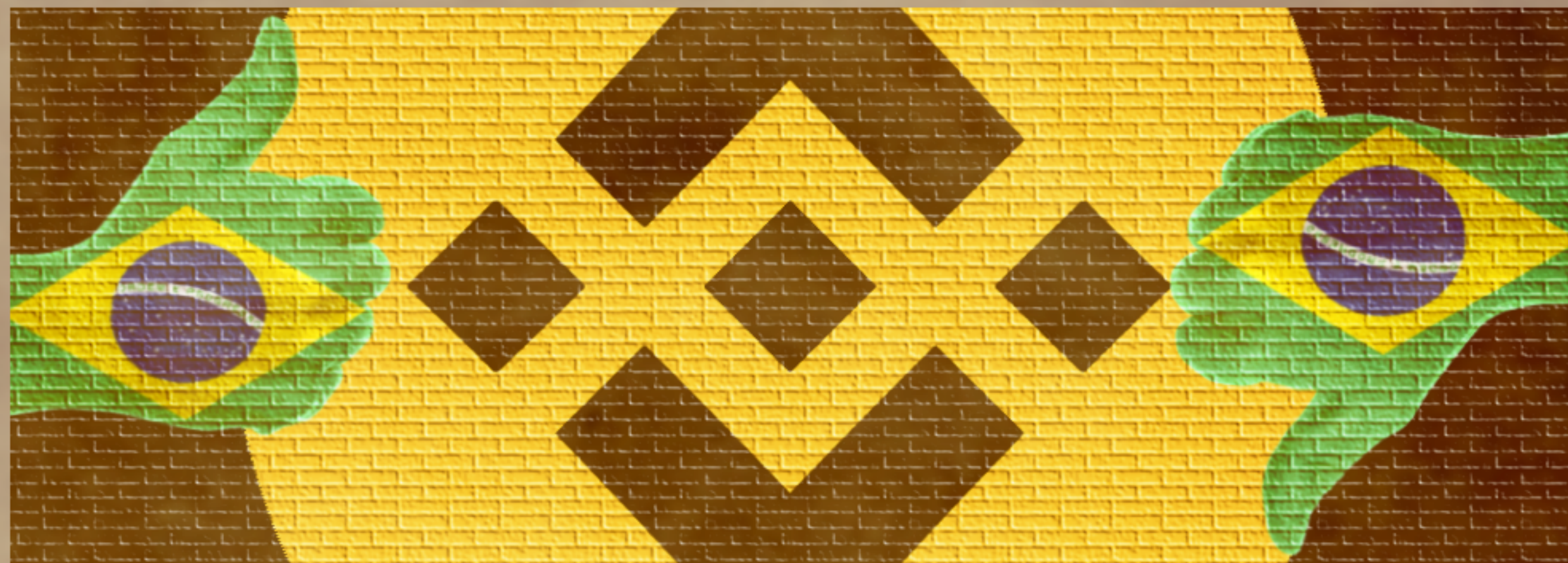


# Good Morning News

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# CAPITULATION STATION



Binance, Brazil, and bears, oh my! Last week, Binance — one of the world's largest cryptocurrency exchanges — announced the end of a partnership with payment processor Capital. Capital, a fintech company, describes itself as a "...multi-currency bank that makes the use of cryptocurrencies increasingly simple and safe for everyone."

Unfortunately, the reality of buying cryptocurrencies just increased in difficulty for Brazilian customers using their national currency, the Real. With the breakup came the termination of all deposits and withdrawals in the Brazilian Real, leaving limited options for traders.

Binance's transactions were managed by Capital via the Brazilian government payment processor, Pix. Recently, Brazil's Central Bank introduced policy changes for Pix. These changes required processors such as Capital to implement Know Your Customer (KYC) procedures. While not explicitly mentioned by Binance, the timing of the breakup and the implementation of these new rules seem to correlate, causing market speculation and turmoil.

As trading was stopped, Binance issued advisories for traders to seek alternative options such as Peer-to-Peer (P2P) platforms to get their

money. Three months prior, Binance signed a Memorandum of Understanding (MOU) to potentially acquire Brazilian brokerage firm Sim;paul Investimentos, a move highlighting Binance's interest in the Brazilian market and possibly foreshadowing this latest move.

Founder and CEO of Binance, Changpeng Zhao (CZ), noted, "At Binance, our goal is to grow adoption of crypto around the world to generate a positive impact for our users, the crypto and blockchain community, and society in general. In a fast-developing market like Brazil, crypto can transform and facilitate people's lives, and as such, we believe - in full collaboration with local authorities - that Binance has a lot to contribute in developing the community and ecosystem in Brazil."

Unfortunately last week, trading for Brazilians came to a screeching halt leaving many pondering whether this was for real. It was, and the Brazilians were left to the bears, and in their hands were bags full of cryptocurrencies stuck on Binance that couldn't be cashed out. Now traders in Brazil are looking for their bear spray and seeking peers they can outrun or, even better, get help to cash out.



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