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## El Salvador Greenlights Bitcoin-Holding Banks; Coinbase's Base Hits Record on 2nd Anniversary

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El Salvador's Legislative Assembly has passed a landmark Investment Banking Law that will allow licensed investment banks in the country to hold Bitcoin on their balance sheets and provide cryptocurrency services to accredited, or "sophisticated," investors.

Promoted by the Ministry of Economy, the legislation differentiates investment banks from traditional commercial banks, granting them the flexibility to design specialized financing schemes such as bond issuances and public-private partnerships. The move is part of El Salvador's ongoing effort to integrate Bitcoin into its financial system after becoming the first nation to adopt the cryptocurrency as legal tender in 2021.

Under the new framework, strict entry requirements are in place. Applicants must possess at least \$50 million in registered capital and maintain \$250,000 in disposable funds. All services must be offered exclusively to accredited investors, and licensed institutions are obligated to verify the "sophisticated" status of their clients. Oversight and procedural compliance will be enforced by the Central Reserve Bank, ensuring adherence to investor protection and anti-money laundering standards.

Government officials have hailed the law as a step toward modernizing El Salvador's financial sector, positioning it as a competitive hub for crypto-based investment services in Latin America. Supporters argue the framework will attract foreign capital, facilitate innovative financing structures, and strengthen the country's reputation in the global digital asset ecosystem.

While the move is seen as a boost for El Salvador's pro-Bitcoin agenda, some economic analysts have cautioned that volatility in cryptocurrency markets could pose risks to institutional balance sheets. The government has responded by emphasizing that the law limits services to sophisticated investors capable of absorbing high-risk market fluctuations.

Meanwhile, in the blockchain space, Base, Coinbase's Ethereum Layer 2 network, celebrated its second anniversary with record-breaking metrics. On August 10, the network processed 9.27 million transactions in a single day, marking a 1,919.9% increase from the same day last year.

Daily active users on Base surged to 1.12 million, reflecting a 1,130.4% year-on-year jump, while median transaction fees plummeted by 97.8% to just \$0.005. Analysts attribute the surge to Base's expanding decentralized application (dApp) ecosystem, increased DeFi activity, and the adoption of low-cost microtransactions.

Base's rapid growth shows the rising demand for scalable, low-fee Ethereum solutions in the face of congestion and high costs on the main Ethereum network. Coinbase executives

have positioned Base as a key driver of Web3 adoption, particularly for developers and businesses looking to integrate blockchain features without prohibitive costs.

The developments in El Salvador and the explosive growth of Base highlight two major trends in the cryptocurrency industry: institutional integration of Bitcoin in traditional finance and technical advancements enabling mass blockchain adoption. Together, they signal that both policy and infrastructure are evolving to accommodate the next wave of crypto market expansion.