



SEC mulls tighter rule for digital asset exchange services

On 16 September 2022, the draft regulation preventing digital asset exchanges from depositing and lending services have been in the stage of public hearing,. This is because it may be generally misunderstood that the digital asset exchanges are qualified to carry on such service. The Securities and Exchanges Commission (“SEC”) decided to protect investors’ benefits by restricting the digital asset exchanges from taking deposit and lending to others for the benefit of their investors, and prohibiting them from advertising or encouraging others to do so.

Many foreign companies have been struggling with liquidity problems caused by depository and lending services, forcing them to prevent their customers from withdrawing money from the exchanges. On the other hand, some foreign exchange such as Binance has also provided this service with offering yields of 1.8 % for short-term returns as well as yields of 3.6% for long-term returns.

However, on the digital asset exchanges, they have already known about this move for a while, and complied with the rule, according to Mr. Sanjay Popli, the co-founder and chief executive of Cryptomind Group.