

Scale Compliance

The revolution needs visionaries

Welcome to Scale Compliance's **NEWSLETTER**

ScaleCompliance is a highly experienced crypto compliance company and financial intermediary (in Switzerland only). We support our clients in building processes that are easy to understand and fully compliant with the regulatory compliance framework.



Bitcoin's Journey from Pizza to Mainstream Commerce

In 2010, programmer Laszlo Hanyecz made history by purchasing two pizzas for 10,000 Bitcoins, worth about \$41 then but now valued at hundreds of millions, marking the first

commercial Bitcoin transaction.

Since then, crypto commerce has evolved significantly. Early Bitcoin users began trading the digital currency for various goods and services.



Mainstream businesses such as Overstock.com, Expedia, and Microsoft started accepting Bitcoin, reflecting its growing acceptance. Bitcoin payment processors emerged, simplifying transactions and mitigating volatility.

The rise of decentralized finance (DeFi) further expanded cryptocurrency use, enabling lending, borrowing, and earning interest.

Today, Scale Compliance financial services facilitate real-world purchases with cryptocurrency, ensuring legal and regulatory adherence and alleviating concerns over money laundering.

Chainalysis Sets Up Regional HQ in Dubai Amid Local Crypto Boom



Chainalysis has relocated its regional headquarters to Dubai, reflecting the UAE's progressive stance on blockchain technology. Announced on the 8th May 2024, the new headquarters will serve Southern Europe, the Middle East, Central Asia, and Africa, following active engagement with the UAE government to advise on crypto regulation.

Collaborations include a partnership with the UAE's Ministry of Artificial Intelligence to create a blockchain excellence center for government employees and a memorandum of understanding with Emirates NBD to support its Digital Asset Lab program. CEO Michael Gronager praised the UAE's leadership in crypto innovation, while VP Nicola Buonanno noted the region's market maturity and regulatory advancements.

The move aligns with Dubai's growing appeal as a hub for crypto and Web3 companies, including recent licensing approvals for Binance and QCP Capital.

DOJ's Groundbreaking Indictment on Ethereum Fraud

On 15th May 2024, the U.S. Department of Justice (DOJ) announced the arrest of two brothers for conspiracy to commit wire fraud, wire fraud, and conspiracy to commit money laundering, involving the theft of \$25 million in cryptocurrency by exploiting a vulnerability in the Ethereum blockchain.

This case, the first involving a "malicious validator," saw the attackers manipulate the MEV-Boost relay protocol to alter transaction validation processes, allowing them to unbundle and reassemble blocks with their own front-run transactions, siphoning funds from MEV Bots.



This significant enforcement action highlights the DOJ's understanding of the complex Prechain ecosystem and may prompt increased regulatory scrutiny and oversight of Ethereum's block-building protocols.

The indictment raises important questions about the classification of transactions within the Ethereum network and the potential fiduciary responsibilities of various actors, emphasizing the need for proactive measures to address the unique risks in the Prechain ecosystem.



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