

Why is Coinbase, while its transparency drives, being accused of Insider trading, again?

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Recently the cryptocurrency exchange Coinbase said to disclose the listing projects to boost transparency in the ecosystem

The biggest cryptocurrency exchange in America, Coinbase, has announced in a blog published on 11th April. It mentioned 50 altcoins that the exchange has under consideration for its next listing between 1st April to 30th June. The crypto exchanges its goal by trying to increase transparency to provide information symmetry as much as possible.

After the announcement of such noble steps for a good cause, some hoped increasing transparency would drive investors' confidence in a fair listing system of assets, but it didn't go as planned for long. In a short time period of publishing the announcement article by Coinbase, a crypto influencer Cobie announced that it had discovered a wallet having hundreds of thousands of dollars worth of named assets.

Crypto influencer went on to say that the assets in the wallet had been purchased just 24 hours before going live of the Coinbase article. Taking it sarcastically, Cobie wrote on his Twitter post on 12th April about finding an address belonging to ETH wallet with the purchase of hundreds of thousands of dollars worth of tokens that featured exclusively in the asset listing post of Coinbase 24 hours before it officially went public.

Later the detail came out which told the account had purchased tokens Indexed (NDX), DappRadar (RADAR), RAC (RAC), Kromatika (KROM), DFX Token (DFX) and Paper (PAPER) worth of approx \$400,000. The value of these tokens presumably increased since the announcement.

Frontrunning or insider trading in the traditional stock market is considered illegal malpractice and hence banned. But there's no such notion in the Crypto space related to frontrunning. Although a silent convention makes people stop doing so, there are so many incidents in space full of such instances.

Coinbase has also not been blamed for the first time for such, no matter its the first time for the crypto exchange to publish the releasing names list of its cryptocurrencies under consideration. In February, an incident happened similar to what happened currently before the listing of Aventus (AVT) and Pawtocol (UPI). At the time, a new wallet was created and then about a seven-figure sum of tokens was allocated to the address even before the listing announcement was officially made.

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Nancy J. Allen is a crypto enthusiast and believes that cryptocurrencies inspire people to be their own banks and step aside from traditional monetary exchange systems. She is also intrigued by blockchain technology and its functioning.



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