



# Family offices and crypto

Regulatory momentum paves the way

Karl Mohan

**F**or much of the past decade, cryptocurrency sat on the fringe for many investors. It was widely viewed as too volatile, difficult to understand and too disconnected from established governance frameworks to attract serious consideration by more professional investors.

That perception is now changing, and this shift is evident among family offices.

Across Australia and globally, family offices are increasingly carving out allocations to digital assets, not as a speculative punt, but as part of a deliberate strategy to diversify portfolios, access new forms of return and position themselves for a financial system that is rapidly evolving. This trend is being driven by two forces working in tandem: The growing integration of crypto into traditional finance and the arrival of clear regulation in the Australian market.

## Family offices move early and with intent

Family offices have always occupied a unique position in capital markets. They are long-term by nature, unconstrained by short reporting cycles and often more willing than large institutions to explore emerging asset classes. That dynamic is now playing out in crypto.

In conversations across the market, it is increasingly clear that family offices are no longer asking whether crypto belongs in a portfolio, but how it should be accessed, sized and governed. Many are allocating through Bitcoin and Ethereum exposures, while others are

engaging more broadly with digital asset infrastructure, blockchain-based financial products such as exchange-traded funds (ETFs), and tokenised real-world assets.

This mirrors the earlier evolution of alternative assets such as private equity or infrastructure, which were once viewed as niche but are now embedded within institutional portfolios.

What has held many family offices back until recently has not been a lack of interest, but a lack of structure. As fiduciaries, they require clear custody arrangements, enforceable standards and regulatory certainty before committing capital. That is precisely where the next phase of crypto adoption is now being unlocked through Australia's first legislation for the industry.

## Regulation as an enabler, not a barrier

In November 2025, Assistant Treasurer Daniel Mulino announced legislation designed to “unlock innovation and safeguard investment” by bringing digital asset platforms and tokenised custody platforms under the existing Australian financial services (AFS) licence regime. Thus, the introduction of Australia's digital asset legislation [in the form of the *Corporations Amendment (Digital Assets Framework) Act 2026* commencing early April 2027] marks a pivotal moment for professional investors.

Rather than reinventing the wheel, the framework applies familiar financial services obligations including custody standards, disclosure requirements and consumer protections, to crypto intermediaries that hold assets on behalf of investors. This ‘same activity, same risk,

same regulation' approach is precisely what sophisticated capital has been waiting for.

Crypto.com has long been an advocate for using the AFS licence regime as the platform for reform, as it provides regulation that is fit-for-purpose without stifling innovation or placing cumbersome requirements on businesses.

Clear rules reduce operational risk, allow investment committees to engage with crypto in a disciplined way and provide confidence that assets are held within enforceable legal frameworks. This is a critical step in moving crypto from an experimental allocation to a repeatable, scalable investment decision with appropriate custody standards.

### Crypto's convergence with traditional finance

At the same time regulation is advancing, crypto itself is becoming increasingly intertwined with traditional financial markets.

One of the clearest signals of this convergence is the rapid growth of tokenisation, which is the representation of traditional financial assets on blockchain infrastructure. Money market funds, bonds and even equities are now being issued and settled on-chain, delivering the same economic exposure as their traditional counterparts, but with greater efficiency, transparency and programmability.

Tokenised funds allow near-instant settlement, real-time reporting and improved capital efficiency. For family offices, this opens the door to more flexible portfolio construction, improved liquidity management and access to investment structures that simply do not exist in legacy systems.

Globally, this shift is accelerating. As Minister Mulino's Treasury statement notes, digital assets increasingly encompass not just cryptocurrencies, but tokenised versions of real-world assets including bonds, property and commodities. The implication is clear: Crypto is no longer a parallel system. It is becoming part of the financial mainstream.

### The US sets the pace

The US is leading the world on crypto regulation and innovation, with many countries around the world, including Australia, following in its footsteps.

The approval of spot Bitcoin ETFs in January 2024 marked a turning point for institutional legitimacy, however, innovation has already continued well beyond ETFs.

This development underscores how blockchain technology is not replacing traditional assets but enhancing how they are accessed and traded. For family offices accustomed to managing capital across global markets and time zones, the ability to access familiar assets in more efficient formats is a powerful proposition.

The US has already been through its initial phase of regulation on crypto and is now starting to look at more specific areas, such as stablecoins. We expect the Fed-

eral Government in Australia will continue to build on its foundational legislation in years to come as the industry evolves, to ensure consumers are protected, and businesses allowed to operate effectively.

### Why family offices are acting now

Taken together, these developments explain why family offices are increasingly comfortable allocating to crypto today.

First, regulation is catching up, providing the legal and operational certainty required by professional investors. Second, crypto markets are maturing, with institutional-grade custody, governance and risk management now available. Third, blockchain technology is proving its value as a settlement and issuance layer for traditional financial products.

This combination makes crypto less of a speculative outlier and more of an extension of existing portfolio frameworks.

As with any emerging asset class, adoption will not be uniform. Allocations will vary by mandate, risk appetite and investment philosophy. But the direction of travel is clear. Family offices are positioning themselves early for a financial system where digital assets, tokenised investments and traditional markets coexist.

### A regulated path forward

The lesson from every major evolution in financial markets is that capital follows structure. When credible regulation and infrastructure are in place, long-term investors engage.

Australia now has a clear opportunity to provide that structure. By embedding digital assets within the AFS licence framework, policymakers are laying the groundwork for broader participation from family offices, advisers and institutions alike.

Crypto's next chapter will not be defined by speculation, but by integration. Family offices understand this and that is why they are looking to crypto. **FS**



#### The quote

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