

Cryptocurrency exchange, Binance secures Dubai license

On Thursday, 18 April 2024, Binance, a cryptocurrency exchange, announced that it obtained a license from Dubai's regulator VARA.



Source: Reuters/Dado Ruvic.

This license enables the platform to cater to retail clients, along with qualified and institutional ones.

Additionally, under the Virtual Asset Service Provider (VASP) license, Binance FZE's unit will expand its services to include margin trading and staking products for qualified users, beyond spot trading and fiat services, as stated in its announcement.

Alongside several stipulations, VARA requested that Changpeng Zhao, chairman of Binance.US surrender his voting control of Binance FZE as one of the last conditions. Reports indicate that the Dubai authority aimed to ensure Binance's compliance with US authorities, which included Zhao stepping down.

Obtaining the complete regulatory license could be a game-changer for Binance, which has faced rigorous regulatory scrutiny for the past couple of years.

For the past two years, Binance has been embroiled in a legal dispute with US authorities, facing accusations of misconduct, including mishandling user funds. Last June, the US Securities and Exchange Commission (SEC) filed a

lawsuit against Binance, alleging various violations and deceptive practices regarding investor information and KYC regulations.

The Commission claimed that Binance knowingly disregarded regulations for financial gain, jeopardising customer safety. Eventually, Zhao resigned as chief executive officer and pleaded guilty to federal charges. Additionally, he stepped down as chairman of Binance.US.

Binance is actively seeking crypto-friendly jurisdictions to establish its headquarters. Chief executive officer, Richard Teng announced that the exchange, currently without a formal headquarters, is in search of a suitable location.

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