
Crisis Management Strategy Analysis: A Case Study of Binance

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Crisis Management Strategy Analysis: A Case Study of Binance

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Introduction

Binance is a cryptocurrency exchange created in 2017 that quickly reached the top of the market, becoming the largest platform offering such services in just a few months. Over the years, Binance has continued to grow and has solidified its position as a global leader, becoming an indispensable and central player in the young cryptocurrency industry. These digital currencies, which emerged in 2009 with the pioneer Bitcoin, took time to gain widespread recognition, initially being a highly specialized technological innovation that only captivated a small group of cryptography, computer science, and finance enthusiasts. However, as the years passed, these new assets gained more attention for their innovations, promises, but also their problems and scandals. We can argue that the true explosion of cryptocurrency popularity occurred at the end of 2017 and early 2018 (Damti), when the market experienced a record surge and many people saw comments about these assets in the press, television, and social media. Binance was a relatively recent company at this time and rode the success of Bitcoin and the other cryptocurrencies it spawned. Financial regulations for companies providing cryptocurrency-related services were either completely inadequate for these new players or did not exist at all. Once again, Binance managed to take advantage of this favourable environment and continued to grow progressively.

However, over the years, Binance has had more interactions with authorities and regulators around the world, whether in Europe, Africa, Asia, or America. No one could ignore the growing importance of cryptocurrencies, the flow of money they generated, and therefore no one could ignore the most important player in this sector. Binance became more and more scrutinized by authorities, the company received fines, and was forced to withdraw from certain countries, because it did not have the necessary licences to operate in many of them. Despite this, Binance was still thriving and its operations were not significantly affected.

However, the United States, perhaps the most important country in the world when it comes to the financial sector, had Binance in its sights since at least 2018 (Lee) and has gradually increased the severity of its measures, which culminated in a joint action in November 2023. Binance was charged by the Justice Department for a series of financial crimes. The exchange pleaded guilty to

the charges of “violations related to the Bank Secrecy Act (BSA)¹, failure to register as a money transmitting business, and violation of the International Emergency Economic Power Act (IEEPA)²”. As a result, the company agreed to pay a \$4.3 billion financial penalty in settlement of the allegations, one of the largest in U.S. history. Changpeng Zhao, Binance’s founder and CEO, has “also pleaded guilty to failing to maintain an effective anti-money laundering (AML) program”, resigned from Binance and got a \$50 million fine. This guilty plea was the fruit of “coordinated resolutions with the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN)³, Office of Foreign Assets Control (OFAC)⁴ and the U.S. Commodity Futures Trading Commission (CFTC)⁵”(‘Binance and CEO Plead Guilty to Federal Charges in \$4B Resolution’). Furthermore, the company had to accept “an independent compliance monitor for three years”, in order to remediate and enhance their anti-money laundering and sanctions compliance (‘Binance and CEO Plead Guilty to Federal Charges in \$4B Resolution’). This has been by far this biggest challenge that the company had to face since its inception in 2017, because of the massive fine it faced, the loss of its famous and influent CEO, as well as the degradation of its public image.

In this work, we will therefore focus primarily on the company Binance, but to understand the complexities that are specific to its sector, we must first present what cryptocurrencies and cryptocurrency exchanges are. Once this is done, we will be able to explore the history of Binance, in order to understand how the company became so important in the world of cryptocurrencies. We will also learn more about the mission, vision, and values that drive this company, before analysing in detail the Binance website, which is absolutely central to its communication. Finally, we will enter into the actual analysis of the company's communication, via its blog articles and its communication on X (formerly Twitter).

¹ The Bank Secrecy Act gives power to the Department of the Treasury to prevent money laundering from financial institutions and other businesses via specific regulations. These regulations may, for instance, obligate them to keep records of cash purchases or report suspicious activity that could be the sign of money laundering(‘The Bank Secrecy Act’).

² The International Emergency Economic Power Act is a federal law that empowers the President to regulate and restrict economic transactions in response to a declared national emergency. It was first used “in response to the taking of U.S. embassy staff as hostages by Iran in 1979”(Casey et al. 10 and 27).

³ “The Financial Crimes Enforcement Network’s mission is to safeguard the financial system from illicit use and combat money laundering”(‘What We Do’).

⁴ “The Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals”(‘Office of Foreign Assets Control’).

⁵ The Commodity Futures Trading Commission’s mission is to promote and regulate U.S. derivatives markets (‘The Commission’).

Research Question and Hypothesis

As we have just seen in the introduction, Binance experienced a difficult year 2023, and more precisely a period which could be qualified as a crisis, given the impact it had on the company. Thus, it seemed relevant to try to understand how Binance, which is still today the largest exchange in the world, approached this crisis and managed to maintain its dominant position. We will therefore explore in detail the concept of crisis, as well as the different crisis management strategies available to a company. Through this work, we will attempt to answer the question: *How did Binance overcome the crisis situation it faced in 2023 and what crisis management strategies did the company employ?*

After exploring some initial leads, *we hypothesize that Binance mainly used a denial strategy*, that is to say that the exchange largely denied the allegations made by several U.S. agencies and claimed its innocence. Moreover, we speculate that Binance centred its communication around key values, which allowed it to maintain the trust of its users

Methodology

In order to answer our research question, we will first explore in detail the Binance website and its main functions that make it an important tool for the company. Next, the body of our research will focus on the concept of crisis, which we will define, as well as on the different crisis management strategies. Concerning the strategies, we will primarily base ourselves on Thierry Libaert's book entitled "La communication de crise" in order to precisely determine the different strategies that Binance employed during the year 2023.

Our analysis will first be centred around the *Blog* section of the exchange's website, through which it shares long-form communications. This Blog contains three responses to each of the conflictual situations that opposed Binance to American agencies, and we will therefore analyse them in great detail. We will then focus our attention on Binance's X page, as it is the main social network used by Binance and that it presents key traits that make it more relevant to analyse than others. We will be looking into the publications that the exchange made on that page, and how they compare to the articles published on the Blog.

Once we have finished discussing these two media, we will summarize the key findings of our investigation and we will attempt to offer a comprehensive answer to our research question and in this way confirm or refute the hypothesis that we have formulated.

Chapter 1: Cryptocurrencies and Exchanges

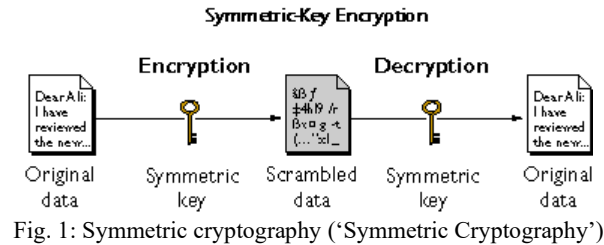
This thesis is not meant to delve deep into the technicalities of cryptocurrencies and how their ecosystem operates but given the technical nature of the subject, it seems relevant to have a short introduction to cryptocurrencies, how they came into existence and their basic functioning. We will also explore the different crypto exchange types and how they operate since it is necessary to understand Binance's position in today's market.

1. What are cryptocurrencies?

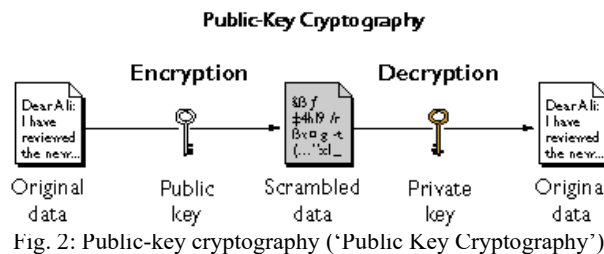
The Cambridge Dictionary defines the word as “a digital currency produced by a public network, rather than any government, that uses cryptography to make sure payments are sent and received safely” (‘Cryptocurrency’). Such a definition presents some key traits of those currencies but their general functioning remains quite opaque, so in the next sections, we will explore the basic concepts that these assets rely on, in order to understand how they gained traction and led to the creation of an entire ecosystem. We will, among other sources, rely on Henri Arslanian's "The Book of Crypto," which traces the history of cryptocurrencies and also explains their underlying technical concepts.

1.1. Cryptography

At their most basic level, cryptocurrencies are based on *cryptography*, which is “the enciphering and deciphering of messages in secret code or cipher”(‘Cryptography’). Cryptographic systems have been used throughout history in various forms and enabled their users to communicate in a secure manner, but were limited to symmetric cryptography for a very long time, which is to say that “the same key is used for both encryption and decryption”(‘Symmetric Cryptography’).



This only changed in 1976 with the introduction of asymmetric (also known as public key) cryptography, introduced by Whitfield Diffie and Martin Hellman. The system they propose uses two different keys that are related by a mathematical algorithm which allows the generation of a public key (visible by everyone) from a private key (available to the user only), but that also renders the inverse operation impossible (Arslanian 46–47). In his book, Arslanian uses an analogy coined by Don Tapscott to explain more easily why the operation can only be done in one direction. This analogy compares private keys to a chicken, and public keys to Chicken McNuggets and explains that while “it is easy to turn a chicken into a McNugget” it is “very difficult to turn the McNugget back into a chicken”(49). So, in practice, using such keys means that one person can send a message using a *public key* to encrypt information that only someone with the correct *private key* will be able to decrypt.



We are seeing this concept first because it is at the base of Bitcoin and of all other cryptocurrencies. Indeed, Bitcoin uses the ECDSA algorithm (Elliptic Curve Digital Signature Algorithm) to create a public key from a private key, which in turn is used to create a Bitcoin address (Arslanian 47). Other cryptocurrencies follow the same concept but use a variety of algorithms.

1.2. First Iterations of Cryptocurrencies

Even though today cryptocurrencies are mostly known thanks to Bitcoin, the first crypto projects saw the light of day in the 1980s. For example, Arslanian cites the work of David Chaum, the “American computer scientist and cryptographer” who developed “an electronic cash system that used cryptography to ensure anonymity to its users” in 1985 (47). Four years later, he created Digicash, which “allowed its users to conduct online transactions in a completely secure and anonymous way by utilizing the latest developments of public and private key cryptography” (47).

The Cypherpunk movement, led by Eric Hughes, Timothy C. May and John Gilmore was directly inspired by Chaum’s experiments. It started in 1992, as a small group which rapidly grew into an important intellectual and political movement with a mailing list sent to 700 people in 1994 (and around 2000 in 1997 at the peak) (Manne). The Cypherpunks were mostly concerned about freedom of the Internet, surveillance in the modern age and the right to privacy which led them to “develop several projects with features that can now be clearly recognized as predecessors to Bitcoin and other cryptocurrencies” (Arslanian 48). Two projects that originated from the Cypherpunks are of major interest since they are directly cited in the Bitcoin whitepaper: Hashcash and B-money.

Hashcash was released in 1997 by Adam Back and aimed to reduce email spam as well as prevent DDoS attacks⁶ (Intini and Nicolini 59). Basically, this system would ask users to create a hash⁷ of every email they wanted to send, which requires a very small amount of work from their computer, and the receiver of the email would verify that the hash sent to them was correct. If it corresponds to the email, the latter is delivered, but if it is not, the message is not accepted. Hashcash is interesting because the computational cost is negligible for normal users sending emails to a few people, but not for spammers who send thousands of messages repeatedly, since their computers would be significantly slowed down by the process (Brunton 101). Bitcoin would later reuse the concept of demanding work to verify data developed by Black, which is called proof-of-work.

B-money, on the other hand, was published as a concept in 1998 by Wei Dai and was designed to be “an anonymous, distributed electronic cash system” (Intini and Nicolini 59). It relies on two

⁶ A distributed denial-of-service (DDoS) attack is a malicious attempt to disrupt the normal traffic of a targeted server, service or network by overwhelming the target or its surrounding infrastructure with a flood of Internet traffic (“What Is a DDoS Attack”).

⁷ “a small piece of data corresponding to the data of the whole of the email”

elements: on one part, a public ledger that keeps track of the accounts and their balances, and on the other, a system for transferring money between accounts. Nevertheless, B-money was never launched as it did not “obtain sufficient attention from the public in order to have a successful launch”(Intini and Nicolini 59). Though, the whitepaper caught Bitcoin’s founder(s) attention, as Satoshi Nakamoto directly contacted Wei Dai to inform him that they were building a system that was partially based on the ideas developed in B-money’s paper (Brunton 117).

1.3. Bitcoin

The first cryptocurrency that became successful was Bitcoin, launched in January 2009, following the whitepaper “*Bitcoin: A Peer-to-Peer Electronic Cash System*” (Nakamoto) published October 31, 2008, by Satoshi Nakamoto. Satoshi Nakamoto is a pseudonym that has been masking the real identity of the Bitcoin creator for 15 years, as no one has been able to identify the man, woman, or group of people behind one of the most important financial inventions of the 21st century. Bitcoin was thus designed by this anonymous figure as an alternative form of money and was partly launched in response to the Global Financial Crisis of 2008 (we will develop this point further on page 26 when discussing Binance’s values).

As mentioned previously, Bitcoin combines different tools that were developed separately to offer a unique new approach to money and transactions. Indeed, it uses “public-key cryptography, peer-to-peer networking and proof of work to process and verify payments”(‘Bitcoin Wiki’). Bitcoin is based on the blockchain technology, which is a “tamper evident and tamper resistant digital ledger implemented in a distributed fashion (i.e. without a central repository) and usually without a central authority (i.e. a bank, company, or government)”(Yaga et al. qtd. in Intini and Nicolini 23). Basically speaking, a blockchain, as the name suggests, is composed of a “chronological chain of blocks and constantly growing as *completed* blocks are added to it with a new set of records” (Mukhopadhyay et al.). Each block on the chain contains transactions, which are new information, but also information that was present in the prior blocks. Hence with such a design, there is a direct line from the first block created by Satoshi Nakamoto in 2009 to the latest block added to the chain (Mukhopadhyay et al.), and each new block has to possess the correct information about previous blocks in order to be validated by the other users and added to the chain (this is a security feature that prevents tampering of data).

Bitcoin users can create anonymous addresses using public-key cryptography which allow them to send and receive bitcoin. The transactions they make are validated and recorded by the blockchain, “and after an hour or two, each transaction is locked in time by the massive amount of processing power that continues to extend the blockchain” (‘Bitcoin Wiki’). All of this happens without the need for a central entity or trust and is directly coded into Bitcoin’s protocol which makes it a secure and reliable system.

Bitcoin was the pioneer for what is now widely known today as cryptocurrencies or “cryptos”. Though Nakamoto did not use this term themselves but designated it as “a peer-to-peer version of electronic cash” (Nakamoto). At the time of writing this thesis, there are almost 11,000 cryptocurrencies listed on CoinGecko⁸ and several thousands of other very small currencies that are not listed. Nevertheless, it is still the major cryptocurrency today on the market, with a fluctuating market capitalization of around 1.3 trillion U.S. dollars and the second-biggest current asset is Ethereum, which has a market capitalization of 435 billion U.S. dollars. These two assets are presented specifically as they are the most famous ones and they are usually differentiated from the rest of the cryptocurrencies, which are referred to as “altcoins” (Intini and Nicolini 55).

1.4. Cryptocurrencies, Cryptoassets and Tokens

Even though crypto “currencies” and “tokens” are generally designated under the “cryptocurrency” label, these two elements are technically different. In fact, a cryptocurrency is a digital asset secured by cryptography based on its own blockchain, whereas a token is a digital asset built upon an existing blockchain, such as Ethereum for example (Intini and Nicolini 41). Furthermore, tokens can represent different assets like an investment in a company, a voting right on a protocol or even access to a specific service. Finally, the term “cryptoasset” (also spelled crypto-asset) is a broader term that designates “anything minted and exchanged on a blockchain” and thus comprises both cryptocurrencies and tokens (‘Demystifying Cryptocurrency and Digital Assets’).

1.5. Terminology

This thesis will use the same terminology as the one outlined by Farrell, namely that Bitcoin will be capitalized when referencing the Bitcoin as a concept or as the protocol itself. On the other hand, bitcoin in lowercase letters, or the abbreviation “BTC” will be used to reference units of the

⁸ CoinGecko is a website that lists cryptocurrencies and tracks their prices.

cryptocurrency (e.g. two bitcoins or 2 BTC). Furthermore, all altcoins will be described by their capitalized names (Farell 1).

2. Cryptocurrency Exchanges

Cryptocurrencies, just like equities, bonds or commodities, need some kind of marketplace that allows people to buy and sell them, which is what exchanges enable users to do (Arslanian 335). Since the inception of Bitcoin in 2009, there has been a lot of different exchanges offering a wide range of services but in this section, we will focus on major exchanges that are currently used. We will utilize the same distinction that Arslanian presents in his book, as it is the industry standard to separate *centralized* exchanges from *decentralized* ones. But there is another relevant differentiation for two types of exchanges, which are explicitly named “fiat-to-crypto” and “crypto-to-crypto” exchanges. The first type is exemplified in the paragraph below with Coinbase, a centralized platform that “allows a user to deposit fiat funds in their account (e.g. USD, EUR, JPY) and convert that into the desired crypto-asset” (Arslanian 337). On the other hand, crypto-to-crypto platforms do not interact with fiat currencies⁹ and only permit their users to swap a crypto-asset for another (Arslanian 340). Nowadays, most centralized exchanges offer “fiat-to-crypto” services to their customers but it was not the case in earlier days, whereas a majority of decentralized platforms are only “crypto-to-crypto”.

2.1. *Centralized exchanges (CEXs)*

A platform is said to be centralized when it acts as a “third party to help conduct transactions. Buyers and sellers alike trust this entity to handle their assets” (Reiff) which is typical of the actors in traditional finance such as banks or brokers. Thus, the main reason people use this type of exchange is *trust*, trust that the platform will allow them to complete transactions, but also that it will allow them to safely store their crypto-assets, rather than using their own crypto wallet¹⁰(Reiff). Another reason for consumers to use this type of exchange is to buy cryptocurrency with

⁹Fiat money refers to modern currencies like the Euro or the Dollar, which have face values far exceeding their commodity values and are not redeemable in gold or silver (‘Fiat Money’).

¹⁰ A crypto wallet is a program that stores the user’s *private keys* safely. Those keys are what allows the access to the user’s cryptocurrencies and if the keys are lost, the crypto they gave access to are irremediably lost as well(‘What Is a Crypto Wallet?’). Thus, at the same time these wallets present the risk of losing access to the assets but also grant complete ownership of the stored crypto to the user, which is one of the pillars of the cryptocurrency ethos.

fiat money (like euros or dollars), since it is generally the entry point of many people into the crypto ecosystem as Arslanian explains:

“For most individuals, a fiat-to-crypto exchange will be the first on-ramp to the crypto industry. This generally happens after someone hears about Bitcoin from a friend at a party or family dinner or from the news. During a crypto bull market, this can happen very fast; for example, the U.S.-based exchange Coinbase opened over 100,000 new accounts over the 2017 Thanksgiving holiday, and crypto exchange Binance added 250,000 new accounts in just an hour after it reopened its platform in 2017.” (Arslanian 338).

Furthermore, an important characteristic of centralized exchanges is the *volume* and *liquidity* they offer. *Volume* represents the quantity of an asset that has been exchanged over a certain period of time (usually calculated for a trading day in traditional markets) (Hayes, ‘What Is Volume of a Stock, and Why Does It Matter to Investors?’). In other words, if on a given day, an investor buys 100\$ of bitcoin and then sells it for 110\$, he will have created 210\$ worth of volume.

On the other hand, when investors talk about *liquidity*, they reference “how easily an investment can be converted into cash”; hence a highly liquid asset can be readily purchased and sold in substantial quantities with minimal impact on its market price (Hayes, ‘ETF Liquidity : What It Is and Why It Matters’). Volume is a direct indicator of liquidity as increased trading volume often indicates enhanced liquidity, since a greater number of participants in the market facilitate smoother transaction completion. The *bid-ask spread* is another important metric that represents the difference between the highest buyer's bid and the lowest seller's ask. A reduced bid-ask spread is often an indicator of heightened liquidity in the market (Hayes, ‘ETF Liquidity : What It Is and Why It Matters’). In practical terms, an exchange which is highly liquid, like Binance, has a high number of active participants in the market and has a reduced spread, which allows users to sell or buy large amounts of cryptocurrency without impacting the market too much, whereas a less liquid exchange will see the same transaction visibly impact the price.

These concepts are particularly important for investors or traders that invest substantial sums of money and are thus a key factor for the exchange these actors will choose. Overall, in the world of cryptocurrencies, centralized exchanges realize most of the volume, as The Block estimates they made over 14 trillion USD in volume, whereas decentralized platforms only facilitated around 1 trillion USD for the year 2021 (Khatri). Currently, the three leading centralized exchanges in terms

of volume traded are Binance, Coinbase and Bybit ('Top Crypto Exchanges Ranked by Trust Score').

Centralized exchanges can also offer some other services on their platform. For example, exchanges like Binance, Bybit or Crypto.com offer credit or debit cards linked to the crypto account of the user. Though Binance shut down this service in December of 2023 ('Binance Shutting down European Visa Debit Card in December').

Furthermore, they can offer various crypto investments services too, like staking or lending, for example. *Staking* is the action of locking a given cryptocurrency during a specific amount of time in order to ensure the proper functioning of a blockchain. Users who lock their assets are given a percentage of the amount staked as a reward for their participation (Rodeck). *Lending* works similarly in crypto as it does in traditional finance : users can lend out their assets to borrowers and will receive interests for the service provided (Duggan). For instance, Binance offers *Binance Earn* ('What Is Binance Earn and How to Use It') and Bybit calls its staking platform *Bybit Earn* ('Bybit Earn'). Regarding lending, Binance has *Binance Loans* ('What Is Binance Crypto Loans') and Bybit provides *Bybit Lending* ('How Does Bybit Lending Work?').

2.2. Decentralized exchanges (DEX's)

On the other hand, decentralized exchanges do not require any third party but rather work as a "trustless' environment" (Reiff) where users can exchange their assets in a peer-to-peer manner. These exchanges were made possible by the advances in *smart contracts* on blockchains such as Ethereum. Indeed, by using smart contracts, users can exchange their crypto-assets without any need for a trusted entity, as they rely on code only to operate the transaction. These contracts can be seen as computer programs residing on a blockchain. They activate when specific conditions are fulfilled, automating the execution of agreements ('What Are Smart Contracts on Blockchain?').

So, what do these decentralized exchanges offer that differs from their centralized counterparts? The main element overall would be that users can have custody of their cryptocurrencies themselves by using a personal crypto wallet. In this sense, they are the true owners of their assets, in opposition with centralized exchanges, where the exchanges actually own the cryptocurrencies. This difference between the two situations gave birth to a famous adage in the crypto space "not

your keys, not your crypto (Key)”. This means that if the user does not possess the private keys giving access to their crypto, they should not really consider it as their property. This saying is particularly used during crisis periods such as the FTX exchange collapse in November 2022 (Key), during which many users lost the cryptoassets they had on the platform. Another advantage of decentralized exchanges is that they allow the creation of trading pairs for new tokens very easily. As Arslanian explains it in his book, with the rise of Automated Market Makers¹¹ in Decentralized Finance, users can simply provide liquidity for a pair of tokens and hence enable the trading of these assets, which is a much quicker and easier way than having a pair listed on a centralized exchange (Arslanian 305). On the other hand, as we have seen previously, decentralized exchanges only realize a fraction of the volume compared to centralized exchanges which renders them less attractive to wealthy investors. Those actors generally choose the more liquid and regulated centralized platforms over the security and transparency of DEX’s (Aspris et al. 8).

This leads us to the last major point separating the two types of exchanges: regulation. Indeed, after several years operating without clear regulation from a lot of countries, more and more regulatory actions are taking place in the crypto industry. Nevertheless, this mostly applies to centralized exchanges, which are public companies which have to respect existing laws, and not decentralized platforms. For instance, the upcoming MiCA (Markets in Crypto-Assets Regulation) framework, which is being written by the European Union will enforce rules on cryptoassets, but also on crypto-asset service providers (CASPs), hence on centralized cryptocurrency exchanges. On the other hand, decentralized finance protocols are clearly stated as “out of scope” of the regulation (*PWC Global Crypto Regulation Report 2023* 14–15).

Another important market for cryptocurrencies is the United States and while it does not have a national regulatory framework, different existing laws and agencies are used to enforce on digital assets and their service providers. Given the “dual banking system” of the U.S. (which means that regulation can be made at the state or federal level) (*PWC Global Crypto Regulation Report 2023* 20–22), regulations vary from state to state but, generally speaking, the United States offer a pretty strict regulation of the space. For instance, most crypto exchanges based outside of the United

¹¹ Automated market makers (AMMs) are part of the decentralized finance (DeFi) ecosystem. They allow digital assets to be traded in a permissionless and automatic way by using liquidity pools rather than a traditional market of buyers and sellers. AMM users supply liquidity pools with crypto tokens, whose prices are determined by a constant mathematical formula (“What Are Automated Market Makers (AMM)?”).

States provide a U.S. branch that has specific limitations compared to their global counterpart (e.g. Binance.US or the late FTX.US) and exchanges can be fined heavily if they do not comply with U.S. demands. The latest and most important example of this is the \$4.3 billion fine given to Binance by several U.S. federal regulators as the exchange “pleaded guilty to criminal charges related to money laundering and breaching international financial sanctions” (Chipolina et al.) on the 21st of November 2023. In contrast, decentralized exchanges do not have proper regulation in the U.S. and regulators still need to come up with tailor-made laws for this new and very specific aspect of finance (Barr).

After exploring these differences, we can see that yet again major actors (like trading firms or venture capitalists) may have more interest in using a regulated exchange that complies with law rather than a decentralized one, which legal status is unclear. On the other hand, smaller investors would have no issue using decentralized finance, to have access to specific assets and to fully own their cryptocurrencies, as we have seen above.

Chapter 2: Binance

Now that we have seen the basis of cryptocurrencies and their exchanges, we can focus on the subject of this thesis, the leading centralized crypto exchange Binance. Its name comes from the contraction of binary and finance, which reference the fact that the exchange offers cryptocurrencies, i.e. financial assets that operate with binary code (‘A Short History of Binance Exchange’).

1. Inception

Binance was founded in China in 2017 by Changpeng Zhao and was rapidly joined by Yi He but quickly had to leave the country, as the Chinese administration was planning to ban cryptocurrencies (Wade). The new exchange very rapidly became one of the major players in the space and after six months only, it became the largest crypto market in the world (Ostroff and Kowsmann). This is no surprise considering the background of the two cofounders, who were both involved in crypto before launching this new project and that we will discover in more detail below.

1.1. Changpeng Zhao

First, we will explore the story of Changpeng Zhao¹², who became the CEO and main figure at the helm of the exchange during most of its existence. He was born in Jiangsu Province, an eastern coastal Chinese province, in 1977 “to a family of teachers” who later moved to Vancouver after the Tianmen Square protests of 1989 (‘China’s Crypto King’). Thus, he went to high school in Canada and got interested in computers early, starting to code when he was sixteen years old, thanks to his father. He later went to McGill University and majored in computer science (Ambler). He then started a career in the finance world, in Tokyo first, by creating a “system for matching trade orders on the Tokyo Stock Exchange” but also in New York, where he wrote “software for futures trading”(Ambler). He was swiftly promoted three times and was led to manage teams in New Jersey, London and Tokyo but quit in 2005 to launch his startup Fusion Systems in Shanghai. This company aimed to provide “high-frequency trading systems for brokers” (Ambler). In 2013, Zhao learns about Bitcoin while playing poker and starts getting interested in this new technological niche. Forbes reports that he joined Blockchain.info (a crypto wallet company founded in 2011) as the third member and later on he would become chief technology officer at the OKCoin crypto exchange, where he was hired by no other than Yi He (Ambler). He also launched other startups, for instance Bije Tech which brought cloud services to exchanges (Wade).

Therefore, in his previous careers, Changpeng Zhao was already active in the crypto industry and had experience from the trading world in traditional finance. These elements combined could only lead him to get involved in crypto exchanges by trying to build his own, which he did in a relatively short period of time. His idea was to create a marketplace that would not have direct contact with fiat currency and only allow crypto to crypto trades, in order to avoid regulatory demands (Ambler). And so, Binance was born in July 2017, eleven days only after having raised 15 million USD in an ICO¹³ with Yi He’s help.

1.2. Yi He

Yi He has been much less in the spotlight than Changpeng Zhao and has given only a few interviews in English, partly because of her “limited proficiency in English”(Shen and Lee). Hence,

¹² He will often be referred to as “Zhao” or as his initials “CZ”, by which he is commonly known.

¹³ An Initial Coin Offering (ICO) is the cryptocurrency industry’s equivalent of an initial public offering (IPO). A company seeking to raise money to create a new coin, app, or service can launch an ICO as a way to raise funds.(Frankenfield)

it is harder to draw a portrait of her life than it is for Zhao. Nevertheless, she was born in a village in Sichuan and both her parents were teachers, but she lost her dad at a young age. She has worked diverse jobs before getting into cryptocurrency, in schools, as a psychological advisor and got known to the public in 2012 when she became the host of the “Beautiful Destinations” television travel show (Quinn).

Her career took a major turn when she learned about Bitcoin in 2013, her interest in the sector grew and she eventually became a founder of the crypto exchange OKCoin in 2014 where she assumed the function of CMO (Chief Marketing Officer) meaning she was responsible “for handling user operations, online marketing, social media, PR and branding” at a point where the platform was the largest cryptocurrency-to-fiat exchange in China (Carey). In 2015 she left OKCoin to join Yixia Technology (a mobile video-sharing company) where she was Vice President and dealt with the “product management and marketing operations for the company and its subsidiaries” (Wang).

Then in 2017, she was invited by Changpeng Zhao to do some consulting work for his startup Binance, that was on the verge of launching its ICO. She helped her former colleague for free and the ICO was successful, meaning that the exchange would launch imminently. Zhao then invited her to formally join the company and help it grow, which she eventually accepted after some hesitation (Carey). Yi He became the CMO (title she would keep until August 2022) of the company whereas Zhao became the CEO (title he only lost recently in November 2023). He was instrumental in the early success of Binance, given her deep knowledge of the space but also “as a better-known figure in Chinese-speaking cryptocurrency circles than Zhao” and she heavily promoted the startup on social media (Quinn).

2. Growth of the Exchange

Binance, which is the contraction of “Binary Finance”, as in finance that operates with binary code, became immensely successful very quickly (‘A Short History of Binance Exchange’). In seven months it had reached 6 million customers and officially became the biggest crypto exchange on the planet with a market capitalization of 1.3 billion dollars (Ambler). As said previously, the exchange only offered crypto-to-crypto trading in order to limit regulatory concerns and offered very low transaction fees to their users, fees that could even be reduced if the users paid with the exchange’s cryptocurrency : BNB (Peters).

BNB was launched in the ICO that raised 15 million USD for Binance with the following distribution: the founding team got 40% of the supply (80 million BNB), angel investors had access to 10% (20 million BNB) and the public could buy the remaining 50% (100 million BNB). The exchange used the money to improve the exchange system (35%), for marketing and education (50%) while the last 15% were put as a reserve fund for. Initially, this crypto token was developed on the Ethereum blockchain but Binance decided to launch their own blockchain in 2019, called the Binance Chain and the coin was migrated onto this new chain which is maintained by the exchange emergencies ('What Is Binance Coin (BNB), and How Does It Work?'). Binance implemented a buyback and burn mechanism for this coin which aims to remove 100 million BNB in circulation, augmenting its scarcity and therefore possibly increasing its price, which incentivize users to buy the token('What Is Binance Coin (BNB), and How Does It Work?'). The platform uses its own revenue to perform quarterly burns which, as of today, have removed almost 45 million BNB or approximately 14 billion USD at today's price.

2.1. 2018

Even if the exchange was successful, it quickly had to change the location of its headquarters. Indeed, already in September of 2017, the company left China ahead of the ban on cryptocurrencies and headed to Japan. Nevertheless, regulations started to get into place there as well and the company had to leave again in 2018, leaving the East for the Mediterranean and more precisely Malta. The same year, Binance signed two *memoranda of understanding*¹⁴, one with the government of Bermuda aiming to develop a “fintech ecosystem for Bermuda” (Binance Holdings Limited and Government of Bermuda) and the other with the Malta Stock Exchange with the goal of launching “a new digital exchange for security token trading” ('Malta Stock Exchange Signs MOU with Binance to Launch Security Tokens Trading Platform').

In April 2018, the exchange created “Binance Labs” which is at the same time the “venture capital and incubation arm of Binance”(‘Binance Labs: Empowering Web3 and Blockchain Technologies’), headed by Yi He. It aims to invest in the crypto space with the global goal to make it easier for new people to onboard but also safer and more useful to everyone. In practice, the fund

¹⁴ A document that records the details of an agreement between two companies or organizations, which has not yet been legally approved. ('Memorandum of Understanding')

“identifies early-stage Web3¹⁵ projects via its incubation program and provides early-stage investments to high-potential blockchain projects” (‘Binance Labs #AMA Series 1: Our Story & Investment Principles’). As of today, it has supported more than 200 projects from over 25 countries and it covered many different key sectors for the crypto space: “Infrastructure, DeFi, Gaming/Metaverse, SocialFi, Crypto FinTech, and Developer Applications/Tools” (‘Binance Labs #AMA Series 1: Our Story & Investment Principles’).

Having secured its place as a leader in the space, the exchange also developed their own foundation aiming to leverage crypto for good: The Binance Charity Foundation. As they state on their website, the foundation is “committed to achieving 100% transparency in philanthropy. With blockchain technology, we are redefining the charitable giving process and ensuring 100% of all donations are distributed directly to the hands of those in need” (‘Binance Charity’s Mission to Achieve Greater Transparency in Philanthropy’). Indeed, Binance pays for all operational costs required by the Foundation which ensures that all of the donations end up helping people and do not contribute whatsoever to the costs of the Foundation. Furthermore, by using the blockchain, anyone can control that transactions were correctly processed and that the funds were sent to the right charitable project.

For example, Binance donated 10 million USD to Ukraine Humanitarian Effort through the Charity in 2022 (‘Binance to Donate U.S.\$10 Million to Ukraine Humanitarian Effort’) or they raised 1 million dollars in order to develop “inclusive fintech startups” in 2023 (‘Binance Charity and Mercy Corps Ventures Join Forces to Support Inclusive Fintech Startups With a \$1 Million Partnership’). Currently, the organization claims that they helped more than 2 million beneficiaries in over 54 countries covered by 36 different projects which, together, raised more than 60 million USD.

2.2. 2019

2019 was an important year for the platform, as they introduced a lot of new features and tools. First, Binance took an important leap forward in the ecosystem by introducing their own U.S. dollar stablecoin, the Binance USD (BUSD). Stablecoins are particularly interesting because they provide

¹⁵ “Web3 Internet uses blockchain technology—the same technology that underpins Bitcoin and other cryptocurrencies—to make the decentralized Internet more secure and private” (Garnett). Thus, it englobes concepts like Decentralized Finance or art created via Non-Fungible Tokens for example.

a way for users to exit the volatility¹⁶ of cryptoassets like Bitcoin or Ethereum, while remaining in the ecosystem. Indeed, stablecoins “are backed by a specified asset or basket of assets which they use to maintain a stable value against that asset. This is usually a country’s currency, such as the U.S. dollar” (‘What Is a Stablecoin?’). As we can see below, the endeavour was successful for the exchange, as it was able to capture a significant market share against the two main stablecoins: Circle’s USDC (launched in 2018) and Tether’s USDT (launched in 2014). Binance had partnered with stablecoin issuer Paxos in order to create BUSD but in February 2023, the U.S.-based company announced that it would stop their partnership. Paxos was indeed instructed by the New York Department of Financial Services to “cease minting BUSD due to several unresolved issues related to Paxos’ oversight of its relationship with Binance” (Crawley).

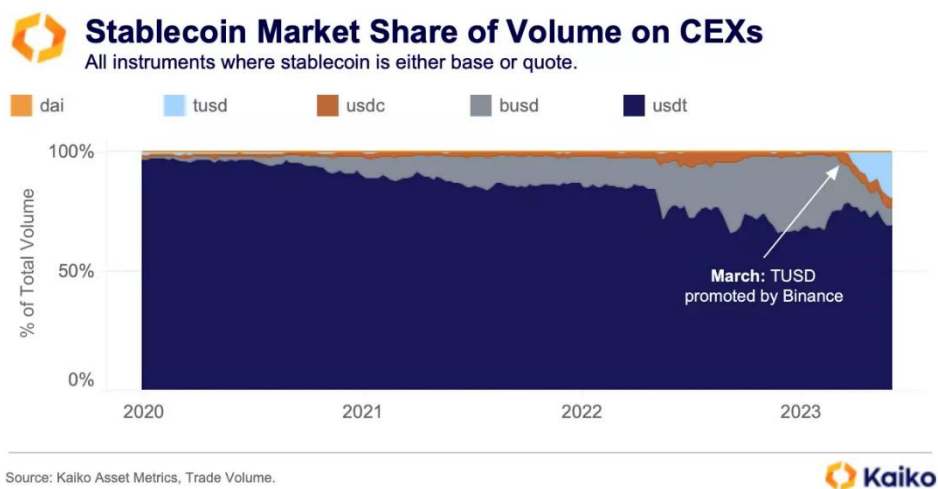


Fig. 3: BUSD’s market share (Medalle)

With the aim of enlarging the tools available to its userbase, the exchange presented their Launchpad. This system is what Binance called an *Initial Exchange Offering* (or IEO), which is essentially an Initial Coin Offering where the fundraising is conducted by an exchange and not from the project that is launching. It has been created in part to respond to the issues raised during the so-called ICO fever¹⁷ of 2017, by providing a safer environment, easier user participation and

¹⁶ Volatility is an investment term that describes when a market or security experiences periods of unpredictable, and sometimes sharp, price movements (‘Market Volatility: Defined and Explained’).

¹⁷ A period during which a huge amount of ICOs took place, and where a lot of the projects were fraudulent. (Morris)

higher trust in the projects that are selected by the exchange ('Initial Exchange Offering (IEO)'). The Launchpad is another way that Binance makes their in-house cryptocurrency (the BNB) useful, as indeed, users need to own a certain amount of BNB over a set period of time to be eligible to the IEO. After this step is completed, users have the possibility to buy new tokens and they will receive them during the distribution phase ('Binance Launchpad : La Plateforme de Lancement de Tokens'). Since its inception, this platform helped to launch 83 projects and raised over 120 million USD.

Later in 2019, Binance partnered with Simplex, a fiat to crypto payment processor, to offer its users the possibility of buying crypto via debit or credit cards, in order to onboard users more easily. Nevertheless, the year was tainted by the first (and only) hack since its inception when in May, some malicious actors were able to steal 7,000 Bitcoin from the platform. This represented more than 40 million USD at the time (and more than 300 million today) but the hole was patched with the Secure Asset Fund for Users¹⁸ and thanks to it, no Binance user lost money ('A Short History of Binance Exchange').

This year was also marked with the addition of a new tool for traders on the platform in September: Binance Futures. Futures are derivative instruments used by traders in all sorts of markets and the Cambridge Dictionary defines the term as: "agreements to buy and sell particular shares, goods, etc. on a particular date in the future at a fixed price. Futures can be traded on financial markets" ('Futures'). One particularly important element of these instruments is that they allow users to *leverage* their funds, as Binance explains it in their Academy: "As contracts are settled at the expiration date, investors are able to leverage their position. For example, a 3:1 leverage allows traders to enter into a position three times larger than their trading account balance." ('What Are Forward and Futures Contracts?').

The first crypto platform to implement futures trading was BitMex with their products available as soon as 2014, but their main innovation has been the *perpetual swap* that they implemented in 2016. As its name suggests, the perpetual swap does not have an expiry date like traditional future contracts, which is motivated by the fact that crypto markets are open constantly and never close like traditional finance venues (Arslanian 342). This type of contract became extremely popular in

¹⁸ An emergency fund specially created by Binance in order to protect users' funds ('Binance Secure Asset Fund for Users (SAFU) Valued at \$1BN').

the crypto space and realize a lot of volume on crypto exchange, both for Bitcoin, Ethereum or altcoins. It is this specific futures product that Binance successfully launched in 2019.

Furthermore, the leading exchange created its “Staking” platform (called “Earn” today). As mentioned before, staking rewards users for locking cryptoassets in order to secure a blockchain. But Binance made it easier for all users to stake their crypto directly on a centralized exchange and without the need to “set up any nodes, worry about minimum staking amounts, time lengths, or any other technical requirements”(‘Binance Launches Staking Platform’). This platform was consistently improved overtime, with the addition of more and more cryptoassets supported and other functions to improve the user’s experience.

2.3. 2020

In 2020, Binance evolved from their first blockchain (Binance Chain) which was only created for “governance, validation and voting”, and developed the Binance Smart Chain which as its name suggests is “smart contract capable”. The interest of this blockchain was that it was compatible with the Ethereum Virtual Machine¹⁹ and thus made possible for any applications built for Ethereum to function on this new chain. It was designed in a way that it had lower transaction fees and was faster to process transactions (‘A Short History of Binance Exchange’). This was the first EVM compatible blockchain (other than Ethereum) that really gained traction, especially with the development of Decentralized Finance which was born on Ethereum. These chains would be merged together in 2022 under the “BNB Chain” name, with the two chains remaining as separate components, albeit with a different name.

Binance also inaugurated their “Launchpool” system, which offers users the possibility to gain access to tokens. In practice, users stake BNB, BUSD (Binance’s stablecoin) or others accepted altcoins for a set period of time and are rewarded with a number of tokens proportional to the amount they invested. This system makes possible for a wide range of users to easily get access to new projects, even if they do not possess an important capital (‘Binance Launchpad vs. Binance Launchpool: Key Differences’).

¹⁹ “The Ethereum Virtual Machine (EVM) is the computation engine for Ethereum that manages the state of the blockchain and enables smart contract functionality” (Kochan).

Next, the exchange launched their own Visa debit card for users based in the European Economic Area, which allowed them to pay as a classic debit card. This type of card was not new as other exchanges offered them before (i.e. Coinbase launched their card in 2019) but Binance came up with a new approach for their card. Indeed, whereas in the past users had to sell their cryptoasset for fiat money in order to use the card, Binance allowed users to keep their assets untouched until a transaction was required. Then, those assets are sold to cover the expenses in fiat ('Binance Card Launches in Europe'). As mentioned before, this card was shut down in December of 2023.

2.4. 2021

In 2021, Binance followed the growing trend of NFTs and introduced their in-house NFT marketplace in June, that aimed to "bring together artists, creators and crypto enthusiasts from around the world" ('Introducing Binance NFT, A Groundbreaking NFT Marketplace Launching June 2021'). Non-fungible tokens or NFTs are defined by the Cambridge Dictionary as "a unique unit of data (= the only one existing of its type) that links to a particular piece of digital art, music, video, etc. and that can be bought and sold" ('NFT'). This definition is not particularly clear as to how NFTs relate to the crypto space so we will also use another one:

Non-fungible tokens (NFTs) are assets that have been tokenized via a blockchain. Tokens are unique identification codes created from metadata via an encryption function. These tokens are then stored on a blockchain, while the assets themselves are stored in other places. The connection between the token and the asset is what makes them unique. (Sharma)

So, these assets are closely linked to cryptocurrencies and one can see why Binance would want to become a major player in the sector as it cumulated 23 billion USD in volume for the year 2021 (Herrera).

2.5. 2022

Next, we come to 2022, which was a complex year for the entire crypto industry, as it saw the implosion of FTX, one of Binance's competitors and third-biggest exchange at the time. This implosion was the first domino to fall in a series of events that took the value of Bitcoin plummeting downwards, from 67.000\$ in November of 2021 to 16.000\$ one year later, taking all the altcoins with it as well. The collapse of FTX could itself be the subject of a whole thesis, but we will base ourselves on the timeline created by Associated Press (Harrison) in order to rapidly recollect the facts, so that we can better understand the global impact that this event had.

The triggering factor of the collapse was an article published online by the crypto media CoinDesk on November 2, which highlighted that Alameda Research²⁰ was holding an important amount of money in the form of FTX's in-house token, FTT and that actually, a majority of their "net equity" was relying on it. This was worrying because of the financial risks involved with this structure, but also because it highlighted the fact that the companies were extremely closely linked together (Allison). Amid the number of worrisome reactions from market participants, on November 6, Binance announced that it will liquidate all the FTT it is currently holding, which reinforced the general concern and made the price of FTT drop even lower. On November 8, Changpeng Zhao reported that Binance was ready to buy FTX if the company's records were good enough. Crypto prices start to go down aggressively, Bitcoin losing 13% on that day. The next day, after gaining more information about the state of FTX, Binance withdraws from the deal, arguing on Twitter that "issues are beyond our control or ability to help"(Binance, 'Our Hope Was to Be Able to Support FTX's Customers') and Bitcoin's falls 14% further. On November 10, the crypto-lending company BlockFi "pauses withdrawals as a result of FTX's implosion" (Harrison). November 11 would be fatal for FTX, as the CEO, Sam Bankman-Fried, resigns and the company files for bankruptcy, followed by Alameda Research and dozens of entities that were linked to the exchange (Sweet). Bankman-Fried was arrested in the Bahamas on December 22, where FTX was operating from, and extradited to the United States to face a large array of charges. His trial lasted the whole of October 2023 and on November 3, 2023, he was found guilty of "wire fraud, wire fraud conspiracy, and three other conspiracy charges" (Neumeister). With the unravelling of FTX's history, the public discovered that Bankman-Fried fraudulently directed the use of FTX customer funds to cover losses at his hedge fund Alameda Research (Cohen et al.) and he set up systems to allow Alameda to maintain negative balances on the exchange (Thiede). On March 28, 2024, he was officially sentenced to 25 years in prison, almost a year and a half after the collapse of FTX.

This scandal is possibly the biggest in the history of cryptocurrencies and their exchanges, but one of the biggest financial fraud examples in U.S. history as well. It was compared to the Enron and Madoff scandals (Revell), which is justified since Bankman-Fried was found to have embezzled more than \$10 billion from his users and investors (Neumeister). As said previously, the implosion

²⁰ Alameda Research is a cryptocurrency trading firm founded in 2017 by Sam Bankman-Fried, FTX's founder. The company became prominent with the rise of FTX, as it acted as its principal market maker (Ge Huang). Market makers are entities "that stand ready to buy or sell a stock [or cryptoasset] at publicly quoted prices ('Market Makers')", which means in simpler terms that they help improve liquidity and reduce volatility in markets.

of the exchange immensely impacted the sector financially, with all cryptoassets crashing, but it has also had an extremely negative impact on the public perception of cryptocurrencies and the actors in this sector. The FTX affair was extremely publicized, just like Bankman-Fried's trial, which means that a very large number of people have associated cryptocurrencies with fraud and that this image is likely still affecting the entire industry.

3. Mission

It should be noted that while Binance has a "Mission" page (which also outlines the company's vision), it is extremely minimalist and does not present great interest. Nevertheless, given that the page exists, we must mention it.

A mission corresponds to a company's purpose, it's generally a phrase "that sets forward what the company does" ('Vision vs. Mission Statement'). Binance's mission "is to provide the core infrastructure services for organizing the world's crypto". Beyond the phrase's somewhat awkward wording, the mission is very clear. Given that the exchange believes in the power of cryptocurrencies to increase the freedom of money, the core of their daily work therefore consists in providing the best possible platform, in order to make cryptoassets accessible to all. We can see the trace of this mission in the many products and tools that Binance provides, which we have presented (staking and NFT platforms, trading tools, crypto cards ...).

4. Vision

Binance states its vision as the following: "Our vision is to increase the freedom of money globally. We believe that by spreading this freedom, we can significantly improve lives around the world" ('Binance's Vision, Mission and Values'). The notion of freedom of money is central here, but since it is one of Binance's core values, we will analyse it in detail in the corresponding section. Nevertheless, this vision, or in other terms, what Binance aims to achieve in the future ('Vision vs. Mission Statement'), appears to be entirely altruistic. Binance positions itself as a company that wants above all to improve people's quality of life, through providing services related to the use of cryptocurrencies.

5. Values

In a blog post on its website ('What Are Binance's Core Values?'), Binance references four core values and an element that could be referred to as a guiding principle. We will present them in detail in this section, because they help to better understand how the exchange operates and what it stands for, but also because these values and principles are heavily referred to in the content we will analyse in this thesis.

5.1. User-Focused

This is the guiding principle that dictates all of Binance's actions, the pillar on which the exchange is based. It means that the company focuses on its userbase above all else, which in practical terms signifies that it listens to its userbase, protects their funds and always strive to provide the best service possible. It also directs the work made by everyone in the company because every decision from every employee is made after they asked themselves three key questions: "Does this protect our users? Are we putting our users' needs first? Have we delivered quality service?" ('What Are Binance's Core Values?'). It is equally the reason why their CEO²¹ spends time online to interact directly with the community and get feedback. This principle serves as Binance's compass, guiding the direction in which it moves forward ('What Are Binance's Core Values?'). And with this direction established, the exchange has four values that help push it forward.

5.2. Hardcore

Hardcore describes Binance's passion, as the exchange would never have been successful if the people working for it were not passionate. It is also a value that refers to the fact that the company is resilient, result-driven and is not afraid to fail in order to learn('What Are Binance's Core Values?').

5.3. Freedom

Freedom is probably the most salient value of the four, and the one that is referred to the most in the material we will analyse. In its general sense, this value means that Binance "operates internally on the principle of freedom", meaning that employees are empowered to try to build things if they

²¹ The blog post was made when Zhao was still CEO and directly references him, but we can assume that Teng is working similarly.

so desire. As well, it references the fact that the company enjoins everyone to be as autonomous and responsible as possible.

Now, in a more precise fashion, freedom refers to “freedom of money”. Binance says that they “are committed to furthering the freedom of money; our products, services and internal processes all have freedom baked in them”. Furthermore, they quote CZ: “We are a global blockchain company devoted to providing an inclusive crypto ecosystem and services, to increase the freedom of money for people around the world in the new era of the financial revolution” (‘What Are Binance’s Core Values?’). Hence, “freedom of money” seems to have a lot of implications that are not clearly stated, which is why we will discuss this value in greater detail than the others.

This expression is relatively intriguing because Binance seems to be the principal entity that uses it. Searches on the Internet or academic libraries yield only some anecdotal evidence of its usage, whereas Binance’s website and communication is filled with it. Most of the results found were actually discussing “financial freedom” but not specifically “freedom of money”. However, it is evident that the two concepts are related, and we can therefore start with that.

Freedom of money seems directly related to financial freedom or financial independence, which are somewhat vague concepts. First, we will take the definition offered on the Wikipedia page "Financial independence," which should be a definition that corresponds to what these terms inspire in a large part of the population: “Financial independence is a state where an individual or household has accumulated sufficient financial resources to cover its living expenses without having to depend on active employment or work to earn money in order to maintain its current lifestyle” (Robin and Dominguez qtd. in; ‘Financial Independence’).

And for a more scientific definition, we will refer to the concepts presented by Vieira et al. in their “Financial Freedom Perception Scale” article, in which several definitions are offered. Nonetheless, two key elements stand out, namely that financial freedom means that an individual not only has the possibility to participate in a market (thus being free to use their money to invest, for example) but also that an individual has enough money to ensure a comfortable and enjoyable life (2). It is therefore a subjective concept, as exemplified by the following: “young people understand that being financially free is having enough income to not submit to work. However, middle-aged people consider the assimilation of financial independence and having freedom of life choice”(Riitsalu et al. qtd. in; Vieira et al.). Thus, we can argue that with this definition, “freedom

of money” would be associated with the possibility to use one’s money, as well as having enough of it, in order to live a fulfilling life.

Nevertheless, “freedom of money” could also be understood in the sense that there is a scale of “freedom” for money, that some forms of money are “free” when others are not. The entire lexicon used by Binance makes the implicit meaning quite easy to understand. Indeed being, a cryptocurrency exchange that is “committed to furthering the freedom of money” (‘What Are Binance’s Core Values?’) by making cryptocurrencies more available, seems to clearly indicate that, in Binance’s view, cryptocurrencies increase the “freedom of money”, hence that they are a type of “free” money. On the other hand, other types of money, among which fiat currencies are the most widely used, are excluded from this discourse, as Binance only mentions “freedom of money” in relation to crypto-coded words, for example using “blockchain”, “crypto ecosystem” or “financial revolution” (which refers here to the changes brought by the birth and growth of digital assets) (‘What Are Binance’s Core Values?’). This logically results in the sensation that fiat currencies fall on the other side of the scale and are implicitly considered to be less or even not “free”.

This distinction, although not always explicitly stated, is a fundamental element of cryptocurrencies. The Bitcoin whitepaper does not mention the word "freedom" even once²², but it was created in response to a global financial system that was perceived as opaque, corrupt, and favouring the wealthy. Bitcoin and subsequently other cryptocurrencies present themselves as truly free alternatives that are decentralized, open, and entirely independent from any government.

Such a conception of cryptocurrencies means that they are associated with many concepts, including social implications such as individual freedoms, anonymity, or censorship, as well as political, whether it is libertarianism or the discourse surrounding the role of the state. There are also financial and monetary concepts such as the elimination of intermediaries or the fact that cryptoassets have their inflation fixed by computer code. Finally, there are also philosophical elements that gravitate around cryptocurrencies, like decentralization or crypto-anarchism. After presenting these elements, we can conclude that, in this specific meaning, “freedom of money” is

²² On the other hand, Bitcoin’s Genesis block (the first to be produced) contained a message from Satoshi Nakamoto saying, “The Times 03/Jan/2009 Chancellor on brink of second bailout for banks”. It refers to the headline of the London Times article discussing how British banks were being bailed out by the government in the wake of the financial crisis of 2008. This message is widely understood as a criticism of banks and the financial system (Sherry).

a formula, that is to say a formulation that “crystallize[s] political and social stakes that [it] simultaneously contribute[s] to constructing” (Krieg-Planque, *La notion de « formule » en analyse du discours* 7). Indeed, this phrase encompasses a significant number of issues and subtexts that are intrinsic to cryptocurrencies and transcend the simple literal meaning of "freedom of money". Furthermore, this formula can be considered “polemical”, in the sense that it is conflictual (Krieg-Planque, *Analyser les discours institutionnels* 143). As we have said, a "free" currency implies the existence of a currency that is not free, and this statement makes one of the two options appear in a better light than the other. The phrase "freedom of money" legitimizes cryptocurrencies while disqualifying fiat currencies. Although outside the world of cryptocurrencies, protagonists of traditional finance are generally seen as serious and respected actors while cryptocurrencies are seen as dangerous experiments, here the roles are reversed. With such a phrase, Binance creates a division between the "good" actors, who offer freedom (and all that it implies), and the "others," the default system that does not care about freedom.

Finally, we can also allege that “freedom of money”, utilized in the way that Binance does, could be associated with the fact of reaching financial freedom via cryptocurrencies. This is mainly because on their page dedicated to values, Binance uses it in association with “financial revolution”. It appears logical that some people would associate a “financial revolution” as an opportunity to make more money, or to capture a new *form* of money that is valuable, in this case cryptocurrencies.

5.4. Humility

This value encompasses several other values that leads Binance’s work on a day-to-day basis and which are more related to the human aspect of the company, as well as the work environment it promotes. Specifically, the company praises its focus on “honesty, humility and ethics” as well as the fact that Binance's teams “take accountability” for their actions and always try to fix their mistakes. They also mention how the company is transparent, sincere, that it practises inclusion and does not discriminate nor attack others (“What Are Binance’s Core Values?”).

5.5. Collaboration

Binance explains that collaboration means communicating transparently and working, “as a team towards shared goals”. But this value is not limited to Binance, it also means that the company is

working with other actors of the space in order to create a better ecosystem (‘What Are Binance’s Core Values?’).

Chapter 3: Analysis of Binance’s Website

Binance became the most important actor in the crypto space in a matter of months and still holds this position today, seven years after its inception. In this span of time, Binance has developed many products, resources and functionalities which are available on its website, which in this section we will present in detail. We will also see what mechanisms Binance uses to make its website attractive and encourage visitors to sign up on the platform.

1. Landing Page

First, we have to focus on the initial page any visitor will see when discovering Binance, that is to say the landing page of the exchange: binance.com. Overall, the page is quite attractive (see Appendix 16). The design is clean and uncluttered, and there is no overload of information or graphics. The site gives an impression of professionalism and seriousness and immediately reassures users that they are on a platform that has taken great care to develop its site. In addition, Binance uses its two colours, yellow and black, judiciously by using yellow accents to highlight the key elements of the page. There are many elements that are worth analysing in depth, which we will explore from top to bottom and from left to right. Given that our analysis will repeatedly reference elements that are on the Binance.com webpage, all elements in quotation marks (unless otherwise indicated) are direct quotes from this page.

Header

At the top of the page is a big header that is impossible to miss with a bold title stating: “Virtual currencies, real risks. The only guarantee in crypto is risk.” This header is specific to the Belgian market and is required since the 17th of May 2023 by new rules decreed by the FSMA²³ regarding the advertisement of cryptocurrencies. To explain it rapidly, those new rules aim to protect consumers against the risks of investing in cryptocurrencies and demand that these risks be clearly stated by the advertisers. The FSMA also explicitly requires the presence of the warning sentence

²³ Financial Services and Markets Authority, the Belgian public institution that supervises the financial sector.(‘What Is the FSMA?’)

that is put in bold on Binance’s homepage (‘Virtual Currencies: The FSMA Steps up Its Action to Protect Consumers’). Hence, Binance is obligated by law to have this header that ominously dominates the top of the page as a reminder to potential investors that they are about to put their money into a risky ecosystem. It must also be noted that this warning is present throughout the entire site and cannot be hidden by the user, the only way to make it disappear is to scroll down the page.

Top Menu

Right below, we find the Binance logo and an entire line of links and drop menus that allow visitors to navigate the website. The very first link to the right of the logo is strategically reserved to the “Buy Crypto” link, that leads users to a page where they can swiftly sign up and buy their first euros worth of cryptocurrency. It is obviously significant that this is the first link at the top of the page because new users can find where to buy cryptocurrencies as soon as they arrive on the landing page. The rest of the links are respectively “Markets”, “Trade”, “Futures”, “Earn”, “Square” and “More”, which lead to the different sections of the website. Sections like “Trade” or “Futures” would maybe be more eye-catching to someone literate in finance and investment but they would seem much more opaque to a novice than the clear and easy “Buy Crypto” option which is there to convert curious visitors into first time crypto buyers and Binance users.

Live Counter



188,336,772
USERS
TRUST US

Fig. 4: Binance Live counter (‘Binance’)

Right in the middle of the page sits the element that probably most attracts the eye of anyone loading the site: a large, live counter that tracks the number of Binance users. This imposing number is distinctively coloured in yellow and is followed by “users trust us», in capital letters, hence counting how many people have a Binance account. The notion of trust here is immensely important, especially for Belgian users that are presented with a big header telling them how risky it is to invest into cryptocurrencies and how they could lose large sums of money. At the time of

writing, the number displayed is over 188 million users, which obviously carries a huge power. Indeed, the number of people who are registered on a website and use it directly impacts the probability that a new person will register in turn. This phenomenon is known as “social validation” or “social proof” and states that we humans decide how to act in a certain situation by considering what others do or have done (Cialdini). Thus, newcomers could easily consider that while cryptocurrencies have a reputation for being risky and complex to understand, if almost 200 million people use Binance, it surely has to be relatively safe to use the platform.

Sign up

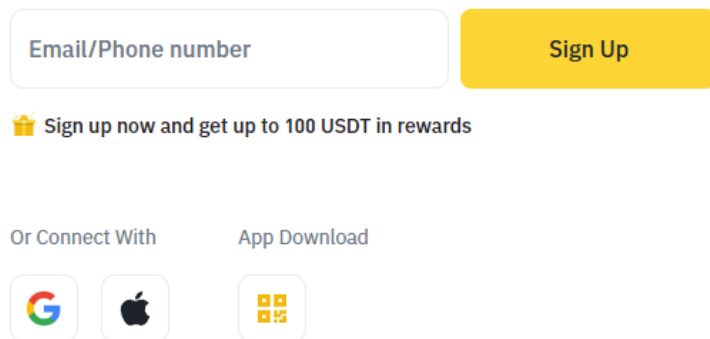






Fig. 5: Sign up ('Binance')

Below this counter is the zone where one can sign up and it is relevant to discuss for two reasons. First, just below the case where one would enter their email or phone number, there is the icon of a gift followed by “Sign up now and get up to 100 USDT in rewards”. As a reminder, USDT is a stablecoin (a cryptocurrency that follows the value of a fiat currency) that is equivalent to one United States dollar. Therefore, this sentence is enticing users to sign up because they could get rewards equivalent to a hundred dollars just for this simple action. Combined with the implication that the platform is trustworthy because it has a large userbase, joining Binance seems like a safe course of action, but also like an easy way to earn some money. Nevertheless, the “Welcome Rewards” as Binance calls them, are not as alluring as they appear, since they can only be used to cover for fees generated by users when buying selling cryptocurrencies. They also require users to complete 3 tasks in order to get the full 100 USDT reward, namely complete their account verification, depositing 10\$ worth of fiat money or cryptocurrency on the exchange and make a trade for a minimum of 10\$.

Second, users have the possibility to use either their Google or Apple account to sign up. This is an important point because it really helps streamline the process of accessing a new website and could even be the difference between a user that signs up and one that does not. This type of identification is known as “social login” and has many advantages: it reduces the frustration created by filling in long forms while being much quicker, it eliminates the need to create a new password for each site (at the expense of security) and it makes future logins easier as well. In general, this process improves the conversion rate²⁴ on a given website and it is probably no different for Binance (Sing). This importance of the speed at which one can create an account could be reinforced by the fact that people usually buy cryptocurrency after someone they know mentioned it. As previously stated before, exchanges saw a boom in account creation during and after the Thanksgiving holiday in 2017 (Arslanian 338) and it is reasonable to infer that a person close to them urged them to buy cryptocurrency over the holidays. Thus, people probably want to rapidly create an account and not miss the opportunity to buy some cryptocurrency “at a good price”, whether it be Bitcoin, Ethereum or some altcoin.

Live prices

 BTC Bitcoin	\$64,643.74	-1.02%
 ETH Ethereum	\$3,136.81	+0.35%
 BNB BNB	\$571.10	+0.40%
 XRP Ripple	\$0.5209	-0.67%

[View All 350+ Coins >](#)

Fig. 6: Live prices ('Binance')

Coming to the right of the page, we first encounter a box-shaped grey area that displays four cryptocurrencies with their logo, ticker²⁵ and name, as well as their live price in U.S. dollars and the percentage of change of the price since the beginning of the day. Here, Binance lists the two biggest cryptocurrencies by market capitalization (i.e. Bitcoin and Ethereum) but also BNB, their own crypto, which is the fourth biggest overall as well as Ripple which is currently the eighth most

²⁴ Conversion rates measure the number of visitors that realize a conversion on a website, that is to say if visitors realize an action the site owner wants them to take, in this case: signing up ('Conversion Rate').

²⁵ A ticker is a symbol representing a cryptocurrency or a token: BTC is the ticker for Bitcoin ('Ticker').

important cryptoasset. These live prices are important to have because they directly give an outlook on the market, if the price of these major assets is appreciating or on the contrary if the market is going downwards. This is a key element for anyone that wishes to invest or is already invested in cryptocurrencies, as we have already seen that they are extremely volatile and it is thus important to follow their price closely if one wishes to buy or sell in the near future. Each of these assets is a clickable link that sends the visitor to the page of the specific asset, where they can find more ample information on the asset in itself but also the evolution of its price. Furthermore, Binance also indicates “View All 350+ Coins” at the bottom which indicates that the exchange offers a vast array of assets and that everyone would be able to find the specific cryptocurrency or token they wish to invest in. This would also sway people in favour of using Binance, since the only other major exchange (in volume traded) that offers so many options is Bybit.

Latest news

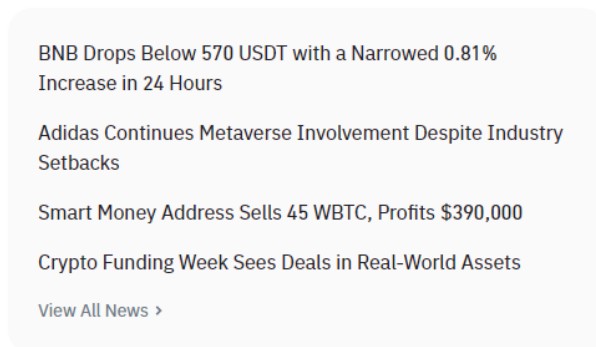


Fig. 7: News ('Binance')

Just below the live prices, we find a similar grey area that displays the latest news relative to Binance and the crypto space as a whole. Similarly to the prices, this kind of element is significant to people buying and selling cryptos, since news and events can impact the price of their investments. Yet again, each of these lines is a clickable link that leads to a dedicated section of Binance called Binance News and that we will cover more in detail later.

Downloads

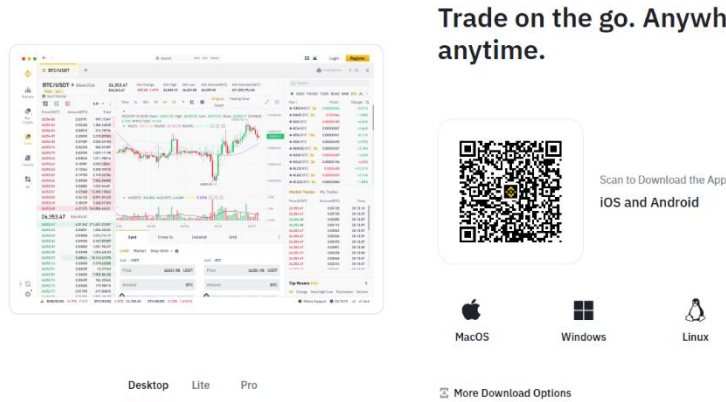


Fig. 8: Download section ('Binance')

Next, we have to scroll down the page to reach its midsection that is dedicated to downloads and where Binance used the catchphrase “Trade on the go. Anywhere, anytime.” This tagline is important because it demonstrates the platform's practicality and ease of use. Anyone can access it via either: the website, the desktop applications available on all operating systems (Mac, Windows, and Linux, which are shown with their respective logos), as well as the iOS and Android applications. With their support for so many platforms, Binance covers the needs of all possible users and this diversity is valuable because, as they state, it allows users to trade “anywhere, anytime”. As we have seen before, this is a crucial matter for cryptocurrency markets, which are constantly open and very volatile. Having so much flexibility in accessing one's account can be very important for some users, maybe some that want to closely monitor their investments or others that want to "trade" in a more professional fashion. In addition, the site displays a QR code that allows users to download the mobile application immediately, which reduces friction for the user by eliminating the need to open their app store to access it.

To the left of this QR code, we find an infographic that shows what the different programs look like. Thus, we can see the computer application, which can be intimidating for novices with its seemingly cluttered and complex interface, but should appeal to more demanding users. Then comes the "Lite" tab of the mobile application, which is intended to be the opposite: it is a simplified version of the application, which retains the main features but removes some more complex tools, and is therefore aimed at all novice users (in addition, Binance claims that this version is more suitable for users with older devices or a limited Internet connection). Finally, the

"Pro" tab, which unlocks all the features of the application ('Beginner's Guide to Binance Lite'). It should be noted that this Lite/Pro distinction is made within the same application. Hence, users can switch from one to the other if they need to, which makes it even more attractive. The fact that Binance presents users with a Lite version is fundamental to attract new users, because some of them might turn away from the platform in favour of a seemingly simpler application from one of its competitors, perhaps like Coinbase, Kraken, or Swissborg to give a European example. Interestingly, the inverse is also true, as more advanced users might want certain tools that the platforms cited do not offer, which would make the "Pro" version of the Binance application more attractive to them.

Frequently Asked Questions

Scrolling downwards, we now reach the "Frequently Asked Questions" area which is of paramount importance to sway new users that are not really informed about this new sector, that may come with some negative beliefs are that they may have a low level of trust for the industry. We will explore in more detail the six 6 generic questions that Binance lists, as well as the answers they give.

First, we have "What is a cryptocurrency exchange?" which is logically first since it is the core of the company. The company's response is formulated in a neutral manner first: "Cryptocurrency exchanges are digital marketplaces that enable users to buy and sell cryptocurrencies like Bitcoin, Ethereum, and Tether." However, the second sentence is not so impartial as they write, "The Binance exchange is the largest crypto exchange by trade volume." While this is factually true, as Binance is by far the biggest exchange and held 31.3% of the market share in February 2024 (even after a relatively important decline during 2023) (Lyllah), this is clearly a way of presenting Binance as the best option available. This more factual argument than the "trust" that millions of users place in the platform reinforces its credibility and positions it as the industry leader.

The second question is "What products does Binance provide?" and its answer is separated in two paragraphs, of which we will only discuss the first, as the second is purely informative and does not seem relevant to discuss. The response is as follows: "Binance is the world's leading cryptocurrency exchange, catering to 169 million registered users in over 180 countries. With low fees and over 350 cryptocurrencies to trade, Binance is the preferred exchange to trade Bitcoin, Altcoins, and other virtual assets." Let's first address the inconsistencies in this statement. The first

element in favour of the exchange is the number of users, which has not been updated and is now roughly 20 million higher. Binance then claims that these users are registered in over 180 countries. However, the company is not available in 180 countries. If one looks a little further on the site, a page allowing you to select your region indicates that "Binance is available in 100+ countries" (*Countries and Regions*). But by browsing the list of these countries, it is clear that this is not the case, as the total number of available territories given is 45. It is possible that the site has not been updated following the various regulatory changes in some countries, but Binance's own site does not offer consistent information on supported countries. Nevertheless, given the detailed list they present, it is reasonable to assume that the figure of 180 countries is largely overestimated and used as a persuasive argument.

Next, the platform boasts its "low fees", which is sensible enough to say, given that the current fees on the exchange are among the best in the market (Miller). Nevertheless, an exchange like Bybit offers a similar fee structure, so it is not exceptional either (McCracken). The number of cryptocurrencies listed they give is also accurate, considering that CoinGecko lists 381 different coins, but it is not a spectacular number. For context, Bybit offers 463 cryptocurrencies, OKX has 326 listed and exchanges like KuCoin can reach 800 available assets ('Top Crypto Exchanges Ranked by Trust Score'). However, one can note the vocabulary used in this response, particularly "world's leading cryptocurrency exchange". Indeed, it is not specified in which area the company is the world leader. It can be assumed that they are speaking about the number of users, volume of transactions and market share, which are both significant. However, the choice of simply using "world's leading" suggests that the company dominates in general, whether in innovation, international presence, security, compliance with regulations, etc. Binance claims too that it is "the preferred exchange to trade" because of its fees and number of assets available, but as we have seen, both of those criteria do not necessarily set them apart from the competition. This formulation is therefore a way to give a positive overview of the platform through elements that do not really make it unique.

The third question is "How to buy Bitcoin and other cryptocurrencies on Binance?" and under it, Binance lists the various ways available to buy cryptoasset: credit or debit cards, cash balance (which can be added via bank transfers or VISA) or Apple Pay and Google Pay. Once more, the diversity of options presented to the users is key, one can buy cryptocurrency instantly if they have

a credit or debit card or by using Apple/Google Pay, which adds more convenience since they already hold the payment details of the user (but they also require a VISA card to work properly). They can also use bank transfers to add cash to their account, which is slower (excepted the SEPA instant transfer that is available) and more cumbersome but that offer the advantage of being available to anyone with a bank account. This is another way to reduce the friction needed to get into cryptocurrencies, since most users can find a payment method that suits them. Nevertheless, there is some friction that cannot be avoided and that is stated by Binance: users have to complete the Identity Verification process for their account. This process is part of the Know Your Customer standard, designed to “protect your account against fraud, corruption, money laundering, and terrorist financing” (‘How to Complete Identity Verification for a Personal Account?’). It is actually a legal requirement for exchanges to verify their customers’ identity, and thus no actor can skip this step.

The fourth question is “How to track cryptocurrency prices?” which is, as we have already seen previously, an important part of investing in cryptoassets, given their volatility. The answer provided by the leading exchange is that “the easiest way to track the latest cryptocurrency prices, trading volumes, trending altcoins, and market cap is the Binance Cryptocurrency Directory”. While this is a good option because it keeps users on the Binance domain, it also is a simplistic answer and users might prefer a third-party website like CoinGecko or CoinMarketCap (which was actually acquired by Binance in 2020), which offer more tools and more detailed information about the assets listed.

The penultimate frequently asked question is “How to trade cryptocurrencies on Binance” to which they answer that “hundreds of cryptocurrencies” are available to be traded on several markets which are Spot, Margin, Futures and Options markets. The platform also reiterates that users need to have an account which has been verified and funded in order to start trading. This answer is probably confusing to people new to cryptocurrency exchanges or trading in general and is aimed more towards advanced users. These different markets allow traders to make use of their capital with diverse tools that we will not explore in detail here since they are quite complex. However, we can once more note that Binance displays its large offer of options available in order to allure the most demanding customers.

Finally, the sixth question present on the homepage is “How to earn from crypto on Binance” which is answered by “Users can earn rewards on more than 180+ cryptocurrencies by using one of the products offered on Binance Earn. Our platform offers dozens of digital assets like Bitcoin, Ethereum, and stablecoins.” Binance Earn, as a reminder, is Binance’s staking system where users can deposit their cryptoassets and earn a yield as a reward for supporting a blockchain. At least, this is how the service was first developed, but today, the yield may also come from being “loaned to other Binance users” (‘Earn’). Not only does the exchange boast a large panel of cryptocurrencies supported, which is an appealing argument for interested users, but they also use the term “rewards” which is more attractive than the traditionally used “yield”, which sounds more industrial or financial. Users are actually not simply rewarded for holding a supported cryptocurrency, as they have to lock it into the Earn program to earn the yield. Binance offers a product that they call “Flexible”, which allow the users to retrieve their assets, but also a “Fixed” product, which as the name suggests, has a fixed locking period during which the assets are not recoverable. Thus, Binance messages and use of vocabulary may make this process seem simpler than it actually is. It seems even more significant when we take into account the fact that, right below the sixth question, we find a repetition of the “Get up to 100USDT in rewards” line we have analysed previously and which strengthens the notion that any regular person can “win a crypto gift”.

Overall, this section of questions and answers is important because they help present basic concepts of cryptocurrency exchanges and investing in cryptoassets to newcomers, as well as putting forward some specific tools offered by the platform to more experienced users. It could potentially help the newcomers to take the leap and create an account by better understanding what it is, what it offers and how it is a good choice to pick. It is also obviously used by Binance to highlight its strength, even if it means not being completely truthful.

Rewards

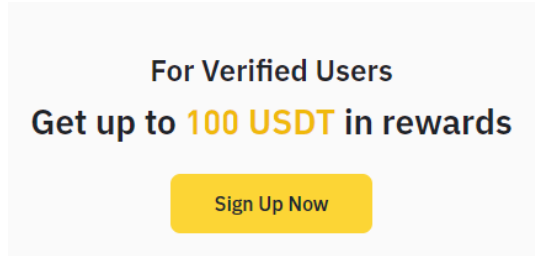


Fig. 9: Download section ('Binance')

We just mentioned it, but right below the Q&A section, we find this reward announcement. To conclude its homepage (we will also analyse the remaining bottom section, but it consists of links and settings), Binance replaces this invitation to register by reminding users of the possible reward of 100USDT for verified users. The reward is clearly visible here compared to the small text that was found at the top of the page, and this message is therefore strategically placed: a visitor is invited to register as soon as they arrive on the page, but also at the bottom in case they have scrolled down, and they are presented with the enticing offer of a gift.

Footer

We are now at the bottom of the page, which consists of a menu of links cleanly structured that enable visitors to reach any important part of the website. In addition, we find direct links to Binance's eight social network pages (Reddit, Telegram, TikTok, Facebook, X, Reddit, Instagram and YouTube) as well as their page on CoinMarketCap. It is clever to have these links as they allow any visitor to learn more about the exchange on their favourite social media platform and join relevant communities if they wish.

Right below these links are the page settings. Users can choose between a light or dark theme, which might seem like a minor detail, but that is a feature many users appreciate and that can actually majorly improve the user experience (Eisfeld and Kristallovich 19). Users can also pick their preferred currency on the site. However, the most important feature is the ability to choose from an impressive 33 different languages. This allows Binance to communicate effectively with a vast global audience, giving them a significant advantage compared to having an English-only website. While English might be understood by many, it wouldn't be as impactful. This becomes even more relevant when you visit competitor websites. Bybit and Coinbase don't offer a direct

language selection option on their homepage (you need to open a side menu). Kraken only offers 10 languages.

Support

Finally, floating on the right corner of the page wherever you one has scrolled on the page, we find the support button. It is very easy to locate at any time, which is valuable because visitors do not have to scramble the site to find a solution to their issue, which reduces friction of utilization and in turn improves the user experience. Clicking the support button opens a small window where users will find a solution to most of the problems they could encounter, with separate categories of issues which make it easy to navigate to the relevant topic. Binance also offers a bot chat to help users out.

2. Binance Square

Binance has a specific menu on their website called “Square” which centralizes their informative resources on cryptocurrencies. It includes 4 different sections: *Square*, *Academy (Learn&Earn)*, *Blog* and *Research*.

Square is a sort of newsfeed where Binance users can share news and information about the crypto space in general (‘What Is Binance Square and Frequently Asked Questions’), and could be compared to Twitter in this aspect. *Academy (Learn&Earn)* is, just as the name suggests, a centre to learn about cryptocurrencies, the blockchain, trading and Binance overall. The *Learn&Earn* segment offers users to earn a small number of cryptocurrencies if they respond correctly to a quiz. Next is the *Blog*, which is where Binance publishes posts on various subjects relative to cryptocurrencies. *Research*, the last element, offers analysis and insight over the market and crypto-related issues, as well as reports of various projects (‘Binance Research’). Below, we will discuss each of them in more detail.

2.1. Binance Square

In October 2022, Binance launched its *Feed*, a “content aggregation platform” which, a year later, evolved into *Binance Square*. It is presented as a “social platform with content creation and monetization features integrated within” and it aims to keep users informed about the latest news but also create communication “between content creators and followers”. Binance also writes that

it “aims to be the single touchpoint for the latest trends in Web3 (‘Introducing Binance Square: An Evolution of Binance Feed With User-Generated Content’). It is therefore an ambitious project made by the exchange, which with Binance Square, positions itself not only as the world's largest cryptocurrency exchange, but also as an entire ecosystem, with a fully fledged social platform, which has its own content creators and subscribers.

We will now take a closer look at this page and see how it holds a relevant place in Binance’s global communication. The Binance Square page is divided into three columns (see Appendix 1), the first one being a menu that allows users to access their notifications, profile, trending articles, news, creator centre, and settings. The central column is dedicated to user posts, and the right-hand column is overall dedicated to trends, whether they are topics, creators, or cryptocurrencies that seem to be in vogue. The look and feel of the page are reminiscent of the interface of X (formerly Twitter) or its Meta-developed competitor, Threads. Indeed, it is a platform where text is central, although it is often accompanied by images, and each post is clearly separated from the others by a horizontal line. Furthermore, users on Square can use photos, emojis and text up to a 2100-character limit (or 80 000 characters if one chooses to use the “Article” format), but only accounts with 500 followers or more can publish videos. People can also react to a post by liking, commenting, reposting and sharing, which are all core features of Twitter or Threads. Additionally, visitors can follow any creator directly from their post without the need to access their profile, which makes connecting with creators really seamless. A notable feature of Binance Square is that creators can tag their posts as “bearish” or “bullish”²⁶ to indicate the sentiment that their publication has towards the market. This feature is in turn used to feed the “Fear & Greed Index”²⁷ located on the right column (see Appendix 2), where visitors can also share their sentiment. This allows users to quickly gauge investor sentiment towards the market and whether they expect prices to rise or fall, though this indicator is obviously limited to the data provided by Binance users.

Regarding the posts, visitors will find a mix of varied content offered by creators, whether it is market insight, charts about a certain cryptoasset, general information, stories of success or failures

²⁶ These terms are used to indicate investors beliefs about a market: a “bullish” investor thinks that the market will go up in price, whereas a “bearish” one believes the opposite (Hall).

²⁷ This index has been brought into the crypto space but it has originally been developed by CNN Business to assess investor sentiment. The logic behind it is that “fear will drive share prices down, whereas excessive greed will drive prices up” (Liberto).

in the markets, memes²⁸, ... Of course, the general discourse is related to cryptocurrencies, investment or trading, but there is a real diversity of posts that make the website feel alive. Nevertheless, it is manifest that it is a small platform compared to “real” social networks like the one we have cited, interaction is scarce except on the post of the most followed creators, and a lot of the posts one will find on the “Home” section do not seem to get any engagement. Binance doesn’t give official figures about monthly users of its platform but looking at some of the biggest accounts on it like Richard Teng (current CEO) or Changpeng Zhao (the former CEO) as a proxy for userbase, it is clear that Square is somewhat small. Respectively, the accounts have 520 and 875 thousand followers at the time of writing, whereas on Twitter, Teng has somewhat similar 300 thousand followers (which can be explained by the fact that he only recently became CEO and that he was not in the spotlight before that) but Zhao has an immense fame with almost 9 million followers.

Now we will take a look at the right column. At the top, we find a box that encourages users to sign up (see Appendix 3), Binance promotes their social platform by emphasizing that it is a way to “be a part of the latests [sic] discussions in crypto”, which is noteworthy because it implies that the latest, most important discussions in crypto happen on Binance’s platform, and not on other social networks like YouTube, X or Telegram, that are widely used by people involved in cryptocurrencies. Hence, Binance’s formulation somewhat presents Square as *the* website for keeping up to date with cryptocurrencies, which is arguable. However, newcomers to this ecosystem are likely unaware of the best websites and social media platforms to stay informed about cryptocurrencies. This statement can therefore have a significant impact and persuade them to sign up. Binance also promotes the element that users will be able to interact with their favourite creators which is a rather strange argument for a platform like Square. Indeed, this formulation makes sense for a social network like Instagram, Twitter, or even TikTok, where users can find artists, athletes, journalists, etc. that they already know. However, in the case of Square, it is difficult to argue that users can find their "favourite creators" because, as we have seen, the platform is relatively small and does not feature industry leaders, aside from Binance representatives. The final argument presented is that users can find content that interest them, which is pretty straightforward and logical. If someone is looking through Binance’s website, it is very likely that

²⁸ A meme is “an amusing or interesting item (such as a captioned picture or video) or genre of items that is spread widely online, especially through social media”(‘Meme’).

they are interested in cryptocurrencies in some kind of way and that they may want to learn more about this new family of assets. It's also worth noting that the "Sign up" button features a small gift icon. No explanation or additional text is provided but, subconsciously, readers will associate it with the positive connotation of a gift. Signing up becomes a way to obtain a reward, even if readers haven't previously seen the messages promising a maximum of 100 USDT to be won.

Below, we find a "Trending Topics" block of information, which lists the most mentioned subjects, using hashtags similarly to X (formerly Twitter). Users can see how many posts have been made on each subject as well as their total views. This is an easy way for them to stay up to date with topics that are probably currently relevant to the crypto space. Next, there is the "Fear & Greed Index" which we have already discussed and just under it, we find the "Most Searched" section, which lists the most searched cryptocurrencies in the last 6H (though it is not specified, we can assume these items are searched on the overall exchange and not only on Binance Square), which reflects the market's interest for specific assets. Each cryptocurrency is presented with its logo, ticker, price and percentage of change of price, in USDT. Assets that gained value rapidly get the mention of "Rapid Riser" (see Appendix 4), which makes it easy for visitors to assess the most "active" ones. This section would be particularly interesting to active traders or investors that follow prices closely because they would be able to check the Square posts which interest them and keeping an eye on the market's activity at the same time. Underneath is the "Latest News" area which as the name suggests link users to the latest developments relative to the industry published on Binance News, a platform that will be discussed in more detail later. The two final sections are "Suggested Creators" and "Trending Articles" which are pretty straightforward and standard sections for social networks, where users can discover new creators and see the articles that get the most interest on the website very rapidly.

Overall, Binance Square is a significant initiative on the part of Binance and sets it apart from other exchanges, by offering an in-house social network that revolves around cryptocurrencies. Compared to a traditional blog or announcement section, Binance's Square offers a proper interactive platform focused on cryptocurrencies. This creates engagement in a natural way, while keeping activity on their website. Additionally, Binance can use all this activity to better target its communication by using data generated by users to figure out what interests them most. In the same way, the site allows the exchange to get feedback from the community on new features faster

and more efficiently than on a classic social network since they have access to all their site data. The main positive for Binance is obviously strengthening its community, offering them a space to chat and create directly on the exchange's website. This could help create a sense of belonging to the Binance "group" and improve user loyalty. Plus, Binance recently added the possibility for creators to monetize their content using the hashtag "#Write2Earn", which grants them "up to 5% in trading fee commissions on every trade made by your engaged audience" ('Binance Square #Write2Earn: Enjoy Up to 5% Trading Fee Commissions With Your Binance Square Posts!'). The exchange aims to promote content creation and attract creators to their platform by allowing them to make money simply by posting, similarly to X (formerly Twitter). Over time, this strategy could bring significant growth to the social platform of the exchange.

2.2. Binance News

The exchange also offers *Binance News*, which is a subsection of *Binance Square* curated by the platform itself and not individual users. It is worth mentioning because it is a newsfeed that displays pieces of information relative to the crypto space in general and not only relative to Binance. For example, one can find new data on a specific blockchain, public comments of CEOs or market price updates. This type of media page is relevant in the crypto space where the markets are open 24 hours a day, seven days a week with prices that can be extremely volatile, not only for the biggest cryptocurrencies like Bitcoin that can move several percents a day, but even more so for smaller altcoins that can move tens of percents on the same timeframe. Therefore, it is easy to imagine how useful a page that displays all of the recent updates of the market could be to someone that wants to manage its investments or for a trader that expects to make money by reacting rapidly to some new development. What is more, this page also offers a "Binance" specific theme, which renders it easy to see what is going on for the platform at a quick glance.

The news snippets, are very readable, they are presented to the user as a timeline with the time elapsed since each one was posted and have a bold title as well as a quick summary just below (see Appendix 5). Readers can leave a thumbs up and have a direct share option to send the announcement either on X (formerly Twitter), Telegram and WhatsApp. Once again similarly to what we will see on the *Blog*, several themes can help visitors get to the relevant information more easily and apart from the previously cited Binance theme, the site also offers the following: Market, Bitcoin, BNB, Ethereum, DeFi, Web3, Regulation and Editor's Pick ('Binance News'). In addition

to the themes, a switch labelled “Only display important news” can be turned on which filters the news, only retaining data about price changes or major news for the ecosystem.

Once a user clicks on a title, he is taken to the Binance Square page of the specific news which typically contains an informative text that is between 200 and 250 words long. Regarding the overall vocabulary and tone used, it is very neutral and similar to what one expects to see in a news report, which is logical since most of the posts actually come directly from news sources such as Foresight News, PANews, Bloomberg or Cointelegraph and are simply reformulated and adapted to the format of the website. The only articles that are directly produced by Binance are some global market updates, some updates on the activity of their platform or on the performance of their in-house cryptocurrency (BNB). Some of these Binance posts are just very short automatic price updates whereas some others are more thorough reports created by the Binance Research team. Overall, this *News* section offered by Binance is an efficient and smart way to deliver new information to their users and it is also a quality-of-life option that is not provided by other exchanges.

2.3. Binance Academy (Learn&Earn)

Binance Academy is a collection of learning materials created by the platform for its users. It offers articles on various topics like blockchain, trading, and even Binance itself and the tools it offers. There's also a glossary explaining all the crypto vocabulary with easy-to-understand breakdowns of complex concepts. Binance even has its own courses that users can take to improve their general knowledge. For those that want to go deeper, the platform integrates two specialized courses directly taught by university professors, centred around blockchain technology and cryptocurrencies. Upon successful completion, participants are awarded a certificate, which reinforces the more “prestigious” aspect of these lessons compared to the ones provided by Binance. All of these elements are a big benefit for Binance users, whether they're beginners who want to learn the basics or more advanced users who want to sharpen their technical skills.

However, our primary focus within the *Academy (Learn&Earn)* page lies in the second part of its title. The *Learn&Earn* section, launched in 2022, adopts a concept pioneered by Coinbase in 2018 (under the name *Earn* on their platform) which simply allows users to engage in brief video or written lessons and complete a quiz to earn a small amount of cryptocurrency. This concept is really appealing due to its relative ease of use (viewers solely have to watch attentively a video or read

some text and then answer a few questions) and time efficiency (videos typically last around 3 minutes). After they completed the quiz, users merely need to wait for the activity to conclude before receiving the cryptocurrency rewards directly into their accounts. They can then choose to keep or sell these cryptocurrencies as they see fit, and users are fully empowered to withdraw the earned funds. The only condition to participate is the possession of a Binance account and residency in a region that allows entry in this rewards program.

Consequently, the "Learn&Earn" program serves as another strategic approach employed by Binance to expand its userbase. This method should prove relatively effective as the prospect of earning even a small amount of cryptocurrency could be a compelling incentive for a vast number of individuals to create an account.

2.4. Binance Blog

Binance's *Blog* allows the platform to communicate with its userbase on a variety of subjects. One can find messages from the CEO, news of compelling partnerships, yearly reviews of the company, announcements of events, etc. It is an important communication channel since it is directly integrated on the main website of the exchange, which means users can access it immediately from the page on which they would check their balance. Furthermore, the blog format is much better adapted to the longer format that certain communications require.

The first thing that users will notice when landing on this page is the layout (see Appendix 17). Blog posts are arranged in lines of 3 clearly separated units, each with a title, an image and a quick summary of the text. The entire page appears clean and easy to navigate, further helped by the fact that one can directly choose among some themes selected by Binance. One striking feature is that Binance has a well-defined visual identity: the exchange's colours, yellow and black, as well as the exchange name and logo are present on every single image accompanying the text, giving a sense of continuity and integration with the rest of the website. The illustrations used are very consistent in design too, helping to give a sleek aesthetic to the page as a whole.

The Blog is obviously aimed at Binance's customers in general since it is hosted on the website and that it covers all of the subjects relevant not only to the exchange itself, but also its important ecosystem. Readers can find information on crypto regulations, new features coming on the exchange, partnerships, Binance's crypto wallet and access to decentralized finance, etc. on a very

regular basis. New posts are added almost every day and more often than not there are 2 or plus posts on a single day. Nevertheless, it can also be seen as a go-to source for media outlets to get reliable information on the exchange, given that the posts are long enough to provide detailed information and they offer a structure that makes it easy for third parties to create a press release.

3. Research

Binance also possesses a *Research* division which serves to inform users on the cryptocurrency market and the different projects that are part of it. This section of the website is quite neutral and, notable fact compared to the others, does not incite the visitors to sign up in any way. This is in line with their presentation of the section that states “Binance Research provides institutional-grade analysis, in-depth insights, and unbiased information to all participants in the digital asset industry” (‘Binance Research’) since they effectively offer a very professional and clean website to people looking for data. Research distinguishes two types of reports they produce: *Insights & Analysis* and *Project Reports*. The first one covers a large panel of subjects and users will find articles that discuss the Bitcoin halving, specific cryptocurrencies’ ecosystems, new narratives as well as market insights and a lot of technical articles that will satisfy the savviest enthusiasts. The second one is more focused on analysing in depth some specific crypto-projects and their cryptocurrency or token. These reports aim to make readers as informed as possible about the projects they present, presenting the audience with detailed explanations of the inner workings of the projects, key metrics, statistics, roadmaps and relevant links. Binance Research is another string to Binance's bow, allowing it to offer optimal services to its users. They can quickly find detailed and high-quality information about the market or projects that interest them. Although the site remains neutral and doesn't openly promote Binance, the exchange doesn't forget its good habits and, alongside the title of each article, provides links to share the latest articles on the reader's platform of choice. This highlighting allows the audience to easily share the articles and thereby promote Binance to their audience.

4. Conclusion

In conclusion, we have noted that the Binance website plays a rather important role in the functioning of the company and its communication. First, the site is filled with (more or less) subtle invitations to sign up and strongly highlights Binance's strengths as a cryptocurrency exchange, such as its versatility, the wide range of available cryptocurrencies, and its secure aspect. The site therefore appears to be very effective in attracting users from around the world, all the more so since it is available in an impressive number of languages.

But what is perhaps most salient on the website is the presence of the Square section. Indeed, Binance has created a proprietary platform within its network, which, with time and the incentives in place, could become a major social hub in the world of cryptocurrencies, although the project is still relatively young and needs to attract a larger audience. Integrated into Square, Binance also offers a newsfeed called News, which is promising, as it allows Binance to become a news aggregator for cryptocurrency-related news. With these two elements, the world's leading exchange offers unique and high-quality services, but also positions itself as an important communication platform in the ecosystem. In addition to these elements, Binance has its Blog, through which it can communicate effectively and in detail with its users, as well as cover a large array of subjects in relation with the cryptocurrency sector. And finally, the Binance Academy and Research sections provide an immense amount of information, reports, and valuable insights, which enable Binance users to better understand certain aspects of cryptocurrencies and deepen their technical knowledge. We have therefore discovered an extremely well-designed, innovative, and information-rich website that directly contributes to Binance's ability to maintain its market leader position.

Chapter 4: Definition of the Crisis Situation

In this chapter of the thesis, we will see how Binance's position evolved over the years in the United States, in order to better understand the situation the exchange faced, and especially why it can be categorized as a crisis. Then, we will precisely define the concept of crisis and determine the exact period of the one we will address in our analysis.

1. Review of Binance's legal issues in the U.S.

It is difficult to determine precisely when Binance first became considered as a potential threat by American authorities, but according to Reuters, the U.S. Department of Justice started investigating the global exchange since 2018 (Berwick et al.). There are few details available about the progression of this investigation but we also know that in 2020, "Prosecutors requested extensive internal records from Binance about its anti-money laundering checks, along with communications involving Zhao and other executives" (Berwick et al.). Though, the exchange never addressed these elements publicly and handled them internally.

However, the investigation progressed as the years went on and they started to unfold in 2023. First, on March 27, the Commodity Futures Trading Commission (CFTC) filed a civil enforcement action against Changpeng Zhao and three entities that control Binance: Binance Holdings Limited, Binance Holdings (IE) Limited and Binance (Services) Holding Limited. They charged them with "numerous violations of the Commodity Exchange Act (CEA) and CFTC regulations". In simple terms, the Commission accused Binance of knowingly offering its services to American users while actively trying to avoid regulatory constraints (such as asking users to fill out KYC forms) in order to profit from its wealthy American clientele. The CFTC also charged Binance's former chief compliance officer, Samuel Lim, with "aiding and abetting Binance's violations" ('CFTC Charges Binance and Its Founder, Changpeng Zhao, with Wilful Evasion of Federal Law and Operating an Illegal Digital Asset Derivatives Exchange').

Second, on June 5, the Securities and Exchange Commission (SEC) charged Binance Holding Ltd., its affiliate BAM Trading Services Inc., Binance.US and the CEO Changpeng Zhao with "a variety of securities law violations". To summarize it simply, the SEC accused Binance of offering its services to U.S. investors that were supposed to only access the Binance.US branch (which was adapted to the American market). Furthermore, the Commission claims that Zhao and others at Binance were actually controlling Binance.US, which was supposed to be an independent entity from the main exchange. Besides the issue of Binance.US, the SEC argued that Binance and its CEO had access to customers' assets, "permitting them to commingle customer assets or diverts customer assets as they please" via entities controlled by Zhao. These same entities were accused of trading in a way destined to inflate the volume traded on Binance, in order to make the platform more appealing. Finally, the SEC also charged Binance and Zhao of the violation of federal

securities laws, such as trading with “unregistered national securities exchanges, broker-dealers and clearing agencies” and offering Binance’s own unregistered cryptoassets (namely BNB, their in-house stablecoin BUSD as well as staking and lending products)(‘SEC Files 13 Charges Against Binance Entities and Founder Changpeng Zhao’). The next day, on June 6th, the SEC went a step further and “asked a federal court to issue a temporary restraining order to freeze the U.S. assets of cryptocurrency exchange Binance”(Singh).

Nevertheless, Binance’s legal altercations in the United States and their media resonance reached their peak in November. Indeed, on the 21st of November 2023, the Department of Justice unsealed their criminal indictment against Binance, which reviews in depth the illegal activities that the exchange was engaging in since its inception in 2017 up until “at least October 2017”. The indictment contains 3 charges against Binance and Changpeng Zhao: Failure to register as a money services business (MSB), wilful violation of the Bank Secrecy Act (BSA) by failing to implement and maintain an effective anti-money laundering (AML) program, as well as a wilful violation of the International Emergency Economic Powers Act (IEEPA) by facilitating transactions with jurisdictions sanctioned by the United States (such as Russia, Iran or Cuba). All of this, according to the DOJ, was realized in “a deliberate and calculated effort to profit from the U.S. market without implementing controls required by U.S. law” (*United States v. Binance Holdings Limited, d/b/a Binance.Com* 1). On the same day that this document was unsealed, Binance pleaded guilty to all charges and was required by the DOJ to pay over \$4.3 billion “in criminal penalties and forfeiture” (Ostroff et al.). Of the \$4.3 billion, \$1.8 billion was credited to the CTFC, FinCEN and OFAC as part of the agreements the exchange reached with these agencies.

Similarly, Changpeng Zhao pleaded guilty to “violating the BSA by failing to maintain an effective AML program” (Ostroff et al.), agreed to pay a \$50 million fine and stepped down from his position as CEO. He was also sentenced to four months in prison on April 30, 2024 (Hetler). Following this lawsuit, Binance has appointed Richard Teng as its new CEO. Teng was a key executive at Binance who had already served as CEO of the Singaporean branch of Binance, responsible for European, Asian, and MENA (Middle East and North Africa) regions, and Head of Regional Markets. Teng also has a background in traditional finance and regulation, having worked as "director of corporate finance at the Monetary Authority of Singapore (MAS) and a chief regulatory officer of the Singapore Exchange (SGX)"(Oi). These are likely important elements for his work with Binance,

given that the exchange will need to work with "an independent compliance monitor for three years" to put the company in a position to meet regulatory requirements regarding "anti-money laundering and sanctions compliance programs"('Binance and CEO Plead Guilty to Federal Charges in \$4B Resolution').

If Binance has resolved a significant part of its legal issues in the United States after the restless month of November 2023, it is worth noting that the exchange is still being pursued by the Securities and Exchange Commission (SEC). The Commission is particularly critical of Binance for "artificially inflating its trading volumes, diverting customer funds, failing to restrict U.S. customers from its platform and misleading investors about its market surveillance controls"(Prentice and Prentice). Additionally, it accuses the exchange of allowing its users to trade cryptoassets that it considers to be "unregulated securities", which is the main argument on which the SEC's case rests, as it determines whether the SEC has authority over this issue. This is not the first time the SEC has taken aim at this specific legal point, and in fact, it also targeted the Coinbase exchange in January 2024, even though it is based in the United States and is regulated.

2. Definition of a Crisis

A crisis can be defined in several ways, for example Libaert offers a relatively general definition, a crisis being according to him "The ultimate phase of a series of dysfunctions, a crisis is an event that puts at risk the reputation and stability of a company" (7). On the other hand, Bundy et al. analysed multiple definitions offered by specialists over twenty years and came up with the following comprehensive definition: "An organizational crisis [is] an event perceived by managers and stakeholders to be highly salient, unexpected, and potentially disruptive" (4) . Furthermore, they identify four key elements of a crisis: crisis are sources of change and disruption, they threaten organizations and their stakeholders, they are "behavioral phenomena" which means they are the product of human actors and not only of external, unpredictable events and finally they take place in broader sequences of events and not isolated incidents (4–5). These definitions cover the situation of Binance and its judicial problems throughout 2023 quite well. Indeed, Binance has faced the consequences of a series of dysfunctions (the problematic management of the exchange, which did not meet regulatory demands in the United States) in the form of the deal they made, that has indeed damaged the reputation and stability of the exchange. Bundy et al.'s definition can apply to a certain extent as well, as Binance has faced a significant and potentially disruptive event

for the company, which lost its CEO but also found itself under the DOJ's supervision. However, one can debate the unexpected nature of the event, given that the problems with justice were a recurring issue for Binance. Nevertheless, one could argue that the results of these legal processes were unexpected due to their scope.

Therefore, we will now use the four factors highlighted in Bundy et al.'s paper in order to determine if Binance's situation during 2023 can be considered a crisis. First, their position definitely brought the exchange in a state of uncertainty and change, as for months the consequences of the legal actions were yet unknown, and once they were unveiled, the company effectively had to change on a lot of fronts (CEO, compliance, ...). Second, it is very clear that the legal actions taken against Binance were harmful, both financially and for its reputation. Third, the situation was indeed a product of the actors involved, on the side of Binance because the management repeatedly did not comply with existing registration and, on the side of U.S. agencies because it is their role to punish such behaviour. Finally, the whole ordeal can be seen as part of a larger process, namely the general crackdown on crypto structures that were not following the law, already in motion for several years but probably heavily reinforced by the implosion of FTX and its dismal consequences.

3. Determining the Crisis Period

After reviewing the legal actions taken against Binance, we can outline a certain period during which the exchange was in crisis. Indeed, from March 27 and the civil enforcement action by the CFTC, Binance was put under intense legal, as well as media pressure. Said pressure lasted until November 21, 2023, with the charges brought by the Department of Justice, which led to the consequences we have previously detailed. One could argue that the exchange is still being scrutinized because of its ongoing trial with the SEC, but looking at the magnitude of the sanctions and changes brought by the plea deal between Binance and various U.S. agencies, it seems justified making the argument that the crisis is mostly over. Therefore, we will focus our attention on the period from March 27th to November 21st and we will discuss how Binance's general communication was affected, as well as the tools it used to respond to the crisis it was going through.

Chapter 5: Analysis of Binance’s Blog Posts

1. Context

Before going into the details of Binance’s crisis management, we have to acknowledge the fact that if Binance itself was not in a severe crisis before all the legal actions were taken against it, the crypto industry was very much in a dire place. FTX’s collapse in 2022 had an immense, lasting impact on the crypto sector and Sam Bankman-Fried’s trial only ended on November 3, less than three weeks before Binance was put in the spotlight and received a record fine. For the record, the former CEO of FTX was found guilty of embezzling over \$10 billion from his users and investors. While this was good news for all those who were harmed by the collapse of the exchange, the omens were not propitious for crypto structures like Binance, which was targeted by the American justice system. The same system which, via U.S. Attorney Damian Williams, announced after Bankman-Fried's trial that even though “the cryptocurrency industry might be new. The players like Sam Bankman-Fried might be new. This kind of fraud, this kind of corruption is as old as time and we have no patience for it.” Furthermore, he added that the case “should serve as a warning to every other fraudster who ‘thinks they’re untouchable, that their crimes are too complex,’ that they are too powerful to prosecute or can talk their way out of their crimes because ‘I promise we’ll have enough handcuffs for all of them.’”(qtd. in Neumeister). Hence, the general climate was quite hostile towards crypto, which meant that Binance had to be particularly cautious and smart about the way it communicated.

2. Approach

Now, we will focus on how Binance communicated from March 27 to November 2 by analysing the three blog articles they published. It was via these posts that the exchange responded to the civil enforcement action by the CFTC on March 27, the complaint filed by the SEC on June 5, and finally the resolution reached with the U.S. Department of Justice on November 21. We will also consider each blog entry as a response to an individual, small crisis within the overall crisis, and determine which strategies Binance used in order to mitigate the effects in each case.

It should be noted that, for the sake of readability, all elements in quotation marks (unless otherwise indicated) in the subsequent analysis will refer to the text we are currently analysing, which is

clearly referenced at the beginning of each section. This approach was chosen because we will be citing and commenting on a large number of words and phrases used by Binance in these three texts, and excessive quotation would make the reading much heavier.

3. CZ's Response to the CFTC Complaint

In the blog post titled “CZ's Response to the CFTC Complaint”, we find Binance's official reaction to the complaint filed by the Commission (see Appendix 6) (Zhao).

First, Binance made the choice to include a photograph, which is significant since the others, and blog posts in general, do not include one. The person in the photograph is no other than the (at the time) CEO of Binance, Changpeng Zhao, here referenced by his initials “CZ”. Zhao appears calm and confident, looking directly at the camera while being dressed in a suit, which is a relevant detail since Zhao is well known for generally dressing in a simple black sweatshirt or polo shirt adorned with Binance's logo. The suit gives him a more serious and perhaps “professional” look, that seems adapted to respond to the civil complaint filed against his company. It is also interesting to note that the message is a response from Changpeng Zhao, and not from Binance as an impersonal entity. This, combined with the CEO's photo, gives the reader the impression of communicating directly with Zhao, a person, rather than with the company as a whole. Such an approach makes the problem seem more personal, which may appear more authentic and portrays the CEO as a real leader who responds to his company's problems. It's also worth noting that this approach is unique to this blog post only, as the subsequent ones we will analyse do not have this particularity. While this approach seemed relevant, it appears that Binance has changed its strategy afterwards, possibly because Zhao, being a direct target of various American agencies, may have wanted to step back from the spotlight.

Next, Zhao begins his response by undermining the complaint, calling it “unexpected and disappointing” while highlighting that Binance has been working “cooperatively with the CFTC for over two years”. He adds that the Commission presented “an incomplete recitation of facts”, and that Binance does not agree with it. Thus, the exchange's stance is very clearly exposed in the first two paragraphs: Binance denies doing anything wrong and even casts doubt on the CFTC's work. One can therefore see that Binance has made a very clear choice for a “refusal strategy”, and more specifically for a “denial strategy” (Libaert 66). Zhao also clarifies that his company will give

its version of the facts “in due time”, before proceeding to list the extensive work that it has done in terms of compliance.

He ensures that Binance has “best-in-class technology” in terms of compliance, that it was the first non-U.S. international exchange to implement Know Your Customer measures and that to that day, the company upholds some of the highest standards for KYC and AML. Zhao continues by listing the large number of measures that Binance takes in order to block U.S. users from accessing its platform and finishes by saying that he is not aware of “no other company using systems more comprehensive or more effective than Binance”, which effectively makes Binance appear like the global leader in terms of compliance. With these remarks, Zhao turns the situation around and the reader might even wonder why Binance is being sued if the company has implemented all these measures. However, even though this list of measures puts Binance in a good light, it's not based on "hard" facts as such. The CEO then goes on to provide data related to the exchange's cooperation with authorities.

Indeed, Binance is “committed to transparency and cooperation with regulators and law enforcement – in the U.S. and globally”. This sentence implies that Binance does not simply comply with existing laws but actually goes out of its way to be the most transparent possible and meet regulations. To prove this point, CZ emphasizes that Binance’s Compliance team counts “more than 750 people” who handled over fifty-five thousand law enforcement requests and assisted U.S. law enforcement in freezing/seizing over \$125 million in 2022 and \$160 million up to that point in 2023. These numbers add credibility to Binance’s position, demonstrating that the exchange does indeed work with governments in order to meet compliance demands, as well as blocking funds that were handled illegally.

Zhao’s next point focuses on the number of registrations and licences that the exchange holds, claiming that with 16 licences, they are the leading exchange in the world. Their competitor Coinbase actually wrote a “VASP Registration Report” for 2023, which assigned 14 registrations to Binance, making the exchange the first of their ranking, Coinbase being second with 12 (Lea). The disparity between Binance’s and Coinbase’s numbers could come down to the time at which the census was made by Coinbase, compared to Binance’s claim, but it is not clear since Coinbase does not offer a specific date for its statistics. Nevertheless, it is still a key point for the biggest

exchange of the world, because all these licences make it appear as a serious, trustworthy and law-abiding platform, in direct contradiction with the CFTC's claim.

Next, Zhao directly negates one of the claims made by the CFTC in what can be seen as an example of “denial-based refutation” (Krieg-Planque, *Analyser les discours institutionnels* 254). Indeed, the Commission made the allegations that “Zhao is the direct or indirect owner of entities that have engaged in proprietary trading²⁹ activity on the Binance platform [...] and Zhao is also the direct or indirect owner of approximately 300 separate Binance accounts that have engaged in proprietary trading activity” (*CFTC v. Binance* 6). To this, CZ answers that Binance does not “trade for profit or ‘manipulate’ the market under any circumstances” but that the exchange has to convert cryptocurrencies sometimes, in order to cover expenses. He also specifies that the exchange has affiliates who are closely monitored in order to have modest profits only, and not profit from the exchange and its userbase. Furthermore, he adds details about his personal accounts, namely that he has two Binance accounts, one for his Binance Card and the other for his “crypto holdings”. Regarding the latter, he adds, “I eat our own dog food³⁰ and store my crypto on Binance.com.” This is particularly relevant because this goes against the general recommendation in cryptocurrency circles that wants users to self-custody their cryptoassets, that is to say to act as their own bank and store their assets on a personal wallet, which can only be accessed via private keys, known solely to the owner (Manoylov). This practice is generally considered to be much safer than storing one's cryptocurrencies on exchanges, which are susceptible to vulnerabilities like hacks (e.g. Mt. Gox³¹) or bankruptcy (e.g. FTX). Hence, this “I eat our own dog food” stance aims to instil confidence in users, because if the longtime crypto-enthusiast CEO of the exchange uses it to store his own cryptoassets³², it certainly must be secure and trustworthy.

Then, Zhao continues to clarify the rules related to employees' trading, namely that they cannot trade Futures products nor sell a cryptocurrency less than 90 days after buying it, which both aim to prevent active trading from the employees. He also references the fact that employees working

²⁹ Proprietary trading is the action of trading with one's own funds (Stewart).

³⁰ « Eating your own dog food » designate the idea that companies should use their own products or services (‘Google Appears Closer to Releasing Its Own Phone’).

³¹ In 2014, Mt. Gox was the largest crypto exchange in the world and its operations came to a halt when it was hacked and that more than 850 000 BTC were stolen, which were worth approximately \$465 million.

³² It's worth noting that while CZ's exact possessions are private and therefore unknown, he has significant positions in Bitcoin and BNB. Notably, he bought 1,500 Bitcoins in 2013 (Lou), which alone are worth nearly \$100 million today. These sums are substantial, which further demonstrates his confidence in his company.

in relation to new cryptocurrencies listings and assets added to Binance's launchpad are strictly forbidden to engage with these. The CEO then clearly expresses that he respects those rules as well and "never participated in Binance Launchpad, Earn, Margin, or Futures". He therefore presents himself in an impeccable manner given that he follows the company's rules and even goes beyond them. He follows with a really strong sentence: "I know the best use of my time is to build a solid platform that services our users." With this, he goes even further, because not only does he appear superbly respectful of company rules, he also presents himself as selfless, as an individual that is merely trying to create a good exchange. This image is therefore in total contradiction with the CFTC's attack, which portrays Binance and its CEO as working to avoid American regulations for their own economic benefit.

Subsequently, in the last paragraph, Zhao somewhat summarizes his message. He reminds his readers that Binance collaborates with regulators, and says that his company looks "for amicable solutions to all problems" which seems to somewhat downplay the stakes of the situation. Indeed, with this formulation, Zhao presents this civil complaint as a disagreement between two parties that can be resolved amicably. However, it is a serious complaint from an American agency that accuses Binance of having deliberately and systematically acted to avoid certain regulations, and the complaint is based on numerous concrete elements that are not really debatable. The exchange was therefore not really in a position to easily resolve this situation, contrary to what this phrase suggests, but the formulation used could convince readers, especially if they were not aware of the severity of the allegations. Nevertheless, Zhao continues and offers a concession by acknowledging that Binance is "not perfect", just before adding that the company holds a standard "often higher than what existing regulations require", which directs the reader in a certain argument conclusion (Krieg-Planque, *Analyser les discours institutionnels* 207). Indeed, with this phrasing, Zhao offers two divergent ideas, on one hand, that Binance is imperfect, while on the other the company does more than what is required by law, which is somewhat contradictory. Thus, according to Krieg-Planque, readers will try to reach a certain conclusion, or "solution", to the contradiction, which could look like the following: "Even though Binance is not perfect, it does more than what is required by law, therefore Binance should not be prosecuted." And even if readers are not as strongly directed as this example, this formulation would still mitigate how they perceive the situation.

He continues by presenting the guiding element of Binance's conduct, which is to “do the right thing by our users at all times” and is actually one of Binance’s core values as well as a central part of their communication (‘What Are Binance’s Core Values?’). He thus puts the platform's users at the top of his priorities, as well as those of Binance, which can reassure readers that the platform is working in their best interests, that it is their ally, which once more contradicts the claim of the CFTC that Binance acts for its own enrichment rather than for its users.

The last two sentences preceding Changpeng Zhao's thanks are a way to end his message on a positive note. He presents Binance as an entity embarking on a difficult journey towards the “freedom of money” and that it is not afraid of challenges. Not only does Binance appear as a company fighting for a just cause (the “freedom of money”), but again, the legal action filed by the CFTC appears as a “challenge” to overcome, rather than the very serious legal warning that it is, which bodes ill for the company if it does not comply with American regulations. The words “freedom of money” are also extremely interesting here. As we have seen in the section regarding Binance’s values, this formula has a lot of subtexts associated with it (the notion of freedom, the idea that cryptocurrencies are a financial revolution, the possibility for individuals to choose their preferred currency, ...) but also a connotation that is inherently very positive. At the same time, because “freedom of money” is associated to cryptocurrencies, it implies that, in contrast, traditional fiat currencies and its system are not free, which is an important belief for a lot of crypto enthusiasts.

One could also argue that, since this legal issue is with an American agency, most users concerned about Binance's response should be Americans, to whom the concept of freedom is immensely important to them, as they regularly rank this value as the most crucial (Saad). If Binance positions itself as a company trying to bring more monetary freedom to the world, this audience is likely to view this message more positively.

Finally, Zhao concludes his message with a sentence that shows appreciation for the support of the users. It continues the positive note of the previous two sentences and allows finishing the message in a positive fashion, which could help readers view Binance’s situation in a more positive light. It is also a way for Zhao to replace users at the centre of his discourse, following Binance’s values.

In conclusion, through this post which responds to the complaint filed by the CFTC on March 27, 2023, Changpeng Zhao has engaged in a denial strategy, refusing to acknowledge the facts that the

Commission attributed to his company and to himself. He then spent most of his response highlighting the merits of his company and the regulatory work it was doing around the world, as well as its strict policy on employee trading. And finally, he concludes his response with a resolutely positive paragraph, placing Binance as a pioneer fighting for noble ideals, while thanking the platform's users, whom, he reminds, are his top priority.

The company thus emerges as a model in terms of financial regulatory compliance, and the complaint against it appears to be nothing more than a challenge it will easily overcome. This response should reassure anxious users and convince outside observers. However, Binance has conveniently avoided talking about the real concerns raised by the CFTC, which are, to recall, that the exchange voluntarily set up measures to offer its services to the American market. In reality, it does not matter that Binance has 16 licences worldwide or that the company has worked with the CFTC for two years, but rather that, behind a posture of compliance, the company was acting illegally and clearly knew it. We will not declare that Binance has produced a scarecrow argumentation, since the CEO announced from the start of his post that the company would respond in due time to the entire complaint. Nevertheless, it is clear that the points he chose to respond to align with his company's interests, which, it must be noted, seems to be a pertinent decision in the context of a crisis.

4. SEC Complaint Aims to Unilaterally Define Crypto Market Structure

In this next post published June 5, 2023, Binance responds to the complaint of the Securities and Exchange Commission that was filed on the same day (see Appendix 7) ('SEC Complaint Aims to Unilaterally Define Crypto Market Structure').

First, we have to note that the title employed exhibit an approach entirely different from the one used in the response to the CFTC. Whereas previously Binance had utilized a purely informative title ('CZ's Response to the CFTC Complaint'), the title here is overtly accusatory and portrays the SEC as an autonomous entity attempting to regulate the entirety of the cryptocurrency market. This stance is reflected in the content of the blog post, which we will analyse in detail.

Next, we can see that Binance starts this post in the same tone as the previous one, as they (the text is written in the first-person plural, therefore we will reference Binance as "them") mention they

are disappointed (similar to the “unexpected and disappointing” formulation used in the responses to the CFTC) and also highlight that they were “actively” working with the SEC. They present themselves in a positive light, claiming that they “worked hard to answer their questions” as well as engaging in “extensive good-faith discussions” with the agency, in order to reach a settlement to their investigations. On the other hand, the SEC is depicted as the negative actor as Binance claims their "best efforts" were not enough to prevent the agency to "unilaterally" attack the exchange. It is quite clear that the company is positioning itself as a victim in these circumstances, and the first paragraph concludes by reinforcing this sentiment with the sentence "We are disheartened by that choice". The use of “dishearten” is not trivial, as it conveys the feeling that the SEC's decision has discouraged the people working at Binance, rather than just being a blow to the company as a structure. The fact that the authors of this text use the term “choice” is also worth discussing, as it implies that this situation was avoidable, but the SEC voluntarily chose a path that is harmful to Binance (whereas the SEC could argue, on the contrary, that Binance's offences were too significant to not file a complaint).

Next, they call into question the claim’s validity, in a similar fashion to what they did in response to the CFTC. They argue that the allegations “should not be the subject of an SEC enforcement action, let alone on an emergency basis³³” and announce that they will defend their platform “vigorously”. Even though the exchange clearly states that it does not consider the SEC's complaint to be valid, it does not outright deny the accusations (at least at first), even conceding that they take them seriously. It seems more pertinent to classify their first reaction as a strategy that belongs to the "lateral project" group, more specifically, the "shifting the debate" type (in French, “déplacement du lieu de débat) (Libaert 61). Indeed, Binance is shifting the original discourse, which was originally centred on the issues raised by the SEC³⁴, towards the question of determining

³³ This “emergency basis” echoes the “purported emergency relief” sought by the SEC that is mentioned previously in the text. In simple terms, it references the fact that the SEC is asking the Court to take certain actions to limit Binance's activities. The Commission is specifically requesting that Binance's assets be frozen, their accounting be audited, or that their assets be repatriated (*SEC v. Binance*). It is also in this context that the SEC filed a second motion the next day (June 6, 2023) with the aim of freezing Binance.US's assets (Singh).

³⁴ As a reminder, the Commission accused Binance of, among other things, allowing VIP American clients to trade on Binance, although they were supposed to be limited to Binance.US. Furthermore, it claimed that Binance unofficially controls its U.S. branch, which is supposed to be independent, and accuses Binance and Zhao of commingling user funds for their own benefit (‘SEC Files 13 Charges Against Binance Entities and Founder Changpeng Zhao’).

whether the Commission is, in fact, fulfilling its functions with this attack. The exchange develops this point in the following paragraphs, as we will now see.

Binance's writers argue that the Commission refused to “productively engage with us”, which is according to them “another example of the Commission’s misguided and conscious refusal to provide much-needed clarity and guidance to the digital asset industry”. This sentence is central to their argumentation and relates once more to the idea that the company is a victim of the SEC’s behaviour, here because they accuse the agency of not fulfilling its role correctly. They further strengthen their point by explaining that it is not the first time that the SEC has used “the blunt weapons of enforcement and litigation” in order to regulate crypto-asset service providers. Binance opposes this to the more desirable “thoughtful, nuanced approach demanded by this dynamic and complex technology”. One cannot help but notice the exceedingly strong connotations of the words used here, the "blunt weapons" used by the SEC inevitably negatively evoke a hammer that crushes its targets indiscriminately, giving the impression of a coarse and simplistic approach, whereas the strategy recommended by Binance appears as sophisticated and smart.

The underlying implication here is extremely clear: Binance considers that the SEC is not properly fulfilling its functions. This implication is further reinforced by the following sentence, in which Binance blames the SEC for defining "certain tokens and services as securities" when other American agencies already had claimed jurisdiction over them. With this point, Binance states a verifiable fact, demonstrating that the SEC has actually overstepped its jurisdiction, while further complicating having a productive relationship with the exchange.

Binance continues by considering the situation from another point of view and argues that the SEC’s actions are actually damaging the United States’ position as “a global hub for financial innovation and leadership”. Their point relies on the fact that digital assets are mostly not regulated throughout the world and that the United States should lead the way forward by creating regulations proper to cryptoassets. They further argue that the only path towards such a regulative framework is through a “collaborative, transparent, and thoughtful policy engagement” which the SEC “has abandoned”. This argument could persuade the audience that was not receptive to the previous SEC criticism, because it now includes the American financial system in the discussion, which is the largest in the world, “accounting for 41% of global equity” and representing 8% of the country’s GDP in 2021 (‘Financial Services and Main Street Supporting American Economic Growth and

U.S. Competitiveness'). Therefore, it is an immensely important sector for their economy, and American readers (which is the audience that needs to be convinced the most) should be receptive to the idea that integrating cryptoasset service providers into their financial system could only help to further strengthen it.

Next, Binance proceed to formally deny some of the allegations made by the SEC in another example of denial-based refutation (Krieg-Planque, *Analyser les discours institutionnels* 254). They explain that the claims made about Binance.US users' assets being at risk are "simply wrong" and, moreover, they directly attack the Commission's, saying that such claims are not forgivable regarding the amount of time it had to conduct a proper investigation. Here, Binance is visibly making a point of defending the fact that they have never put their users' funds at risk, whether on Binance or Binance.US, and that they are "safe and secure". The "assets at risk" undoubtedly refer to the SEC's accusation that Binance and Zhao had "commingled user funds" but they appear extremely confident in their version of events, adding that they "will vigorously defend against any allegations to the contrary". It is worth noting that Binance is defending this point vehemently, which seems to demonstrate that they are entirely confident on this matter and such confidence should persuade a good portion of readers that their money is indeed safe.

The choice of strongly defending this specific point seems intelligent, as it allows Binance to reassure users on their money, an issue that probably matters much more to them than knowing whether or not Binance secretly operates its American branch. Moreover, this approach of clarifying a problem that directly affects users aligns perfectly with the exchange's values, which describe itself as "user-focused", and reinforces its brand image.

However, the decision to focus on the theme of user funds is also a way for the exchange to avoid more sensitive subjects, while giving the impression of having responded to the allegations made against them. Now, if Binance does not explain itself on the topic of American VIP clients or its supposed interference with Binance.US, one could conclude that these accusations have some basis, or at least that the platform cannot provide a response as clear-cut and flattering as this one.

Following this, Binance continues its criticism of the SEC and argues that the Commission is behaving as if it wanted to "claim jurisdictional ground from other regulators" and is not acting in the best interests of investors. This coincides with their position that the SEC is not fulfilling its role, but rather acting to increase its influence at the expense of consumers. Binance then presents

itself once again as a victim of the SEC's actions, which, in its struggle for power, would have used Binance, as a target, because of its “size and global name recognition” (note that this formulation is also a convenient way to remind readers that Binance is the largest exchange in the world). With this, they represent themselves as a sort of Moby Dick to eliminate, in order to make an example and potentially intimidate other players.

With the Binance’s repeated use of victimization, we can now argue that the exchange, in addition to its 'shifting the debate' strategy, is also employing a strategy that Libaert calls “counter-attack strategy” , as well as a “conspiracy rhetoric” (62), which consists of deflecting attacks and redirecting them towards a person or entity that would have benefited from them. By using this strategy, Binance effectively reverses the role that was originally assigned to the company, going from a culprit of various offences, to a victim attacked by the SEC, which is further exemplified in the next paragraph.

Subsequently, the exchange continues its attack and once again questions the SEC's intentions, with two particularly accusatory sentences. Firstly, Binance declares that “the SEC's goal here was never to protect investors”, arguing that if that had been truly their intention, the Commission would have collaborated closely with Binance, given that the company was willing to do so. They argue instead that the Commission's “real intent here, appears to be making headlines”, likely in order to shake the cryptocurrency ecosystem and appear as a proactive agency. Binance has thus managed to reverse the roles of the situation, to criticize the SEC's actions as unjustified and not relevant to their mission, but is also suggesting that the reasons behind the Commission's actions are themselves questionable and that it is attacking Binance for its own benefit.

It would seem effective because, at this point in the text, the reader probably no longer questions whether Binance is guilty and whether the company will have serious legal problems or not. Binance has led the discussion in such a way that now the reader wonders why the Securities and Exchange Commission is acting in a manner that seems to exceed its assigned functions.

This paragraph marks the conclusion of Binance's vehement attack on the SEC. In the subsequent paragraph, the company announces that it will continue to collaborate with regulators and policymakers, both in the United States and globally, "because it is the right thing to do", thereby demonstrating its willingness to adhere to regulations when permitted to do so (in contrast to the SEC, which refused to "provide much-needed clarity and guidance"). The company further states

that it is committed to actively participating in the making of future regulations, thereby enabling both innovation and consumer safety. However, the exchange concludes the paragraph with a thinly veiled blow at the SEC, reminding that Binance is not an American exchange and, therefore, the Commission's actions against it are limited. Moreover, the company adds that it stands united with other cryptoasset service providers in the United States in opposing the SEC's actions, which they consider to be an "overreach", and that they are prepared to "fight to the full extent of the law". The utilization of the term "fight" is noteworthy, as it has a deliberately strong tone, recalling Binance's inflexible stance on the allegations of commingling its users' funds. We can also note that, at these specific points, the company no longer presents itself as a victim, but rather as the multi-billion dollar company it is, capable of deploying significant resources to ensure it achieves its objectives.

Next, they extend on the same idea and say that they will “defend this important technology from misguided lawsuits”. They remind (yet again) that they do not consider the SEC’s complaint justified but also that the technologies behind cryptoassets are valuable and should therefore be protected, which is value-based argument that should resonate with the readers of the blog post. Finally, the writers conclude in a similar fashion to their response to the CFTC, using a more positive note and recalling their core values. They present themselves as fighters for a better industry and that they make “unceasing efforts” so that users can benefit from a “safe and trusted platform”, which are all elements encompassed in their “core value of furthering the freedom of money”. This is fitting because this stance aligns with the argumentation they have developed throughout this blog post. Binance explicitly announces that they will maintain this combative attitude in the future and work for the benefit of their ecosystem.

Furthermore, as mentioned, they reiterate two of their core values, namely the importance to work for "freedom of money" and being "user-focused". We will not elaborate on these values as they have already been discussed in the previous post analysis. However, the fact that they repeat these values and demonstrate how they directly dictate the exchange's actions serves to reinforce Binance's brand image and the trust that users have in them.

In conclusion, this post, published in response to the complaint filed by the Securities and Exchange Commission on June 5, 2023, responds very differently to the issue compared to the situation with the CFTC by using a shifting the debate strategy as well as a counter-attack strategy. This may

seem surprising, given that the accusations raised similar points, such as Binance's problematic relationships with American clients who should not be able to access the platform.

However, the point that seems to have pushed Binance towards such an offensive stance is the fact that the SEC directly accused the exchange of manipulating users' assets for its own benefit. It is essential to consider that the SEC's complaint is filed barely six months after the collapse of FTX and that the industry is still reeling from the aftermath of that scandal, which was caused precisely because the exchange founded by Sam Bankman-Fried had fraudulently used its users' assets. Therefore, it seems obvious why Binance responded so vehemently to the accusation that puts it in the same category as the defunct FTX. Moreover, Binance has always taken pride in ensuring that users' "funds are safe"³⁵ and that their security was one of their top priorities (again, in line with their "user-focused" approach). Denying this point was crucial for the company to emerge relatively unscathed from this altercation with the SEC. The exchange also took advantage of the situation to turn the tables and attack the SEC, mostly by arguing that the agency was overreaching and overall, not working to protect investors. This criticism of the SEC allows Binance to regain control of the narrative after defending itself against the most serious allegations made against it. Thus, after reading this post, readers likely take away the impression that Binance is a safe platform for its clients' funds, but also confident in itself and ready to defend its positions against American agencies that threaten its sector.

5. Binance Announcement: Reaching Resolution With U.S. Regulators

In this post published November 21, 2023, Binance discusses the settlement they have reached with the U.S. Department of Justice, the Commodity Futures Trading Commission, the Office of Foreign Assets Control and the Financial Crimes Enforcement Network (see Appendix 8) ('Reaching Resolution With U.S. Regulators | Binance Blog').

First of all, the title is quite neutral in tone, which allows Binance to start its blog post with a positive framing. Indeed, the exchange starts by saying that they "are pleased to inform you that we've reached resolutions". It may seem curious because such a formulation is typically used to

³⁵ This sentence used by Zhao has even given rise to a recurring joke in the crypto community that "funds are safu," a joke that Binance has capitalized on to create their SAFU fund, which aims to protect users from potential losses ('Binance Secure Asset Fund for Users (SAFU) Valued at \$1BN').

announce “real” positive news, which arguably is not really the case here. Even if we could argue that Binance has made a favourable deal in light of their infractions, having to pay \$4.3 billion to the U.S. agencies and losing a CEO is not something most company would be “pleased to inform” their users. Nevertheless, Binance has decided to use a narrative of adversarial growth³⁶ in order to depict their situation positively throughout their post, as we will further see.

They explain that the legal resolutions acknowledge the exchange’s responsibility for “historical, criminal compliance violations”, but they manage to turn it in a way that is positive for the exchange. In fact, Binance has decided to refer to the period during which they operated illegally in the United States as "a challenging yet transformative chapter of learning and growth". Some might say that this is an effective way to downplay the severity of their actions (for which they paid one of the largest corporate fines in American judicial history), in order to avoid addressing the most serious problems that this resolution has raised.

On the other hand, this formulation doesn't really seem to have its place here and feels too much like the forced jargon of a communicator trying to make their company look good. One cannot objectively argue that Binance had a period rich in lessons that allowed them to transform themselves within the framework of this agreement, when in reality, during this same period, the company operated illegally for its own profit, and the sole reason why this “chapter” stopped was because it was caught by the Justice Department. Despite this awkward sentence, Binance continues to use a positive approach to start talking about its future after the agreement and now that new "compliance and governance enhancements" have been added to their commitments. They use terms such as "Binance's exciting future" or that they are "confident that Binance will emerge as a stronger company" and even that they "lay the foundation for the next 50 years". We can clearly observe a willingness to appear as a company that is not shaken by recent events, that has faith in the future, and even imagines a very long-term future. Indeed, while fifty years may seem like a reasonable projection for traditional companies, for the young world of cryptocurrencies (Bitcoin was launched only 15 years ago) and the companies related to it, this is an extremely long duration, which reinforces the feeling that Binance intends to remain a main actor for many years to come.

³⁶ Adversarial growth is a concept that references “growth and positive change, that is, a shift toward more optimal functioning as a result of the adverse experience” (Linley and Stephen 263), here applied to the entity of Binance.

In the following paragraph, Binance reuses a structure we have already seen in the first blog post we analysed, namely a concession. They argue here again that "Binance is not perfect" but that the exchange has done its best to protect its users since its early days (once again, a reminder that the company puts its users first, and this since the beginning) and that it has made significant efforts to "invest in security and compliance". It is interesting to note that this concession is used differently from the first text. There, Zhao used it to reinforce the idea that Binance was doing more than what the law required and was therefore somehow more virtuous. Here, although the efforts made by Binance when it was a small structure are highlighted (which remains a way to alleviate their responsibilities), the company purely and simply acknowledges its mistakes. We see the company owning up to its mistakes for the first time, by saying that even though it was young, "It did not have compliance controls adequate for the company that it was quickly becoming, and it should have." Next, the company adds a few key elements to mitigate its responsibility again by arguing that the company grew extremely quickly and the young industry was only just starting to have some regulations. Nevertheless, just after citing these elements, they recognize their errors once again, and say that Binance made wrong decisions during its growth and that now, the company "takes responsibility for this past chapter". Although acknowledging its mistakes may be considered less relevant than if the exchange had done so before being investigated by the Department of Justice, this clear and assumed honesty is still refreshing. Binance no longer appears to be twisting and turning to nullify criticism and shift blame, but rather as a company that seems to want to repent of its mistakes and start anew on a healthy basis.

Subsequently, they write a paragraph dedicated to displaying how they evolved during the last two years, highlighting all the positive work they have done. It emerges quite clearly that a lexicon of effort is used here, which was already observed in the previous paragraph with "strived to", "tremendous effort", and here, "worked hard". Binance is thus approaching the situation by being honest about its mistakes, while also demonstrating that the company is doing everything in its power to improve. The changes and improvements resulting from this hard work over the past two years are listed. The authors cite the restructuring of the organization and personnel, the "upgrade to our systems", as well as their new leadership, which is highlighted for its "deep compliance experience and impressive backgrounds" in traditional finance, technology, law enforcement, or "major corporate entities". Binance concludes that all these changes have enabled the platform to become "stronger, safer, and even more secure [...] for our users". We thus return to the trope

developed since the beginning, namely that Binance emerges transformed for the better from this ordeal. It is also noteworthy that a reminder of Binance's focus on its users (which is becoming almost repetitive) is included, with the implications that we have already discussed.

Next, Binance momentarily deviates from its discourse centred around adversarial growth to revisit an extremely important point that has already been mentioned in other posts, namely the security of user funds. They use a central point from the agreement reached with the Department of Justice and the three regulatory agencies, stating that these actors "do not allege that Binance misappropriated any user funds, and do not allege that Binance engaged in any market manipulation". Binance reproduces these points word for word in the text, and highlights the two "do not" phrases in bold font³⁷. As a reminder, this sensitive point had triggered a violent reaction from the exchange when the SEC accused it of manipulating users' money. Binance had denied this with all the firmness at its disposal, and its claims are now corroborated. The fact that the company was right about this point reinforces its position vis-à-vis the SEC, proving that the Commission had indeed worked in a less than rigorous manner (which they had already criticized in June). Moreover, Binance can capitalize on this point to boast about its merits and remind everyone that it has "never faltered in upholding our core values of user security and safety" (which is the second sentence that is written in bold font in the entire text). This sentence can also be seen as a denial-based refutation of the SEC's allegations, even though the agency is not directly cited here.

Furthermore, it is yet another mention of the importance of users for Binance, the seventh in our analysis, but this might be the most relevant and important usage of all. Now, the company can factually prove that, despite certain illegal practices, it has never misused its users' funds and has indeed acted in direct accordance with its values on this matter. This topic has already been presented in detail, but here Binance scores a very important point that has greatly contributed to preserving its brand image. Indeed, the company is now cleared of a stain that had dangerously associated it with FTX, and although some of its actions were reprehensible, this line of conduct has managed to maintain the trust of its user base. Binance also takes the opportunity to remind everyone that not only are the funds well secured, but users can also withdraw their entire account whenever they wish, as they are backed 1:1, meaning that Binance actually possesses 100% of the

³⁷ It is noteworthy that Binance visually draws the readers' attention towards specific points, as this is the first time they used such a technique, and it is done in order to further reinforce the impact of one of their key arguments. Indeed, such a font is used only in this paragraph.

assets purchased by users. This might seem like a trivial point but it is actually quite relevant since banks for example cannot make the same claim, because they only have fractional reserves.

Following this, Binance resumes discussing its future by explaining that they are primarily focused on protecting their users, and planning for the "decades to come", not just the short term, which is made possible by their new leadership³⁸. According to Binance, this plan for the future decades is based on several points, including understanding the current challenges related to "compliance, security, cooperation with law enforcement, and user transparency", as well as developing new standards to overcome these challenges. This list of challenges appears strangely convenient for Binance, given that the concerns about compliance, cooperation with law enforcement, and user transparency are precisely those that the platform has faced throughout this crisis. Binance thus appears resolutely prepared to tackle these challenges.

And indeed, they demonstrate this in the following paragraph, where they resume their narrative of adversarial growth, repeating that after all the work done with regulators around the world, Binance is "much stronger" than it was before, and that the company and its employees "have learned valuable lessons" that they can apply for the benefit of all users. Moreover, they acknowledge that compliance alone is not sufficient, but that more transparency is needed to rebuild trust "amid challenging market conditions and industry mismanagement". The "market conditions" refer to the fact that the cryptocurrency market was still struggling to recover, while "industry mismanagement" refers implicitly to the implosion of FTX as well as Binance's own infractions. The exchange thus acknowledges indirectly its responsibility in the loss of trust in the crypto industry, but also shows its willingness to improve things. Indeed, they say they are "learning from [their] own past" and announce that they have made the largest investments of the industry to improve their compliance, security, and transparency.

We now reach the "Leadership Change" section, where Binance introduces its new CEO, Richard Teng. He is described as a highly qualified leader, having accumulated over 30 years of experience in regulation, which will enable him to "navigate the company through the next period of growth". Teng is thus presented as the right person for the position, as Binance will require a leader with his

³⁸ However, they specify that despite Changpeng Zhao's departure, he remains the "major shareholder" of the platform and will be available as an advisor if needed. Thus, they are making a transition between the old management and the new, while indicating that CZ, who has a great influence in the sector, remains close to the structure.

skills in the coming years, which will witness the increasing clarification of cryptocurrency regulations (such as the MiCA regulation in Europe, for instance). The company references a future that is really positive, here with the notion of "growth", which aligns with what had already been stated, such as speaking of an "exciting future" or "laying the foundation for the next 50 years". The message conveyed here, that of a strong company that is (somewhat) unaffected and anticipating a bright future, has already been mentioned previously and is thus reinforced here.

Nevertheless, Binance's intent seems to have been to make this section as short, straightforward and excessively neutral compared to the strongly connoted terms sometimes used in the exchange's communications. Indeed, the impression that emerges from this passage is that Richard Teng is a bureaucrat who will put the company back on the right track, but not a talented, charismatic leader who will make Binance shine worldwide (which would have been a description more in line with what the platform has accustomed us to). This may be explained by the fact that, after the leadership of Zhao, a famous figure in the sector and Binance's public face, there is now a desire to transition to a more reserved CEO and not wanting to encourage media attention on him.

In the subsequent section, Binance presents all of the elements that were developed in terms of compliance and security. The company announces that it has made major changes to its systems that were upgraded, but also in terms of "organization and personnel" structure. For example, one of the main complaints raised against Binance in the plea deal was that the exchange did not have an effective anti-money laundering (or AML) system, and the exchange now proudly announces that it has updated its "in-house AML" system, which is now an "industry standard", and that its AML policies are also being improved. By claiming this, the company can mitigate the consequences of the plea deal on its public image, since one of the main issues is already fixed. It is important because this blog post was released on the same day as the announcement from the Department of Justice, thus Binance appears to have been proactive in resolving some of its most important problems. It is also worth noting that we find again the use of a lexicon of work and progress, as terms such as "systematically working", "restructure", "upgrade", "updated and expanded" or "improvements" are used to describe Binance's efforts, which reinforces the perception that the company is changing for the better.

Binance exemplifies these improvements by discussing their Know Your Customer (KYC) procedures, which are a core element of an effective AML policy. But before going into the details,

the authors take advantage of this to remind readers that Binance was “one of the first major exchanges outside of the United States to require mandatory KYC procedures for all users” which was already a point they mentioned when they responded to the CFTC’s complaint. Then, the new KYC requirements are discussed in great detail, as Binance lists all of the actions that are made to ensure that potential users are not American, as well as being “safe” (i.e. not criminals, terrorists or people that are on a watch list). The exchange continues to demonstrate its commitment to improving its compliance program. Notably, Binance highlights that its new leadership has extensive experience in this area, and the company also has a dedicated department for compliance. In fact, Binance boasts 60 personnel with prior law enforcement or regulatory agency experience and over 200 staff with professional compliance certifications. Beyond these specialized experts, the company also relies on hundreds of employees in operational, product, and tech sectors who will help implement the new compliance programs. With these impressive numbers, Binance aims to appear reassuring and confident, showcasing its robust and capable structure, which will enable the company to continually meet regulatory demands worldwide.

In addition, Binance reminds readers that it "takes sanctions compliance seriously" and is committed to complying with laws, as evidenced by its dedicated team "which ensures that the organization diligently complies with global sanctions rules". The company is therefore maintaining its open stance towards American authorities and is showing its willingness to do everything possible to comply with “global sanction rules”. Binance adds that it has "dedicated substantial resources and efforts" to this end, having notably added new tools, in addition to KYC measures and IP blocking of American users, aimed at preventing transactions that could conflict with American laws.

Next, the company starts presenting how its teams work closely with law enforcement agencies and officials all around the world. Once more, they list impressive numbers as 52,700 law enforcement requests were processed and 12,699 officers have used Binance’s Government Law Enforcement Request System³⁹ between January and November 2023, when in 2022 the exchange had already processed “over 50,000 requests”. In that same year, Binance also “conducted and participated in over 70 workshops training law enforcement on countering cyber- and financial

³⁹ As the name suggests, this system allows law enforcement agencies to request information to Binance (‘Government Law Enforcement Request System’).

crime across the world”. Therefore, Binance is not only complying with law enforcement around the world, but also helping authorities to address new challenges that arise from the use of cryptocurrencies, and since September 2022, the exchange actually offers a Global Law Enforcement Training Program for this exact purpose. As a part of this program, Binance’s teams have completed 120 trainings in 2023, that were, according to the company, received very positively from law enforcement. It emerges from this section that Binance is directly engaged with law enforcement and is proud of this collaboration. This is consistent with their approach throughout this document: highlighting elements (backed by numbers) that demonstrate Binance's efforts to comply with laws, and in this case, being proactive by taking several initiatives since 2022.

Then, Binance discusses the importance it attaches to transparency, which here primarily refers to being open about the cryptocurrency reserves held by the exchange. As a reminder, it is crucial for an exchange to prove that it has sufficient cryptocurrency reserves, especially after the FTX case, which lacked sufficient reserves to cover the operations it was conducting. In this case, Binance emphasizes that users can withdraw their entire funds at any time (a point we've already seen in this document), and this claim can be verified because the platform publicly shares the addresses where it stores its reserves. They also reference two of their funds that aim to protect the userbase: the Margin Insurance Fund, which helps to reduce the losses of traders that utilize margin and the Secure Asset Fund for Users or SAFU, that we have already presented in more detail previously. The address of the latter fund is also public, and everyone can check its balance. While these elements are not new and are just summarized here, Binance has made a good utilization of it, as making all of this information will reinforce their credibility as well as the trust that users put in the platform.

In addition, Binance mentions its Academy in this section, which seems to be a questionable choice, since the educative platform that is curated by Binance is not in direct relation with the exchange’s transparency. Considering the main argument used, namely that educating users is crucial in enabling them to protect themselves, such a portion of the text would have been better used in the “Compliance and Security” section. But it was placed here, right after mentioning the security funds, because Binance considers that security measures have to be accompanied with education, in order to be most effective. In this effort, Binance Academy offers a lot of resources, as shown

by a plethora of statistics: more than 430 articles written, a glossary and in-depth courses in 30 languages and collaborations with “more than 70 universities across 25 countries”. There is not much to say about this, besides that yet again, the company uses detailed numbers of its endeavours that support the ecosystem, in order to present a positive image of itself, even if it is poorly used here.

Finally, Binance ends this post with a section named “The Future of Cryptocurrency” which summarizes the openly very optimistic stance they have held throughout this text. The exchange clearly states it once more: “We strongly believe that the crypto industry and Binance have a bright future.” They conclude in a way that testifies to their optimism, but also to their high self-esteem, claiming that Binance “empowers individuals to harness the power of blockchain technology to unlock opportunities” everywhere in the world. They add that they are fully “committed” to making these opportunities available to even more people, which echoes their value of “furthering the freedom of money”. This is a very strong statement from the company, which appears determined to continue on its trajectory and seems to indicate that the page has been turned on their legal troubles. It is noteworthy that the exchange uses terms that convey a sense of confidence in the future and optimism (such as “strongly believe”, “bright future”), as well as others which are inspiring and call to action (“harness the power”, “unlock opportunities”, “committed” and “transformative power”). In this way, Binance can conclude its text by leaving its readers with a very positive impression of what the future holds.

In conclusion, with the elements we have seen, we can be considered that in this post, Binance has adopted a “strategy of acceptance” (Libaert 61), which is, as the name suggests, a strategy based on acknowledging one’s faults. Indeed, given that the agreement with the Department of Justice had already been signed by the exchange and made public, it didn't really have any other option. It was impossible for the exchange to contest the decision, try to use conspiracy rhetoric or any other method that would allow it to appear innocent. Thus, in this post, we saw Binance fully repent, but also engage in a narrative of adversarial growth by claiming that the company would only come out stronger of this challenge. Next, we discussed how the exchange forcefully demonstrated that it was making significant efforts to correct its mistakes and reach the level demanded by U.S. regulators, but also that it remained faithful to its values even during hard times and never betrayed its users. Beyond that, Binance took advantage of this text to remind its readers of the positive

elements in which the company was engaged before the crisis put its brand image at risk, such as its work with government agencies around the world or the importance the company placed on transparency regarding its financial reserves, therefore highlighting its positive impact.

6. Conclusion

Throughout the three blog articles we have covered, Binance has displayed the use of different strategies and mechanisms in order to navigate this crisis in an optimal manner, knowing when to attack and defend its values, but also when to accept that the time had come to acknowledge its mistakes in order to restart on a healthy basis.

In the first text, Changpeng Zhao, the CEO of Binance, communicated directly with his users to comment on the complaint filed by the CFTC. He developed a denial strategy, rejecting the accusations of the Commission, which he deemed incorrect while highlighting the company's merits and important regulatory work in which it is involved. Zhao also used a positive tone and repeatedly emphasized that users were the exchange's top priority.

Next, in his second article, Binance responded as a company to a relatively aggressive complaint from the SEC. Here, Binance favoured a mix of shifting the debate and counter-attack strategies, where the company reversed the situation to attack the SEC and its overreach of powers. The global leader in the cryptocurrency domain also strongly defended one of its key points against the SEC's allegations, namely that user funds were safe and had never been commingled.

Finally, in its longest article, Binance communicated about the climax of the crisis it had just experienced. Above all, we find a strategy of acceptance, where Binance acknowledges its faults and demonstrates repentance. The company also skilfully built a narrative of adversarial growth, which depicts it as a sort of fighter who emerges stronger from a difficult ordeal and ready to face the future. The exchange, however, did not forget its battle with the SEC and took great pride in demonstrating that it had never lied about its users' funds had never been misappropriated, unlike dubious actors like FTX. The company also exemplified at length all the efforts it was making to reach regulatory standards and placed the importance of its values at the centre of its discourse.

When taking into account the entirety of its articles, we find that Binance has maintained a fairly consistent discourse, despite using different strategies in the articles. The exchange generally centred its arguments around the security of the platform and the security of its users' funds. For although the exchange founded by Changpeng Zhao acknowledged being guilty of various violations of financial laws in the United States in November (points that had voluntarily been avoided during the responses to the CFTC and SEC), Binance maintained a very clear line throughout all its articles by arguing that it protected its users. And indeed, after 8 months of crisis, this argument proved to be founded. Binance was still standing, it had no irregularities in its accounting, and its users could still access their cryptoassets and withdraw them if they wished. Beyond its confessed faults, this stance allowed the company to emerge from the crisis as a company that truly acted according to its guiding principle of being user-focused, as well as its values of humility (by acknowledging its responsibility), collaboration (by displaying support to its ecosystem when needed) and freedom (by fighting for the freedom that cryptocurrencies enable) albeit its image was admittedly tarnished by the legal violations it had committed.

Chapter 6: Analysis of Binance's Publications on X

In this section, we will discuss how Binance utilizes X as its principal social media platform in order to communicate efficiently with its userbase. Binance has a presence on a considerable number of social networks: Discord, Telegram, Facebook, X, Reddit, LinkedIn, Instagram, VK, TikTok and YouTube. We will therefore discuss why X stands out so much from these social networks, before proceeding to the analysis of Binance's communication on the microblogging platform.

1. The Importance of X⁴⁰ for Crypto Exchanges

X has by far the largest userbase of all the networks used by Binance, with an impressive 11.6 million followers. It is also one of the first social media pages created by the exchange, with their Facebook page and YouTube channel that were created in June of 2017, at the very dawn of

⁴⁰ Note that in this work, Twitter will be referenced as X, given that it's the new name of the platform. However, the word "tweet" will still be used to refer to a post or the action of posting on this social network.

Binance. Considering that these accounts were created at the same time (and Instagram only 4 months later in October 2017), it is relevant to question why X has grown so much compared to Binance's other social networks, since the next biggest, Instagram, has only roughly a third of X's followers. It is even more intriguing since X is a much smaller social network than either Facebook, Instagram or YouTube. According to Statista, X only has 611 million monthly active users for April 2024, in comparison, Facebook had more than 3 billion, YouTube had 2.5 billion and Instagram 2 billion users (Dixon). This phenomenon is also observed in other crypto exchanges, like Coinbase that has 6 million followers on Twitter but 416,000 on Facebook and 438,000 on Instagram. Kraken follows a similar pattern, their Twitter amounting to 1.5 million followers, whereas on Facebook and Instagram they have respectively 39 thousand and 77 thousand followers. Bybit, on the other hand, has the most followers on Facebook with 3.6 million, but X is very closely matched with 3.3 million, whereas their Instagram only counts 205 thousand followers.

The main reason behind the prominence of X for crypto-related platforms is that it probably is the single most important social network when it comes to cryptocurrencies and blockchain. X offers a platform where crypto-enthusiasts can directly contact and exchange with some of the most prominent figures of the industry, which are actively using X. We can cite a few names like Vitalik Buterin (co-founder of Ethereum), Changpeng Zhao (co-founder of Binance), Sam Bankman-Fried (who was very active when he was CEO of the late exchange FTX), Michael Saylor (CEO of MicroStrategy and strong Bitcoin advocate) and Arthur Hayes (co-founder of BitMEX). Other personalities who are not directly involved with the crypto industry still spark a lot of interest for the assets, such as Elon Musk. Musk sparked immense interest for Bitcoin in 2021, when his company Tesla bought 1.5 billion dollars' worth of Bitcoin and planned to accept the crypto as payment in 2021(Kovach). Then, only some days later, the company suspended the use of the cryptocurrency to buy a vehicle, with Musk arguing concerns over the emissions caused by Bitcoin mining (Kolodny), which prompted further discussion about digital assets. Musk has also shown his support for the meme coin⁴¹ Dogecoin numerous times since 2019. His latest intervention, and undoubtedly the most important, was to accept Dogecoin as an official payment method on the Tesla website, similarly to Bitcoin in 2021(Pok).

⁴¹ As the name suggests, a meme coin is a cryptocurrency based on a meme, or that was created in the same way as a meme ('Meme Coin'). Dogecoin is the oldest and most famous meme coin and was created in December 2013('What Is a Memecoin?').

But individuals are only a part of the equation, the other being the presence of all the companies, crypto exchanges, protocols or even specific blockchains that are all very active on X. We have already discussed the presence of centralized exchanges like Binance or Coinbase which have an important following on the social media, but it is also the case for decentralized exchanges like Uniswap and Jupiter, the two biggest exchanges of this type which are actually *only* present on Twitter and Discord. The same is true for big protocols like Aave (a liquidity protocol on Ethereum that allows users to lend and borrow funds), active only on Twitter and Discord or Lido (a staking platform on Ethereum) which is active solely on Twitter and Telegram. And finally, this also applies to entities like the Ethereum Foundation (responsible for developing the Ethereum blockchain and its ecosystem), only present on Twitter, or the Bitcoin page, which is only on Twitter and Facebook. Besides these major public actors, there is also a large panel of accounts, usually anonymous, that spark a lot of discussions about cryptocurrencies, their ethos, the new technologies and technical solutions they can offer, and, of course, users also debate about their investments and the way they trade cryptoassets.

This leads us to the second point that could explain the prominence of X in crypto circles: the design of this social network. Indeed, the microblogging platform that was known as Twitter for seventeen years is centred around the concepts of sharing ideas and debating, two essential elements for a disruptive and very young concept like cryptocurrencies, which often generates strong reactions. Users can express their interest or disdain for these new assets and spark a discussion more effectively than on Instagram or YouTube, for example. Furthermore, innovations and technical discussions about cryptocurrencies are openly discussed on X. For instance, some industry leaders often explain why a certain evolution is important, others contest it by pointing out its flaws, while others serve as popularisers by explaining complex concepts and their implications. There are plenty of examples of this occurrence, typically Vitalik Buterin's numerous publications that discuss important concepts for Ethereum, like "layer 3s" (Buterin, 'What Kind of Layer 3s Make Sense') or binary fields (Buterin, 'Binius: Highly Efficient Proofs over Binary Fields'). The dynamism and engagement of all these users have given birth to a specific community on X, which named itself "Crypto Twitter", often abbreviated as "CT" ('Crypto Twitter'), even after the renaming of Twitter to X. As we have seen, it regroups cryptography enthusiasts, investors, traders, developers and entrepreneurs alike.

We can also note that the social network itself is quite crypto-friendly. Namely, since September of 2021, X enabled tipping with Bitcoin as part of its tipping services that allow users to send money to one another easily, directly within the app. Bitcoin became available alongside several payment options like Venmo or Cash App (Heath) and was joined a couple of months later by the second-biggest cryptocurrency, Ethereum, in February 2022 ('Twitter Brings in Support for Ethereum Tipping'). The support for NFTs as profile pictures was another crypto feature that was added to the social network back in January 2022. This functionality, only available for paying subscribers when it was launched, permitted owners of Non-Fungible Tokens to display these tokens as their profile pictures. This process also gave the picture a hexagonal shape, setting it apart from the classic round profile picture of the network. However, if the tipping function is still available, it's not the case for NFT support, which was interrupted in early 2024, under the new direction of Elon Musk (Mehta).

Musk, as we discussed earlier, has taken highly publicized decisions regarding cryptocurrencies, but Jack Dorsey, the co-founder and former CEO of Twitter, was and still is deeply involved in this industry. Indeed, Dorsey has been a long-term Bitcoin advocate and even said at the Bitcoin 2021 conference that if he was not working at Twitter and Square, he would be working on Bitcoin (Locke). In fact, his company Square, which has been renamed Block in 2021, is actually directly working to help the adoption of Bitcoin and the company itself holds over 8,000 BTC (Nair). Namely, Block has been involved with Bitcoin mining since 2021 and has just recently finished developing their in-house mining chip (Pan). Furthermore, the company has two subsidiaries (others than the previously mentioned Cash App) that provide services related to cryptocurrencies: TBD and Bitkey. The first is a platform aiming to help developers to build open-source decentralized applications ('We Are TBD'; Adams), while the second is a Bitcoin hardware wallet launched in December 2023 (Weiss).

So, we've seen in detail that X has been closely linked to cryptocurrencies for a certain time, and has been managed by CEOs who are themselves heavily involved in these digital assets. When we add to this a particularly active and engaged community on the subject, it is easy to understand why X is potentially the most important social network for reaching the crypto enthusiast community.

These elements alone could justify why we are focusing on analysing X and no other social networks. Nevertheless, the other key reason is that Binance actually did not use its two biggest other platforms (Instagram and TikTok) to address the crisis which is at the heart of this thesis, and thus it would have provided little insight to include them.

2. Binance's X Page

Similarly, to its website, Binance official page on X is visually very streamlined (see Appendix 9). The profile picture is the company's logo on a black background, whereas their banner is made up of a phone displaying the Binance mobile app, in addition to their logo and name with the same slogan they use on their site: "Trusted by 180+ million users" ('Binance'). As we have already seen, this tagline appeals to the fact that since a large number of people use the platform, it must be trustworthy. The bio⁴² they chose is the following: "The world's leading blockchain ecosystem and digital asset exchange | #Binance #BNB | Support: @BinanceHelpDesk | Posts are not directed towards UK users" ('Binance'). Once more, they reference the fact that they are the most important exchange, both in terms of users and volume realized. They also reference their own name and cryptocurrency, the BNB with hashtags and offer a direct link towards their support page on the social network. Both the hashtags here are important because they allow users to directly access related posts, either about the exchange or its cryptoasset. The link towards their support is relevant as well, because in the same manner that the support option on their website is very easy to find, users can directly access help when they need it, which can limit the frustration induced by arising issues.

Finally, the last sentence of Binance's bio is reminiscent of the prevention message found on the website for Belgian users. Indeed, this message is required by the Financial Conduct Authority (FCA) of the United Kingdom, because since June 7, 2023, Binance and any entity of the Binance group does not hold any "authorization or registration to conduct regulated business in the UK" ('Consumer Warning on Binance Markets Limited and the Binance Group'). As such, Binance also has no rights to promote its services to UK residents and, thus, has to specifically exclude those users from the promotion they publish online. X offers the possibility to link a website and via this function, Binance sends visitors towards the download page of its website, where they will

⁴² A bio on X is the short text users can display on their profile to present themselves, using up to 160 characters.

be able to retrieve the Android and iOS applications, as well as desktop options. In that way, users only have minimal effort to produce in order to get to get access to the exchange. This is a strategic use of their link because in reality, most people using X access the platform via a mobile platform, with 60% of visitors preferring this method (‘New Compete Study: Primary Mobile Users on Twitter’). Therefore, whether it's through their phone or tablet, the link provided by Binance completely eliminates the need to search for the app in their app store or to browse the exchange's website, which simplifies the registration process once again.

3. Analysis of Binance’s Publications

In the following pages, we will present how Binance has used X during the crisis, by focusing on a period that spans seven days before and after each of the critical events we have identified were made public. We will proceed in such a fashion so that we can determine how Binance has communicated about the events (if it has) or if the way it communicated changed around the events. We will solely focus on tweets that were directly published by Binance and we are not including tweets that were published as answers to other users.

a. CFTC Complaint: From March 20 to April 4, 2023

What is salient from this period is that Binance’s X page appears extremely similar to what the exchange publishes at any given time of the year, there is no focus on exchanging about the CFTC complaint. We can find various announcements, giveaways, educative tips, photos from events organized by the exchange, etc. Binance only mentioned the incident *once* on X, with a post that soberly reuses the title and picture of the blog article, and that links readers to the article (Binance, ‘CZ’s Response to the CFTC Complaint’). Furthermore, this publication appears really isolated on the exchange’s page, as no further details about the situation are given in any tweets surrounding it. It is therefore clear that this is a deliberate choice by Binance, not only to prioritize the use of its Blog, which is more suitable for long-form content, but also to officially respond to the situation on X without attracting too much attention from people who may not be necessarily invested in this matter.

b. SEC Complaint: From May 29 to June 12, 2023

Binance's publications were, similarly to the first period we have analysed, really not centred around addressing the accusations of the SEC and only two tweets stand out. The first is Binance's official response, that is to say a tweet that is essentially a link towards the Blog, exactly in the same vein as what they did regarding the CFTC complaint. This time, the picture is simply Binance's logo on a yellow background and, besides the link, the tweet contains only: "Our response to the SEC's complaint" (Binance, 'Our Response to the SEC's Complaint'). Once more, we can assume that Binance prefers sending its users towards the Blog article, which covers most questions people could have, rather than writing a lengthy thread on X that would draw more attention.

The other post of interest was posted the next day, on June 6, which is the day the SEC initiated a second action against Binance, requesting a freeze of Binance.US assets. We can thus postulate that this tweet was posted in reaction to the double attack by the SEC. The tweet states "Binance will always stand up for crypto, the freedom of money and our community" (Binance, 'Binance Will Always Stand up for Crypto, the Freedom of Money and Our Community') and is joined with a picture (see Appendix 10). This kind of formulation is very reminiscent of the Blog article responding to the SEC, in which Binance has strongly stood its ground against the actions of the Commission, which it deemed to be unjustified. The photo accompanying the text reinforces this message, as it contains several questions and answers regarding Binance and certain elements that have been used to criticize or accuse the company. In particular, the question, "Misappropriated user assets?" stands out, because it strongly echoes the allegations made by the SEC. On the picture, Binance answered "Has never and will never happen"(Binance, 'Binance Will Always Stand up for Crypto, the Freedom of Money and Our Community') and dismissed this accusation, just as it did vehemently in its Blog post. The last sentence displayed on the picture is also relevant to mention, because Binance states "We will keep building for our users and standing up for this industry"(Binance, 'Binance Will Always Stand up for Crypto, the Freedom of Money and Our Community'). Here, the exchange reiterates once more that it puts its users first, in accordance with its guiding principle, but also that it intends to defend the crypto industry from attacks, such as the ones carried out by the SEC.

c. Binance Pleads Guilty: From November 14, to November 28

For the third time, Binance's X page does not betray in any way the dire situation in which Binance was in November. On the contrary, the element taking up the most space on the page was the upcoming Formula 1 Grand Prix in Abu Dhabi, which was taking place the weekend of the fateful week when the exchange reached its agreement with U.S. justice. This can be explained by the fact that the company is a major sponsor of the BWT Alpine F1 Team with which they maintain a relatively close relationship. For example, there is a contest to win a small replica of Pierre Gasly's helmet (one of the two drivers of the team) (see Appendix 11), encouragement for the qualifying session of the driver (see Appendix 12), or a photo of the winners of a contest who were able to spend time with him (see Appendix 13). However, the most attentive users might have noticed, between announcements and photos of Abu Dhabi, that Binance was communicating about an event that could be the most important since its inception.

The first publication takes the form we are now familiar with, namely a fairly neutral post that refers to the blog article about the agreement between Binance and U.S. agencies. The tweet almost literally reproduces several phrases from the article that are gathered together to become: "We are pleased to share we've reached resolution with several U.S. agencies related to their investigations. This allows us to turn the page on a challenging yet transformative chapter of learning that has helped us become stronger, safer, and an even more secure platform" (Binance, 'We're Pleased to Share We've Reached Resolution with Several US Agencies'). These two sentences basically combined the positive framing from the start of the article, as well as key elements from the adversarial growth narrative that the exchange develops in the blog article, in order to transmit a very positive message. First, the fact that Binance appears content with the resolution which is very important here, because readers do not have access to the full text when they read the tweet and that most of them will probably *not* open the link towards the Blog⁴³. We do not have access to Binance's internal numbers regarding the Blog, but on X, this post had 1,5 million views and 11,000 likes, whereas the blog article had 465 likes. It is therefore clear that for people getting their information from Twitter and reading this tweet but not the blog article, the severity of the situation is completely obscured, which seems to have been Binance's goal. Secondly, the use of adversarial growth elements such as "challenging yet transformative" and "helped us become stronger, safer

⁴³ A study made in 2016 estimates that 59% of links present on Twitter are never clicked (Gabiellov et al.).

and an even more secure platform” (Binance, ‘We’re Pleased to Share We’ve Reached Resolution with Several US Agencies’) are key because they transmit that Binance has grown stronger from this challenge and make it appear as not impacted by the situation.

The second post is very different from what we have seen until now and it's also not directly related to the agreement that Binance signed with American agencies. This post consists of a photo of Richard Teng (see Appendix 14), the newly appointed CEO of Binance, with the caption "'Nooo you can't make memes about the new CEO too' My honest reaction :"(Binance, ‘Nooo You Can’t Make Memes about the New CEO Too’).

This post refers to the creation and sharing of memes around Zhao, which was a specific element of Binance's communication, with memes about the "4" of CZ⁴⁴ or montages where his appearance is modified (see Appendix 15). In this way, the company can announce the new CEO in a very light manner on this platform, as it is the first official publication of Binance on X mentioning this fact. It is a fun way to announce this change, which also presents Teng as having a sense of humour and accepting unconventional means of communication, just as Zhao did. Moreover, this type of publication plays on the fact that the audience must master certain references. In this case, it requires following Binance for a certain time and having seen memes about the former CEO to understand what the tweet is referring to. And this approach to communication strengthens users' sense of belonging to a specific community, which has its codes, references, and internal jokes.

4. Conclusion

What can we conclude from this analysis of Binance's communication on X? At first glance, what stands out is the limited communication surrounding each event, despite Twitter being the most important social network for Binance, as we have demonstrated. The core of Binance's communication for each key point of the crisis was to post a subdued tweet that redirects users to the article on the blog containing the company's response in a long format. In addition to this, we were also able to identify two other publications that touched on the Binance crisis, without being

⁴⁴ This “4” element stems from a tweet published by CZ on January 2, 2023, that listed do’s and don’ts about the crypto market and where the fourth element to do consisted in “Ignore FUD [fear, uncertainty and doubt], fake news, attacks, etc.” (‘Understanding CZ’s Number 4’). Therefore, the use of “4” became a trope and eventually a sort of meme designating the fact of ignoring “external chatters”(‘Understanding CZ’s Number 4’).

a direct response to the events it was facing. These served more to convey positive sentiments about the situation of Binance (such as confidence and amusement) rather than to communicate on the substance.

It can thus be argued that Binance's communication strategy on X resembles a “post-event silence” strategy, which consists in “refusing all communication after the media coverage of an event, as the company believes that communicating could fuel a spiral of controversies” (Libaert 67). This would clearly be a *post-event* silence, since the facts criticized by the company had been publicly revealed whether by the CFTC, SEC, or DOJ.

Moreover, this strategy would make sense in the context in which Binance operated, which was marked by a “sensitive media climate”⁴⁵ (Libaert 67), with the implosion of FTX, a sharp decline in the cryptocurrency market, and a general loss of confidence in the sector. Although Binance did not cease to communicate, the company continued to communicate extensively on a broad range of subjects. However, regarding its disputes with American justice, it opted for discretion. This may have yielded positive results, as Binance did not attract excessive attention to these facts on X and therefore did not become embroiled in a controversy that could have damaged its image. However, a weak point of this strategy is the fact that Twitter is *the* social network of choice for crypto enthusiasts, and therefore users could learn about these news from another source besides Binance, which could frame the events in a more negative light.

⁴⁵ In French, Libaert refers to this concept as “actualité chargée”.

Conclusion

Throughout this thesis, we have seen how the crisis that Binance faced between March and November 2023 impacted the company, but also how it successfully navigated it. Indeed, despite the highly publicized agreement that Binance ultimately signed with the Department of Justice, the exchange ended the year with over 40 million new users, representing a nearly 30% increase compared to 2022 ('Binance's Year-End Report Is Here'). Binance, which has reigned supreme as the undisputed leader of cryptocurrency exchanges since early 2018, thus appears to have (almost) no lasting scars from its confrontation with American justice. These miraculous results achieved by Binance were, in my opinion, largely made possible by the communication strategy carried out by the company⁴⁶, which we have analysed throughout this work. Indeed, we can now answer our initial research question, which was: *How did Binance overcome the crisis situation it faced in 2023 and what crisis management strategies did the company employ?*

First, it is essential to highlight the fact that Binance made a clear choice to communicate very little about the crisis. Whether through its Blog or on X, the cryptocurrency exchange communicated as little as possible, with only three blog articles and five X publications, two of which did not directly respond to the issue but implicitly mentioned it. Nevertheless, if Binance chose to communicate little, it also chose to do it well. The central point of its responses was the Blog (which half of the tweets also referenced), which allowed for long, thoughtful, and structured responses, enabling the platform to effectively counter the complaints from the various U.S. agencies. From a global perspective of Binance's communication, it can be said that Binance's communication exemplifies a moderate silence strategy, where the company communicated minimally about the negative events that affected it, in order not to engage in controversies.

However, when considering each critical event (the CFTC complaint, the SEC complaint, and the agreement with the DOJ) as an individual crisis, we have seen that Binance used multiple strategies. On its Blog, Binance first used a denial strategy, rejecting the CFTC's accusations while highlighting its regulatory efforts. Next, facing the SEC, we identified the use of a shifting the debate strategy and a counter-attack strategy that employed conspiracy rhetoric against the SEC.

⁴⁶ On the other hand, it is obviously necessary to take into account other factors, such as the fact that the price of Bitcoin and other cryptocurrencies strongly increased at the end of 2023, and that such a rise is often correlated with an influx of new users (Auer et al.).

In contrast, at the end of the crisis with the DOJ agreement, Binance adopted an acceptance strategy and acknowledged its faults, demonstrating repentance. On the side of its X usage, Binance was closer to a post-event silence strategy and communicated extremely little about the crisis, while maintaining normal communication on other subjects, which contributed to giving the impression that the company was doing well and not facing serious concerns.

Beyond these strategies, Binance built a very important position through its discourse, which was that it presented itself as a company that respects its values above all even through a crisis. The most salient element was its guiding principle of "user first" that we found abundantly in its communication. This principle was translated into strong positions taken by Binance, which always defended that users' funds had never been misappropriated. As it was proven right on this point at the end of the crisis, Binance could confirm that it had always acted in accordance with this principle and its other values. Accordingly, this contributed to maintaining the exchange's brand image and reinforced users' trust.

Binance's website has also played a crucial role beyond Binance's direct communication. Indeed, with its attractive design, various functionalities, and abundant resources, it has been a major asset, enabling Binance to convert visitors into users. We have particularly noted the promising features of Binance Square and Binance News, which allow the exchange to differentiate itself and create its own social hub on the platform, thereby fostering a strong sense of community and positioning itself as an innovative market player. This rich website has therefore directly contributed to maintaining Binance's top position and navigating the crisis.

Now that we have reviewed all these points, we can revisit our hypothesis, which was that Binance mainly used a denial strategy, and that it centred its communication around key values. We had considered a strategy that was effectively used by Binance during the crisis, but it was not the central point of the overall strategy, which was a moderate silence strategy. On the other hand, we were correct in considering that Binance would focus its communication around the respect of its values, given that this were a key point in the exchange's entire discourse, which allowed Binance to emerge from the crisis relatively unscathed.

Further Research

One of the central points that motivated this work was the lack of academic studies examining cryptocurrencies from a communication perspective. Therefore, there is still immense room for research on this subject.

Regarding points close to this thesis, it would be relevant to conduct a follow-up paper that discusses the influence of Changpeng Zhao on the unfolding of the crisis, given that he was very active on X (to the point where it was not possible to include it in this work).

Furthermore, it would be worthwhile to delve deeper into the use of Binance's social networks (or those of other exchanges). As we have seen throughout this work, Binance has an impressive presence on numerous social networks and communicates extensively. For example, it could be pertinent to present how Binance uses partnerships with the sports world to increase its visibility, given that the exchange is the sponsor of the BWT Alpine F1 Team but also has a partnership with Cristiano Ronaldo.

Finally, another subject appropriate to discuss would be the use of social networks that are particularly used in the crypto industry, such as Discord or Telegram.

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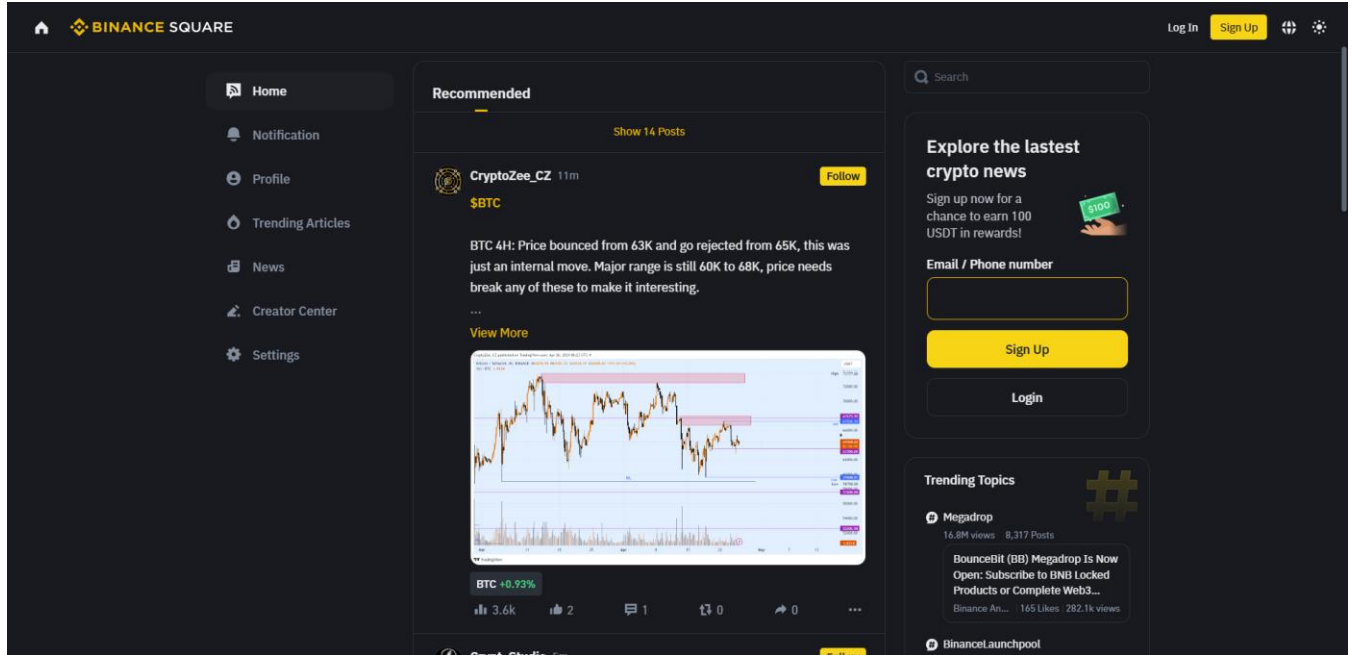
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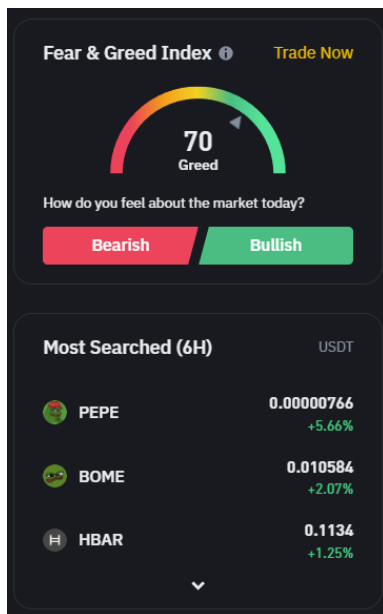
Appendices

Appendix 1: Binance Square Home section



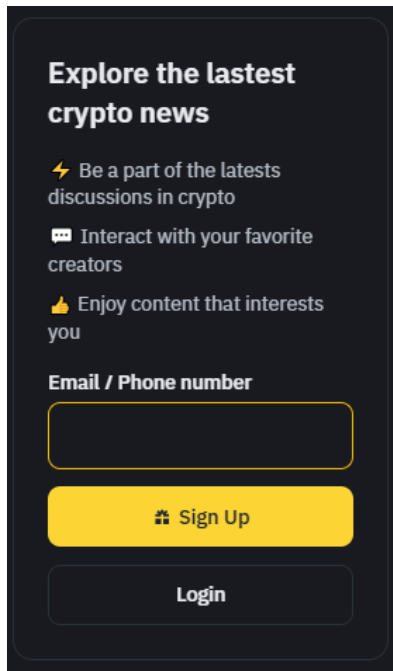
Source: www.binance.com/en/square (consulted on April 19, 2024).

Appendix 2: Fear & Greed Index



Source: www.binance.com/en/square (consulted on April 19, 2024).

Appendix 3: Explore the latest crypto news



Source: www.binance.com/en/square (consulted on April 19, 2024).

Appendix 4: Rapid risers

The image shows a list of 'Most Searched' cryptocurrencies over the last 6 hours, with prices in USDT. The list includes DOGE, PEPE, BTC, REZ, SHIB, TRB, SOL, WIF, SUI, and BOME. TRB, SOL, and BOME are highlighted as 'Rapid Riser'.

Coin	Price (USDT)	Change (%)
DOGE	0.16059	-1.57%
PEPE	0.00000858	-1.15%
BTC	64,094.66	+0.73%
REZ	0.1784	-8.75%
SHIB	0.00002477	-2.86%
TRB (Rapid Riser)	75.03	+6.94%
SOL (Rapid Riser)	146.89	+0.2%
WIF	3.3193	-1.56%
SUI	1.0842	-0.66%
BOME (Rapid Riser)	0.011195	-1.21%

Source: www.binance.com/en/square (consulted on April 19, 2024).

Appendix 5: Binance News snippet



The screenshot shows a news post from 'Binance News' with a yellow 'Follow' button. The headline is 'BNB Surpasses 560 USDT with a 3.13% Increase in 24 Hours'. Below the headline is a price card for BNB showing a price of 558.9 and a +1.53% change. The main text states that on April 19, 2024, at 07:03 AM UTC, BNB crossed the 560 USDT benchmark and is now trading at 560.700012 USDT, with a 3.13% increase in 24 hours. At the bottom, there is a disclaimer and social media sharing icons.

←

BNB Surpasses 560 USDT with a 3.13% Increase in 24 Hours

Binance News 7h · 7.7k views **Follow**

BNB ★
558.9 +1.53%

On Apr 19, 2024, 07:03 AM (UTC). According to Binance Market Data, **BNB** has crossed the 560 USDT benchmark and is now trading at 560.700012 USDT, with a 3.13% increase in 24 hours.

Disclaimer: Includes third-party opinions. No financial advice. [See T&Cs.](#)

3 X WhatsApp Telegram Share ...

Source: www.binance.com/en/square/news/all (consulted on April 19, 2024).

Appendix 6: “CZ’s Response to the CFTC Complaint”

Source: *Binance Blog* - www.binance.com/en/blog/from-our-ceo/czs-response-to-the-cftc-complaint-2408916493005890282 (consulted on April 24, 2024).



Today, the CFTC filed an unexpected and disappointing civil complaint, despite our working cooperatively with the CFTC for over two years.

Upon an initial review, the complaint appears to contain an incomplete recitation of facts, and we do not agree with the characterization of many of the issues alleged in the complaint. While we will only be able to give full responses in due time, we will address a few key points below.

Technology for Compliance & U.S. Blocks. Binance.com has developed best-in-class technology to ensure compliance. Binance.com is the first global (non-U.S.) exchange to implement a mandatory KYC program, and remains today to have one of the highest standards in KYC and AML. We block US users by nationality (KYC), IP (including commonly used VPN endpoints outside of the U.S.), mobile carrier, device fingerprints, bank deposit and withdrawals, blockchain deposits and withdrawals, credit card bin numbers, and more.

We are aware of no other company using systems more comprehensive or more effective than Binance.

Cooperation and Transparency with Law Enforcement. Binance is committed to transparency and cooperation with regulators and law enforcement (LE) — in the U.S. and globally. Binance currently has more than 750 people in our Compliance teams, many with prior law enforcement

and regulatory agency backgrounds. To date, we have handled 55,000+ LE requests, and assisted U.S. LE freeze/seize more than \$125 million in funds in 2022 alone and \$160 million in 2023 so far.

We intend to continue to respect and collaborate with U.S. and other regulators around the world.

Registrations and Licenses. Binance.com holds the highest number of licenses/registrations globally, 16 and counting, and is well regarded by our user community.

Trading. Binance.com does not trade for profit or “manipulate” the market under any circumstances. Binance “trades” in a number of situations. Our revenues are in crypto. We do need to convert them from time-to-time to cover expenses in fiat or other crypto currencies. We have affiliates that provide liquidity for less liquid pairs. These affiliates are monitored specifically not to have large profits.

Personally, I have two accounts at Binance: one for Binance Card, one for my crypto holdings. I eat our own dog food and store my crypto on Binance.com. I also need to convert crypto from time-to-time to pay for my personal expenses or for the Card.

Binance.com has a 90 day no-day-trading rule for employees, meaning you are not allowed to sell a coin within 90 days of your most recent buy, or vice versa. This is to prevent any employees from actively trading. We also prohibit our employees from trading in Futures. Further, we have strict policies for anyone with access to private information, such as details of listings, Launchpad, etc. They are not allowed to buy or sell those coins.

I observe these policies myself strictly. I also never participated in Binance Launchpad, Earn, Margin, or Futures. I know the best use of my time is to build a solid platform that services our users.

At Binance, we look for amicable solutions to all problems. We are collaborative with regulators and government agencies all around the world. While we are not perfect, we hold ourselves to a high standard, often higher than what existing regulations require. And above all, we believe in doing the right thing by our users at all times. In this journey towards freedom of money, we do not expect everything to be easy. We do not shy away from challenges.

We thank you for your unwavering support!

CZ

CEO @Binance

Appendix 7: “SEC Complaint Aims to Unilaterally Define Crypto Market Structure”

Source: *Binance Blog* - www.binance.com/en/blog/ecosystem/sec-complaint-aims-to-unilaterally-define-crypto-market-structure-8707489117122437402 (consulted on May 20, 2024).



We are disappointed that the U.S. Securities and Exchange Commission chose to file a complaint today against Binance seeking, among other remedies, purported emergency relief. From the start, we have actively cooperated with the SEC’s investigations and have worked hard to answer their questions and address their concerns. Most recently, we have engaged in extensive good-faith discussions to reach a negotiated settlement to resolve their investigations. But despite our efforts, with its complaint today the SEC abandoned that process and instead chose to act unilaterally and litigate. We are disheartened by that choice.

While we take the SEC’s allegations seriously, they should not be the subject of an SEC enforcement action, let alone on an emergency basis. We intend to defend our platform vigorously. Unfortunately, the SEC’s refusal to productively engage with us is just another example of the Commission’s misguided and conscious refusal to provide much-needed clarity and guidance to the digital asset industry.

Today’s action is another in a line of examples where, as with other crypto projects facing similar suits, the Commission has determined to regulate with the blunt weapons of enforcement and

litigation rather than the thoughtful, nuanced approach demanded by this dynamic and complex technology. Unilaterally labeling certain tokens and services as securities – even ones over which other U.S. authorities have asserted jurisdiction – only compounds these problems.

Perhaps most surprising, the SEC’s actions undermine America’s role as a global hub for financial innovation and leadership. Digital asset laws remain largely undeveloped in much of the world, and regulation by enforcement is not the best path forward. An effective regulatory framework demands collaborative, transparent, and thoughtful policy engagement – a path the SEC has abandoned.

And, to be clear: any allegations that user assets on the Binance.US platform have ever been at risk are simply wrong, and there is zero justification for the Staff’s action in light of the ample time the Staff has had to conduct their investigation. All user assets on Binance and Binance affiliate platforms, including Binance.US, are safe and secure, and we will vigorously defend against any allegations to the contrary. Rather, the SEC’s actions here appear to be in service of an effort to rush to claim jurisdictional ground from other regulators – and investors do not appear to be the SEC’s priority. Because of our size and global name recognition, Binance is an easy target now caught in the middle of a U.S. regulatory tug-of-war.

It seems based on these developments that the SEC’s goal here was never to protect investors; if that were truly the case, the Staff would have thoughtfully engaged with us on the facts and in our efforts to demonstrate the safety and security of the Binance.US platform. The SEC’s real intent here, instead, appears to be to make headlines.

We will continue to cooperate with regulators and policymakers in the U.S. and across the globe because that is the right thing to do. And Binance remains committed to productive engagement to ensure the next generation of cryptocurrency regulation fosters innovation while implementing and ensuring important consumer protections. Because Binance is not a U.S. exchange, the SEC’s actions are limited in reach. Still, we stand with digital asset market participants in the U.S. in opposition to the SEC’s latest overreach, and we are prepared to fight it to the full extent of the law.

We will work alongside industry partners to defend this important technology from misguided lawsuits. And we will maintain our unceasing efforts to deliver a safe and trusted platform for our users that holds true to our core value of furthering the freedom of money.

Appendix 8: “Binance Announcement: Reaching Resolution with U.S. Regulators”

Source: *Binance Blog* - www.binance.com/en/blog/regulation/binance-announcement-reaching-resolution-with-us-regulators-2904832835382364558?lang=en (consulted on May 25, 2024)



Today we are pleased to inform you that we’ve reached resolutions with the U.S. Department of Justice, Commodity Futures Trading Commission, the Office of Foreign Assets Control, and the Financial Crimes Enforcement Network related to their investigations into historical registration, compliance, and sanctions issues. These resolutions acknowledge our company’s responsibility for historical, criminal compliance violations, and allow our company to turn the page on a challenging yet transformative chapter of learning and growth. With the compliance and governance enhancements enshrined in our commitments, we can begin to share our vision for Binance’s exciting future and the future of the crypto industry. We are confident that Binance will emerge as a stronger company as we lay the foundation for the next 50 years.

While Binance is not perfect, it has strived to protect users since its early days as a small startup and has made tremendous efforts to invest in security and compliance. However, when Binance first launched, it did not have compliance controls adequate for the company that it was quickly becoming, and it should have. Binance grew at an extremely fast pace globally, in a new and evolving industry that was in the early stages of regulation, and Binance made misguided decisions along the way. Today, Binance takes responsibility for this past chapter.

Over the past two years, we have worked hard to restructure our organization and personnel and upgrade our systems. We have new leadership in place with deep compliance experience and impressive backgrounds ranging from top traditional financial institutions and leading tech companies, to law enforcement and major corporate entities. It is through this process that we have become a stronger, safer, and even more secure platform for our users.

Equally important, **we have never faltered in upholding our core values of user security and safety.** We take our responsibility as a custodian very seriously and maintain 1:1 backing for every user asset.* This means that users can withdraw 100 percent of their assets from the platform at any time. Of note, in our resolutions with the U.S. agencies they:

- **do not** allege that Binance misappropriated any user funds, and
- **do not** allege that Binance engaged in any market manipulation.

Our deep bench of global leaders has positioned Binance for long-term growth. Our business is focused on protecting our users and building a platform for decades to come. This focus and experience bring added resilience so we can continue to operate on behalf of our users not just for the next five years, but for the next fifty years or more. And our former CEO remains Binance's majority shareholder and a resource available for consultation on historical areas of our business.

Positioning ourselves for the next fifty years means understanding crypto's current challenges and working to develop industry-leading standards to address them, including in the areas of compliance, security, cooperation with law enforcement, and user transparency.

As a result of these updates and work with global regulators, Binance is a much stronger company today than it was in the past. We have learned valuable lessons that are applicable across the industry in support of crypto users. We acknowledge that alongside compliance, transparency is essential to rebuilding industry confidence amid challenging market conditions and industry mismanagement. Learning from our own past, we are proud to usher in some of the most significant investments in compliance, security, and transparency of any company in our industry.

Leadership Change

Effective immediately, Richard Teng, Binance's now-former Global Head of Regional Markets, succeeds CZ as CEO. Richard is a highly qualified leader and, with over three decades of financial

services and regulatory experience, he will navigate the company through its next period of growth. Prior to joining Binance, Richard was the CEO of the Financial Services Regulatory Authority at Abu Dhabi Global Market; the Chief Regulatory Officer of the Singapore Exchange (SGX), and the Director of Corporate Finance in the Monetary Authority of Singapore.

Compliance and Security

Binance has been systematically working to restructure our organization and personnel, upgrade our systems, and establish a new industry standard in compliance. For example, we have updated and expanded our in-house anti-money laundering (“AML”) detection and analytics capabilities. Binance’s AML compliance is now an industry standard, and Binance continues to make improvements to its comprehensive AML policies. Binance also plays a significant leadership role in helping law enforcement combat cyber and financial crime and terrorism.

Binance was one of the first major exchanges outside of the United States to require mandatory KYC procedures for all users. Today, potential users (none of whom may be a U.S. person) must provide valid identification and submit a “selfie” photograph, which Binance checks against their identification with the support of world-class vendors. Binance also conducts searches via World-Check to identify, for example, any criminal history, connection to terrorism, placement on Politically Exposed (“PEP”) lists, and sanctions watch lists. Binance also utilizes both real-time and post-transaction monitoring tools to detect and stop suspicious transactions. In recent years, Binance has invested tremendous resources to enhance its compliance program. Today, Binance has new leadership in place with deep compliance backgrounds overseeing a team of hundreds of compliance-supporting personnel, including over 60 personnel with prior law enforcement or regulatory agency experience and more than 200 personnel with professional certificates in compliance, including Certified AML Specialists. In addition to the core compliance team, Binance employs hundreds of dedicated operational, product, and tech employees who support the development and execution of the company’s compliance programs.

Binance takes sanctions compliance seriously and has a standalone sanctions team which ensures that the organization diligently complies with global sanctions rules. Binance has also dedicated substantial resources and efforts to sanctions compliance. Today, in addition to KYC and IP blocking, Binance uses advanced third-party tools to voluntarily implement controls and

restrictions related to sanctions laws of countries including the United States, including conducting real-time on-chain sanctions transaction monitoring and screening.

Law Enforcement Cooperation

Binance also employs multiple teams that regularly engage with law enforcement agencies and officials, which are collectively staffed with over 70 members. Binance has uncovered and proactively assisted law enforcement in addressing national security-related issues in countries across the world, including the United States. Moreover, from January 1 to November 13, 2023, Binance processed over 52,700 law enforcement requests, serving 12,699 registered law enforcement officers worldwide through its Government Law Enforcement Request System. This is in addition to over 50,000 requests that the team at Binance processed in 2022.

Binance proactively shares knowledge with law enforcement. In 2022, Binance conducted and participated in over 70 workshops training law enforcement on countering cyber- and financial crime across the world. Building on these efforts, in September 2022, Binance announced a formal Global Law Enforcement Training Program designed to help law enforcement detect and combat financial and cybercrimes.

In 2023, our dedicated Law Enforcement Training Team, together with support from our Investigations Team, delivered 120 onsite or online trainings and workshops that invariably received a very positive response from the law enforcement community.

Binance is pleased to be one of the most significant global partners for law enforcement in its fight to combat illicit financial activity around the world.

Commitment to Transparency

Binance carefully safeguards its customers' assets. Users can always withdraw 100 percent of their assets from the platform at any time. As part of its commitment to transparency, Binance has shared its cold and hot wallet addresses, as well as published Merkle tree proof of reserves and proof of collateral for B-Tokens.

Binance has also established user security measures including the Margin Insurance Fund to protect users from losses when their cross/isolated margin equity is less than zero or when a user is unable to repay their debts. Binance is one of the first cryptocurrency exchanges with a secure fund —

known as the Secure Asset Fund for Users (“SAFU”) — to safeguard users in extreme cases. Binance has publicized the wallet addresses for SAFU.

Binance pairs its security measures with education initiatives to allow users to protect themselves and better understand the cryptocurrency ecosystem. As part of its commitment to advancing cryptocurrency education for all, Binance has made publicly available on Binance Academy more than 430 articles, as well as glossary entries and in-depth courses relating to cryptocurrency in 30 languages; collaborated with more than 70 universities across 25 countries to deliver cryptocurrency and Web3 knowledge; and collaborated with local partners to launch an anti-scam campaign to empower users to identify and avoid scammers.

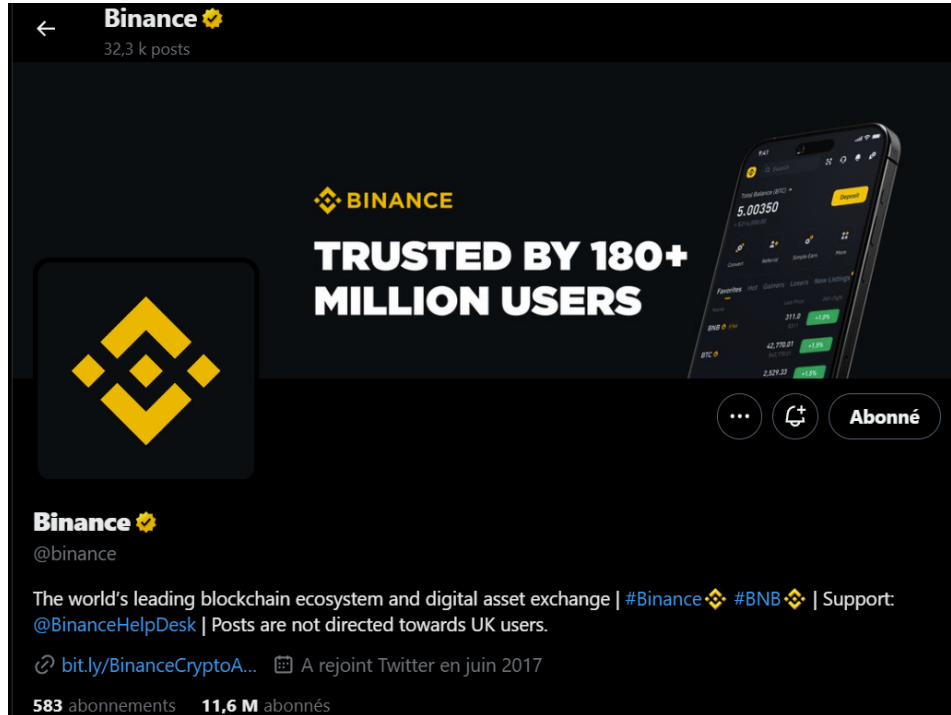
The Future of Cryptocurrency

We strongly believe that the crypto industry and Binance have a bright future.

We have built a community and an ecosystem that empowers individuals to harness the power of blockchain technology to unlock opportunities for their families, communities, and economies around the world, and we are committed to ensuring that the transformative power of these technologies is experienced by more people worldwide.

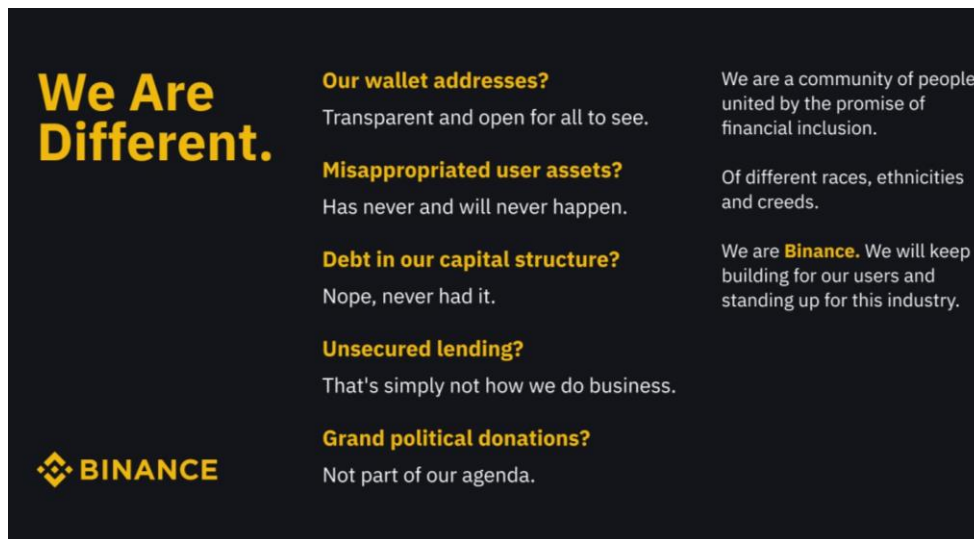
**Note: Assets held in Earn accounts are sometimes backed by collateral in a different token than what was invested, although this should not impact Binance’s ability to honor redemptions 1:1.*

Appendix 9: Binance's X page



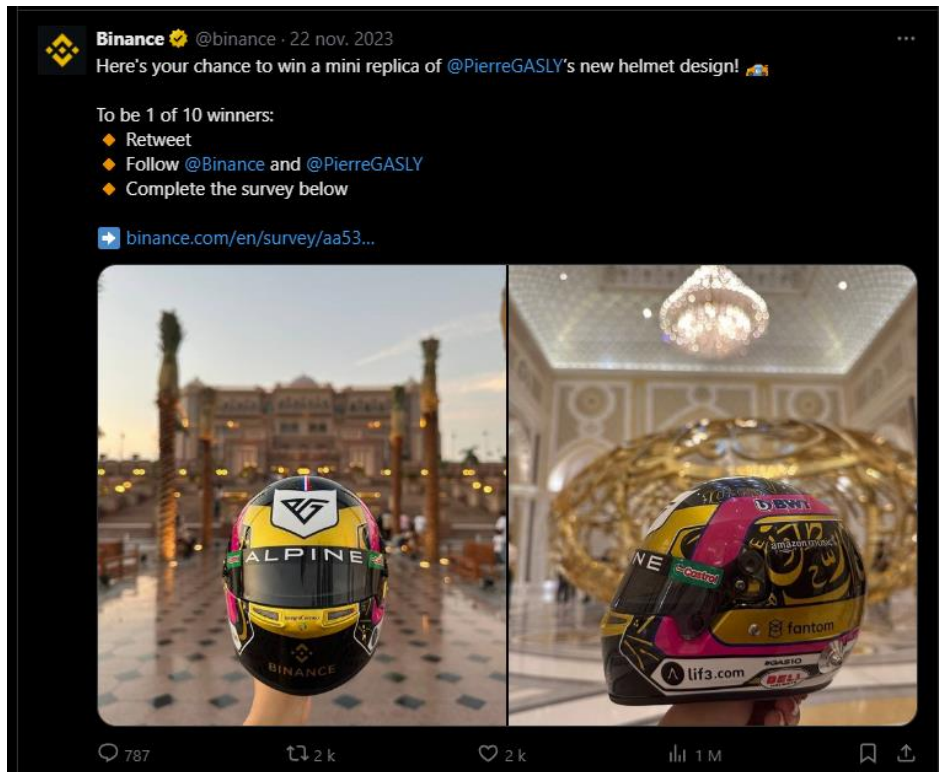
Source:
x.com/binance
(consulted on May
26, 2024).

Appendix 10: Binance Will Always Stand up for This Industry



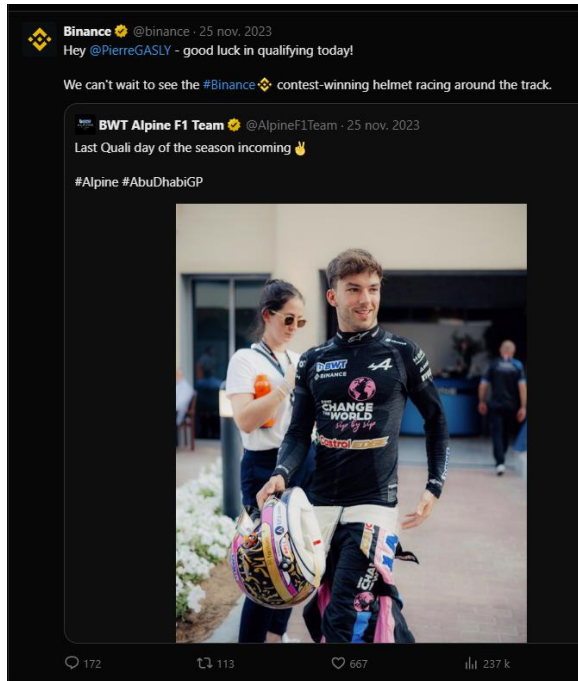
Source: x.com/binance/status/166616086170084556 (consulted on May 26, 2024)

Appendix 11: Challenge to win a helmet



Source: twitter.com/binance/status/1727386520988819584 (consulted May 26, 2024)

Appendix 12: Encouragement for the qualifying of Gasly



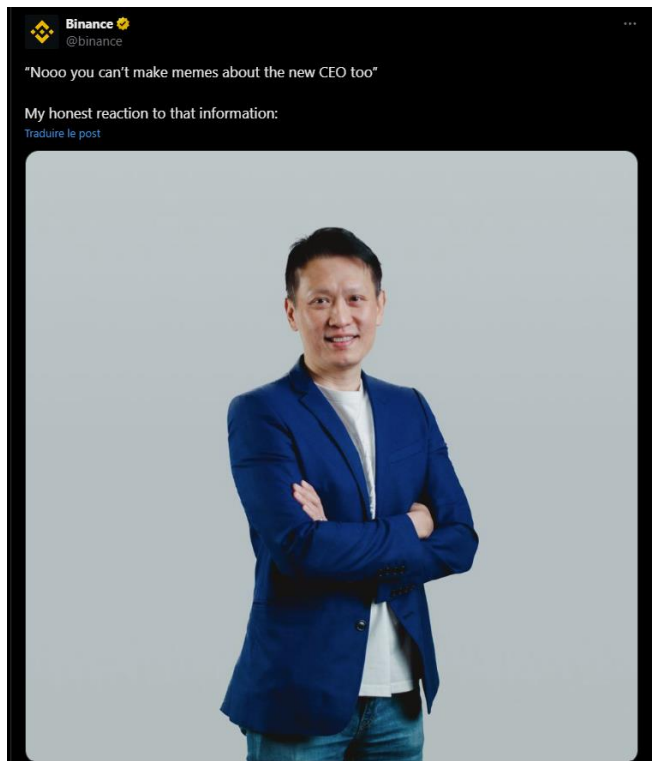
Source: twitter.com/binance/status/1728352832179609607 (consulted May 26, 2024)

Appendix 13: Photo of the winners with Gasly



Source: twitter.com/binance/status/1728717886448095474 (Consulted May 26, 2024)

Appendix 14: Meme about Richard Teng



Source: x.com/binance/status/1728035761528651886 (consulted on May 25, 2024)

Appendix 15: Example of a meme based on CZ



Source: twitter.com/binance/status/1472001174555578371 (consulted on May 25, 2024)

Appendix 16: Binance.com landing page

Virtual currencies, real risks. The only guarantee in crypto is risk.
Warning

- The value of your virtual currencies can rise or fall sharply, and your initial investment may be lost completely;
- Virtual currencies are not covered by the guarantee funds that cover bank deposits;
- There is no legal mechanism on the virtual currencies market to prevent market manipulation or insider dealing;
- Virtual currencies depend entirely on a specific computer technology and infrastructure, which in certain cases may be very recent and not yet adequately tested;
- If one loses the identification code or password giving access to the virtual wallet in which the virtual currency is stored, the currency held therein will be irretrievably lost;
- Virtual currencies are currently accepted as a means of payment to a limited extent, and in most countries there is no legal obligation to accept them;
- For more information about the risks associated with an investment in virtual currencies, we advise you to read the Wikifin page [What is a cryptocurrency? | Wikifin](#).

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Source: www.binance.com/en (consulted on May 26, 2024)

Appendix 17: Binance Blog

Virtual currencies, real risks. The only guarantee in crypto is risk.
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Binance Blog

Binance's Proof-of-Reserves System
Ensuring the transparency of user funds

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Binance's Proof-of-Reserves System: A Year...

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BINANCE'S
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Source: www.binance.com/en/blog (consulted on May 26, 2024)