent to above, which software did you use to file your crypto tax?**

For the respondents who used software to report their crypto tax, Cointracker (46%) had the highest usage rate, followed by CryptoTrader.Tax (34%) and Tokentax (16%).

**Subsequent to above, which software did you use to file your crypto tax?**



## 4. Summary

### Key Takeaways:

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## 5. References

DIMOCK, M. (2019, Jan). *Defining generations: Where Millennials end and Generation Z begins*. Retrieved from <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

*World Economic Outlook*. (2019, Oct). Retrieved from <https://www.imf.org/-/media/Files/Publications/WEO/2019/October/English/TableA.ashx?la=en>



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