

Ethical and Sustainable Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Chinyerum Alison Elewa-Ikpakwu	2024	Finance and Accounting
Jared Rost	2024	Finance and MIS
Kevin Klimchuk	2023	Biosystems, Engineering
Mai Ngoc Nguyen	2024	Finance
Megha Jaryal	2025	International Business

Advisors: Howard Harmatz, Judy Jayasuriya

Topic: Cryptocurrency: The Digital Wild West

Audience: Binance Board of Directors

Sustainable Development Goal

SDG #16: Peace, Justice, and Strong Institutions

SDG #8: Sustainable Development: Economic Growth

Executive Summary

Cryptocurrencies are rapidly growing in popularity due to the anonymous transactions, minimum government control, and absence of third-party involvement allowing transactions to happen quickly at a cheaper cost. However, problems emerge because the provided anonymity, the lack of regulations surrounding cryptocurrencies, and their exchange policies create opportunities for illegal transactions with little to no repercussions. As crimes such as ransom demands increase, government officials have started taking notice; however, no definitive plan has been purposed to regulate the crypto industry. Currently, the blockchain allows all transactions to be visible, but the individuals involved with said transactions are not known. As a result, the industry is faced with two opposing ethical issues. The first is that anonymity aspects of blockchain provide security and a shield for criminals. The second aspect is that if the anonymity aspect is completely removed, it will remove the sense of privacy present in democratic governments. Moreover, the use of cryptocurrency undermines the business models of conventional banks and their role in the financial system. Therefore, maintaining monetary and financial stability is faced with increased difficulty. Already, crypto utilizes a massive amount of energy to secure transactions, with increased stability uncertainty, the economy will experience a price increase in electricity and GPUs.

Our solution consists of three initiatives that will work in tandem to provide crypto security, maintain user privacy, and coincide with Binance's mission of being the infrastructure provided for the cryptocurrency ecosystem. These implementations include: adhering to security regulations for cryptocurrency, registering online wallets to an individual, and submitting user reports to the government for tax purposes. For cryptocurrency to become an accepted part of the global economy, accountability is needed to prevent it from being a community that rewards the dishonest. Our proposed changes would accomplish this through investor protection and increased oversight. It would also show that crypto exchanges are willing to take steps to address cryptocurrency issues and prevent further government intervention, protecting Binance's vision of global monetary freedom.