

## 7. Kraken



As old as cryptocurrencies themselves, Kraken was established in July 2011. Based in the USA, the platform has built a solid reputation over the years. Currently, it supports cryptocurrencies, derivatives, stable coins, tokens, and fiat. All in all, it's active in over 121 markets with a trading volume of over \$200 million over the past 24 hours.

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Operating since 2011, San Francisco-based Kraken is widely considered to be among the top cryptocurrency exchanges in the world. As Kraken itself boasts, the exchange is 'consistently rated the best and most secure Bitcoin exchange by independent news media'. While which is 'the best' cryptocurrency exchange is, of course, a very subjective label, it is certainly the case that Kraken is among those widely considered as the most sophisticated, reputable and secure by participants and observers of cryptocurrency markets.

Kraken has the highest euro volume of Bitcoin trading of any exchange and is consistently within the top 10 crypto exchanges internationally for both Bitcoin and trading volume across all cryptocurrencies supported. It was also the first crypto exchange to have its data (trading volumes and prices) incorporated into the Bloomberg Terminal.

As well as Bitcoin trading, the other cryptocurrencies supported by Kraken are:

Ethereum (ETH), Bitcoin Cash (BCH), Monero (XMR), Dash (DASH), Litecoin (LTC), Ripple (XRP), Stellar/Lumens (XLM), Ethereum Classic (ETC), Augur REP tokens (REP), ICONOMI (ICN), Melon (MLN), Zcash (ZEC), Dogecoin (XDG), Tether (USDT), Gnosis (GNO), and EOS (EOS).

In terms of the actual trading software through which cryptocurrency buyers and sellers make transactions, Kraken has historically been considered to be good but not without room for improvement. The exchange has been known to encounter problems at times when traffic and order volumes peak. However, immediately prior to this review being written, Kraken released a full update to its trading platform. This new update is expected to improve both usability and solve the issue of site crashes at peak trading times.

As well as standard buying and selling of cryptocurrencies, Kraken also offers more experienced traders additional services such as margin trading with up to x5 leverage and the option to take a short position.

Kraken has continuously added value-added market data and trading tools to its platform, often through acquisitions, such as last year's purchase of live cryptocurrency price streams and charting specialist Cryptowatch.

For mobile trading an iOS app is available but unfortunately, and for no obvious reason, there is no Android App.

Deposits and withdrawals into and from a [Kraken trading account](#) or wallet can be made in U.S. dollars, Canadian dollars, euro and Japanese yen, as well as the cryptocurrencies that can be traded via the exchange. Deposits and withdrawals can only currently be made via bank or wire transfer and not from debit or credit cards or digital wallets such as Paypal or Skrill. The exchange says the reason for this limitation is that the near-instant and practically irreversible nature of cryptocurrency transactions means the risk of

fraudulent transactions is too high for the exchange to currently offer these deposit and withdrawal methods.

## Fees and Charges

Fees and charges can be broken down into those in relation to making deposits and withdrawals and those incurred in the trading process. Deposit and withdrawals fees are as follows:

### Deposit options and fees

- EUR SEPA Deposit (Free) – EEA countries only
- USD Bank Wire Deposit (\$5 USD) – US only
- EUR Bank Wire Deposit (€10) – outside US only
- USD Bank Wire Deposit (\$10 USD) – outside US only
- JPY Bank deposit (Free, ¥5,000 deposit minimum) – Japan only
- CAD Wire Deposit (Free)

### Withdrawal options and fees

- EUR SEPA Withdrawal (€0.09) – EEA countries only
- USD Bank Wire Withdrawal (\$5 USD) – US only
- USD Bank Wire Withdrawal (\$60 USD) – outside US only
- EUR Bank Wire Withdrawal (€60) – outside US only
- JPY Bank withdrawal (¥20) – Japan only
- CAD EFT Withdrawal (\$10 CAD fee, \$25K CAD daily max) – Canada only

Trading fees are tiered so drop as trading volumes increase and also vary between what currency pair is being traded and the kind of trading ie. Standard, margin-based etc.

Kraken's trading fees, as well as those for making deposits and withdrawals, are generally considered to be towards the lower end of the scale when it comes to exchanging averages.

# Privacy and Security

Security levels on Kraken are generally considered to be very high. However, Kraken does require higher levels of personal identity verification of its account holders in comparison with some other cryptocurrency exchanges. This is to a large extent connected to whether account holders wish to be able to make deposits and withdrawals in fiat currencies as well as cryptocurrencies, as Kraken voluntarily operated in line with general banking standards in this regard. There are different tiers of accounts that are based upon the level of personal identity verification provided and maximum deposit and withdrawal values are also related to this due to money laundering considerations. The minimum, Tier 1, account requires users to provide their full name, date of birth, country of residence and phone number verification. This allows only cryptocurrency-denominated deposits and withdrawals with a ceiling set at the equivalent value of \$2500 a day or \$20,000 each month.

Tier 3, which allows for fiat currency deposits and withdrawals from nationals of all countries, means providing a valid government-issued ID and recent proof of residence and address and Tier 4, which is for higher volume traders requires the same kind of dossier of documents as would be expected by a bank of the regulated financial institution.

Fiat withdrawals and deposits values rise to \$25,000 a day (\$50,000 for cryptocurrencies) and \$200,000 per month (also for cryptocurrencies). Tier 4 accounts have no deposit or withdrawal value limitations.

Security measures in place to protect funds from being hacked are very high. Deposits and funds held on the account are done so in 'cold storage' wallets which are isolated from all online systems. Accounts themselves are protected by security systems such as 'two-factor' authentication so no-one will be able to log in to a user's account unless they have access to both usernames and passwords and an 'authentication Master key'. High levels of encryption are also used.

Security in terms of Kraken's liquidity is also extremely high. The exchange maintains full reserves so there is no possibility of a 'bank run' compromising liquidity and all customer funds are entirely separated from operating funds and accounts.

# Customer Support

Kraken offers 24/7 customer support via email and online chat, though no telephone number is provided. Feedback around support is not great and generally considered to area Kraken could do most to improve on, with the time required to receive a response the most commonly criticized element.