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WEEKLY RISK UPDATE / JULY 10, 2026

Governance Hacked, South Korea Eyes Polymarket, and Japan Bets on Bitcoin Over Yen: This Week in Asia Risk

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REGULATORY

Taiwan passes its first crypto and stablecoin law

Taiwan's Legislative Yuan enacted a law requiring all VASPs to get FSC approval to operate, and mandating that stablecoins issued in Taiwan get dual approval from both the central bank and FSC, with reserves held in trust and subject to regular audits. Taiwan becomes the latest Asian jurisdiction to establish a comprehensive crypto framework alongside Japan, Singapore, and Hong Kong.

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REGULATORY

South Korea shifts Polymarket scrutiny from users to the platform

South Korea's Broadcasting, Media and Communications Review Committee gave Polymarket the opportunity to submit its position before deciding on corrective action over gambling concerns. The move follows a June police probe targeting local users for alleged illegal gambling and marks a clear shift of regulatory focus up the chain to the platform itself.

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HACKING & PHYSICAL RISKS

BonkDAO drained of $20M via malicious governance proposal on Solana

An unknown attacker exploited BonkDAO's on-chain governance to push through a malicious proposal and drain $20M from the project's Solana treasury. BONK dropped 7% in the 24 hours following the announcement. The project said it had informed law enforcement and was working to identify those responsible.

HACKING & PHYSICAL RISKS

CertiK H1 report: Crypto hacks fell 47% but North Korean attacks are becoming more destructive

Crypto losses fell to $1.32B in H1 2026 year-on-year, but CertiK warns the number is misleading. North Korean state-sponsored hackers drove a 59% quarter-on-quarter surge in Q2 via the KelpDAO and Drift Protocol exploits. The incident frequency rate actually more than doubled. The US, Japan, and South Korea held a joint trilateral meeting on disrupting DPRK cyber activity.

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INDUSTRY & MARKETS

Japan's collapsing yen pushes corporate treasuries into Bitcoin and XRP

SBI VC Trade reported corporate demand for BTC and XRP rising sharply as the yen trades near a 40-year low of 162/dollar. Registered accounts across VCTRADE and BITPOINT doubled to 2 million in 12 months, helped by the April merger with BitPoint Japan. Stablecoins (USDC, RLUSD, JPYSC) are a second driver as companies diversify reserves beyond cash.

INDUSTRY & MARKETS

SBI Holdings leads $76M Series C for institutional crypto exchange EDX Markets

SBI Holdings led the funding round for EDX Markets, the institutional-only crypto marketplace that separates trading from custody via a central clearinghouse model. SBI is deepening its play across the whole institutional stack: it also acquired Bitbank for $289M last month and launched RLUSD and JPYSC stablecoins in Japan via SBI VC Trade.

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INSURANCE SPOTLIGHT

Stablecoin volumes hit a record $1.79T in June even as market cap fell sharply

Stablecoin transaction volume surged to a record $1.79T in June per Visa data, but stablecoin market cap simultaneously fell to $312B, its largest monthly drop since TerraUSD collapsed. The divergence, high volume but shrinking market cap, suggests concentration of activity into a smaller pool of reserves and raises questions about reserve adequacy exposure for insurers writing digital asset crime and D&O cover.

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