

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. C-24-0059**

**IN THE MATTER OF:  
WEEX INTERNATIONAL EXCHANGE LTD**

**RESPONDENT**

**REQUEST FOR CEASE AND DESIST ORDER**

The Staff of the Arkansas Securities Department (“Staff”) has received certain information and has in its possession certain evidence indicating that WEEX International Exchange LTD (“WEEX”) has violated provisions of the Arkansas Uniform Money Services Act (“AUMSA”), Ark. Code Ann. § 23-55-101 through Ark. Code Ann. § 23-55-1007.

**ADMINISTRATIVE AUTHORITY**

1. This matter is brought in connection with violations of the AUMSA and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-55-803.

**RESPONDENT**

2. WEEX claims to operate an industry-leading cryptocurrency trading platform via its publicly accessible website, <https://www.weex.com/>. WEEX’s trading platform is also accessible through its app, which can be downloaded from the Apple App Store and Google Play Store.
3. WEEX does not provide any information on its website regarding its principal place of business or the jurisdiction of its entity formation. However, WEEX provides a copy of its Money Services Business registration pursuant to the Bank Secrecy Act (BSA) regulations at 31 CFR § 1022.380(a)-(f), administered by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (FinCEN) (U.S. MSB Registration No. 31000285521587). In its U.S. registration, WEEX claims its business address is 4255 South Buckley Road, Suite 1296,

Aurora, Colorado 80013. This was verified by a corporation filing made by WEEX with the Colorado Secretary of State.

4. The Staff sent a Notice of Intent letter to WEEX via certified mail to its Colorado address to provide notice of the Staff's intent to file an action with the Commissioner and to allow WEEX time to reconcile its violations of the AUMSA. However, the Staff did not receive a signed green card indicating the letter had been delivered.
5. WEEX's address is a shopping center in Colorado. The Staff was unable to locate any record of WEEX conducting business at that address. Several other entities also use the same address for their principal places of business. The Staff concluded that WEEX was likely not conducting business from its listed Colorado address.
6. On its U.S. MSB registration, WEEX claims that it can conduct MSB activities in Arkansas. However, a review of Arkansas Securities Department ("Department") records revealed that WEEX is not licensed in Arkansas as a money transmitter under the AUMSA.

#### **FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER**

7. On its website, WEEX claims it is designed to cater to a wide array of trading needs. It claims to offer the following trading services: 1) spot trading; 2) futures trading; 3) over-the-counter ("OTC") trading; and 4) copy trading. WEEX boasts that its trading services are user-friendly for both beginners and experienced traders and are accessible to traders at a low cost.
8. WEEX claims its platform supports over 100 cryptocurrencies, including, but not limited to, BTC, ETH, DOGE, XRP, SHIB, and PEPE. WEEX entices traders by offering trading fees as low as 0.02% for makers and 0.06% for takers on the future market, as well as offering zero fees for spot trading.

9. To take advantage of the WEEX platform, a trader must create an account and purchase cryptocurrency to trade. WEEX provides traders with step-by-step instructions on how to purchase the different cryptocurrencies it promotes. Though the instructions differ slightly for each cryptocurrency, each description states that there are numerous payment options available to a trader via Ripple (NMLS #2314015), a licensed money transmitter providing cross-border payment services and the ability to engage with tokenization and digital assets. However, WEEX recommends a trader purchase a stablecoin.
10. Once a trader purchases their cryptocurrency, WEEX states there are two main ways to handle their cryptocurrency. First, a trader can store their cryptocurrency in their WEEX account. WEEX states that by storing assets in their accounts, traders have quick access to spot and futures trading. WEEX says it will serve as the custodian of the trader's assets. Second, a trader can deposit their cryptocurrency to an external, decentralized wallet.
11. In addition to offering over 100 cryptocurrencies, WEEX also offers and sells its own native token, WXT. WEEX describes WXT as a cornerstone of the WEEX ecosystem and a dynamic incentive mechanism.
12. A review of Department records found that WEEX is not licensed with the Department in any capacity to engage in the business of money transmission in Arkansas. Additionally, there is no record of WEEX seeking an exclusion from licensure under Ark. Code Ann. § 23-55-103 of the AUMSA.

#### **APPLICABLE LAW**

13. Ark. Code Ann. § 23-55-102(13)(A) defines "money transmission" as selling or issuing payment instruments or stored value to a person located in this state; facilitating, selling, trading, transferring, or converting virtual currency or monetary value in this state; or receiving money for transmission from a person located in this state.

14. Ark. Code Ann. § 23-55-201(a) states that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed under the AUMSA, is an authorized delegate of a person under the AUMSA, or is excluded from licensure under Ark. Code Ann. § 23-55-103 of the AUMSA.
15. Ark. Code Ann. § 23-55-807(a)(2) states that as a result of an investigation the Commissioner finds that a person has engaged or is about to engage in act or practice constituting a violation of the AUMSA or a rule or order under the AUMSA, the Commissioner may summarily issue a cease and desist under Ark. Code Ann. § 23-55-803.

#### **CONCLUSIONS OF LAW**

16. WEEX violated Ark. Code Ann. § 23-55-201(a) by holding itself out as providing money transmission services, as defined by Ark. Code Ann. § 23-55-102(13)(A), by offering a platform that facilitates the trading of virtual currency; by representing itself to traders as the custodian of their assets; by selling the virtual currency WXT; by claiming it can hold virtual currency on its platform as stored value on behalf of traders; by facilitating the converting of monetary value into virtual currency in order to purchase cryptocurrencies; and claiming it was capable of selling, transferring, and converting virtual or fiat currency needed to use the WEEX platform.
17. WEEX's conducts, acts, and practices violate the AUMSA and threaten immediate and irreparable public harm on an ongoing basis. Therefore, a cease and desist order is in the public's interest and is appropriate under Ark. Code Ann. § 23-55-807.

**PRAYER FOR RELIEF**

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order WEEX International Exchange LTD to immediately cease and desist from engaging in money transmission activities in the State of Arkansas until WEEX is properly licensed under the AUMSA; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,



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Arkansas Securities Department