



Coiniran Exchange Benchmark Report



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Missions of the research

Missions

The Coiniran Exchange Benchmark was published for the first time in the fall of 2020. The purpose of this ranking was to increase transparency and improve the performance of Iran-based Cryptocurrency Exchanges. The unparalleled response of users and Exchanges to this ranking indicates that we have achieved some of our primary goals. In the latest update of this ranking, we developed our first methodology and evaluated 24 Iranian Exchanges.

In this ranking, a creative methodology has been developed in which Iranian Exchanges have been studied subject to eight different perspectives. With a combination of 80 qualitative and quantitative metrics, a quantitative score and a qualitative mark were considered for each Exchange. We believe that this ranking is a good criterion for identifying Exchanges with lower risks in Iran.

What is Coiniran Benchmark?

This ranking gives each Exchange a quantitative score and a quality mark. Low - risk Exchanges are those that have a score of 70 or higher. Consequently, using them will be less risky.

Exchanges with a score above 60 are considered medium-risk exchanges and, those with a score below 50 are considered high-risk exchanges.

What Coiniran Benchmark is not?

This ranking does not indicate the permanent and inherent superiority of one Exchange over other Exchanges. It also does not introduce a suitable place for investment and user exchanges. The purpose of this study is to increase transparency and improve the performance of Iranian Cryptocurrency Exchanges.

Market volume is misleading

We believe that the evaluation of a Cryptocurrency Exchange should not be only based on its market volume, but should be based on the quality of services and transparency of information in it. Volume and liquidity can be easily manipulated.

Exchanges can easily increase the volume on their platforms by using incentive mechanisms such as trading competitions and airdrops. Therefore, in order to better analyze the quality of an Exchange, a set of different metrics must be considered.

That is why our ranking has seven main metrics and two sub-metrics and tries to evaluate the quality of Iran-based Cryptocurrency Exchanges from different perspectives. By using the aggregate score of each collection, this ranking divides Iranian Exchanges into three categories: low-risk Exchanges, medium-risk Exchanges, and high-risk Exchanges.

Who is the target for this Research

- **Exchanges** according to this competitive Report, can improve their services and be informed about users' preferences and market trends.
- **Investors** by studying this research, can consider the investment risk in any Exchange.
- **Investors** who want to set up a cryptocurrency Exchange and need advices.
- **Service providers** such as insurance companies, law firms and Wallet providers that want to have a better understanding of the quality of Exchanges.
- **Governments** who want to legislate for this new field or to be better aware of the quality of these Exchanges.
- **Users** which are the primary and final goal of this research and can refer to this ranking to be aware of the quality of their favorite Exchange and identify a suitable place for their risk appetites.

Major Changes From The Fall Ranking



Key changes to our Ranking Methodology



“Investment” and “Trade Surveillance” metrics are combined and studied in one metric named “Custody and monitoring”.



In the “security” metric a parameter has been added to the effective parameters.



Data collection methods were updated and information was extracted in a codified and mechanized manner.



The market daily volume of exchanges is presented.



The correlation between the Coiniran ranking and the Market Quality metric has been studied.



Comparative figures are presented major changes in the score of Exchanges since the last report.



The “Market Quality” parameter has developed.



Data for three main markets of exchanges, which are BTC, ETH and USDT, are evaluated and presented.

Noticeable Results

- Low-risk Exchanges: **Exir**, **Nobitex** , **Wallex** and **Ramzinex**
- Low-risk exchanges account for **82%** of the daily volume of the BTC market.
- The number of low-risk Exchanges has increased compared to the previous report.
- The number of med-risk Exchanges has increased compared to previous report.
- No hacking attacks has reported and the security of Exchange has improved.
- Transparency of information provided by Exchanges has increased. Nearly 45 percent of the Exchanges provided their API documentation.
- KYC and user identity standards are carried out at a high level by Exchanges. Authentication is required for 100% of Exchange registrations.
- Exchange complies with more legal considerations, but only zeros percent of Exchange are legally registered as a financial institution.

Exchange Ranking – Top 10

rank	exchange	Incentive	Negative reports (-5)	Surveillance and investors (+5)	Managemet (10)	User experience (15)	Data provision (15)	Market quality (20)	Security (20)	Legal (20)	Total
1	Exir	7.4	5	1.25	99	73.9	88	62.8	69	54.6	67.71
2	Nobitex	7.23	5	0	87	86.6	74	74.9	58	60.6	66.51
3	Wallex	7.83	5	2.5	87	75.6	74	69.9	57	44.6	62.94
4	Ramzinex	8.14	5	0	72	75.8	78	66.5	66	54.6	62.71
5	Mazdax	6.13	5	1.25	71	75.7	74	48.9	66	53.6	59.51
6	Coinnik	5.98	5	0	72	75.4	74	62.8	64	47.6	59.50
7	Arzpaya	5.89	5	1.25	93	64.4	68	65.1	56	40.6	57.75
8	Bitpin	6.87	5	1.25	87	81.07	43.38	49.5	64	50.6	56.45
9	Ok-ex	5.72	5	1.25	55	78.5	60	61.8	55	42.6	54.41
10	Bidarz	3.73	5	1.25	81	72.7	42.96	48.6	62	48.6	53.55

Ranking Methodology Overview



Ranking Methodology Overview

Objectives



Market quality

We evaluated the Market quality of Exchanges by considering five independent parameters. The information we need in this section is extracted from the order book and trade Endpoint list of Exchanges.

Our goal was to evaluate the liquidity, depth, natural behaviors and stability of the markets of Exchanges.

In this section, three markets with the highest amount of liquidity namely, BTC, ETH and USDT markets, have been studied. The points in this section have been awarded to Exchanges in a comparative manner. Finally, we have obtained a score for the market quality of each Exchange, which we believe is a good amount to compare the overall market quality in Iranian cryptocurrency Exchanges.

Scoring system

A scoring system has been considered for this research in order to be able to assign a quality standard from A to E according to the points obtained to the Exchanges.

Scope and objectives

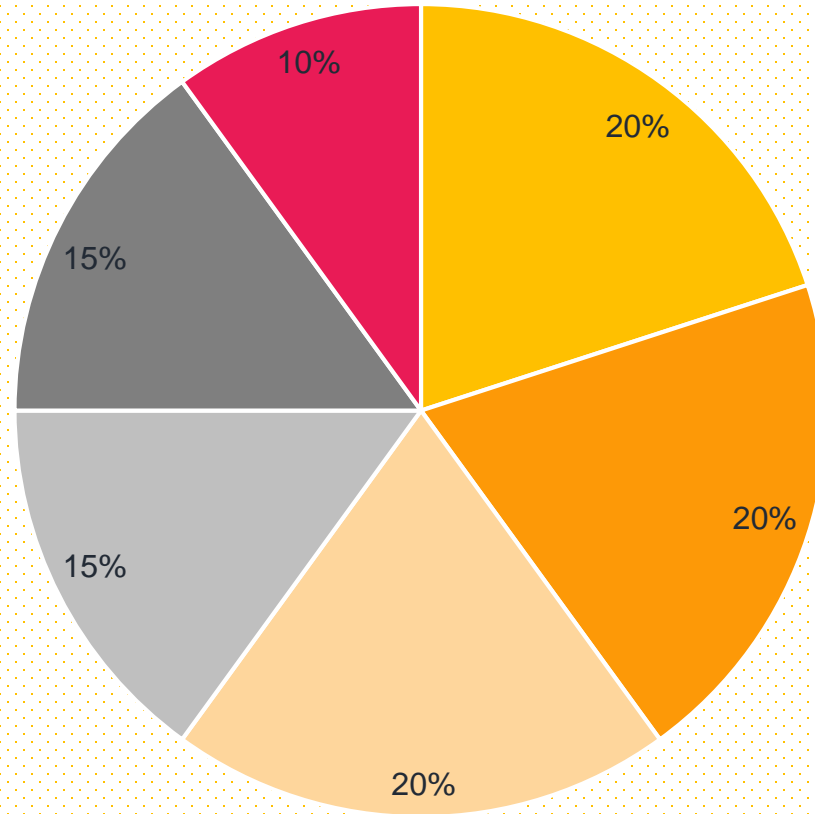
We have combined 68 qualitative and quantitative parameters to study 24 cryptocurrency Exchanges operating in the Iranian market. Each metric is turned into a series of numbers based on specific critical points, and specific intervals are developed to classify them. The impact factor intended for these parameters is such that it does not specify an exchange rating index and, fair scoring is done.

Methodology Overview

Main Metrics

The final ranking consists of the following components with the indicated impact factors.

- 1 Legal compatibility
- 2 Security
- 3 Market quality
- 4 Data provision
- 5 User Experience
- 6 Exchange Management



Methodology Overview

Extra metrics

In our ranking system, there are two metrics with the titles (Custody and Monitoring) and (Negative reports), the first of which is considered as an incentive point and the second as a punitive point.

The “Custody and Monitoring” metric evaluates the quality level of investment companies in each Exchange and also examines the quality of Exchange monitoring tools on user trades. This index adds up to five points to desirable Exchanges.

The metric of Negative Reports is based on the reports received by the Research team as well as users' complaints against Iranian Cryptocurrency Exchanges. This index gives up to 5 negative points to Exchanges that deserve it.

Methodology Overview

Sub metrics (1)



Legal Compatibility

- Diversity
- Stability
- Spread
- Liquidity
- Natural behavior



Security

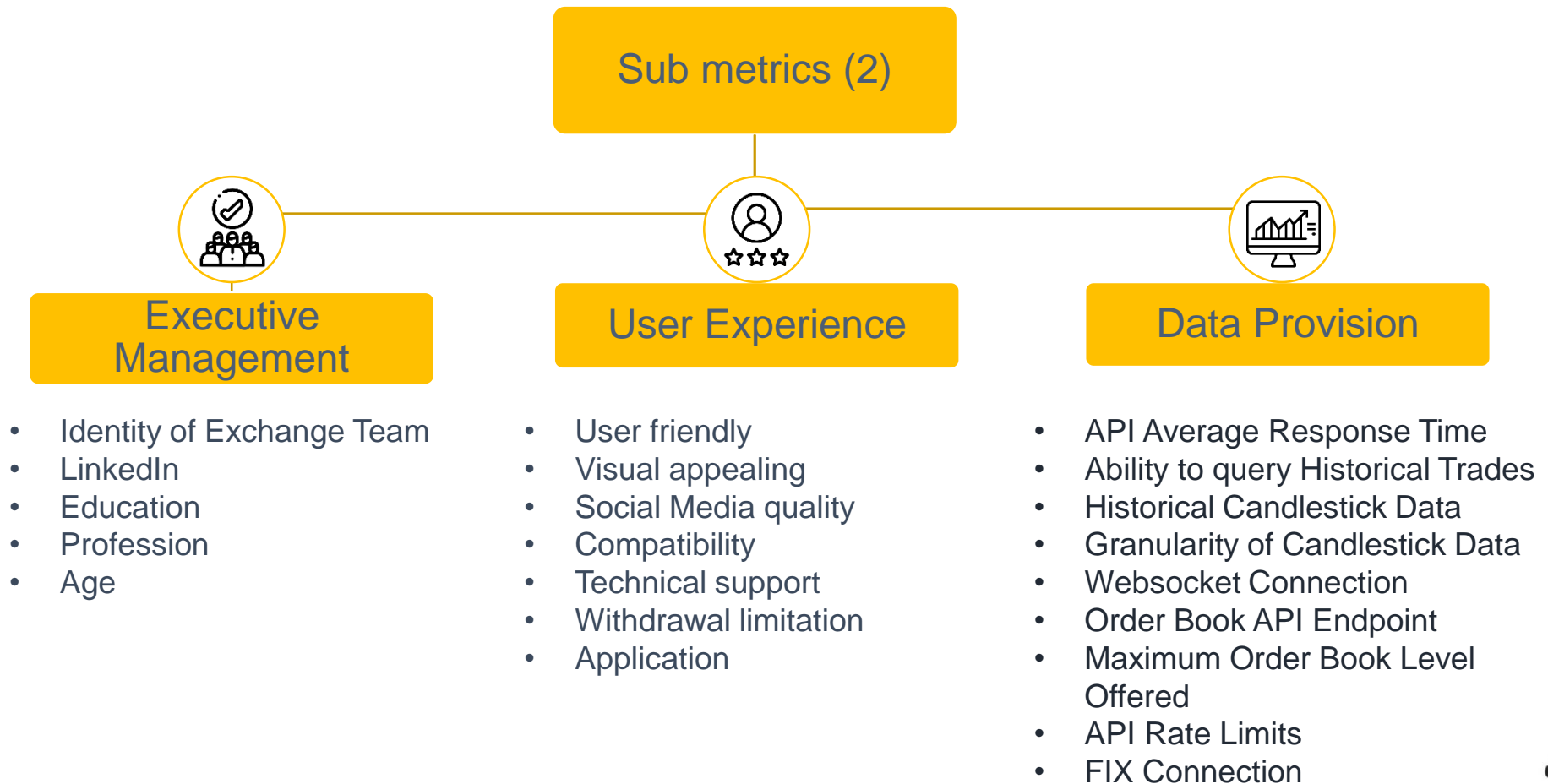
- Formal Security Certification
- SSL Rating
- Cold Wallet Storage
- Cold Wallet Storage Ratio
- HD Wallet
- Geographical Key Distribution
- 2FA
- Custody Providers
- Hacks



Market Quality

- Legal Name
- Country Risk
- Exchange Regulation
- Registered as MSB
- KYC/AML
- Member of industry group
- Insurance against losses
- On-chain monitoring
- Chief Compliance Officer

Methodology Overview



Methodology Overview

Sub metrics (3)

Incentive Mechanism

- Trading Competitions
- Airdrops
- Transaction-Fee Mining
- Zero Transaction Fees
- Margin Trading

Negative Reports

- Direct Reports
- Reports in social Media
- Polls

Custody and Monitoring

- Internal trade monitoring tools
- External trade monitoring tools
- Big financial Investors
- Small financial Investors

Methodology Overview

Main Metrics

Time Period:
11 November – 1 March

Sources:
LinkedIn Profiles-Exchange
Websites - GitHub/Other API
Documentation - Companies
Houses - World Bank -
Transparency International -

Method:
Manual Data Collection,
Google Form

Market quality (Trade)

Time Period:
28 October– 11 November

Sources:
REST API (Trade list)

Method:
REST API polling on exchanges

Frequency:
Two times per day

Market quality (Order book)

Time Period:
28 October– 11 November

Sources:
REST API (Order books)

Method:
REST API polling on
exchanges

Frequency:
Two times per day

Data Collection

Methodology Overview

Grading

Threshold	Grade
Above 80	A plus
70 - 80	A
60 - 70	B plus
50 - 60	B
40 - 50	C
30 - 40	D
Below 30	E

Results



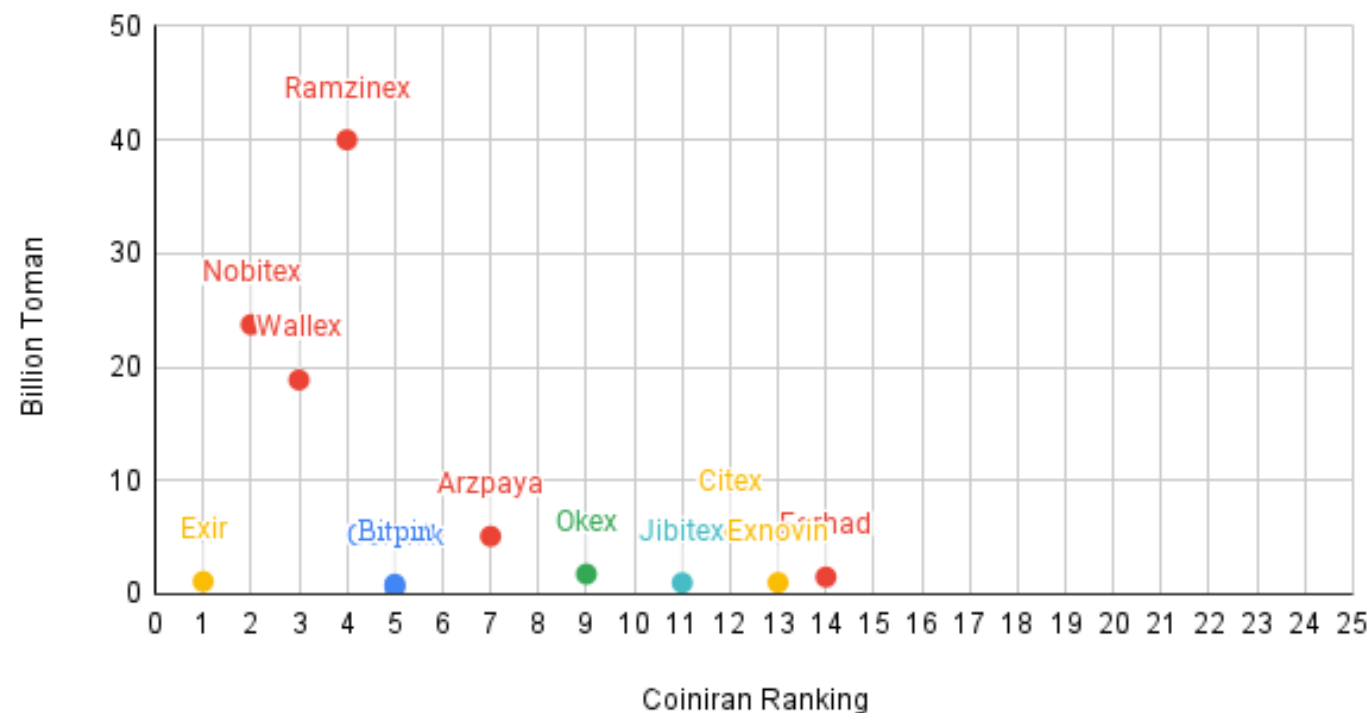
In general, there is an exponential relationship between the Coiniran ranking and the daily volume of the Exchanges. In this sense, it can be expected that Exchanges with higher volumes have higher quality and thus a better score.

Although a permanent relationship cannot be considered, more market volume does not necessarily mean a higher quality of exchange.

Note: A clear need to consider other metrics in addition to the market volume of Exchanges can also be deduced from the graph.

Coiniran Ranking and Market Volume

Coiniran Ranking vs. Market volume



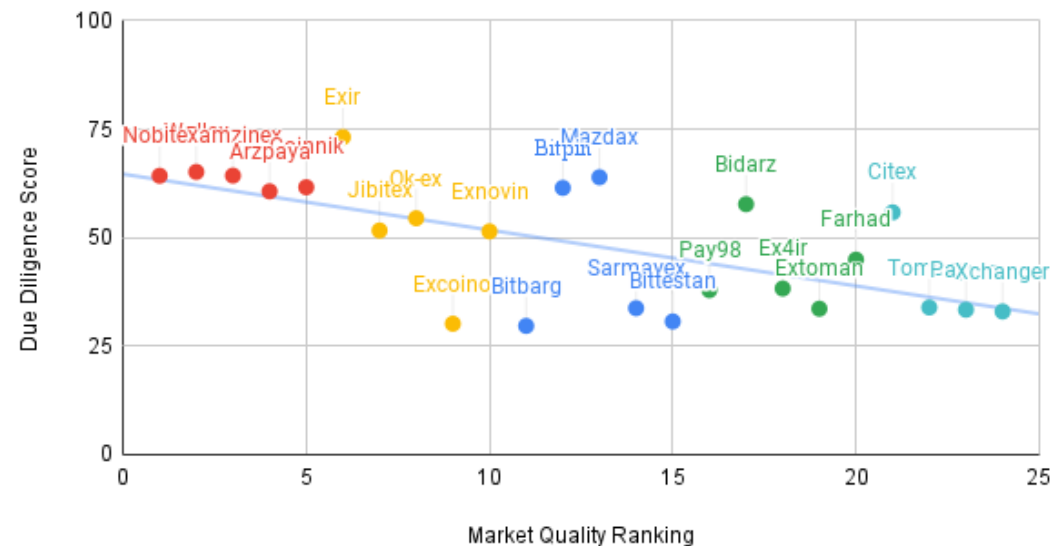
Market quality and Due diligence Score

This ranking shows a positive correlation between the market ranking of Exchanges and their due diligence score.

Although it is not possible to consider a permanent relationship, it is possible to estimate the market ranking of Exchanges from their due diligence scores.

Note: Due diligence score is obtained from the aggregate score of Exchange from all parameters minus the market quality metric!

Due Diligence Score vs. Market Quality Ranking



Exchange share of the daily market volume

26

The results of our study show that low-risk Exchanges have a larger share of the daily market in Iran. The three exchanges of Exir, Nobitex and Ramzinex, according to the figure, occupy more than 64% of the market volume. Medium-risk Exchanges also account for 27% of the market.

Note: There is still a significant volume (about 8.4%) of cryptocurrency exchanges in high risk exchanges!

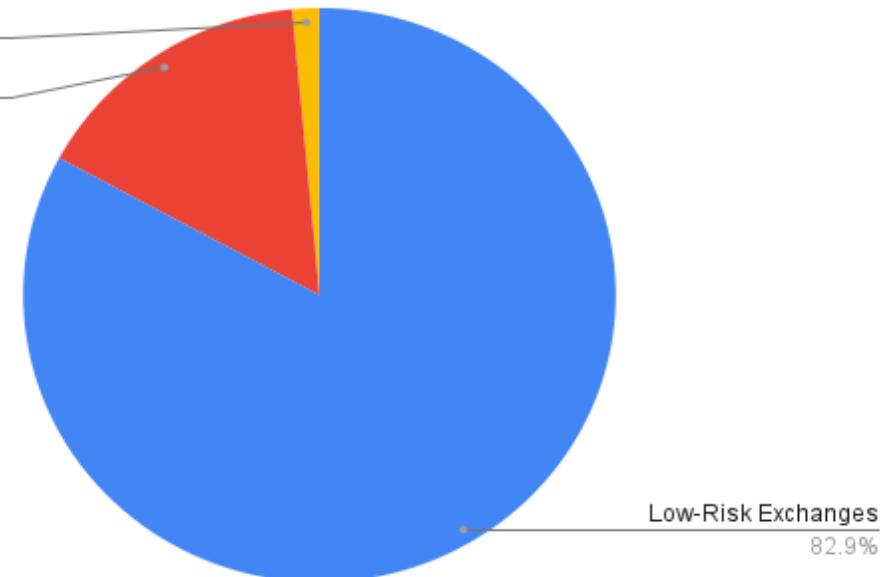
Market daily volume (BTC)

High-Risk Exchanges

1.5%

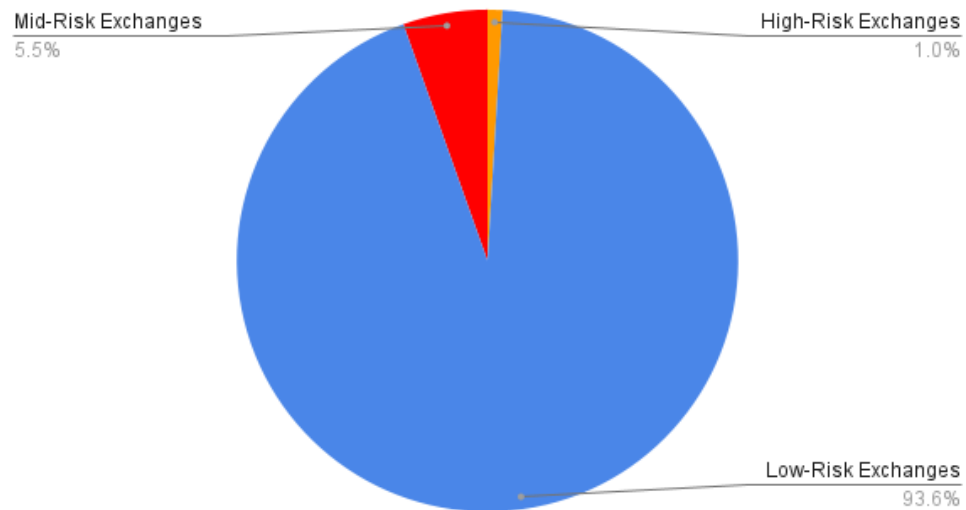
Mid-Risk Exchanges

15.6%

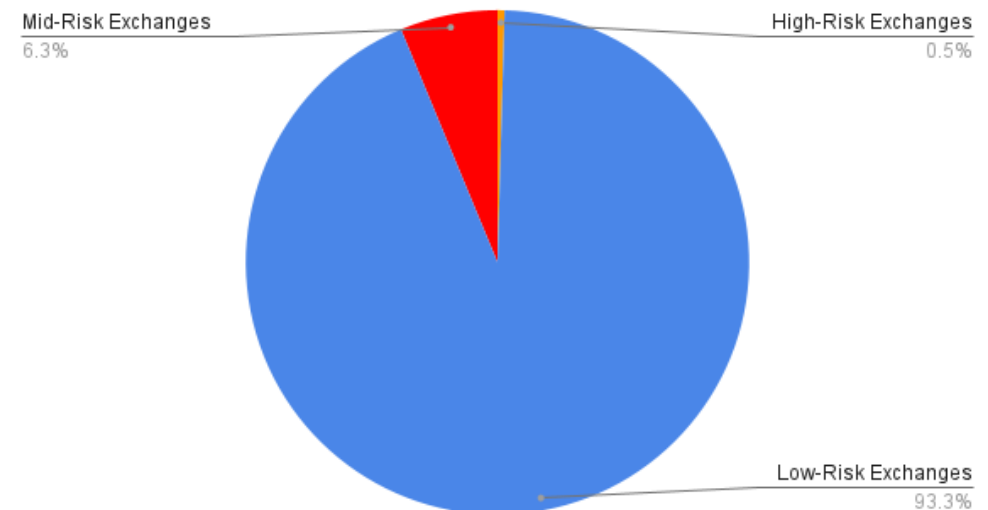


Exchange share of the daily market volume

Market daily volume (ETH)



Market daily volume (USDT)



Results – Legal compatibility

%50

Exchanges use trade monitoring tools

%100

Exchanges use KYC standards

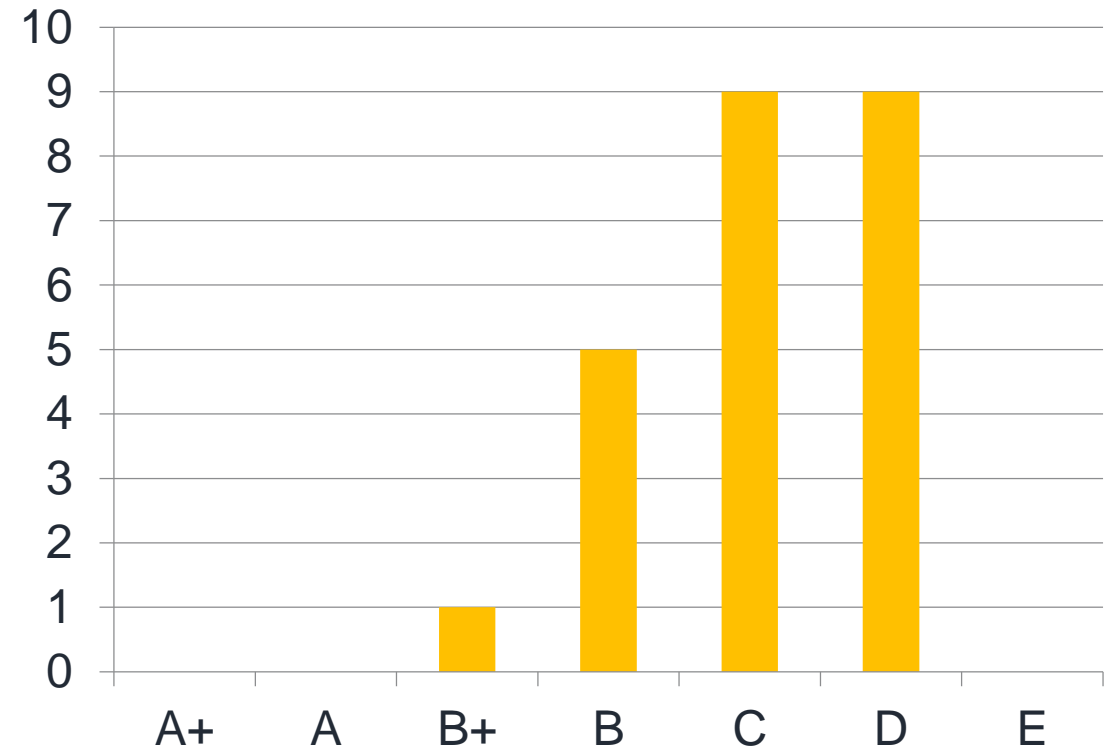
%0

Exchanges have insurance against losses

%58

Exchanges have legal advisors

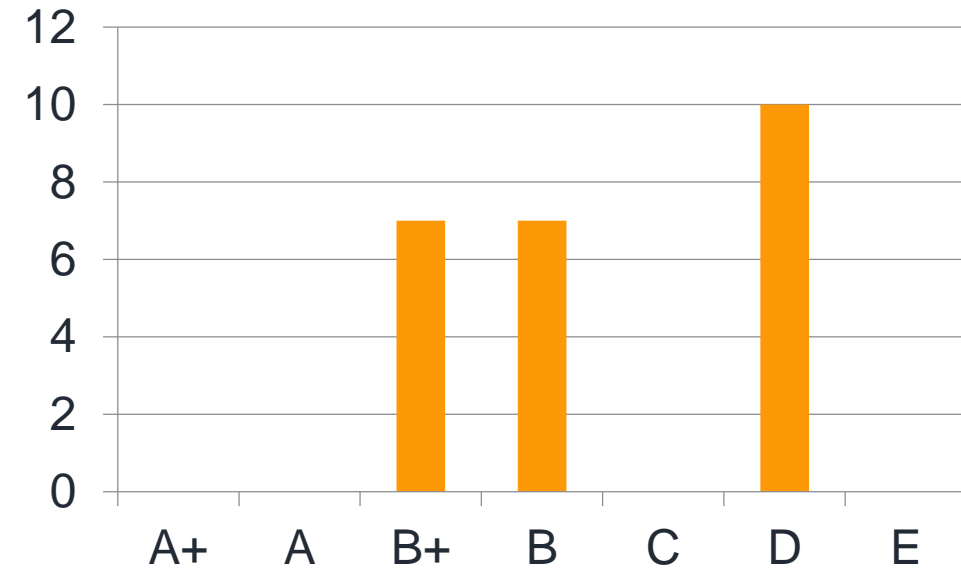
Qualitative distribution of Exchanges



Results

- Legal compatibility - Ranking

Ranking	Exchange	Score	grade
1	Nobitex	60.6	B+
2	Exir	54.6	B
3	Ramzinx	54.6	B
4	Citex	53.6	B
5	Mazdax	53.6	B
6	Bitpin	50.6	B
7	Bidarz	48.6	C
8	Coinnik	47.6	C

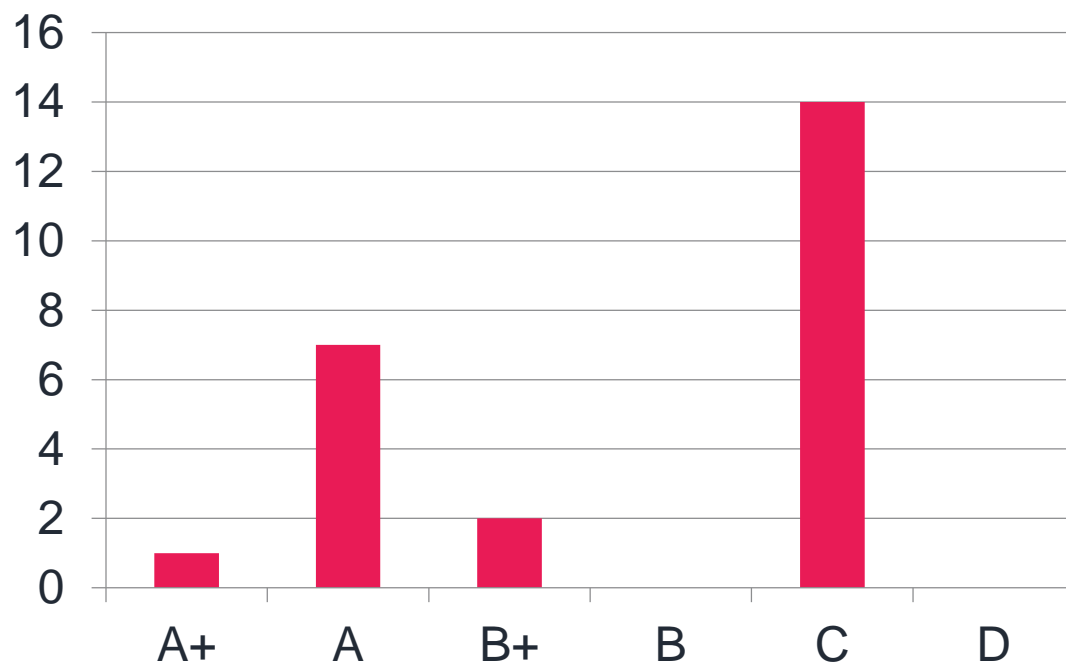
%62Exchanges use cold
wallet storage**%0**Exchanges enjoy
custody services**%0**Exchanges have
international security
certificates**%58**Exchanges use HD
wallets**Results-****Security of
Exchanges****Qualitative distribution of
Exchanges**

Results- Security of Exchanges - Ranking

Ranking	Exchange	Score	Grade
1	Exir	69	B+
2	Mazdax	68	B+
3	Ramzinex	66	B+
4	Exnovin	64	B+
5	Coinnik	64	B+
6	Bitpin	64	B+
7	Bidarz	62	B+
8	Nobitex	58	B

Results – Data provision

Qualitative distribution of Exchanges



%41

Exchanges provide ability to
query historical trades

%45

Exchanges provide API
documentation

%0

Exchanges provide FIX
connection

%33

Exchanges provide
Websocket connection

Results – Data provision - Ranking

Ranking	Exchange	Score	Grade
1	Exir	88	A+
2	Ramzinex	78	A
3	Nobitex	74	A
4	Coinnik	74	A
5	Wallex	74	A
6	Mazdax	74	A
7	Jibitex	72	A
8	Farhad	72	A

%33

Exchanges reveals their
Mobile application

%58

Exchanges provide clear
withdrawal limitations

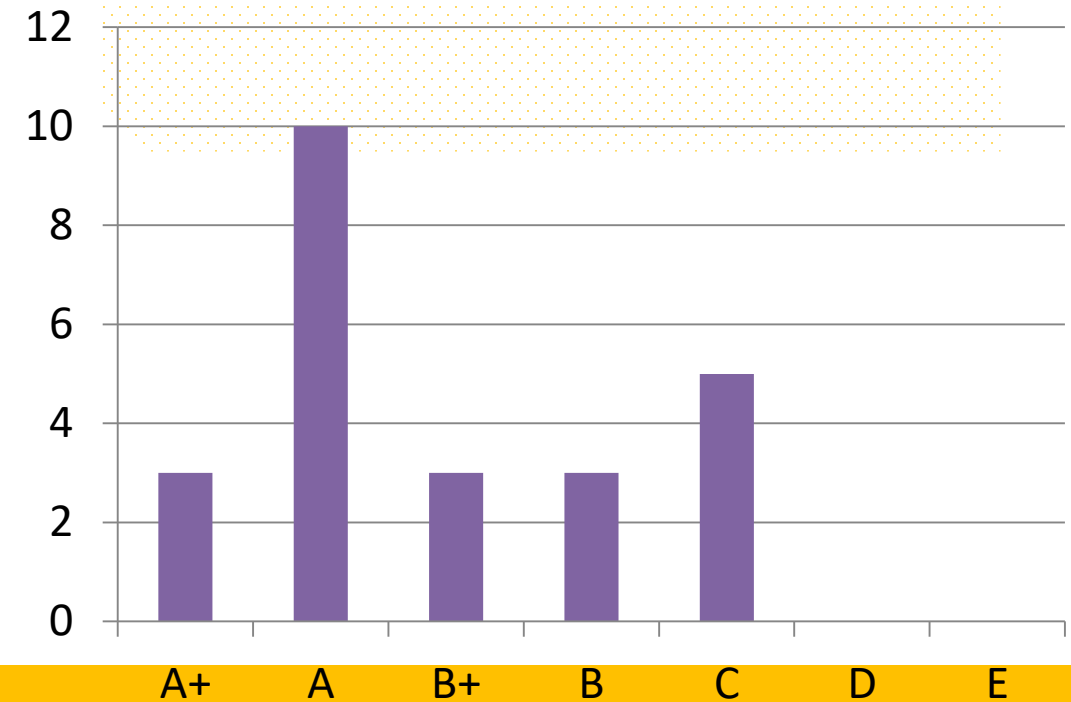
%87

Exchanges provide
appropriate technical
support

%58

Exchanges present
their businesses on
social media

Qualitative distribution of Exchanges



Results – User Experience

Results – User Experience - Ranking

Ranking	Exchange	Score	Grade
1	Nobitex	86.65	A+
2	Farhad	84	A+
3	Bitpin	81	A+
4	OKex	78	A
5	Exnovin	77	A
6	Ramzinex	75.87	A
7	Mazdax	75.7	A
8	Wallex	75.6	A

Results – Executive management

%29

Exchanges age more than two years

%45

Exchanges have standard organization chart

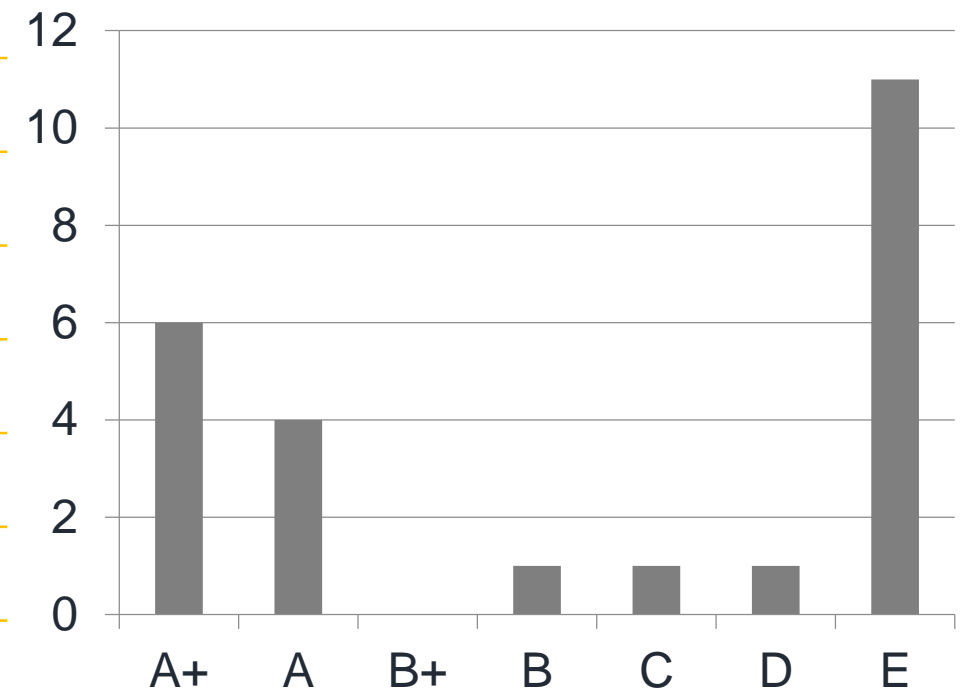
%45

Exchanges provide no information

%62

Exchanges introduces their executive management team

Qualitative distribution of Exchanges



Results – Executive management - Ranking

Ranking	Exchange	Score	Grade
1	Exir	99	A+
2	Arzpaya	93	A+
3	Nobitex	87	A+
4	Bitpin	87	A+
5	Wallex	87	A+
6	Bidarz	81	A+
7	Citex	78	A
8	Ramzinex	72	A

Results –

Custody and Monitoring

%30

Exchanges have
investors

%9

Exchanges use trade
monitoring tools

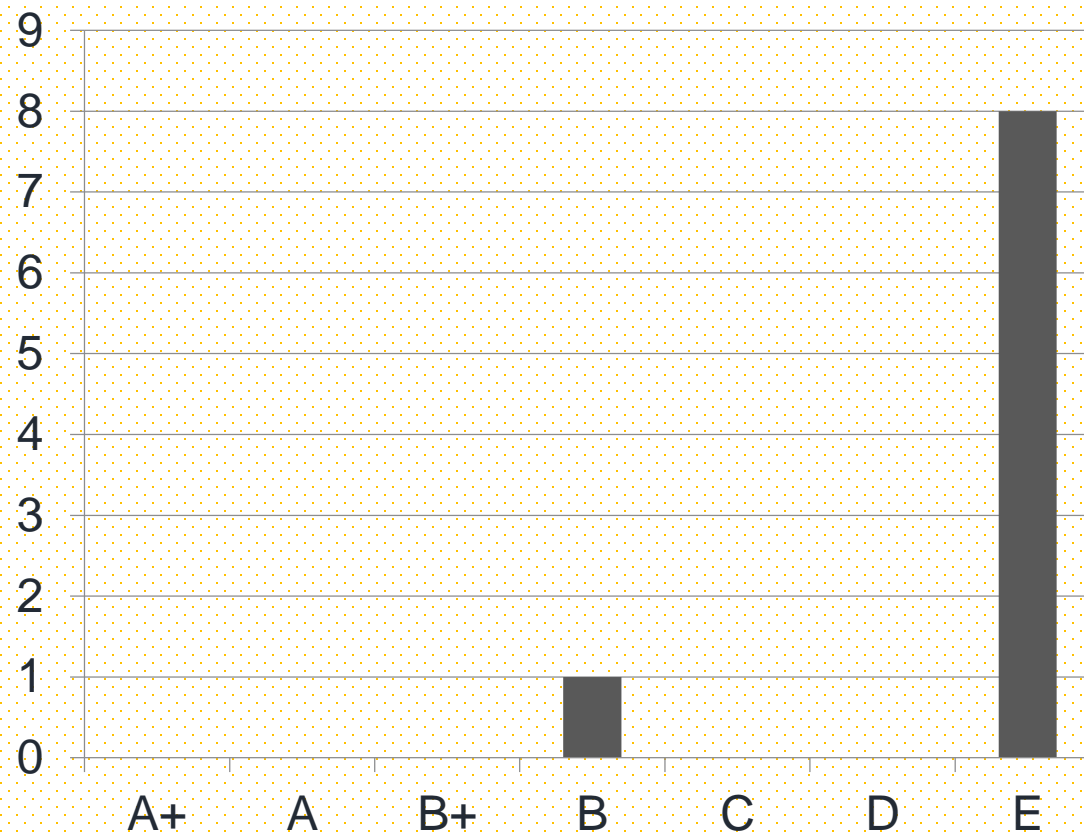
%100

Exchanges have no
surveillance on chain
transactions

%0

Exchanges have a
banking support

Qualitative distribution of Exchanges

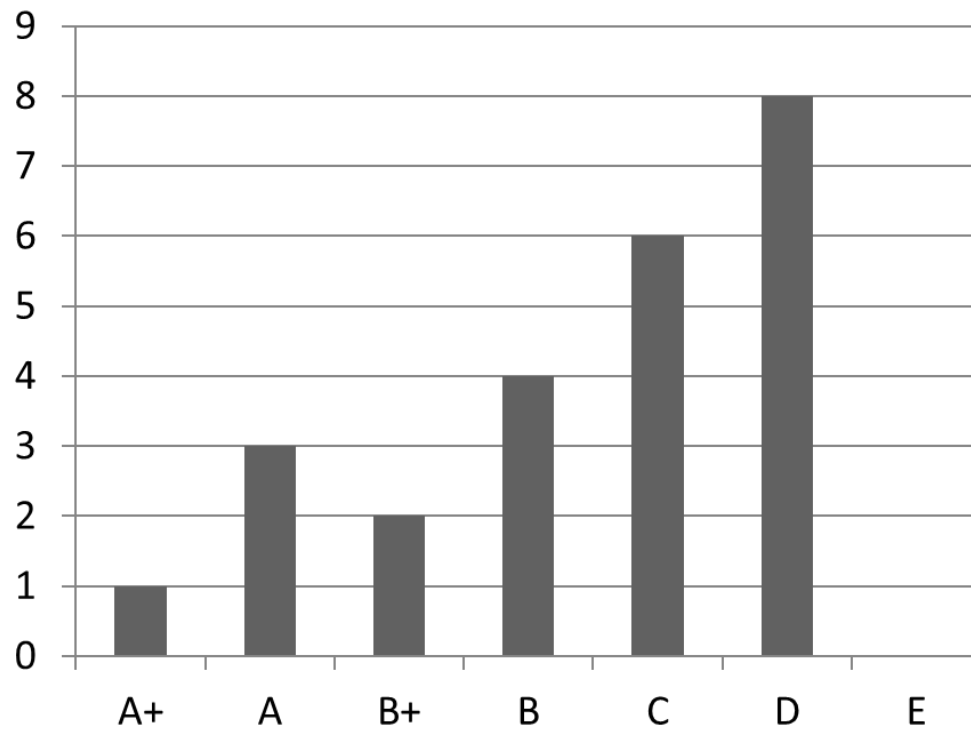


Results – Custody and Monitoring Ranking

Ranking	Exchange	Score	Grade
1	Wallex	50	B
2	Exir	25	E
3	Arzpaya	25	E
4	OKex	25	E
5	Mazdax	25	E
6	Citex	25	E
7	Exnovin	25	E
8	Jibitex	25	E

Results – Incentive mechanism

Qualitative distribution of Exchanges



%33

Exchanges have different
trading levels

%8

Exchanges provide Marginal
trading

%50

Exchanges provide zero-fees
trading

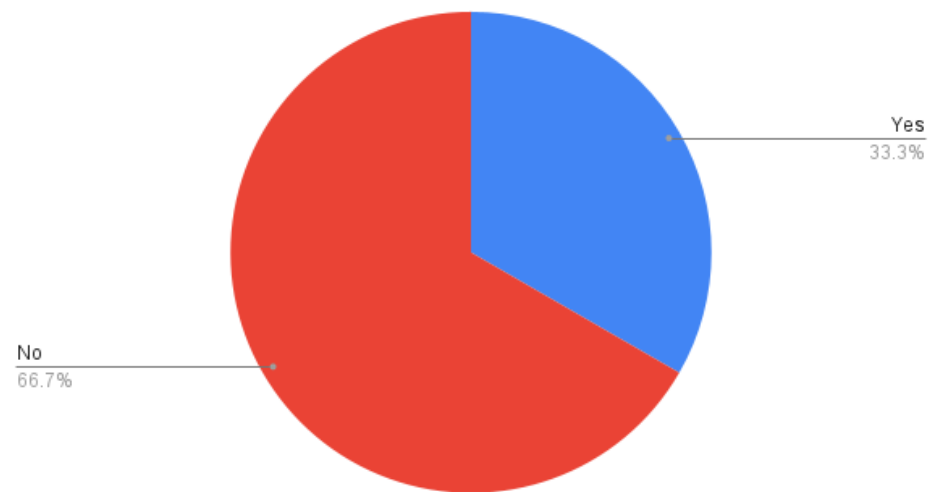
%25

Exchanges support Airdrops

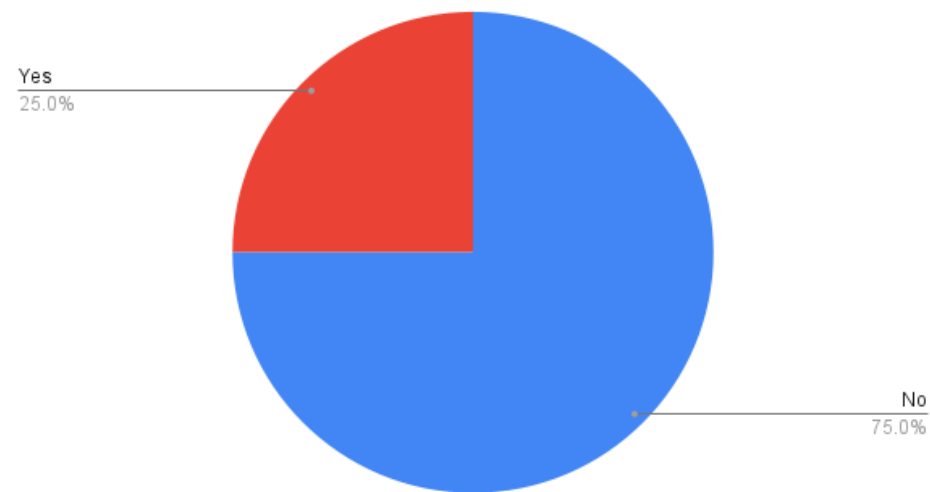


Results – Incentive Mechanism

Trading competition



Airdrops

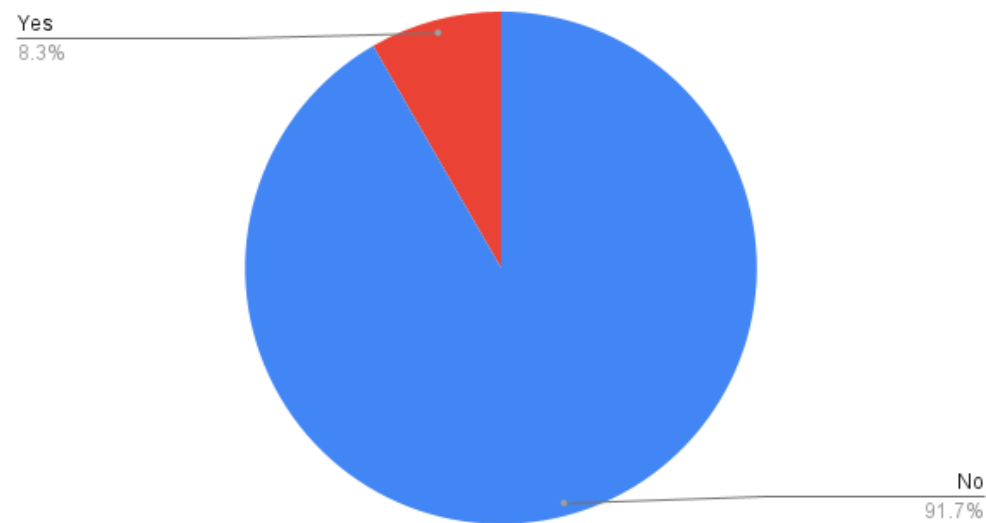


Results – Incentive Mechanism

Zero transaction fees



Transaction fee mining



Results –Incentive Mechanism - Ranking

Ranking	Exchange	Score	Grade
1	Ramzinex	81	A+
2	Wallex	78	A
3	Exir	74	A
4	Nobitex	72	A
5	Bitpin	68	B+
6	Mazdax	61	B+
7	Coinnik	59	B
8	Arzpaya	58	B

Appendix

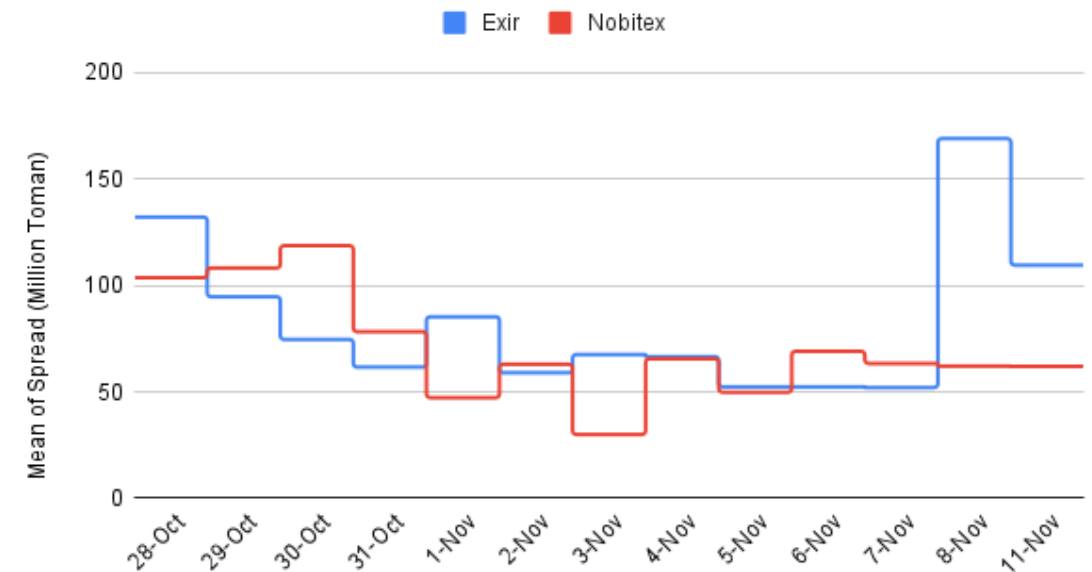
Market quality – Spread – BTC

Normally, Exchanges with higher market liquidity should have the lowest spreads.

Since the spread is calculated by the difference between the best buy and sell offer, it may not be very wise to judge the effective liquidity in any Exchange by its average spread!

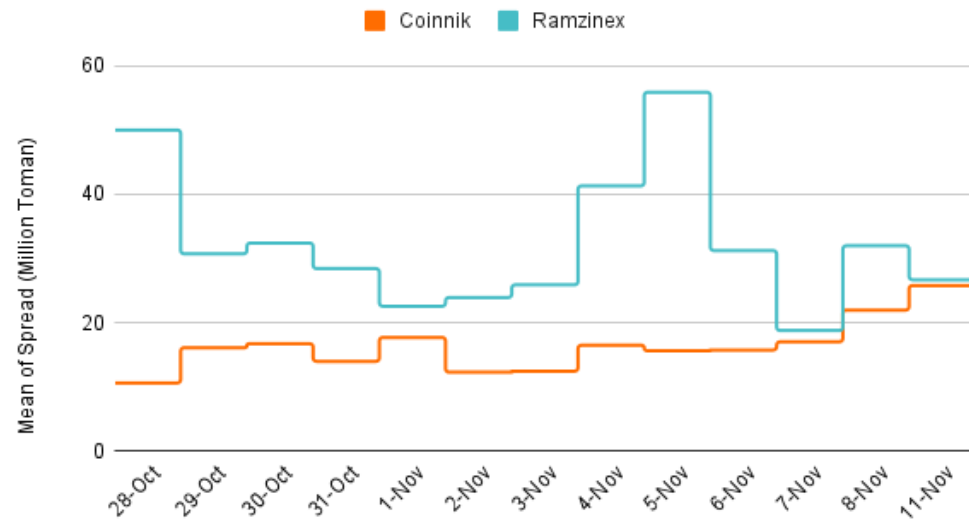
Spread along with market depth can be a good measure of liquidity or transaction time cost for users! The graphs presented in this section compare the spread of eight higher-liquidity exchanges for the BTC and ETH markets.

Exchange Spreads Variability (BTC)

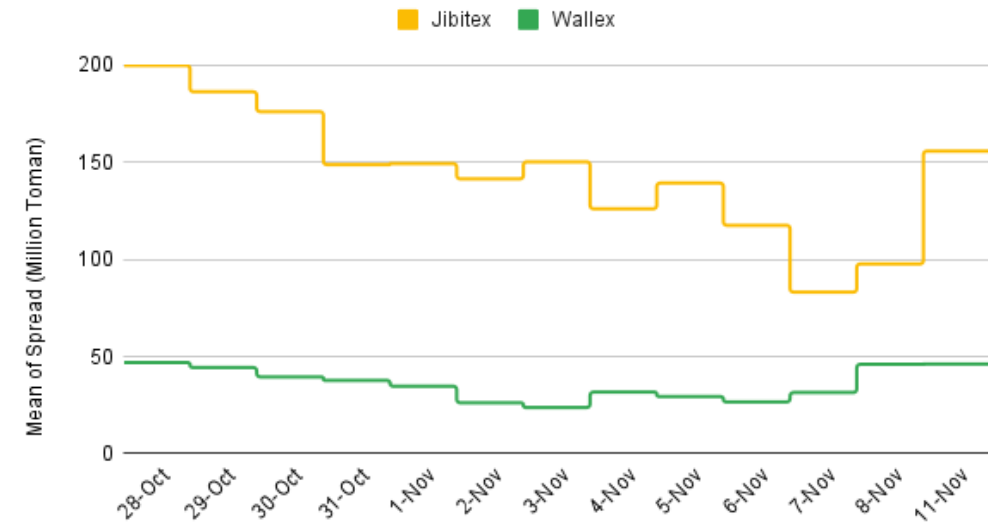


Spread – BTC

Exchange Spreads Variability (BTC)



Exchange Spreads Variability (BTC)



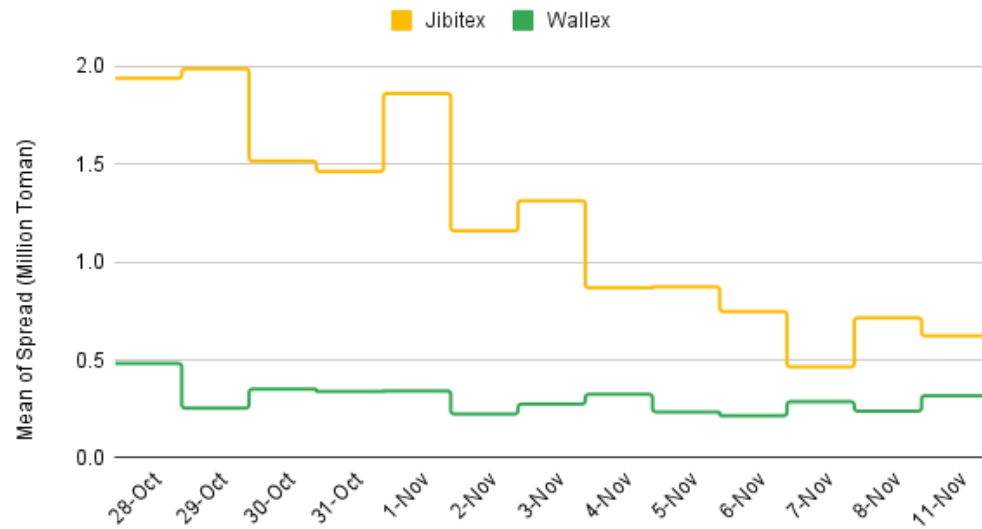
Spread – BTC

Exchange Spreads Variability (BTC)

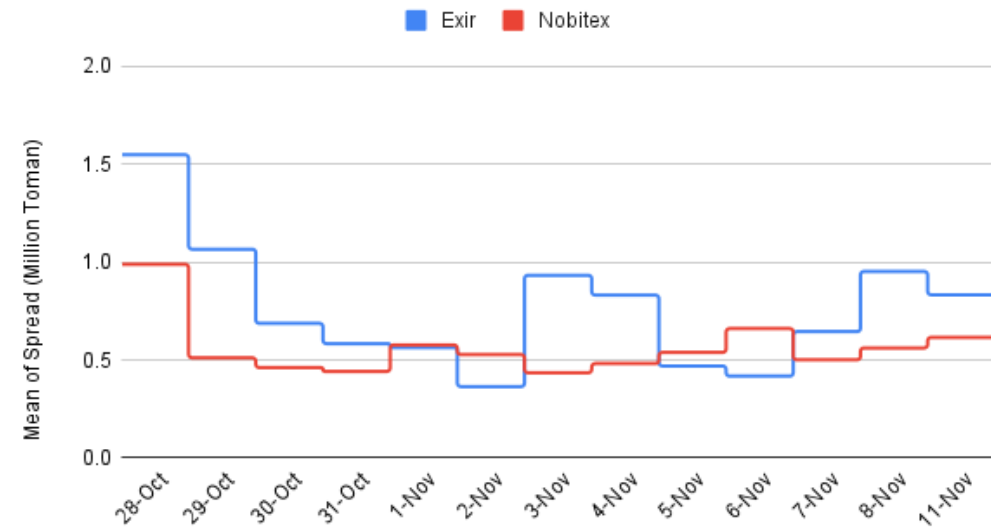


Spread – ETH

Exchange Spreads Variability (ETH)



Exchange Spreads Variability (ETH)

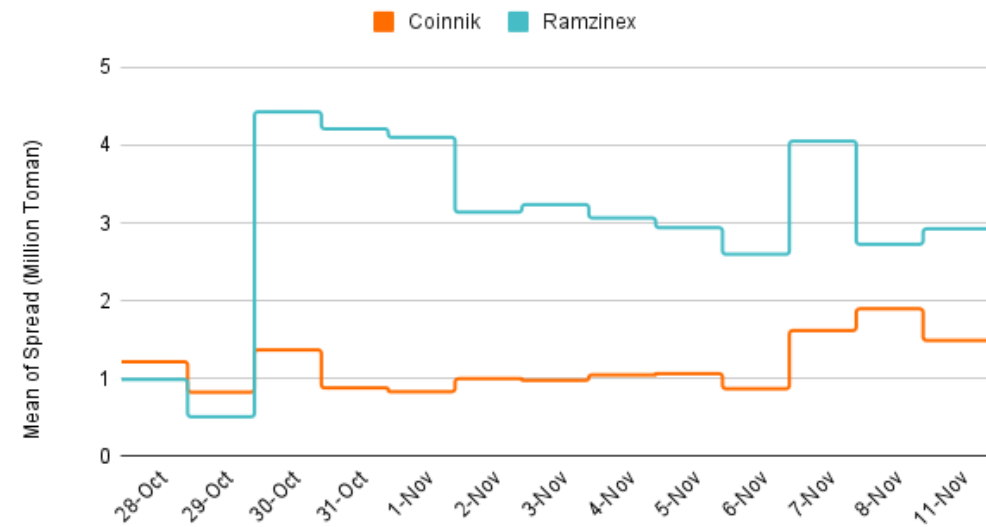


Spread – ETH

Exchange Spreads Variability (ETH)

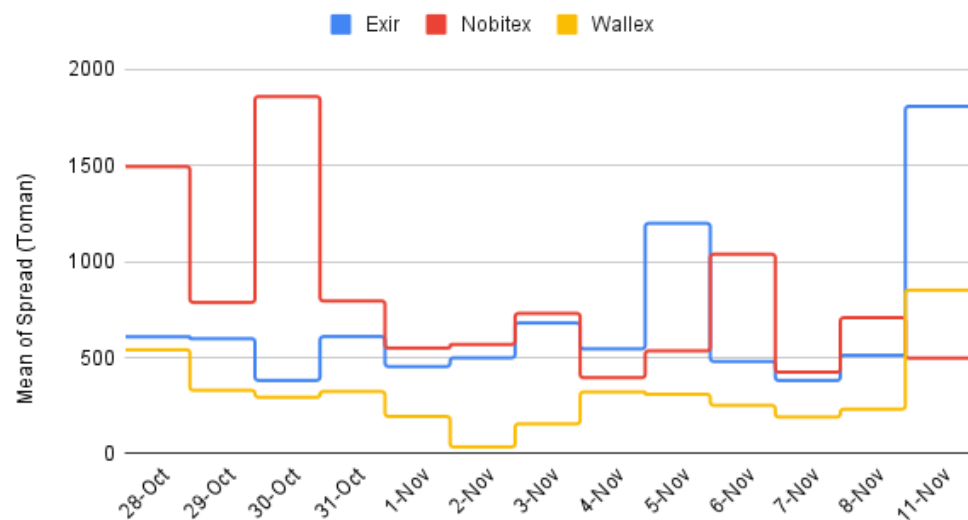


Exchange Spreads Variability (ETH)

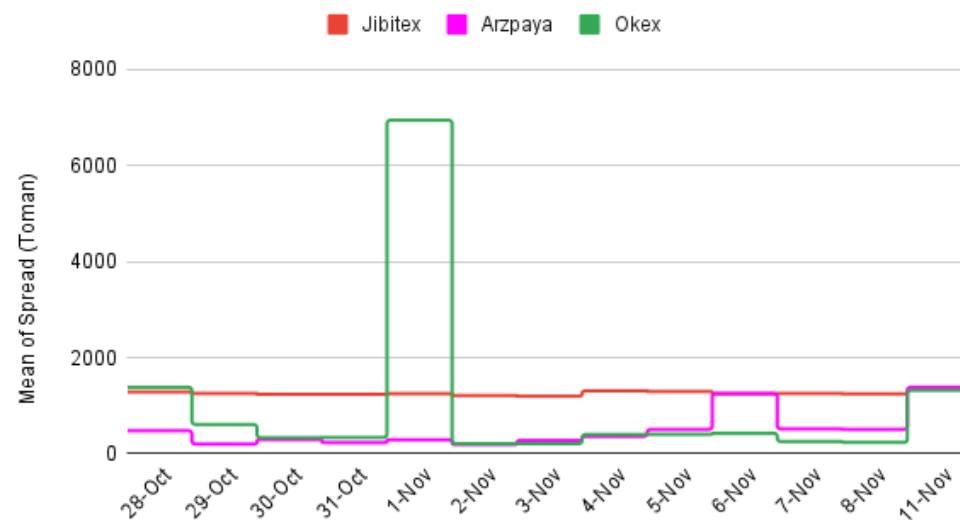


Spread – USDT

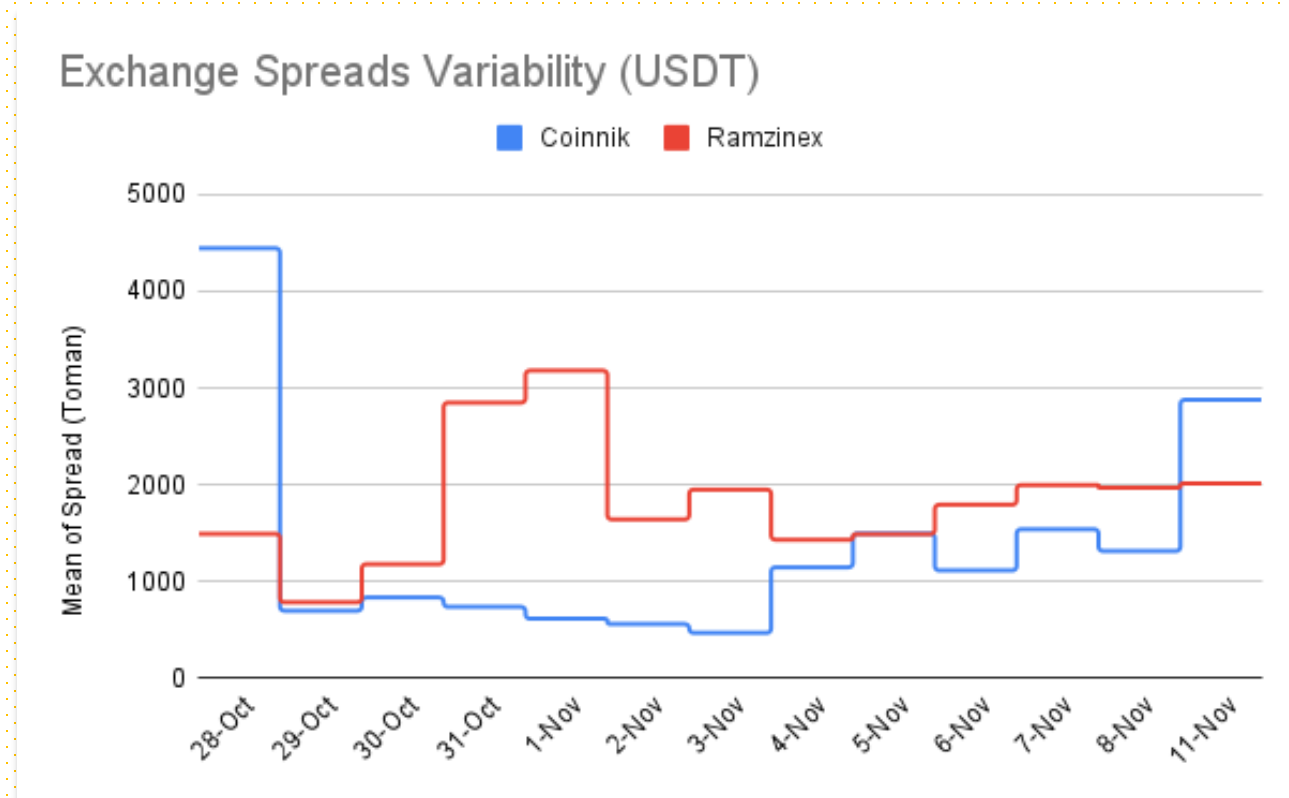
Exchange Spreads Variability (USDT)



Exchange Spreads Variability (USDT)



Spread – USDT



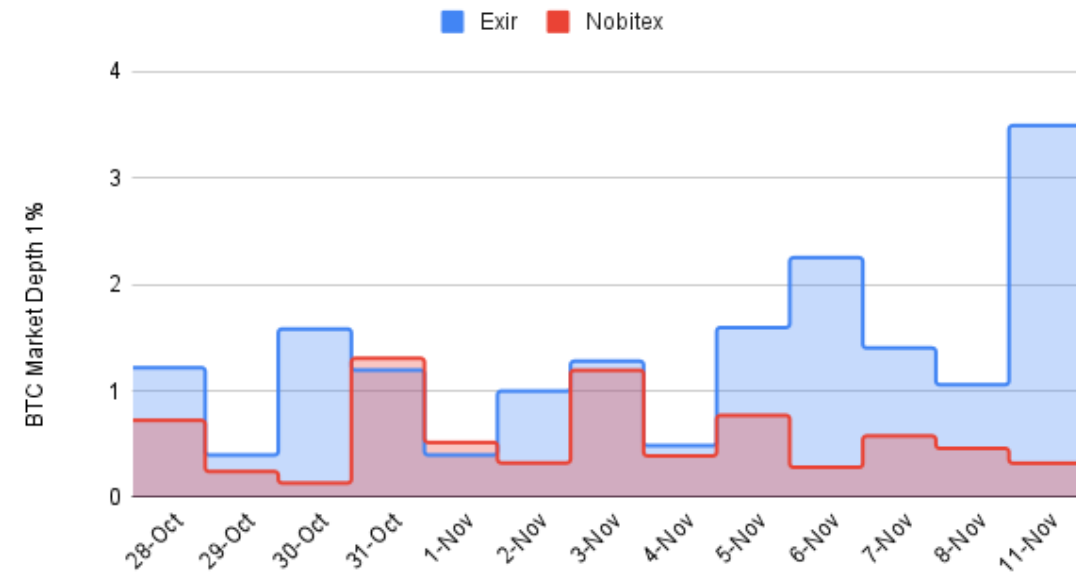
Market quality – Depth – BTC

Typically, depth is the total volume of orders on an exchange in the order book. In fact, the depth of the market indicates how much it is possible to trade on an exchange. We consider those with greater average depth a more stable Exchange and thus a better one.

We consider the depth up to 1% either side of the mid price.

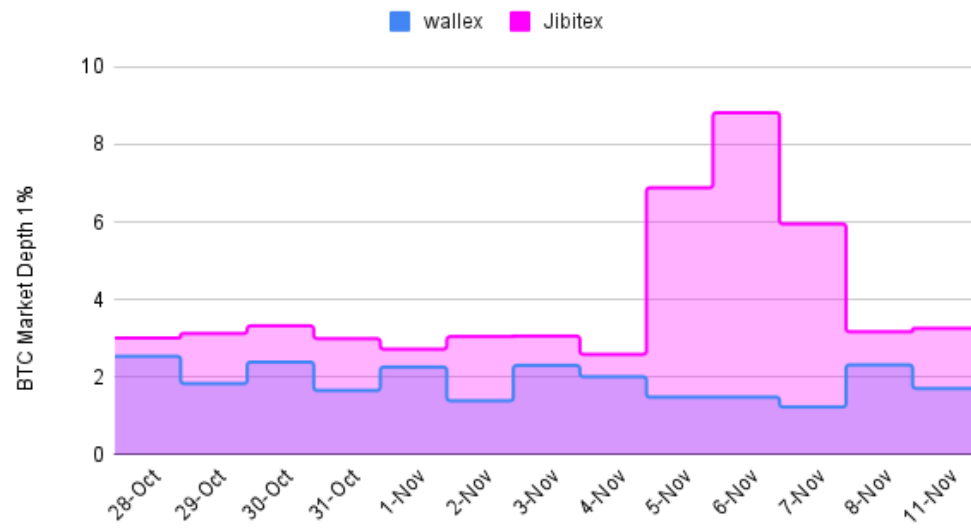
Graphs in this section present two weeks average depth for BTC, ETH and USDT markets in 8 Exchanges.

Exchange Depth Variability (BTC)

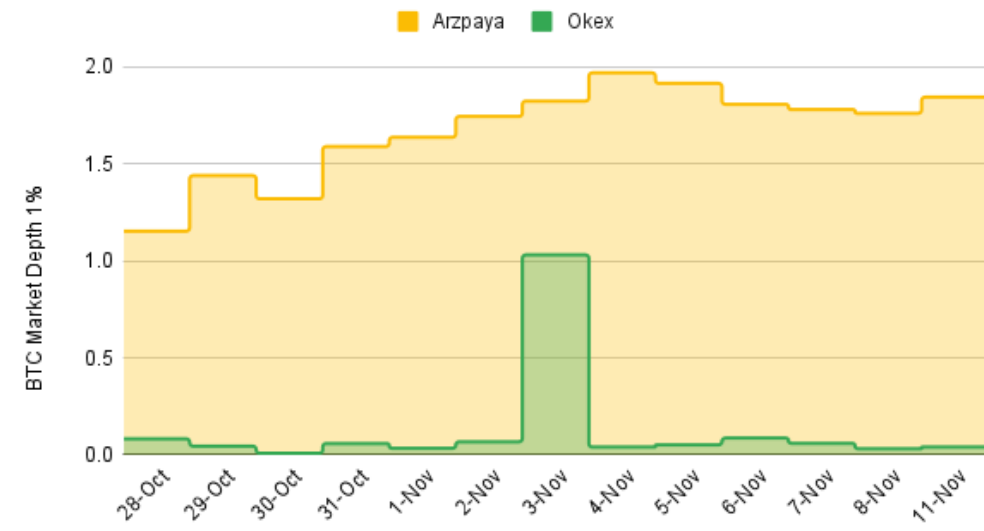


Depth – BTC

Exchange Depth Variability (BTC)

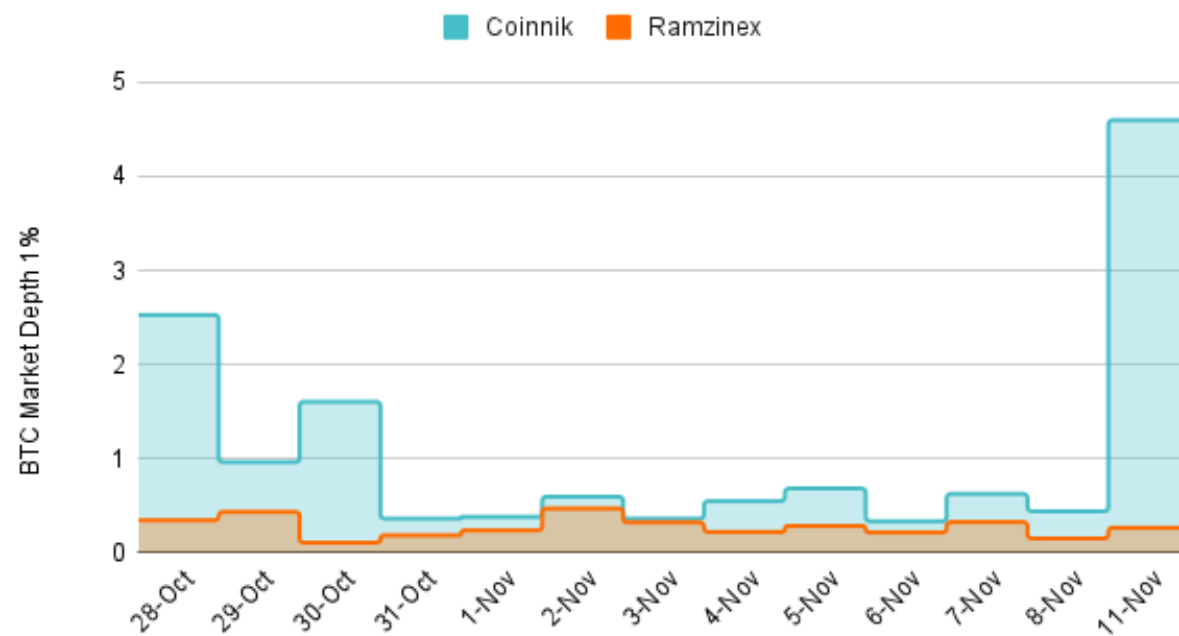


Exchange Depth Variability (BTC)



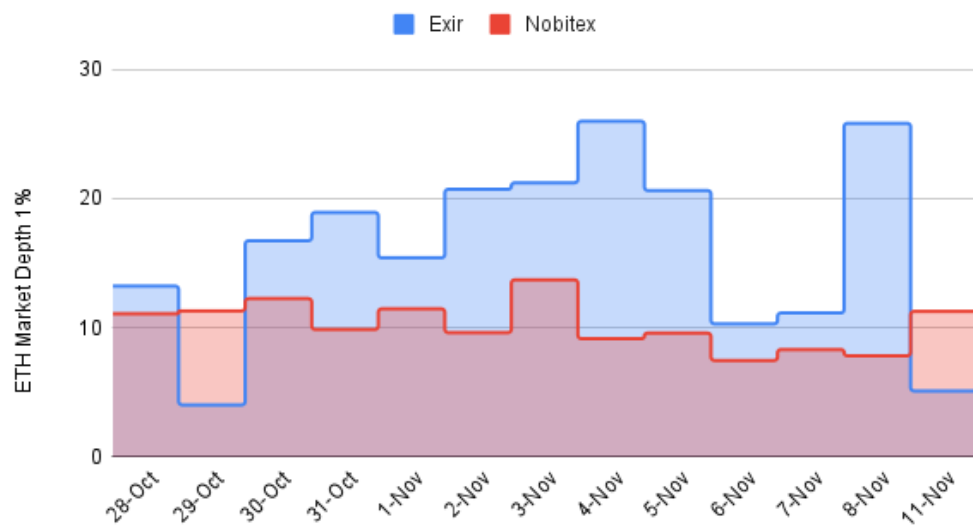
Depth – BTC

Exchange Depth Variability (BTC)

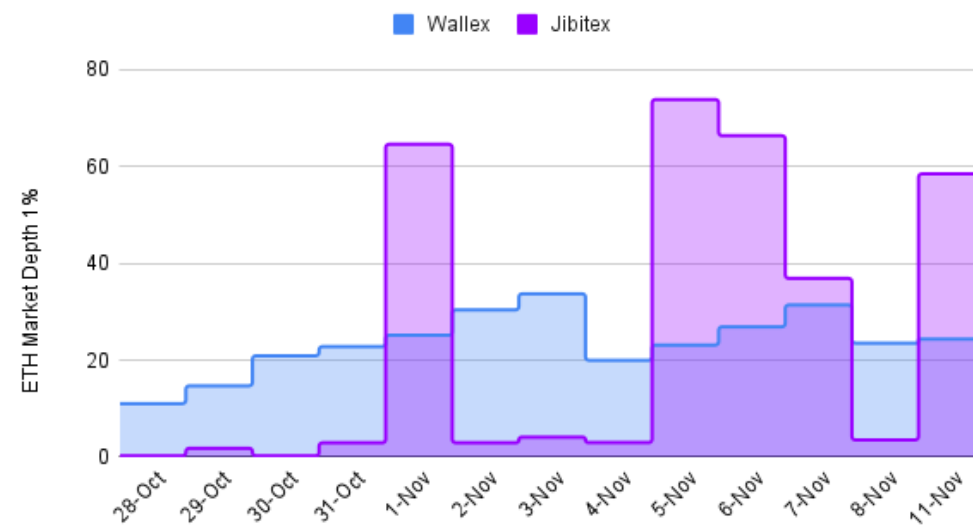


Depth – ETH

Exchange Depth Variability (ETH)

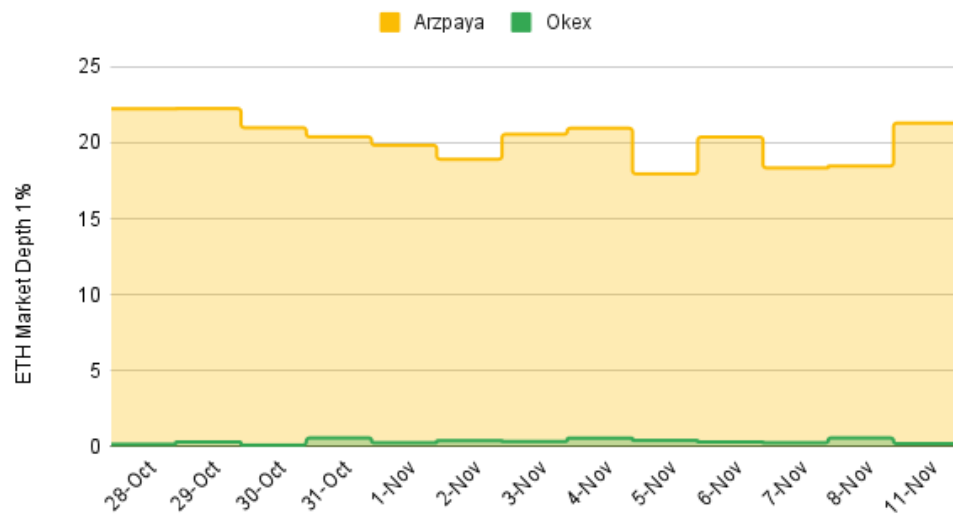


Exchange Depth Variability (ETH)

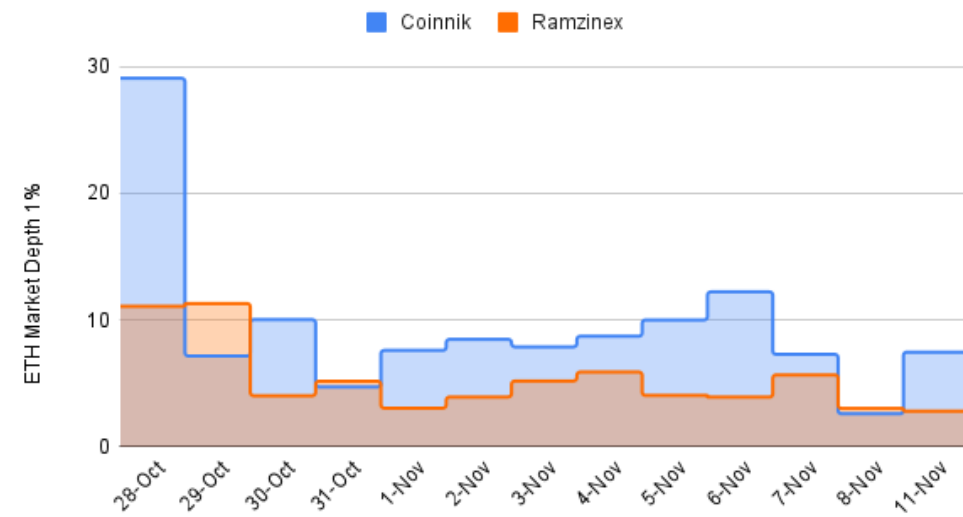


Depth – ETH

Exchange Depth Variability (ETH)

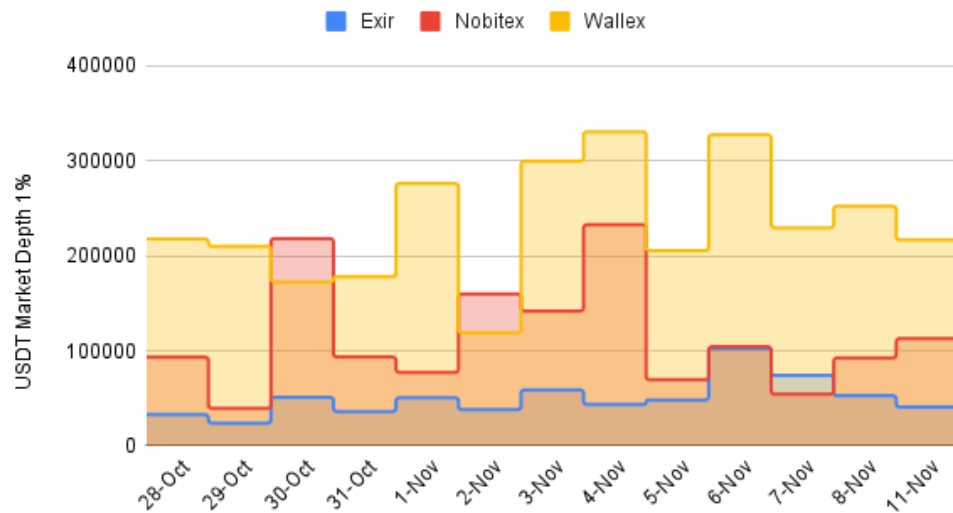


Exchange Depth Variability (ETH)

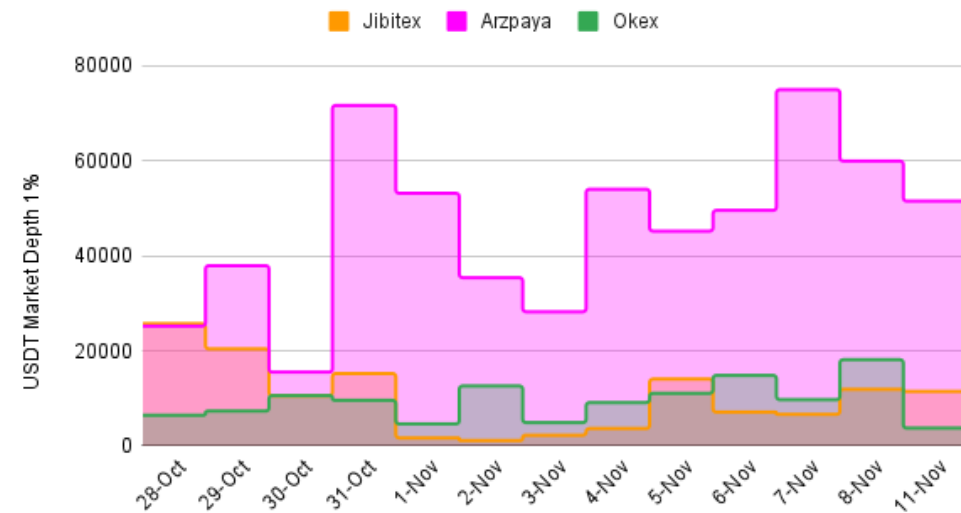


Depth – USDT

Exchange Depth Variability (USDT)

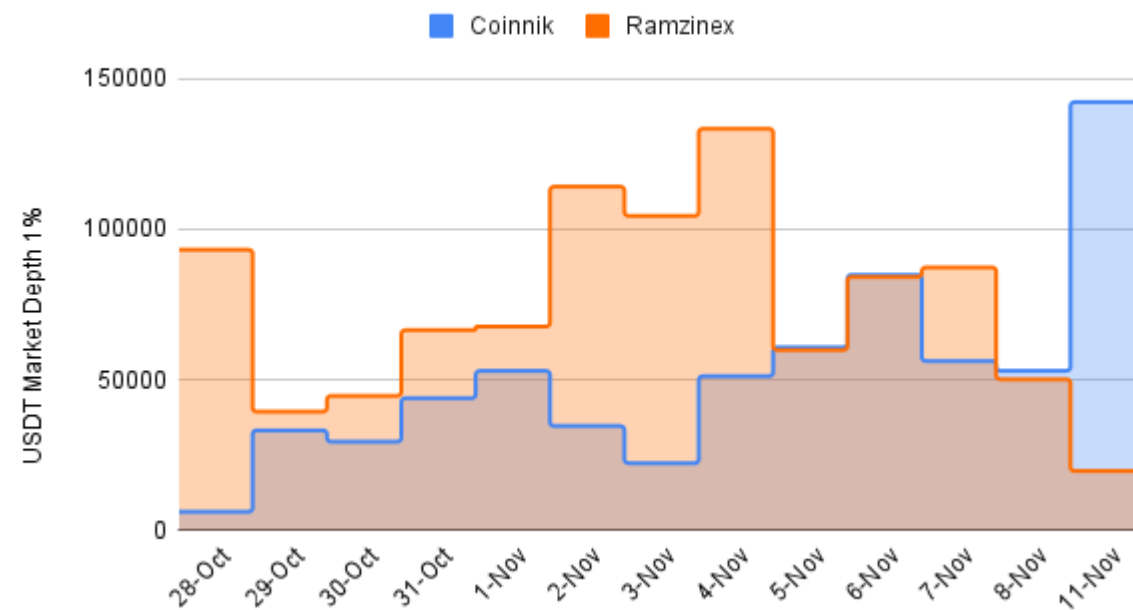


Exchange Depth Variability (USDT)



Depth – USDT

Exchange Depth Variability (USDT)

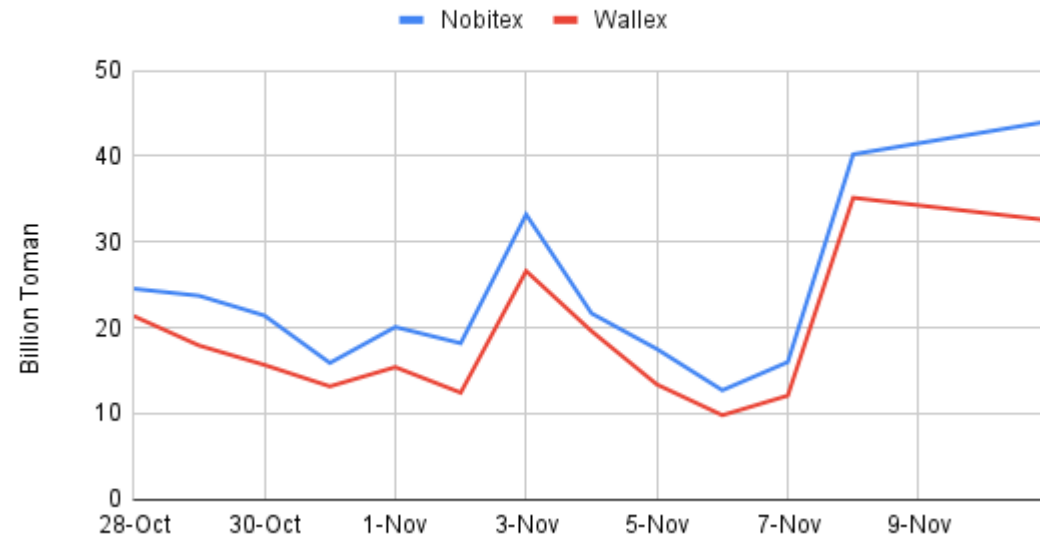


Daily Volume (BTC)

Daily volume is how many shares are traded each day, but this can be averaged over a number of days to find the average daily volume. Average daily trading volume is an important metric because high or low trading volume attracts different types of traders and investors.

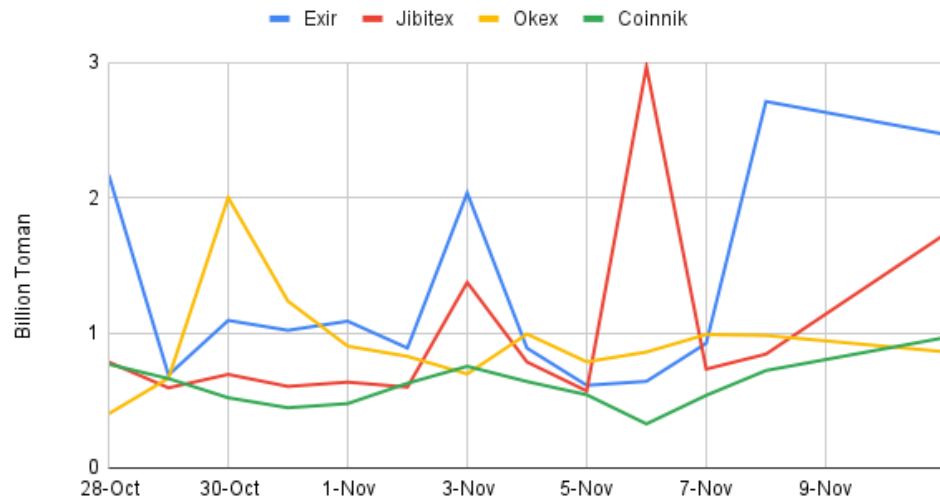
Typically, an exchange with a higher daily volume has a more developed market. In this ranking exchanges with higher market volume were gained a better market score.

Daily Market Volume (BTC)

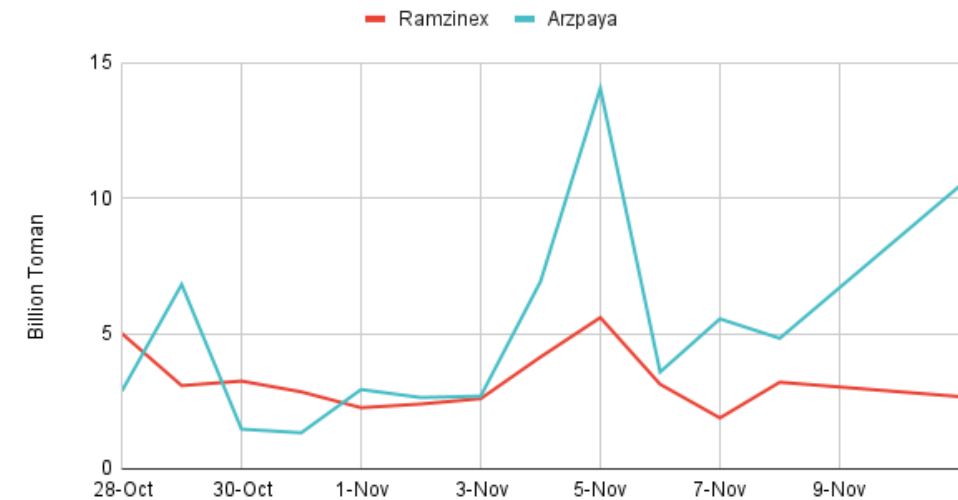


Daily Volume (BTC)

Daily Market Volume (BTC)

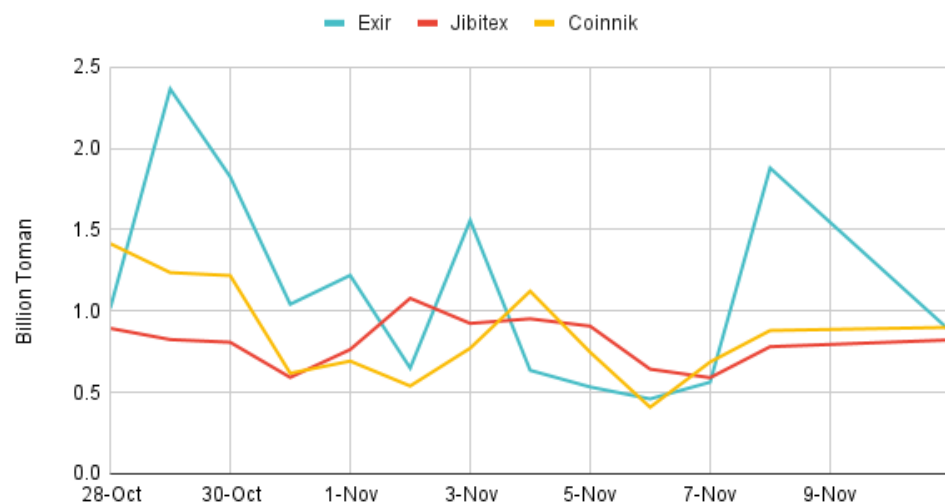


Daily Market Volume (BTC)

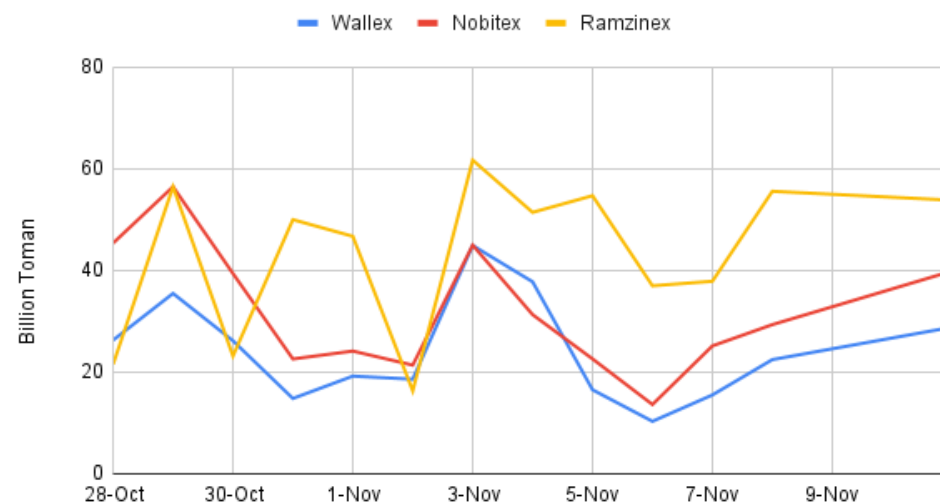


Daily Volume (ETH)

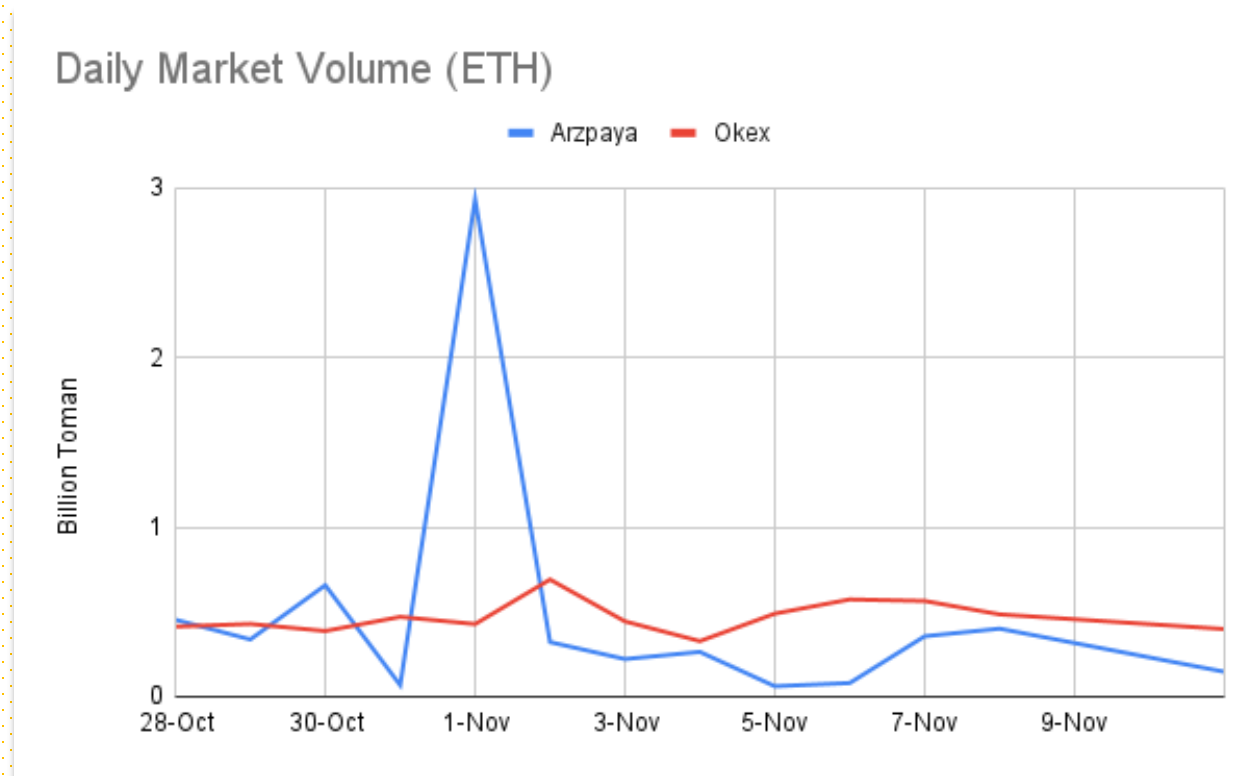
Daily Market Volume (ETH)



Daily Market Volume (ETH)

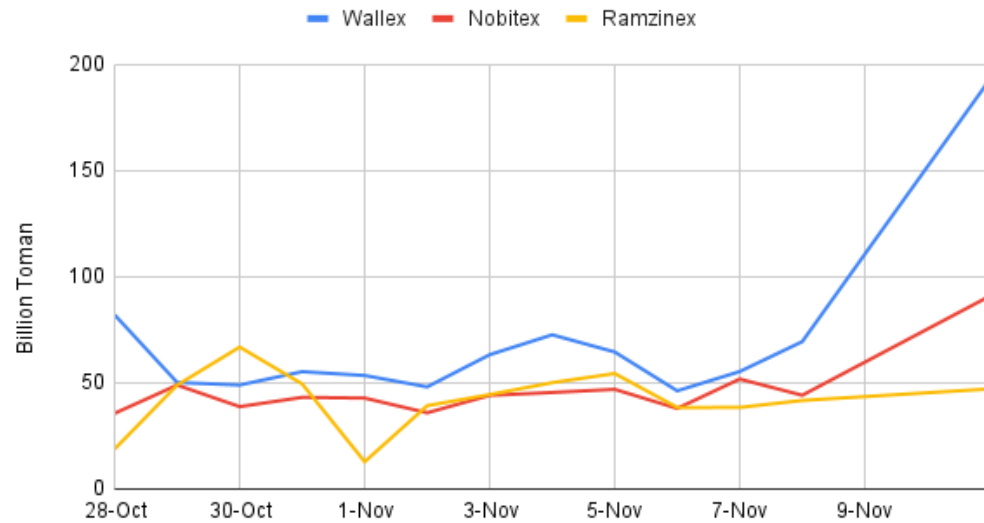


Daily Volume (ETH)

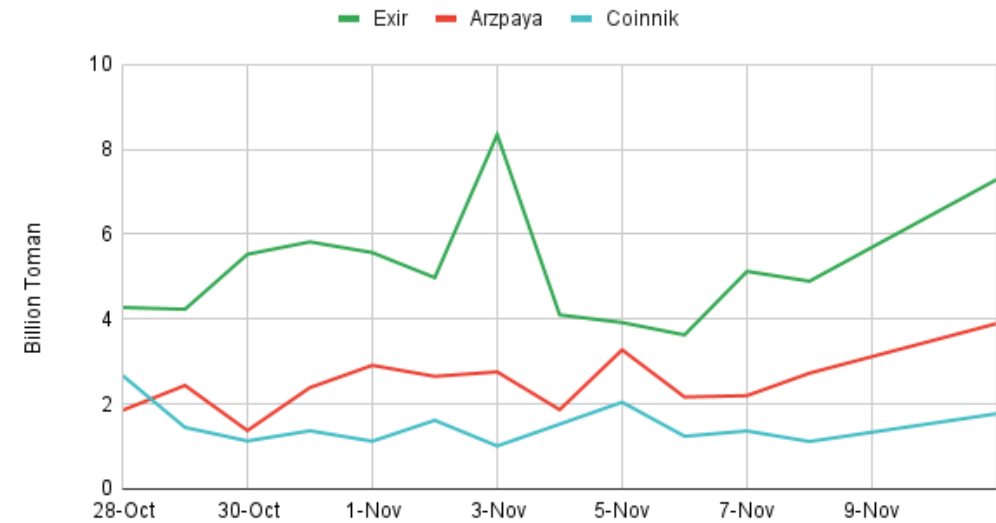


Daily Volume (USDT)

Daily Market Volume (USDT)

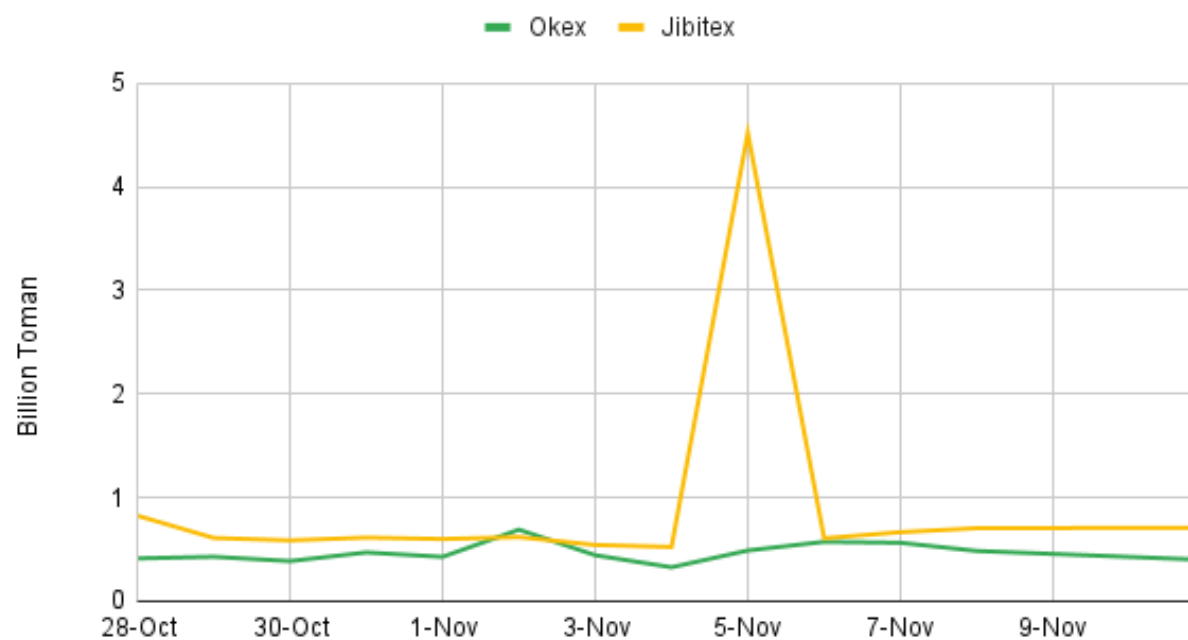


Daily Market Volume (USDT)



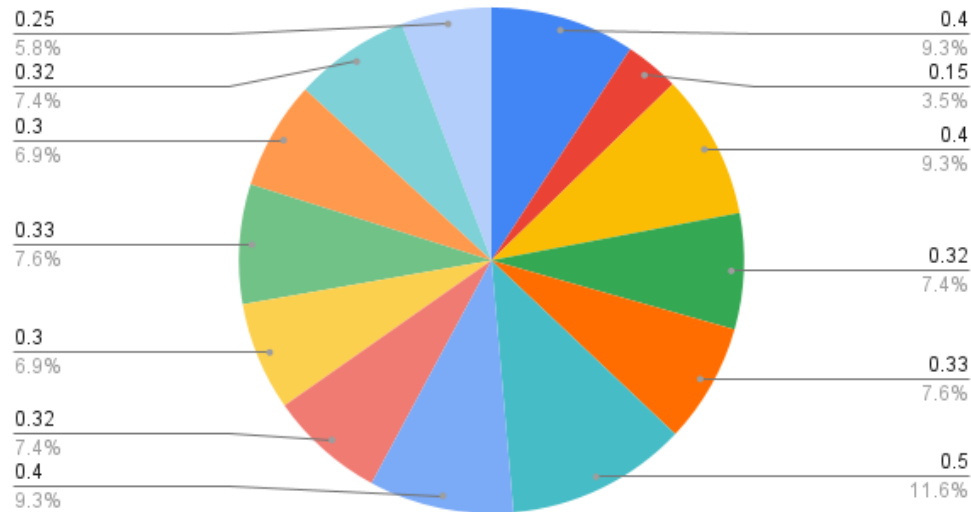
Daily Volume (USDT)

Daily Market Volume (USDT)

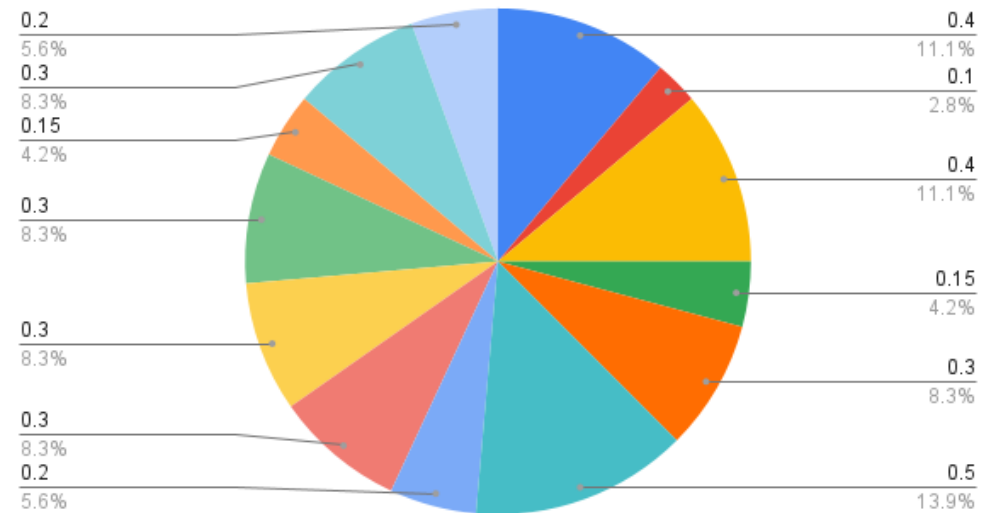


Exchange fees range for market maker and taker

Exchange Fees for market taker

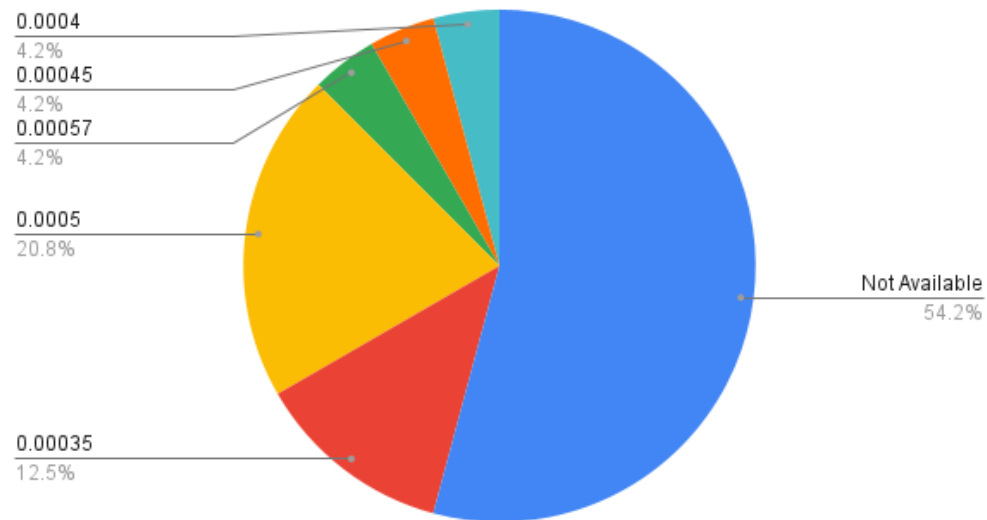


Exchange Fees for market maker

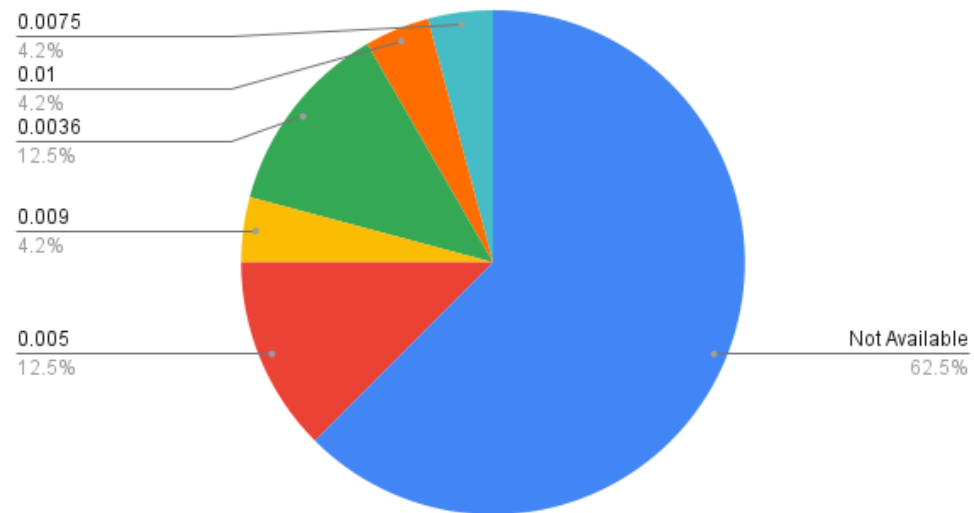


Withdrawal fees range

Withdrawal fees for BTC

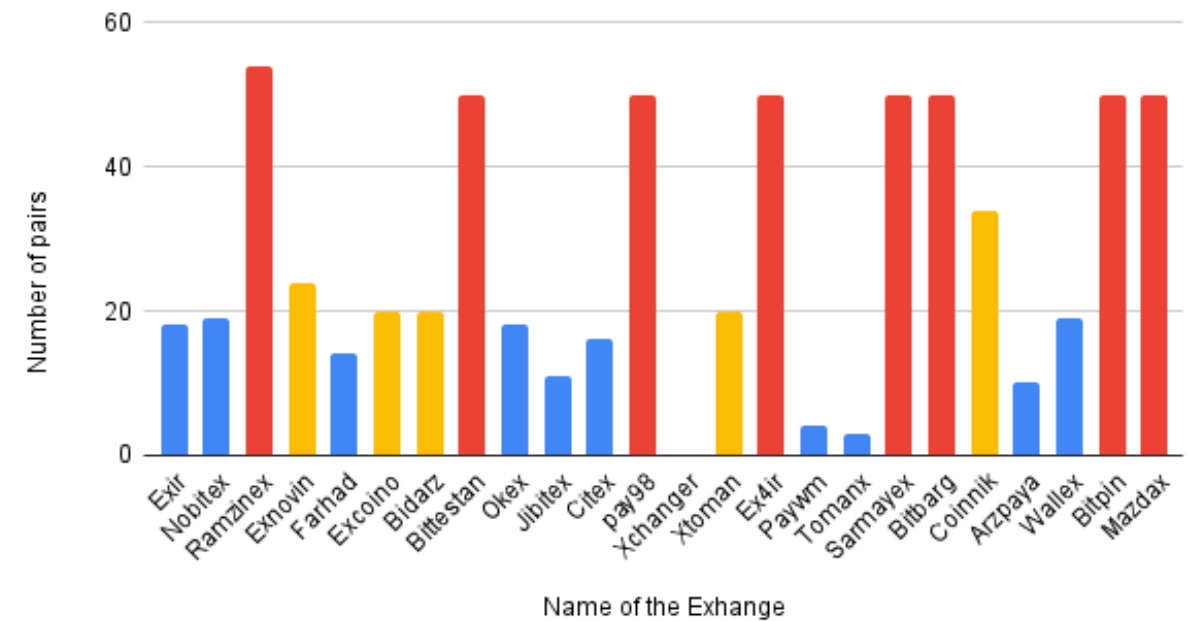


Withdrawal fees for ETH



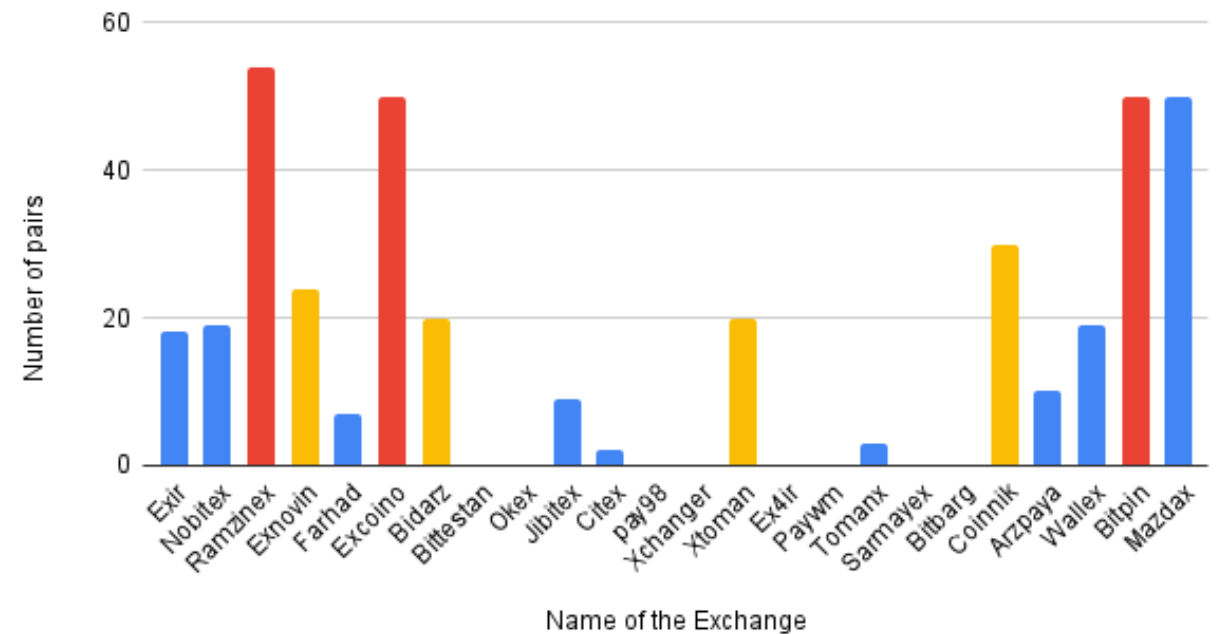
Number of markets for Iranian Rial

Number of Pairs in Rial



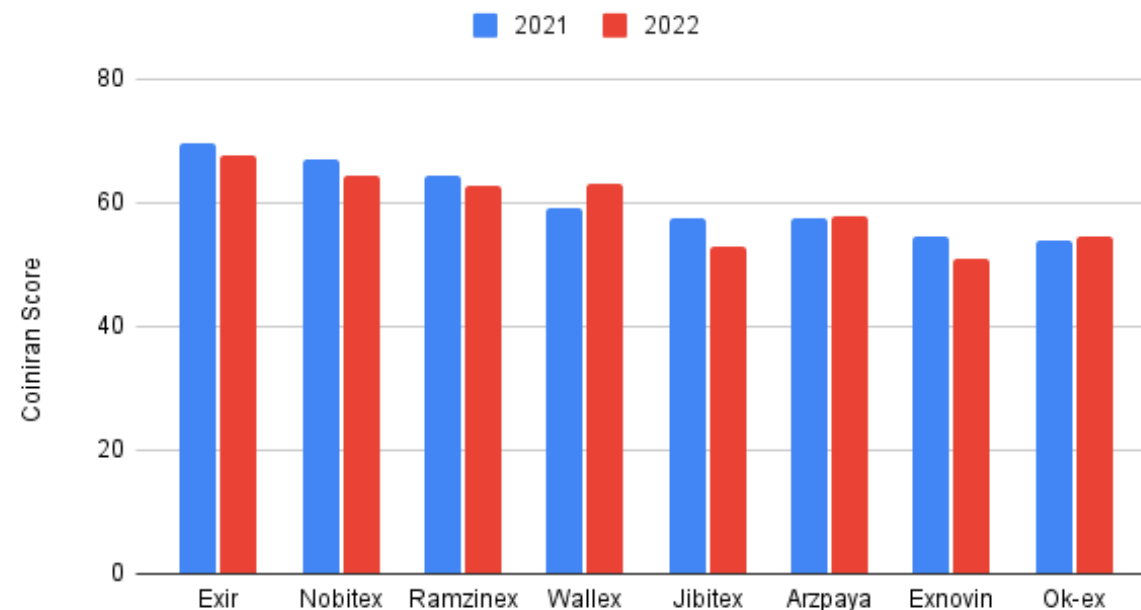
Number of markets for USDT

Number of Pairs in USDT



Score change for top 8

Score Change



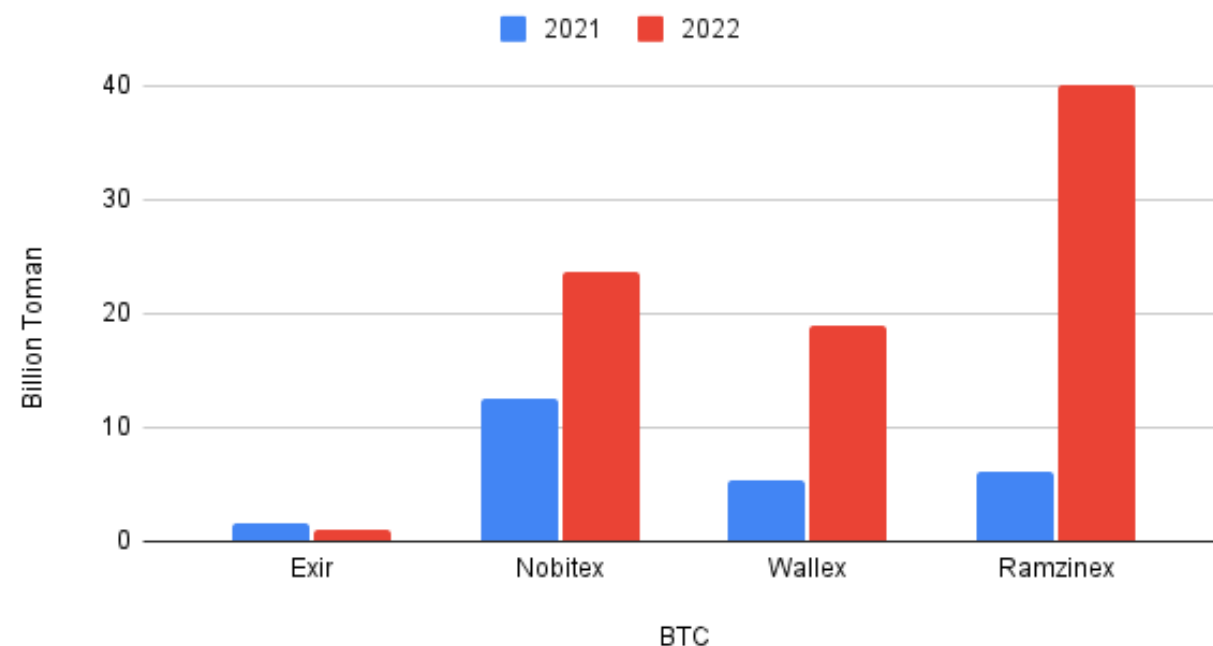
Major Changes since the last report

Daily volume is how many shares are traded each day, but this can be averaged over a number of days to find the average daily volume.

Typically, an increase in the daily volume of exchange means that the exchange experienced an increase in the number of users and the amount of trading.

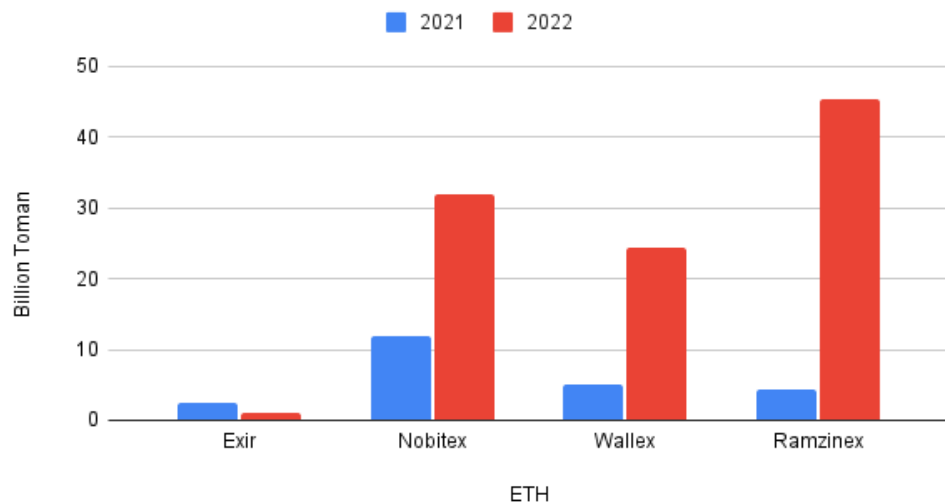
It can be seen from the reports that Ramzinex witnessed the biggest increase while the figure for Exir remained relatively constant.

Average daily volume change (BTC)

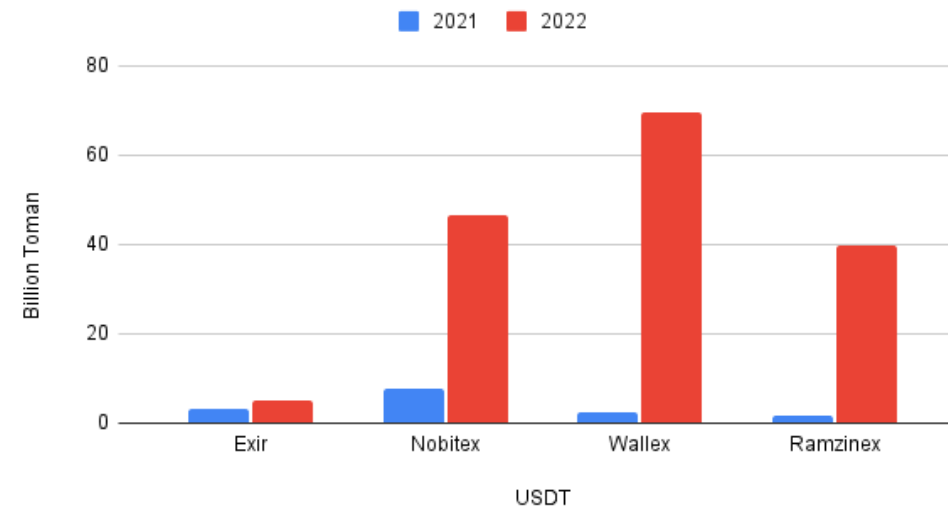


Major Changes since the last report

Average daily volume change (ETH)



Average daily volume change (USDT)



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Winter 2022

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