Twitter Thread by David Fauchier

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Some thoughts on this super inaccurate piece.

tl;dr: this is not a defence of Tether/ iFinex, who I would like nothing more than to see disappear into irrelevance. However, most of the conclusions here show zero understanding of crypto market

1. First up: it's completely inexcusable that Tether refuse to have a 3rd party audit. I can't find a single good faith reason for this.

Bitfinex GC recently did a superb job of sidestepping that question on WBD: https://t.co/3mQzWmjEQ1

2. For better or worse, USDT (tether) started as a way for people to move fiat between exchanges (a major problem) in the absence of the ability to onboard banking partners, none of whom wanted to touch crypto. USDT is now the dominant stablecoin by mkt cap & liquidity.

3. As a result of the difficulty of having a fiat on/off rail, many exchanges, like Binance, chose to be 'crypto only', using stablecoins in lieu of fiat. This is why the majority of inflows into BTC (article says 70%) is via USDT

4. Unbanked exchanges are in aggregate larger than banked ones. This is true, but it's not because of a giant conspiracy to steal your BTC. Being unbanked = real regulatory arbitrages (lower cost + ability to innovate fast), and lower barriers to entry means there's more of them.