

What is the WBTC FUD all about?

- In about -60 days, BitGo (current WBTC custodian) and BiT Global (a regulated trust and company service provider headquartered in Hong Kong) are creating a joint venture
- BitGo will become a minority shareholder in the new joint venture
- Justin Sun will be partnering with both BitGo and BiT Global (it is currently unsure what his exact involvement/role will be)
- Came as a shock to everyone, because no one was informed prior to this merger decision, nor was it discussed with anyone, not even the co-founders of WBTC or the DAO

Who/What exactly is BiT Global?

- Short answer: I don't know
- Have tried my best but I could not find a speck of information about this company/trust fund online. Googling "BiT Global" (or "BiT Global HK") only gave me a tier 5 exchange also named BitGlobal, which is a branch exchange under Bithumb (a South Korean exchange) and based in Seychelles, not HK, so it's probably not the HK custodian BiT Global. Have even tried changing my vpn and search results to HK, no luck
- Best case scenario, it's an under-the-radar company that has only operated locally in HK up till now. Worst case scenario, it's completely made up vapor-ware (like 99% of crypto xD)

A twitter space was held on 14 Aug 2024, 11 am SGT/HKT, by weremeow to have a discussion about this merger, and clarify certain pressing issues. Who exactly was on this twitter space?

- @weremeow | Jupiter Exchange founder & Co-founder of WBTC
- @mikebelshe | CEO of BitGo & Co-founder of WBTC
- @justinsuntron | Founder of HTX and Tron
- @loi_luu | Founder of Kyber & Co-founder of WBTC
- @TheCryptoData | no idea who

- @RLiu321 (Rob Liu) | Supposed Board Director of BiT Global (unable to confirm)
- @maxwellf28 (Maxwell) | Supposed CEO of BiT Global (unable to confirm)

More on Rob Liu and Maxwell:

Rob Liu (Board Director of BiT Global):

- His twitter page has 0 posts, 7 following, 25 followers, created Aug 2024 (as of time of writing)
- Claimed to have over 20 years of experience in tradfi, including working for Citigroup

Maxwell (CEO of BiT Global):

- His twitter page has 0 posts, 2 following, 15 followers, created Aug 2024 (as of time of writing)
- Said he created his twitter account on 13 Aug 2024 just to be able to attend the twitter spaces (would assume the same for Rob Liu)
- Claimed to have background in Barclays & IBM

It is of note that both their twitter profile banners are the same (as of time of writing, image shown below), which I assume is BiT Global's logo. Did a quick reverse image search with Google, Yahoo, Yandex, Baidu. Nothing even remotely similar came up. Would be prudent to assume that they got this imagine off paint.exe



More on BiT Global (according to Rob Liu & Maxwell):

- Rob Liu claimed that BiT Global has been around for a "number of years"
- He said that this joint venture is the first international project for BiT Global, and the first project to really put their name out there on international space (doesn't really explain their lack of visibility/website online)
- He also mentioned that prior to this merger, BiT Global did custodian services for a "few exchanges including licensed and regulated exchanges", but then failed to mention the names of any exchanges
- Maxwell later reiterated this point as well (again failed to mention any names of the exchanges), claimed that their AUM is in the billions

How is the security of WBTC changing due to the merger?

- BitGo is currently the main custodian for WBTC
- The underlying collateral (BTC) is secured by a 2-of-3 multisig, of which BitGo currently holds all 3 keys
- New merger will result in BiT Global holding 2 keys, with BitGo only holding 1
- Still the same 2-of-3 multisig
- Under normal operations, all txns will be co-signed between BitGo and BiT Global (i.e. BitGo using 1 key, BiT Global using their 1 of 2 keys)
 - However, this means that it is theoretically possible for BiT Global to act in bad faith and steal all current/future BTC collateral (154K BTC/\$9.4B USD as of writing), since they have the minimum required 2-of-3 keys

Why give an unknown company like BiT Global 2 keys?

- Meow directly asked why the less trustworthy/less well known BiT Global will have 2 keys instead of BitGo having 2 keys

- Mike (BitGo CEO) dodged question and said "I don't want to answer directly", starting yapping about how there will always be a weak point in security no matter what they do
- Meow asked AGAIN why not BitGo hold 2 keys instead
 - Mike yapped AGAIN about how they will still be cosigning txns (not even the issue here) and how the security model hasn't changed and is still the same (again not even the issue here)
- Meow later mentioned again for the THRID TIME that the main concern most people would have is BiT Global holding 2 of 3 keys (effectively having 100% control)
 - Mike yapped again for the THRID TIME that technology is still the same and BitGo will still be cosigning txns (seems like an awful lot of dodging the question, he would make a good politician)

About Justin Sun's involvement:

- Was mentioned that Justin Sun is not an employee of BiT Global (but unsure if related i.e. advisor etc.)
- When asked what Sun's intentions were in this joint venture, he claims himself as a builder, and wants to expand the reach of WBTC, including making native WBTC available on more chains like SOL (instead of wormhole bridged WBTC), and make the minting/burning process easier and available to more merchants

Why have the keys split among different jurisdictions?

- Mike (BitGo CEO) said having multijurisdictional keys will prevent a political situation where if the policy of a country turns unfavorable and all keys happen to be held in that one country, it could lead to authorities confiscating all assets

- Meow then asked if this is the case, then since BiT Global has 2 keys, it would still theoretically be possible for HK authorities to say "fuck you" and seize all assets
 - Mike then responded with "the reality is that no one knows the exact legal answer, because it hasn't been educated in the court systems"
- Meow then called him out AGAIN and specifically said that "if 2 keys are with one entity (BiT Global), theoretically the overseer of that entity (HK) CAN do stuff"
 - Mike then said "security is never fixed to a point in time", then talked about how "there's no freaking way that one regulator is just gonna kowtow to the other one (in a different jurisdiction) without a lot of conversation" (again dodging the issue that in this case HK will hold 2 keys and thus 100% control without the need to even interact with another jurisdiction)
- Meow then brought up AGAIN the point that bitglobal having 2 keys in HK does negate a lot of the benefits of multijurisdictional security
 - Mike then said "what you said is not accurate" (contradiction himself that bitglobal will hold 2 keys?)
 - Mike then said "there's 3 different jurisdictions, HK, SG, US, and we got 2 different regulated entities (i'm assuming BitGo and BitGlobal), which is HK and the US, the other one is not regulated yet (i'm assuming a company in SG), maybe there's a reason why"
- Meow then clarified if the end goal is to have 1 key in US, HK, and SG each, to which he says yes (but yet fails to mention WHEN they plan to move 1 of HK's 2 keys to SG and WHO in SG is going to hold that key, so as of now seems like HK will still have 2 keys)

Why the sudden announcement? Surely BitGo could have at least held a discussion with some DAO members before going through with this merger?

- Someone asked (not sure whose voice) why this merger decision out of a sudden, without any prior discussions/engagement with any community members or even the DAO

- Mike then said "the problem is when you start to think about the practicality of how to have this discussion in any kind of form, even private, it's just really hard to keep control, and we don't want to have a half-baked communication etc." (they literally have a fking DAO LMAO, just seems even more shady now IMO)

Extra tin-foil hat thoughts:

- Mike mentioned that WBTC (and by extension BitGo) doesn't make a lot of fees
 - Possibly succumbed to financial greed hence the shady partnership with BiT Global and Justin Sun? (he is a billionaire after all)