Article 1

The article introduces Changpeng Zhao, the founder and CEO of binance, the biggest crypto exchange at the moment. It also discusses the impact of this new market and states the new challenges brought by crypto currency and these crypto exchange platforms such as regulation and client security.

Binance is a platform allowing users to trade a wide range of cryptocurrencies ("482 digital tokens") but also other digital assets like NFT (Non-fungible token). It has an estimate of 100 millions users and a massive trading volume compared to any other platforms allowing a positive direct network effect. The more clients, the better the exchange, as there is more liquidity to the assets clients own. Trading volume represents the total number of assets traded on an exchange within a specific timeframe. Trading volumes indicates liquidity enabling faster and better execution of trades

Changpeng Zhao net worth and wealth is one of the first points they handout, 96$ billions worth thanks to his crypto assets and his binance ownership. However they highlight its fluctuation due to the inherent volatility and fluctuation of crypto assets.

Zhao even considers it to be a fictitious price, probably because there is no real liquidity for such tremendous assets. Selling all of his crypto assets would not be possible without impacting the market negatively. Selling the share of his company would require a buyer or enough buyers willing to put such a price. Moreover, both of those assets are tightly positively correlated to one another.

The crypto market is growing rapidly and governments are starting to take into account these platforms and realizing the need to regulate their usage.
For instance, Biden's executive order "telling US government department to urgently draft proposals on how to incorporate crypto into the world economy" shows just how much the crypto world is influencing political decisions and mainstream economic discussion.

The current market capitalization of crypto assets is said to be around $2 trillion in the article. This metric is evaluated by calculating for every crypto asset its current price times the number of tokens available in the market. Market cap for short is normally used to measure the value of a company traded on the stock market.

Just like the financial sector, the regulation aims to avoid fraud, money laundering, terrorism and so forth. For this matter, the 5th Anti-Money Laundering Directive for instance aims in that direction trying to make transactions in the crypto industry more transparent by identifying the clients.

However, contrary to more traditional assets, the decentralized aspect of crypto makes it really hard for new legislation to be effectively applied ("WITH NO NATIONAL boundaries, links to fiat currency, or formal connections to traditional banks, crypto coins and tokens have been a headache for the world's financial cops". The decentralized nature means that there is no single entity or regulatory body with direct control over the entire network, leading to regulatory uncertainty and difficulties in implementing and enforcing standardized legal frameworks. The traditional fiat currencies intrinsic value is based on the population's trust of the system and central bank. Crypto currencies expansion could potentially endanger the stability of fiat currencies, as an increasing portion of wealth and transactions moves beyond the control of governments. Friedrich Haye, an economist of the 20th century said that Competition between currencies allows to discipline governments against temptation to finance the debt through inflation.

Also, the article points out that the rapid growth of crypto created a “gray area” regarding legislation for fintech in this sector to thrive. Binance was one of these fintech companies. They were able to launch and implement new functionality and service to their platform without “ waiting for licenses or permits”. This ability to operate in a regulatory gray area allowed Binance to leverage blockchain technology and smart contracts effectively. Blockchain provided a foundation for secure and trustless transactions.

However, as the article suggests, this regulatory ambiguity is not sustainable in the long term. Governments and regulatory bodies worldwide are increasingly catching up with the cryptocurrency industry : “ U.S. officials opened an insider-trading investigation against Binance”, “U.K. government officials and lawmakers-making … where the exchange is currently barred from soliciting business”. Even though blockchain is considered secure by design, there are still security vulnerabilities which lead to hacks on numerous crypto platforms. Security breaches highlight the importance of establishing robust regulatory frameworks for consumer protection and market integrity

A blockchain is a distributed ledger, in more simple terms, a database that is spread across a network. Blockchains are as a result decentralized by nature. The core tenets of blockchain technology are transparency, provenance and immutability. It can store financial transactions which is the primary use at the moment. For instance, the bitcoin network/blockchain is used for bitcoin transactions. As stated before, blockchain technology is decentralized. There is no intermediary for a transaction to occur.

Smart contracts are code written into a blockchain that executes the terms of an agreement from outside the chain. It automates the actions that would traditionally require manual completion by the involved parties, eliminating the necessity for mutual trust between them. Not all blockchains have implemented smart contracts into their network.

One of Zhao’s ambitions is to incorporate these technologies into “several industries”, with of course binance playing “a leading role in that evolution”. One of the functionality discussed in the article is the ability to pay with cryptocurrencies using credit cards for day to day consumption. But there are many other functionalities that block-chains and smart contracts can provide, functionality that goes beyond decentralized finance (DeFi) purposes.

Zhao talks about his ambition regarding his latest investment in Forbes magazine and showcases the utility of crypto in mainstream industries. His vision for Forbes includes implementing a crypto strategy by selling non-fungible tokens (NFTs) of articles and rewarding subscribers with blockchain tokens. This innovative approach challenges the traditional revenue model of media businesses :
"They may not even need to sell ads anymore," he says. "If that works, guess what? All the other media businesses will have to come into crypto as well."

There are however other implementations of blockchain technology possible. For example, blockchain technology can enhance supply chain management by providing an immutable record of the origin and journey of products. This can be used in multiple sectors like the clothing industry which would ensure trust for consumers and add value to products.

Smart contracts could automate and secure various processes in fields such as legal agreements, real estate transactions, and more.

At the end, the article delves into the impact of cryptocurrencies during the Russia-Ukraine conflict. It emphasizes the role of crypto in supporting Ukraine, enabling swift fundraising for its military campaign. “Kyiv's government raised more than $65 million in crypto donations for its military campaign”. This scenario demonstrates the positive contributions of crypto and its ability to react quickly thanks to the technology. However, the article also highlights that crypto was seen as a vulnerability to sanction Russia. On one hand, crypto can serve as a valuable tool for fundraising and providing financial support in crisis situations. On the other hand, it exposes the challenges governments face in regulating and controlling the flow of funds through decentralized and “borderless” digital assets.

Article 2

After depicting Zhao as a young and successful businessman dealing with regulation to make amends of his former questionable practices. The second article puts into perspective that picture. The article reports on the Justice Department decision to charge Binance and Zhao with “violating U.S money-laundering laws” in addition with “violating U.S. economic sanctions in the U.S. District Court for the Western District of Washington”.

The penalty they encountered is a $4.3 billion fine for Binance. Multiple specific individuals in the company also paid a fine including Zhao who was forced to step down from his position. The justice Department indicated that they “ would also file criminal charges against Zhao”. This decision definitely taints and demeans the image of the crypto market to the eyes of a broad audience. This could diminish its possible implementation to more mainstream sectors.
However there’s a need for regulatory compliance within the crypto space and this is a striking example. Governments are increasingly catching up with the cryptocurrency industry to ensure safety for their citizens. However, regulating “mainstream” crypto-exchange should not impede the usage of crypto technology by other governments.