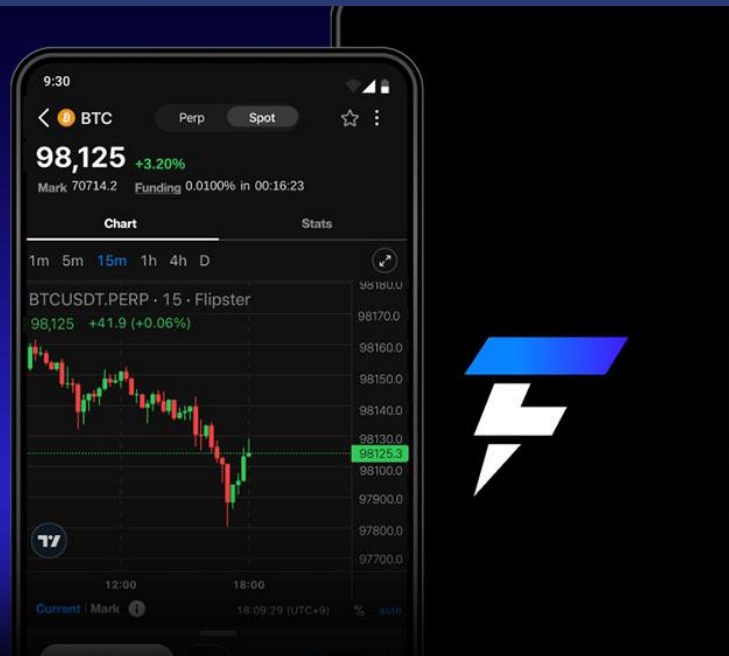# Chainalysis

Flipster leverages Chainalysis to scale compliance and global reach

Customer Story | **Flipster**

Flipster leverages Chainalysis to scale compliance and global reach

Company Name: Flipster
Type of Business: Cryptocurrency derivatives trading platforms
Chainalysis Solutions: Chainalysis Crypto Compliance Solution
Operating Regions: Global

Flipster is a dynamic and rapidly growing cryptocurrency exchange with over 1 million users worldwide and roughly $20 billion in monthly trading volume. Despite its small team, the company has successfully attracted a significant user base by providing an intuitive and user-friendly platform. This has resulted in exponential growth in its user base month after month.

Challenge: Navigating regulatory complexity to unlock growth

As part of its growth strategy, Flipster aimed to navigate the complex global regulatory landscape and enhance its compliance capabilities. Head of Compliance, Mohammed Kifayathullah, leads a team responsible for the timely identification and reporting of risks such as market manipulation, money laundering, and sanctions violations. To expand Flipster's global presence, the compliance team needed to elevate its monitoring standards to maintain the trust of regulators and users.

Automated monitoring processes became critical for improving the investigative efficiency and managing expectations regarding transaction investigations. Ultimately, Flipster required enhanced investigative capabilities to uphold its reputation as a trusted member of the cryptocurrency ecosystem.

Solution: Leveraging cutting-edge technology for robust compliance

To address its compliance challenges, Flipster partnered with Chainalysis. The Chainalysis Crypto

Compliance solution provides detailed data and insights into on-chain transactions, enabling the compliance team to monitor withdrawals and deposits for red flags. The platform's clustering capabilities were crucial for meeting regulatory requirements.

Chainalysis also supported Flipster in implementing the Travel Rule, which mandates exchanges share information about the origin and destination of transactions. This enables Flipster to screen each transaction alongside the individual's PII (Personally Identifiable Information), providing the compliance team with a comprehensive understanding of transactions and facilitating confident decision-making.

Kifaya highlighted the value of Chainalysis' support team, noting their responsiveness and expertise. This was especially critical as Flipster launched new tokens or projects, ensuring these new assets were properly monitored.

"For a long time, we struggled with deciding whether to allow a particular transaction," Kifaya shared. "Chainalysis provides a strong understanding of transaction clusters, with a superior level of detail and data compared to competitors. It helps us make confident, informed decisions. At the end of the day, compliance is all about tracing transactions back to their origin."

Results: Driving trust and expanding global reach to 180 countries

Since implementing Chainalysis, Flipster has seen significant improvements in its compliance operations.

The percentage of transactions flagged for investigation increased from 0.5-1% to 2-3%, aligning with industry benchmarks. This advancement has strengthened Flipster's compliance program, supporting its efforts to obtain licenses in new jurisdictions. The company now supports users in 180 countries and remains agile in adapting to evolving regulations.

"Each country is introducing new crypto regulations, and we must constantly scan the horizon," Kifaya stated. "We're gradually enhancing our behavioral thresholds and implementing automated backend tuning using platforms like Chainalysis to achieve these results."

The compliance improvements have also bolstered customer trust."Our partnership with Chainalysis has empowered us to create a culture of compliance across Flipster," Kifaya explained. "By educating our teams on the importance of compliance and risk mitigation, we ensure everyone understands their role in maintaining the platform's integrity."

With Chainalysis, Flipster is not only protecting its users but also making informed decisions, sustaining growth, and solidifying its reputation as a secure and trustworthy crypto exchange.

"Our partnership with Chainalysis has empowered us to create a culture of compliance across Flipster. By educating our teams on the importance of compliance and risk mitigation, we ensure everyone understands their role in maintaining the platform's integrity."

Mohammed Kifayathullah
Head of Compliance, Flipster
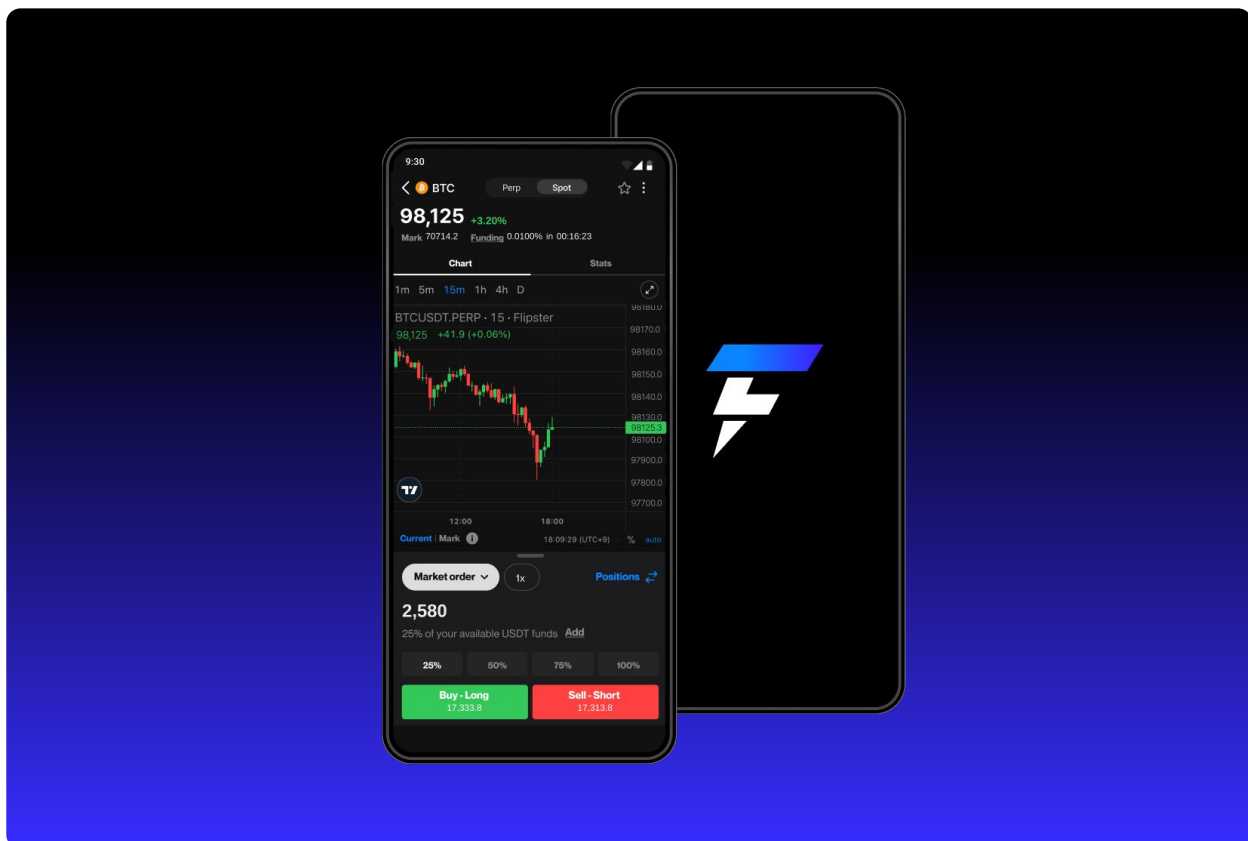
Chainalysis

Building Trust in Blockchains

About Chainalysis

Chainalysis is the blockchain data platform, making it easy to connect the movement of digital assets to real-world services. Organizations can investigate illicit activity, manage risk exposure, and develop innovative market solutions with deep blockchain data insights. Our mission is to build trust in blockchains, blending safety and security with an unwavering commitment to growth and innovation.