

BitDATA Exchange CEO Ken Wong on Professionalising the Digital Asset Ecosystem

Ken Wong arrived in Singapore to launch BitDATA Exchange, a cryptocurrency platform, in October 2019 and as CEO is ramping up the brand awareness and business activity, first in Singapore, and next into the surrounding region. He brought with him years of experience in technical R&D and management and is an expert in system security, trusted computing, virtualisation, and mobile security, having worked with major names such as Lenovo and Huawei. He is also a serial entrepreneur who has successfully launched commercially viable products related to cloud security, internet education, finance big data, and digital advertising. He created BitDATA Exchange to bring true security and compliance into the industry, working closely with the highly supportive Monetary Authority of Singapore to help protect the integrity of the digital assets ecosystem by upholding the anti-money laundering and Combating the Financing of Terrorism policies with its experience and technological know-how. He believes that by bringing an institutional level, fully compliant, secure and client-friendly offering to the market, the firm will play its part in helping develop the nascent digital assets market in Asia, leveraging the progressive regulatory, FinTech and financial ecosystems that Singapore today offers.

At BitDATA Exchange (BitEx), Ken has put together a team of cross-functional skills, including a Wall Street veteran as the CFO, a Chief Compliance Officer from one of the largest banks in Singapore, private bankers, and crypto-assets specialists. Together they have created BitEx using cutting-edge technology to provide institutional-grade experience for high net worth investors and professional managers to buy and sell digital assets such as Bitcoin, Ethereum and Litecoin, amongst others.

Bridging the gap

“BitEx stands out through its state-of-the-art security, streamlined user experience, and low transaction fees,” Ken reports. “Our core purpose is to be a conduit between the technology-based world of digital assets and the finance-based world of established large scale institutional investors and traders.”

He explains that BitEx is licence exempted under the Payment Services Act for providing a digital payment token service by The Monetary Authority of Singapore (MAS).

Singapore as hub and catalyst

“We chose Singapore as the base as it is a jurisdiction that is conducive and meets our criteria in terms of openness, regulation and the digital and financial ecosystem,” he reports. “As one of the world’s leading financial centres, Singapore has always been very receptive to new ideas, innovative technology, and embracing foreign talents. The open and inclusive stance of the Government makes this city a conducive hotspot for BitEx to build our business and allows us easy access to nearby ASEAN markets.”

He reports that the MAS has been very active in putting forth a progressive regulatory framework for FinTechs and Cryptocurrencies. The announcement in January 2019 of the PSA Act, and the recent announcement of expanded rules and regulations set by the MAS are really positive steps that will propel the fast-moving cryptocurrency landscape forward, he believes.

“And the launch of DBS’ Digital Exchange in December 2020 was another positive milestone for Singapore,” he comments, “so we have a progressive and robust regulatory framework to support our strategic choice of Singapore, with its large and growing ecosystem for FinTech companies seeking to grow and raise funds in Asia.”

“We are able to grow rapidly by leveraging on our business associate BitDATA, an online aggregating trading platform I created in 2018, and that now has some two million registered users. We have recently started our OTC Desk to support key clients interested in investing in Bitcoin, Ether, or Litecoin.”

He adds that the financial sector is an integral part of Singapore’s ambition to be a ‘smart’ nation. “As announced first in 2014, MAS is creating a Smart Financial Centre through FinTech and innovation by giving out grants for innovation and many other initiatives,” he explains.

Factors of differentiation

Ken shares what makes BitEx different. Firstly, we are regulated and compliant. The main business of BitEx is centred on transactions related to digital payment tokens that come under the scope of the Payment Services Act (PSA) of the

MAS, which includes crypto-fiat and crypto-crypto transactions.

“We adhere strictly to the AML and KYC guidelines set forth by MAS when onboarding our clients, similar to the protocols adopted by other established, mainstream financial institutions,” Ken reports. “We are continuously working to strengthen our compliance policies and have put in place processes to manage AML and CFT risks.”

Secondly, it is secure, backed by state-of-the-art technology. A comprehensive financial risk control system, anti-theft system, national-level bank security, and risk management measures have been put in place to ensure digital assets are secured in the platform.

BitEx also provides an intuitive user interface with real-time orderbooks, charting tools, trade history, and a simple order process.

BitEx has a talented pioneer management team formed by a group of professionals with diverse career backgrounds, including investment banking, private banking, securities, cybersecurity, mobile technology, and marketing from leading MNCs. “Our Elite Tech Team built our secure and encrypted global crypto-asset exchange platform from the ground-up,” Ken reports, “and all the time



KEN WONG
BitDATA Exchange

supported by an outstanding team leading the firm.”

BitEx has an in-house team of Corporate Trainers, experienced and well versed with cryptocurrencies to support their clients in their learning journey of this new asset class. “We are assembling a group of account managers who have years of experience working in banks to onboard and service clients and ensure they are well looked after,” Ken reports.

Strategy to build the business

Ken highlights a four-pronged strategy to build the business. Firstly, there is customer acquisition and growing the trading volume. “We are able to grow rapidly by leveraging on our business associate BitDATA, an online aggregating trading platform I created in 2018, and that now has some two million registered users. We have recently started our OTC Desk to support key clients interested in investing in Bitcoin, Ether, or Litecoin.”

Partnerships and collaboration will help BitEx to grow in Singapore.

Getting Personal with Ken Wong

Ken is a serial entrepreneur who has successfully launched commercially viable products related to cloud security, internet education, finance big data, and digital advertising.

In 2016, Ken founded a company that provides FinTech and data analysis services, integrating Big Data and Machine Learning technologies. In 2018, he founded BitDATA in Hong Kong that utilised Artificial Intelligence and complex programming for a one-stop aggregated trading platform.

Ken started his career in Beijing as a security researcher and subsequently moved to Hong Kong with MNCs. He led technology and system security innovations with 14 patents in China and two in the US during this period. When Ken is not busy closing deals or launching a new feature on bitex.sg, he can be spotted at the tennis court.

“We are in talks with Asset Managers and Family Offices to explore possibilities of working with them in product development for their HNWI clients,” he explains. “There is a real opportunity

working with BitEx because the firm is crypto-assets subject-matter specialists. “The combination of traditional portfolio management and digital assets is the way forward,” so we

“We are kind of at a crossroad where traditional finance has challenges in regulating decentralised platforms so, in order to further promote the crypto adoption, we put in lots of effort and time talking to MAS in order to manage AML and CFT threats that could surface due to blockchain with crypto. Accordingly, we built a platform AML and KYC systems, so we balance the traditional banking monitor and blockchain-based decentralised ledger and monitor to manage the user KYC and CFT risk.”

for BitEx to bridge traditional investment with cryptocurrencies or through tokenisation.”

He explains that asset managers have shown keen interest in

aim to be the catalyst and the preferred partner for traditional fund managers to broaden the adoption of cryptocurrencies as part of their portfolio.”

Looking to the future

Ken also reports that BitEx is hard at work nurturing future generations, partnering for example, with James Cook University Singapore campus to carry out initiatives such as guest lecturer commitment, internships arrangement, overseas industrial attachments, and sponsorship of book prizes for students. In addition to that, BitEx and JCU plan to co-create the syllabus for Blockchain Business Course, Innovation Lab, and possibly a real-time student trading competition of digital assets on the BitEx's state-of-the-art Exchange Trading platform.

As a FinTech company, BitEx is also promoting an R&D culture to continue with its drive to innovate. "We will utilise blockchain technology and promote the concept of utility tokens or asset-backed tokens at a later stage," Ken reports. "The technology is still in an early adoption stage, and we plan to work with progressive organisations that share the same ambitions."

Fund Raising

"We have a strong pipeline of potential investors," Ken reports, enthusiastically. "We only engage investors who are familiar with our business and will support our ambition to become the preferred crypto-assets exchange. Our

strategic investor should ideally be able to value-add to BitEx and help us to scale to greater heights."

"Our main focus is still on the compliance and being regulated by authorities," Ken elucidates. "We are kind of at a crossroad where traditional finance has challenges in regulating decentralised platforms so, in order to further promote the crypto adoption, we put in lots of effort and time talking to MAS in order to manage AML and CFT threats that could surface due to blockchain with crypto. Accordingly, we built a platform AML and KYC systems, so we balance the traditional banking monitor and blockchain-based decentralised ledger and monitor to manage the user KYC and CFT risk."

He explains that BitEx has HNWIs that would like to trade and they're unsure on how they want to go about it, so in this way, we complement the banks, so we are like a digital crypto-asset exchange with a bit of private banking touch to high-value clients."

Key Priorities

Ken's first priority is to acquire more clients and also grow the trading volume. Secondly, we would like to reach out to more organisations to strengthen our partnership and collaboration efforts. "As mentioned, we are already in talks with asset managers

and family offices to explore more possibilities of working with them, as well as working to nurture the future generation with JCU, to help them understand and connect with blockchain and cryptocurrencies."

And the third mission is more R&D because, as a FinTech company, the firm wants to continue to innovate. "We are still early stage, but we will utilise blockchain technology and promote the concept of utility tokens and also asset-backed tokens at a later stage, working with progressive organisations that share the same ambitions that we have."

Silver linings...

Ken closes the discussion with a personal perspective on the universe of digital assets. "As the pandemic has hit so hard across the world and as governments have shut parts of the economy and are flooding the world with liquidity, there is a shortage of typical investment opportunities for those with funds, so more people have turned to crypto-asset, including institutional investors such as Grayscale and Blackrock. As the crypto-asset market becomes more mainstream, as more governments emulate Singapore and regulate and accommodate the industry, the key players' confidence will continue to rise. That is the silver lining here." ■

