

City watchdog bans major cryptocurrency exchange Binance from UK operations

The financial regulator has banned one of the world's largest cryptocurrency exchanges from operating in the UK, but has not outlined its reasons for doing so.

The Financial Conduct Authority (FCA) announced over the weekend that Binance Markets Ltd, Binance's only regulated UK entity, "must not, without the prior written consent of the FCA, carry out any regulated activities... with immediate effect".

The watchdog also issued a warning to consumers about Binance Markets and the wider Binance group.

While it gave no explanation for the move, the FCA has required all firms offering [cryptocurrency](#)-related services to register since January and show they comply with anti-money laundering rules.



Image:

Bank of England governor Andrew Bailey has previously warned people who invest in crypto products should be prepared to lose all of their money

Earlier this month it said that just five firms had registered and that the majority of operators were not yet compliant.

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Binance, which was founded in China, announced in June last year that it had bought an FCA-regulated entity and would use it to offer cryptocurrency trading services using pounds and euros.

But it said in a statement on Sunday that Binance Markets was not yet using its regulatory permissions, and that the FCA's move would not impact services offered on its Binance.com website.

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A spokesperson told the Reuters news agency: "We take a collaborative approach in working with regulators and we take our compliance obligations very seriously.

"We are actively keeping abreast of changing policies, rules and laws in this new space."

The FCA said: "Due to the imposition of requirements by the FCA, Binance Markets Limited is not currently permitted to

undertake any regulated activities without the prior written consent of the FCA.

“No other entity in the Binance Group holds any form of UK authorisation, registration or licence to conduct regulated activity in the UK.”

As part of a wider, non-specific warning on investments, its statement added: “Always be wary if you are contacted out of the blue, pressured to invest quickly or promised returns that sound too good to be true.”

The FCA has told Binance that by June 30 it must display a notice stating: “BINANCE MARKETS LIMITED IS NOT PERMITTED TO UNDERTAKE ANY REGULATED ACTIVITY IN THE UK” on its website and social media channels.



Image:

The FCA has oversight on crypto-linked services

While trading of cryptocurrencies is not directly regulated in Britain, offering services such as trading in cryptocurrency derivatives does require authorisation.

The UK is not alone in its scrutiny of Binance as Japan took

similar action last Friday.

Politicians and regulators globally are taking a greater interest in cryptocurrencies and products linked to them.

Bank of England governor Andrew Bailey has previously warned people who buy them that they should be prepared to lose all of their money.