Skyline International for human rights

September 19, 2024

Richard Teng
CEO, Binance Holdings Ltd.

Dear Mr. Teng,

We are writing to seek urgent clarification on Binance's potential role in facilitating a digital **financial blockade** imposed by Israel against Palestinians, which exacerbates the ongoing economic and humanitarian crisis in Gaza. Specifically, we request that Binance publicly disclose the full details regarding the recent seizure of Palestinian cryptocurrency wallets, an action that has had devastating repercussions for users amidst a catastrophic humanitarian situation.

Recent reports allege that Binance froze all Palestinian cryptocurrency wallets at the request of the Israeli government during its current war on Gaza. While Binance **asserts** that "only a limited number of accounts linked to illicit transactions were blocked", the lack of transparency pertaining to this action, combined with the absence of due process and human rights due diligence prompts legitimate concerns. The extent of the so-called "illicit funds," the exact number of affected users in Palestine, and the appeal process for affected users remain unclear.

With Gaza's central financial system largely paralyzed and access to traditional financial institutions severely limited, cryptocurrency has become a **crucial resource** for survival and facilitating the delivery of urgent humanitarian aid during the ongoing genocide.

The abrupt freezing of these accounts—without prior notification, clear justification, or due process—calls into question Binance's commitment to transparency, user protection, and the potential targeting of Palestinian crypto users, especially given the crucial role cryptocurrencies now play in the humanitarian context.

In light of the above, we respectfully request that Binance publicly and transparently disclose a detailed information on the following matters:

1. It was stated that *"Only a limited number of user accounts, linked to illicit funds, were blocked from transacting"*. About this claim:
    a. How many Palestinian cryptocurrency wallets were frozen by Binance from October 2023 to date at the request of the Israeli government?

b. What percentage of the total number of accounts managed by Palestinians do the blocked accounts represent?

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2. Regarding the criteria for freezing accounts allegedly linked to illicit funds:
    a. What criteria were used to determine which Palestinian cryptocurrency accounts were frozen, and how does Binance ensure that only accounts linked to illicit activities are affected, while minimizing impact on legitimate users?
    b. How were these criteria communicated to the users whose accounts were frozen?
    c. Did Binance provide advance notice to affected Palestinian users before freezing their accounts? If so, how clear and detailed was this notification?

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3. On the process and right of users to appeal the decision:
    a. What steps can users take to appeal the freezing of their accounts?
    b. Is there a process in place for redress if it has been proven that the measure was unjust for a user?
    c. With Binance pledging to "continue to educate users on how to safely and securely transact on our platform", what specific actions are taken or are planned to improve user security since the freezing of Palestinian accounts?

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4. For Palestinians, the suspension of crypto funds exacerbates an already catastrophic situation, particularly in Gaza, where access to essential resources like water, food, and medical supplies is crucial. Has Binance conducted a human rights due diligence in relation to the humanitarian impact of freezing users accounts in Gaza? What, if any, actions has Binance taken to mitigate the effects on their ability to access essential resources and humanitarian aid?

Please provide a response to our questions by **September 30, 2024 at 12:00 PM CET**. If you need more time, please let us know. We also welcome the opportunity to meet with you to further discuss these issues at your earliest convenience.

Sincerely,

Skyline Skyline International for Human Rights
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Skyline International for Human Rights (**https://skylineforhuman.org**) defends digital freedoms and human rights on the internet in the Arab region. We empower vulnerable communities by monitoring and documenting online abuses, and amplify their voices through media coverage and advocacy to drive both regional and international pressure for a more open internet and online civic space.