CEOs of World's Largest Crypto Exchanges Say It's Time the Industry Gets Some Rules

BY ERIN BRADY ON 11/17/21 AT 2:10 PM EST
The CEO of the world's largest crypto exchange is calling for regulations to be put in place in the booming industry.

CEO Zhao of Binance, has spoken about the need for strict rules to govern the market. This week, the company released a list of "10 fundamental rights for crypto users" that they hope will begin conversations among policymakers and regulators.

"This year, most of the regulators around the world are looking at crypto intently, and many of them are communicating with us," Zhao told the Associated Press. He also said that he and the rest of Binance "feel this is the right time" to talk...
"It's important for industry players to have a seat at the table," he said. "We also feel that some regulations, if they're made in a vacuum, can lead to critical considerations in how they are applied, and they don't get
primarily because the industry has become more mainstream. Last week, bitcoin reached a record high of nearly $68,991. Cryptocurrency has become so mainstream that the Staples Center will be renamed the Crypto.com Arena in

industries, such as ride-sharing, encouraged regulations before

ent companies within the field.

"don't have enough investor protection in crypto," said

change Commission Chair Gary Gensler, who also referred to

eivalent to the Wild West.

"are rife with fraud, scams and abuse in certain applications," he

at deal of hype and spin about how crypto assets work. In

ors aren't able to get rigorous, balanced and complete

For more reporting from the Associated Press, see below.

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Zhao answers a question during a Zoom meeting interview with the Associated Press on ice is the world’s largest crypto exchange and hosts tens of billions of dollars’ worth of g for a global regulatory framework for crypto markets.

owledges that crypto platforms have an obligation to protect nent processes to prevent financial crimes, along with the rk with regulators and policymakers to set standards to keep on might seem strange for an industry whose popularity exploded in some part precisely because it sought to operate outside the heavy hand of governments and other authorities. But Zhao says more regulation for the industry is inevitable, and this allows his company to play a role in the discussions. It may also help draw in people who are still hesitant to get into crypto.
are all buying in, even if critics struggle to see the value of digital currencies created by non-governments.

This would also prove to be wise if Binance's U.S. business ultimately tries to join the U.S. exchange, something Zhao hopes will happen in the next few months. Storitor, Coinbase, has already fetched a nearly $74 billion valuation on Wall Street following its initial public offering this spring.

For wealth have drawn more new investors into crypto, as well as stabilizers.

Expect Binance to agree to report transactions to U.S. regulators or movements involved in the financing of terrorism, among other things. One of Binance's "fundamental rights" also calls for strict regulations on marketplaces that offer "derivatives and leveraged instruments," which can be lucrative but also very risky trades for investors.

Most regulators around the world are focusing on "know your customer" rules,
Different countries do have different interpretations and different very simple words," Zhao said. In the U.S., for example, the money laundering is on blocking financing for terrorism, while they are looking more for people moving money out of the country.

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Christopher Mayer, a finance professor at Duke University who recently wrote a book called *The Future of Finance*, said regulators are playing catch-up with complicated and fast-moving technologies, while trying to find a balance between protecting investors and not squashing innovation or driving it to other countries.
"It just doesn't fit many of the usual regulatory models," he said.

Zhao, who said the only cryptocurrencies he owns are Bitcoin and Binance coin, said some parts of the cryptocurrency world look more like securities, while others look more like commodities or currencies. And the ecosystem is growing by the
out what kind of media it was. Is it radio? TV? Something else?

"People may have a tendency to view crypto as a single asset, which I think is a little bit misleading," he said. "Crypto is a fundamental technology that can span off the traditional asset types."
Paris, France.

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