

Japan's crypto exchange to refund to customers after theft

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Japan-based virtual currency exchange Coincheck said Sunday it will

refund about \$400 million to customers after hackers stole hundreds of millions of dollars' worth of digital assets.

The company said it will use its own funds to reimburse about 46.3 billion yen to all 260,000 customers who lost their holdings of NEM, the 10th biggest cryptocurrency by market capitalisation.

On Friday, the company detected an "unauthorised access" of the exchange, and later suspended trading for all cryptocurrencies apart from bitcoin.

The resulting 58 billion yen (\$530 million) loss exceeded the value of bitcoins which disappeared from MtGox in 2014.

The major Tokyo-based bitcoin exchange collapsed after admitting that 850,000 coins—worth around \$480 million at the time—had disappeared from its vaults.

The high-profile demise of MtGox failed to douse the enthusiasm for virtual currencies in Japan, which in April became the first country in the world to proclaim it as legal tender.

Nearly one third of global bitcoin transactions in December were denominated in yen, according to specialist website jpbitcoin.com.

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Many Japanese, especially younger investors, have been seduced by the idea of strong profits as the economy has seen years of ultra-low interest rates offering little in the way of traditional returns.

Major Japanese newspapers on Sunday labelled the management of [virtual currencies](#) at Coincheck as "sloppy" and said the company had "expanded business by putting safety second".

Local media added the Financial Services Agency was expected to take disciplinary measures against Coincheck, which proclaims itself "the leading [bitcoin](#) and cryptocurrency exchange in Asia", following the theft.

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