

Striga Bets on Estonia's New Regulation to Launch Crypto Banking Platform

Estonia, the startup-friendly digital nation, has revamped its crypto regulation. Striga, the crypto banking-as-a-service platform, moves its HQ to leverage it.

TALLINN, ESTONIA, May 2, 2022
/EINPresswire.com/ -- Building a world-class crypto banking platform calls for the best licenses in the market - and Estonia is ready to deliver

[Striga](#), the newest challenger in the emerging crypto banking-as-a-service sector, has chosen Estonia for its headquarters. The Baltic country has been constructing a reputation for being highly digital and friendly to startups, notably, cryptocurrency companies.



Prashanth Balasubramanian (CTO, Founder) - Second from the bottom left, and Bernardo Magnani (CEO, Co-founder) - First from the bottom left

Though regulations have shifted lately, Estonia just celebrated Glia as its 10th unicorn. Striga, after a fruitful 2021, is getting ready to leverage the incoming prestige of the newly implemented VASP (crypto) license, with the goal of building a crypto banking ecosystem.

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The crypto regulatory landscape is consolidating in Europe. It presents huge challenges, but even bigger opportunities for the best companies to excel. It's the start of a crypto compliance evolution”

Bernardo Magnani, CEO

This change in the regulatory framework will cause a shift in the Baltic financial ecosystem, and create both a challenge and opportunity for Lithuania to rise to the occasion. The Baltics may soon enter a new stage as a FinTech stronghold.

- Estonia's cutting-edge regulatory framework:

Estonia's journey towards being labeled the "incoming Silicon Valley of Europe" arguably started with Skype's creation in 2003. By 2005 it had become a unicorn and provided the spark, but only recently have things ramped up. Since 2020, 6 unicorns have emerged, for a total of [10 overall](#).

The nascent crypto industry took note: startup-friendly European country, digital business ecosystem, and receptive regulation towards digital assets? Estonia looked like a blessing. Hence, over the last lustrum, hundreds of crypto companies were established.

As expected, the Financial Intelligence Unit eventually saw the underlying risk of being too open to virtual asset companies. Thus, they passed a rigorous set of new regulations in March 2022 to cull the crypto ecosystem, purge non-compliant companies, and empower fair players.

"The regulatory landscape for cryptocurrency companies in Europe is consolidating, which presents huge challenges for crypto companies, but also the opportunity for the best of them to excel. It's the start of a fast-paced compliance evolution in the crypto ecosystem."

- Bernardo Magnani, CEO at Striga

- A Promising Baltic Opportunity:

While this is a change in Estonia, it will directly impact the entire Baltic region, especially Lithuania. In fact, it will serve as a two-fold bridge between both states, first for runaway companies, then for regulatory standards.

Currently, there are 400+ crypto-related entities registered in Estonia. Most operate under light regulations, and will face compliance challenges unlike any they've encountered before. Some have already started moving to Lithuania, and will keep doing so increasingly.

This exodus of non-compliant companies will put Lithuania in a potentially compromising position. Lithuania's chairman of the Seimas Budget and Finance Committee, Mykolas Majauskas, has expressed plans to tighten the regulation of cryptocurrencies. Lithuania, by following in Estonia's footsteps, will reinforce its already prominent position as a Hub for EMIs (Electronic Money Institutions).

Companies looking to survive will find that changing countries is not a solution, but a palliative. In the long run, they can either go through the licensing process, for which Striga hopes to become a referent, or partner with a licensed company.

As a boon, companies proactive about complying can develop a mutually beneficial relationship with regulators. In the U.S., Coinbase took a compliance-first approach and ended cooperating with the FCC to help them understand the new challenges of crypto. That same type of relationship that Coinbase built with US regulators could be built by up-and-coming crypto

companies in Estonia.

- Striga's road so far:

While Estonia's market evolved, Striga was under development on the other side of the world. Its history is tied to Silicon Valley, and at that time, the company was polishing its infrastructure while going through YCombinator (W21).

Now, after a successful seed round, Striga brings together its international team, which represents 6 countries over 5 continents, under one roof in Estonia. It comes with one goal: To build the next generation of banking services.

- Emergence of crypto banking-as-a-service:

Like other pioneers in the space, Striga is betting on the new Estonian regulation as a seal of prestige and quality. Now on the verge of deploying a [crypto banking-as-a-service platform](#), the company is focusing its resources on serving the crypto and fintech sectors. It will provide the infrastructure needed to launch comprehensive fiat & crypto banking solutions.

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