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World's Largest Crypto Exchange Exits Russia

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The world's largest crypto exchange Binance announced Wednesday that it was selling its Russian operations to a newly created "community exchange" and fully exiting the country.

Binance's announcement follows reports that the U.S. Justice Department was investigating the company for potential violations of war-related sanctions on Moscow.

"Binance has entered into an agreement to sell the entirety of its Russia business," the company said in a statement.

It named CommEX — which announced its launch on Tuesday — as the buyer.

"Over the next several months, Binance will sunset all exchange services and business lines in Russia," the company said, adding that it was confident about a "smooth" transition.

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Binance did not disclose the financial terms of the deal but stressed that it would not receive an “ongoing revenue split” or a buyback option from the sale.

Binance assured its Russian clients that their assets were “securely protected” and that it would take up to one year to transfer them to CommEx.

Russians have increasingly turned to using crypto exchanges after Western sanctions cut off Russian banks from global payment networks.

CommEx said it will not register users based in Russia-annexed Crimea, potentially cutting off residents of the Black Sea peninsula from its services.

The company also does not provide account registration in the United States, the European Union, as well as in Iran, Cuba, Syria and North Korea.

Binance’s withdrawal from Russia comes a month after the exchange banned Russia-based users from trading in all non-ruble currencies.

“As we look toward the future, we recognize that operating in Russia is not compatible with Binance's compliance strategy,” said Noah Perlman, Binance’s chief compliance officer.

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