# Blockchain leaders criticise BIS report for underestimating cryptocurrency’s potential



The Bank for International Settlements’ (BIS) recent report proposing measures to isolate cryptocurrency markets from traditional finance has drawn strong criticism from key figures in the blockchain industry. Christopher Perkins, president of blockchain investment firm CoinFund, described the BIS’s recommendations as “dangerous” for the entire financial system.

BIS published its report titled “Cryptocurrencies and decentralized finance: functions and financial stability implication” on April 15, warning that the growing number of investors and the increasing amount of capital flowing into crypto and decentralized finance (DeFi) have reached a critical point. The report raised concerns about investor protection and potential risks posed by stablecoins and the anonymous nature of some DeFi developers. It advocated for a “containment” approach aimed at isolating crypto markets from the traditional finance sector and the broader economy.

However, Perkins, speaking in an April 19 post on X (formerly Twitter), challenged the BIS’s conclusions. He argued that cryptocurrencies are not a form of communism as suggested by some interpretations, but rather represent “the new internet” by providing universal access to financial services. He stated bluntly, “You cannot control it anymore than you control the internet,” highlighting the difficulties regulators face in attempting to contain this global, decentralised technology.

Perkins warned that enforcing a containment policy could ironically increase risks to the traditional financial system. He pointed out that cryptocurrency markets operate continuously, 24 hours a day and seven days a week, whereas conventional financial markets close during trading hours. This mismatch, he suggested, could expose the traditional financial system to “massive liquidity risks of unimaginable scale” and might actually exacerbate systemic financial risks rather than reduce them.

Furthermore, Perkins disputed the BIS’s view that DeFi presents marked regulatory challenges. Instead, he argued that DeFi offers “a significant improvement” over the “opacity” and power imbalances that have long characterised traditional finance. He also questioned the BIS’s criticism of the anonymity of DeFi project developers, pointing out that traditional finance companies do not typically disclose their full teams publicly either. Perkins remarked, “When was the last time a TradFi company published a list of its developers? Sure, public companies provide a degree of disclosures and transparency, but they seem to be dying off in favour of private markets.”

Additionally, Perkins addressed concerns raised in the BIS report regarding stablecoins potentially causing macroeconomic instability in countries such as Venezuela and Zimbabwe. He took a more positive view, suggesting that if stablecoins pegged to the US dollar are in demand and can improve financial conditions for people in developing nations, this could be beneficial. “If there is demand for USD stablecoins and it helps improve the condition of anyone in the developing world, perhaps that is a good thing,” he said.

Perkins was not the only industry leader to respond critically to the BIS report. Christian Catalini, co-founder of blockchain infrastructure firm Lightspark, also voiced his scepticism in a series of posts on X. Catalini offered a pointed metaphor to characterise the report’s approach, saying it was akin to “writing parking regulations for a fleet of self‑driving drones—earnest work, two technological leaps behind.”

The BIS report sought to highlight the rapid expansion of cryptocurrencies and DeFi into mainstream markets and the corresponding regulatory challenges, advocating for measures to prevent potential systemic risks. However, leading voices within the blockchain community have argued that such approaches may underestimate the transformative potential and resilience of crypto ecosystems. The debate reflects ongoing tensions between traditional financial regulators and innovators as the digital asset space continues to evolve.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://cointelegraph.com/news/crypto-adoption-critical-mass-regulation-wealth-gap-bis> - This article supports the claim that the BIS report highlights the critical mass of cryptocurrencies and DeFi, emphasizing regulatory challenges and potential risks to financial stability.
* <https://cointelegraph.com/news/bank-international-settlements-crypto-report-danger-fears-coinfund-president-says> - This piece provides evidence of criticism from Christopher Perkins, president of CoinFund, who describes the BIS report's recommendations as 'dangerous' for the financial system.
* <https://www.bis.org/publ/bppdf/bispap156.pdf> - This PDF contains the BIS report 'Cryptocurrencies and decentralized finance: functions and financial stability implication,' detailing its stance on crypto and DeFi.
* <https://www.fsb.org/uploads/P221024-3.pdf> - This document provides context on global regulatory efforts, including prudential standards for banks’ exposures to crypto-assets and discussions on stablecoin regulations.
* <https://startupnews.fyi/2025/04/19/crypto-defi-may-widen-wealth-gap-destabilize-finance-bis-report/> - This article reinforces the BIS report's warnings that growing crypto adoption could destabilize finance and exacerbate wealth inequality.