

## Press Release

**CFS survey on “Bitcoin, Ethereum & co. – what does the future hold after the crypto market crash?”**

**German financial industry favours stronger regulation of the crypto sector / Crash not seen as a threat to international financial stability**

FRANKFURT, 26 July 2022

### **Background:**

The major cryptocurrencies have suffered a dramatic decline in recent months. Bitcoin has lost around 70% of its value compared to its peak of around USD 68,000 in November 2021, at times falling below the USD 20,000 mark. Turbulence surrounding the stablecoins terra/luna and the crypto-lending platforms Celsius Network are fuelling doubts about the future viability of cryptocurrencies. At the same time, efforts to strengthen the regulation of crypto markets are on the rise. On 30 June, the legislative bodies in the EU reached an agreement on the European regulation of Markets in Crypto Assets (MiCA). For the first time, the EU is imposing a comprehensive regulatory framework on crypto assets, crypto issuers and crypto service providers. The regulatory framework aims to protect investors and preserve financial stability while also enabling innovation and boosting the attractiveness of the crypto industry.

### **Survey results:**

A survey of financial industry professionals and managers conducted by CFS showed that over 50% of respondents regard cryptocurrencies as objects of pure speculation with no fundamental value. Furthermore, around 27% of panelists view the recent sliding prices as an overdue correction, exacerbated by deleveraging, following a rapid surge in crypto prices.

“Once again, the financial industry is keeping its feet on the ground. The volatility on the crypto markets did not come as a surprise. Bitcoin Ethereum & Co are still young products of digitalisation that are currently encountering a difficult economic and political environment. It is too early to make a final judgement on cryptocurrencies, especially if they are subject to meaningful regulation in the future. The professionals and executives surveyed are testing and observing the new applications with a responsible, healthy scepticism but also curiosity and in search of emerging opportunities in the crypto markets,” explains Hubertus Väth, Managing Director of Frankfurt Main Finance.

## Press Release

A clear majority of around 60% of respondents are convinced that cryptocurrencies have no future as a store of value or means of payment. Nevertheless, just under 35% of respondents still believe they can perform these functions. There is a broad consensus (90% of respondents) on the view that even a further collapse in crypto prices would have no impact on international financial stability.

Despite this, more than 80% of survey respondents are in favour of stronger cryptocurrency market regulation. “The survey confirms that the EU is on the right track with the MiCA regulation that has now been adopted. This is the only way for the growing ecosystem around crypto assets to stabilise,” explains Professor Volker Brühl from the Center for Financial Studies.

Another interesting finding is that around 57% of respondents are in favour of a ban on energy-intensive crypto mining, while around 37% are against such a measure.

“Mining has been rightly criticised for quite some time on account of its high electricity consumption. Cryptocurrencies that rely on alternative concepts, such as Ethereum, are likely to benefit from this development in the medium term,” adds Brühl.

Opinions in the financial industry are more divided on the question of how the recent crypto market slump might affect the “digital euro” project. While just under 42% see the present crypto crisis having no impact on a future digital euro, 35% of respondents expect the importance of a digital euro to increase in the wake of the crypto crisis. Meanwhile, around 16% actually believe that the ECB should refrain from introducing a digital euro for the time being.

## Press Release

---

The results are based on a quarterly management survey in the German financial sector.

The Center for Financial Studies (CFS) conducts independent and internationally-oriented research in important areas of Financial and Monetary Economics, ranging from Monetary Policy and Financial Stability, Household Finance and Retail Banking to Corporate Finance and Financial Markets. The CFS is also a contributor to policy debates and policy analyses, building upon relevant findings in its research areas. In providing a platform for research and policy advice, the CFS relies on its international network among academics, the financial industry and central banks in Europe and beyond.

**We would like to thank Frankfurt Main Finance e.V. for financially supporting the project.**

**In case of further questions, please contact:**

Professor Dr. Volker Brühl  
069/798 30050  
[volker.bruehl@hof.uni-frankfurt.de](mailto:volker.bruehl@hof.uni-frankfurt.de)