



Written Statement of Michael Chobanian the President of Blockchain Association of Ukraine

Before the United States Senate Committee on Banking, Housing and Urban Affairs

“Cryptocurrency – the new defender of Freedom and Democracy”

Held on March 17, 2022 at 10:00 am EST.

My name is Michael Chobanian, and I am a Ukrainian fintech entrepreneur and crypto enthusiast. In 2014, I founded KUNA — Eastern Europe's first Bitcoin agency which has since transformed into a full-fledged cryptocurrency exchange with more than 450 thousand users worldwide.

On February 24th, the Russian Federation attacked my homeland with a full-scale war. . Thousands of civilians have been killed and hundreds of homes have been destroyed. By the Ministry of Finance's accounts, the damage from the Russian invasion has already amounted to \$500 billion dollars—and the number rises daily.

From the invasion's first moment, we at KUNA decided to act swiftly to help our army and the people who suffered most due to these horrific events. In collaboration with the Ministry of Digital Transformation and the Ministry of Defense, our team launched the official Crypto Fund of Ukraine to solicit cryptocurrency donations. The majority of funding comes through crypto assets such as Bitcoin and Ethereum, where AML technologies (e.g. Chainalysis, Crystal Blockchain) have been successfully implemented. All crypto that we received and converted was analyzed for illegal activity. These solicited funds are used to purchase much needed medical supplies, military equipment, and humanitarian aid here in Ukraine.

As of today, the Fund has collected more than \$50 million dollars in donations, while shooting for a \$100 million dollar goal.

One of our top priorities throughout this fundraise was to ensure the transparency of the donation process. While KUNA is providing the technological platform for crypto donations, the Ukrainian government - specifically, the Ministries of Digital Transformation and Defense have ultimate control of the funds and it is they who are responsible for the fund's distribution. KUNA is serving a strictly technical and organizational role in the fundraising process and coin management - crypto banking.

I would also like to address the sanctions many crypto platforms are currently imposing on Russia-based crypto accounts. Being the founder of a crypto exchange and a Ukrainian patriot, I have decided to cease all support for the Russian ruble on KUNA. Although it wasn't an easy decision, I believe it was the right one. We can't support Russia while Ukrainian people are being killed and cities are being bombed and attacked by ballistic missiles. Many crypto platforms adopted similar initiatives such as blocking the accounts of sanctioned Russian officials and businessmen who support Putin's regime.

I am sure that you will do everything possible to protect Ukraine, Europe, and the entire democratic world from bloody authoritarian Russian aggression. To stop Russia in its tracks, and to bring about a more democratic world with personal freedom through cryptocurrency, we appeal to crypto exchanges worldwide, including Binance, to block any interaction with sanctioned individuals until the fall of Putin's regime and end of aggression against Ukraine.

Nevertheless, crypto remains a viable option for Russians who oppose the war and wish to stand up against Putin's regime. The ruble has already reached historical lows and keeps falling, while Russia's GDP has lost \$30 billion, or 9%, in 2022. Many civilians justifiably fear the seizure of retail deposits and want to protect their capital. Purchasing digital assets is an effective means by which ordinary Russian citizens can demonstrate their opposition to Putin's regime by moving their savings out of the financial system of the Russian ruble.

By concluding, I would like to thank the U.S. Senate for the opportunity to stand here and speak on these vital issues. Our nation is eternally grateful for all the help given by our international friends and partners. I truly believe that the unprecedented global unity and support for Ukraine during this unmerited, unwanted, and unnecessary bloodshed can put and end to Putin's reign of terror and lead to an even brighter future for tomorrow.

Slava Ukraine!

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