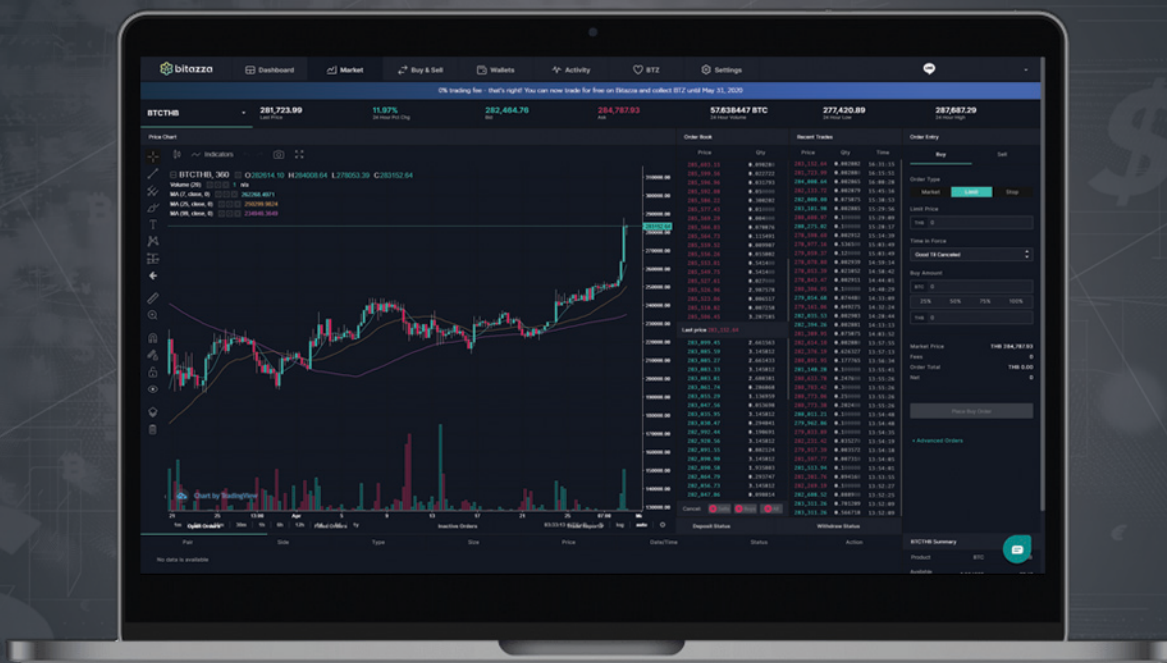


Case Study: Deep Liquidity on Highly Regulated Thai Brokerage Platform



► About the Customer

Bitazza is [ASEAN](#)'s local digital asset platform comprising of connected exchanges and brokers setup locally in Thailand, Malaysia, Vietnam, Philippines, Indonesia and Singapore. Clients have direct access to the respective personal brokers assigned to their trading accounts and integrated with local financial institutions of their country. Bitazza enables easy and speedy deposit, withdrawal and conversions between local fiat - cryptoasset - fiat through their website and mobile application, as well as an institutional grade API for advanced users.

► Business Challenge

A highly competitive Thai crypto exchange landscape compelled the team to take an alternative entry approach, and the decision was made to pursue a [broker model](#) over a traditional exchange platform. Kevin Heng, Co-founder and CSO, explained the challenges that swayed their thinking, "The way we saw it at the outset, using our perspective from our investment and finance background, I understood what the differences were between the two models (broker vs. traditional) in ways that many others in the space didn't seem to. A lot of people had this skewed vision that being a crypto exchange operator was going to be akin to leading the NYSE or Nasdaq, that they'd be a bigger deal, that you'd be at the center of the party and there wouldn't be another 10 people doing the exact same thing."

What's the difference between a broker and an exchange? Digital asset brokers and exchanges are both regulated business categories in Thailand. An exchange is licensed to match its customers' orders in its own centralized order book. A broker is licensed to route its customers' orders to various liquidity pools globally, as well as execute orders on behalf of its customers.

Prior to going live in late 2018, Bitazza worked with Thailand's Security Exchange Commission

and the Ministry of Finance for two years navigating the [burgeoning blockchain regulatory](#) environment to become the only Thai based broker to have an exchange license for both crypto currency and digital tokens.

► Solution

Solving for liquidity is an industrywide challenge faced by all start-up exchanges. CSO and Co-founder Kevin Heng explains how Bitazza's acquisition of a brokerage license was central to gaining a competitive advantage at launch, "Obviously from a platform perspective with AlphaPoint's [brokerage solution](#) you can both pull liquidity to the exchange for trade and allow people to buy and sell from other liquidity pools, but from a licensing perspective, having a broker license allows you legally buy and sell from an international market, allowing us to extract liquidity from a different country altogether, where as other Thai exchanges are currently limited to domestic buying and selling."



Orders sourced from multiple liquidity pools and exchanges end up being sorted based on what Bitazza refers to as price-time priority, meaning users no longer need to open an account at multiple exchanges and monitor prices across venues. Multi-source order filling also minimizes the effect of a source going offline, helping to diversify counterparty risk across multiple venues to ensure that no one trading venue exerts overwhelming bargaining power, while also creating high market depth for customers to execute large orders with less slippage at better prices and volumes.

Bitazza has already submitted an application to the Securities Commission of Malaysia for the digital asset exchange license, beginning their expansion across Southeast Asia. They are actively working on obtaining the required licenses and exemptions for operations elsewhere. Heng commented on the need for versatile growth strategy, "From a global perspective, we do intend to be both an exchange and broker model. For example, in Singapore there's little segregation between exchange models, and they are regarding the crypto space as a payments regulation," he continues, "What they're calling the regulation is the 'Payments Security Act', which encompasses anything related to value exchange in crypto, stable coins, or payments in digital assets. So they have decided to essentially sandbox the entire industry with that act, hence we prepare to approach every country's unique regulatory requirements in the manner they set forth."

► Connect with Bitazza

Register to trade on Bitazza here: bitazza.com/signup


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Read more: [AlphaPoint Powered Brokerage Receives Thai SEC Approval and Launches](#)

 AlphaPointLive

 Alpha-Point

 sales@alphapoint.com

 1001 6th Ave, Rm 701
New York, NY 10018

AlphaPoint