

New Binance chief stresses importance of compliance

April 10 2024, by Benoît PELEGRIN



CEO of cryptocurrency company Binance, Richard Teng, remains bullish about bitcoin.

The new CEO of the world's top crypto platform stressed the importance of regulatory compliance for Binance's future success, months after its

former chief executive pleaded guilty to violating US anti-money laundering laws and it paid \$4.3 billion to settle charges.

In an interview with AFP during a visit to Paris for a cryptocurrency sector conference, Richard Teng said his aim is to keep Binance a "user-focused, user-first organization" that helped propel its success.

But he said Binance also needs to be a compliance-focused, and the additional regulation of the sector would provide greater clarity for industry players.

"We want to make sure that compliance is, also becomes, a competitive advantage" for Binance, Teng said Tuesday.

He said Binance had spent hundreds of millions of dollars on compliance and was working very closely with regulators, including putting into place at their insistence a global board of directors with three independent directors.

"Our board of directors will become our stewards guiding us in term of direction to go, making sure that we adopt the [best practices](#)," Teng said.

Binance was created in 2017 and cornered much of the crypto-trading market, turning its founder and chief executive Changpeng Zhao into a billionaire.

Binance runs crypto exchanges and provides other services around the world, but it took a severe hit when crypto markets collapsed and regulators began probing the legality of its business.

The volatile industry surged in 2021 with a range of complex products and celebrity endorsements propelling it to a valuation in excess of \$3 trillion in 2022.

But a series of scandals, including the November 2022 collapse of Binance's main rival exchange FTX and criminal charges for several industry executives, saw [public confidence](#) evaporate and investors pull their money out of crypto.

As part of a settlement reached last November with US authorities, Zhao pleaded guilty to violating US anti-money laundering laws and agreed to step down from his position. Binance agreed in February to pay \$4.3 billion to settle charges.

"CZ stepped down in November last year, taking accountability and responsibility, for some of the past mistakes that we made," Teng said, referring to Zhao, who was often referred to by his initials in the industry.

But the crypto industry has bounced back in recent months, thanks in large part to US regulators giving the go-ahead for exchange traded funds (ETFs) in bitcoin which allow investors to trade the asset without actually opening a [crypto](#) account.

That helped bitcoin set a record price of over \$73,000 last month, recovering from below \$20,000 at the beginning of 2023.

Teng expressed long-term confidence in bitcoin, but also in the short term with an approaching halving, when the reward to miners splits in half. He said bitcoin has usually set record highs after halvings, but this time it had done so before a halving expected later this month due to the ETF.

"After the halving we remain bullish," Teng said.

© 2024 AFP

Citation: New Binance chief stresses importance of compliance (2024, April 10) retrieved 2 May 2024 from <https://techxplore.com/news/2024-04-binance-chief-stresses-importance-compliance.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.