



PRESS RELEASE

OKX Pleads Guilty To Violating U.S. Anti-Money Laundering Laws And Agrees To Pay Penalties Totaling More Than \$500 Million

Monday, February 24, 2025

For Immediate Release

U.S. Attorney's Office, Southern District
of New York

Matthew Podolsky, the Acting United States Attorney for the Southern District of New York, and James E. Dennehy, the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced today that Aux Cayes Fintech Co. Ltd, d/b/a "OKEx," d/b/a "OKX" ("OKX"), a Seychelles-based entity, that since at least 2017 has operated OKX, one of the largest cryptocurrency exchanges in the world, pled guilty today to one count of operating an unlicensed money transmitting business. In connection with today's guilty plea and sentencing, OKX agreed to pay monetary penalties totaling more than \$504 million. The case was assigned to U.S. District Judge Katherine Polk Failla, who presided over today's guilty plea and sentencing.

Acting U.S. Attorney Matthew Podolsky said: "For over seven years, OKX knowingly violated anti-money laundering laws and avoided implementing required policies to prevent criminals from abusing

our financial system. As a result, OKX was used to facilitate over five billion dollars' worth of suspicious transactions and criminal proceeds. Today's guilty plea and penalties emphasize that there will be consequences for financial institutions that avail themselves of U.S. markets but violate the law by allowing criminal activity to continue."

FBI Assistant Director in Charge James E. Dennehy said: "For years, OKX flagrantly violated U.S. law, actively seeking customers in the United States — including here in New York — and even going so far as to advise individuals to provide false information to circumvent requisite procedures. Furthermore, in their failure to adhere to U.S. law, significant illicit transactions which furthered other criminal activity went undetected on their platform. Blatant disregard for the rule of law will not be tolerated, and the FBI is committed to working with our partners across government to ensure that corporations that engage in this type of conduct are held accountable for their actions."

According to court documents and admissions:

OKX is one of the world's largest cryptocurrency exchange platforms, with billions of dollars' worth of cryptocurrency transactions occurring daily on its platform. OKX allows registered users to place orders for spot trades in over three hundred cryptocurrencies, including Bitcoin and Ethereum. OKX users can also place orders for derivative products, including futures contracts, tied to the value of Bitcoin and other cryptocurrencies.

Financial institutions that operate wholly or in substantial part in the United States must register with the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") as a money services business ("MSB") and comply with federal anti-money laundering ("AML") laws, including the Bank Secrecy Act. These laws require the filing of suspicious activity reports and the maintenance of an adequate AML program, including an effective know-your-customer ("KYC") program. AML programs are critical to ensure that entry-points into the U.S. financial system do not become tools criminals can use to profit from illicit activity.

Since 2017, OKX has had an official policy preventing U.S. persons from transacting on its exchange. But contrary to this official policy, OKX sought out customers in the United States, including in the Southern District of New York.

From in or about 2018 through in or about at least early 2024, OKX served U.S. retail and institutional customers that engaged in over one trillion dollars' worth of transactions through

OKX. Transactions from those U.S. customers generated hundreds of millions of dollars in trading fees and profits for OKX.

Because OKX served U.S. retail and institutional customers, OKX knew it was required by U.S. law to register as a money services business with FinCEN, but OKX chose not to do so.^[1] In fact, despite OKX's official policy prohibiting U.S. persons from transacting on the exchange, OKX was fully aware that individuals in the United States could, and did, easily create and use OKX trading accounts. From OKX's founding in approximately 2017 through approximately November 2022, OKX allowed retail customers the option to create an account, receive and transfer funds, and place trades without completing a KYC process. This meant that OKX, a large financial institution, facilitated transactions on behalf of customers that it could not identify. Further, while OKX implemented a policy blocking customers with U.S.-located IP addresses from trading or depositing assets onto OKX (the "IP Ban"), OKX knew that the IP Ban could be circumvented through cheap, widely available VPN technology. Also, through at least early 2023, OKX allowed existing accounts to continue to receive and transfer funds, and place trades, all without completing a KYC process. And until approximately early 2024, OKX also allowed customers to place trades on the exchange through third-party entities known as "non-disclosure brokers" without the third-party entity disclosing any identifying information to OKX about the customers on whose behalf the trades were placed.

Even after OKX began requiring all customers to provide some KYC information to trade, OKX employees on certain occasions advised customers how to provide false information to circumvent the company's KYC process and official policy prohibiting U.S. customers. For example, in April 2023, an OKX employee encouraged a potential U.S. customer to open an account by providing false information about the customer's nationality during the KYC processing, writing "I know you're in the US, but you could just put a random country and it should go through. You just need to put Name, nationality, and ID number. You could just put United Arab Emirates and random numbers for the ID number." At that time, OKX did not verify the information that customers provided to open an account to trade. In January 2024, the same employee wrote to another potential U.S. customer and asked if the individual had "any workaround on KYC outside of the US to make it potentially work."

During the relevant period, OKX advertised in the United States, sponsoring the Tribeca Film Festival, for example, and used affiliate marketers based in the United States to promote the exchange. OKX also allowed existing customers to promote the exchange, and provided such customers benefits for recruiting additional users. At least one such OKX customer produced a publicly-available, step-by-step instructional video educating U.S. customers about how to register with OKX using a VPN to conceal their U.S. presence.

OKX also focused its efforts on attracting and retaining certain U.S. institutional customers, including large institutions who could provide liquidity and help OKX become one of the world's largest cryptocurrency exchanges by making a broad range of cryptocurrencies available at

competitive rates. OKX's U.S. institutional customers were some of OKX's largest customers, with one such firm alone generating more than a trillion dollars in spot and derivatives transactions on OKX during the relevant period. They provided significant liquidity, volume and trading fees for the platform, despite OKX's knowing failure to register as an MSB and OKX's "official" policy banning U.S. customers.

Until approximately May 2023, OKX did not adequately or consistently use commercially available software to monitor and detect suspicious activity, including money laundering, and OKX did not have adequate controls to determine whether either party to transactions on the exchange was potentially subject to sanctions imposed by the U.S. Treasury Department. As a result, through at least early 2024, OKX was used by numerous customers as a vehicle for laundering the proceeds of suspicious and criminal activities, including more than five billion dollars of suspicious transactions and illicit proceeds, based on a review of third-party transaction data.

In early 2024, OKX retained an external compliance consultant (the "Consultant") to advise OKX on policies and controls reasonably designed to prevent U.S. persons from engaging in transactions on OKX's platform through accounts held at OKX. As part of the plea agreement, OKX is continuing to retain the Consultant, at its own cost, through February 2027, and has agreed to continue to cooperate with the United States Attorney's Office.

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In addition to the guilty plea, OKX, a Seychelles-based entity, also agreed to criminally forfeit \$420.3 million and pay a criminal fine of approximately \$84.4 million. OKX received credit for its cooperation with the investigation and timely engaging in remedial measures, resulting in a 25% reduction off the bottom of the otherwise applicable recommended fine range.

Mr. Podolsky praised the outstanding investigative work of the FBI New York Field Office.

This matter is being handled by the Office's Illicit Finance & Money Laundering Unit. Assistant U.S. Attorneys Christopher D. Brumwell, Eli J. Mark, and Vladislav Vainberg are in charge of the prosecution.

[u.s. v. okx information.pdf](#) [u.s. v. okx plea agreement and attachments.pdf](#)

[1] OKX has an affiliate U.S.-based cryptocurrency exchange named OKCoin USA, Inc. ("OKCoin") which, in contrast with OKX, has registered with FinCEN as a MSB. OKCoin serves customers globally, including in the United States, and offers retail and institutional customers the ability to spot trade, including purchasing cryptocurrency using U.S. dollars. The conduct

described herein that gives rise to the charge in the Information, and to which OKX pled guilty, is solely that of the unregistered MSB, Aux Cayes Fintech Co. Ltd., d/b/a “OKEx,” d/b/a “OKX,” the defendant.

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