



Kaspersky®  
Application Security  
Assessment

MERKELEON

# External security assessment drives upsurge in crypto exchange business development

kaspersky

# Merkeleon

Starting in 2009 Merkeleon has developed innovative platforms for marketplaces, online auctions and cryptocurrency exchange.



## FinTech

- Headquartered in Pöttelsdorf, Austria
- Founded in 2009
- Implemented Kaspersky Application Security Assessment
- Made security a key feature of their fintech offerings

**Merkeleon, a core fintech business, entered the market in 2009 as an online auction solutions developer. Following industry trajectories, the company focused their efforts on b2b online marketplace software and then moved to writing crypto exchange platforms in 2013.**

“From the beginning we have focused on securing our fintech products. We started from internal audit procedures, as well as extensive in-house testing.” – says Head of Business Development at Merkeleon, Alexey Sidorowich. “Today cryptocurrency is becoming increasingly mainstream. At the same time, crypto exchanges are becoming more attractive for hackers because it is more profitable and less risky to attack them than to hack bank vaults. With 15 crypto exchanges launched in 12 countries during the last 5 years we need to ensure that all our customers trust our security policies completely in order to maintain our reputation as a reliable partner. This resulted in our decision to have a leading cybersecurity vendor conduct an external security assessment of our application.”

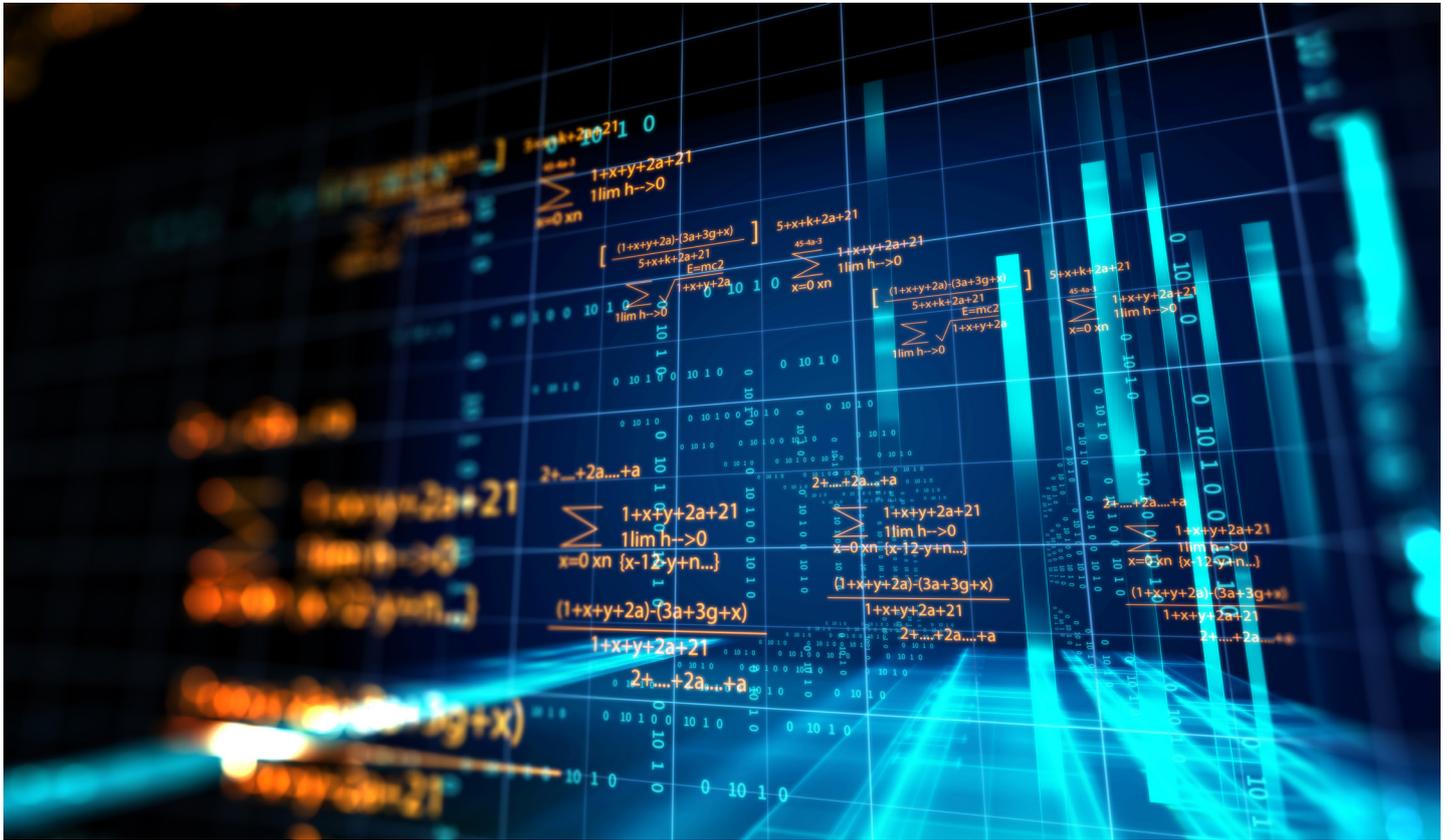
**“With Kaspersky we have achieved great synergy between crypto development expertise and in-depth knowledge of cyber threats and security algorithms. The result is a product that is secure and worry-free for our customers and the end-users.”**

**Alexey Sidorowich**, Head of Business Development at Merkeleon

## Challenge

“The Merkeleon crypto exchange platform is based on a multitier architecture and contains different modules including payment and crypto wallet management systems which are our proprietary development. We aimed to assess the implementation logic as well as separate components to ensure that they are hack-resistant, don't have design flaws or undocumented features and are not exposed to other cyber risks. It was key for us to guarantee that none of our commercial applications contain vulnerabilities that could lead to financial losses for our customers,” Alexey Sidorowich continues describing the decision-making process.

“Crypto exchanges suffer from systematic risk as they are usually developed primarily based on fintech requirements and never by cybersecurity companies. We based our risk management strategy on turning this approach around. We wanted to work with a reputable cybersecurity vendor with solid relevant expertise, who would assess not just code vulnerabilities and inconsistencies, but also the overall architecture, the correctness of the methodologies and external tools used during the development process.



#### TRUST

Public announcements of an application security assessment immediately raised trust levels among potential clients



#### SECURITY

Kaspersky Application Security Assessments ensure better security for crypto exchange operations



#### PARTNERSHIP

A single application security assessment project propelled both vendors to a new level of partnership



#### GROWTH

The noticeable growth in leads and conversions confirms the market demand for secure crypto exchange platforms

With all that said we started looking for a cybersecurity partner who would help us to achieve a synergy between security and crypto exchange development in order to offer the most innovative and most competitive crypto exchange platform to the market.” – concludes Alexey Sidorowich.

## Kaspersky solution

Alexey Sidorowich describes choosing the vendor: “We created a list of vendors to match our criteria for cybersecurity expertise. Only leading players were considered as we are very serious about the level of security we want to offer to our customers, and we value our solution highly. A few meetings with Kaspersky experts convinced us to continue with them, as we saw the enormous expertise, serious technical knowledge, attention to every detail and obvious motivation to get the highest results.

We conducted a series of consultations with Kaspersky and defined the list of factors we need to review during the application security assessment. We chose the most advanced option, the so- called white-box, where the platform is assessed for external hack resistance whether or not the criminals have authentication credentials.”

The Head of Growth Center at Kaspersky, Vitaly Mzokov explains: “**White-box testing entails analysis with full access to the application, including source code; this approach is most effective in revealing the maximum number of vulnerabilities and design flaws. White-box testing detects security flaws which could expose the vendor to risks such as confidential data being syphoned off, infiltration and modification of data and systems, initiation of denial of service attacks or fraudulent activity.**”

Alexey Sidorowich continues: “As a result we received a report from Kaspersky showing the current security level of our application and were pleased to see it matched our internal expectations. The report contained recommendations on how to remediate flaws to increase platform security, which we immediately implemented in our front-end application.

# 2014

first crypto exchange based on the Merkeleon platform launched in Denmark

# 15

crypto exchanges launched since 2014 in 12 countries

We were impressed by how comfortable and efficient it was to work with Kaspersky. We proceeded like two development teams with complimentary expertise working together on an important project: quick, professional teamwork with attention to every little detail.

We saw an immediate upsurge in trust levels after we completed all updates to the application and made a public announcement. The response was positive both from the crypto exchanges operators we work with already, and from prospects. This clearly establishes that while it is important to conduct and report internal security procedures, a **3<sup>rd</sup> party security assessment by a leading cybersecurity vendor** propels you to new heights of reliability. We recorded a double-digit increase in the amount of leads generated via our website.

**"We were impressed by the Merkeleon team's accountability and their clear focus on developing a truly secure product. Merkeleon has definitely moved beyond simply talking about security and took serious steps to put real security in place,"** notes Vitaly Mzokov from Kaspersky.

## Security does make a difference

"From the first, as we worked with Kaspersky the relationship between the two companies resembled a business partnership. Together we have achieved great synergy between crypto development expertise and in-depth knowledge of cyber threats and security algorithms. The result is a product that is secure and worry-free for our customers and the end-users.

Merkeleon is now a certified partner and reseller of Kaspersky blockchain security solutions in Europe. We are promoting **Kaspersky Application Security Assessment** to prospects with our own team serving as the crypto expert. This joint service provides exceptional benefits to the customers," – discloses Alexey Sidorowich.

After the successful collaboration between Merkeleon and Kaspersky, the companies are offering an innovative solution to the market that incorporates products and services from both vendors:

- Merkeleon Turnkey Crypto Exchange Platform
- Kaspersky Crypto Exchange Security solutions for crypto exchange operator environments, including the Kaspersky Application Security Assessment
- Technical support and maintenance from Merkeleon

"We are at the beginning of a long and successful journey. We see tremendous potential in the synergy between our two companies. We aim to benefit from Merkeleon's crypto expertise and technologies as we continue to investigate opportunities to integrate security components into their crypto exchange solutions," shares Vitaly Mzokov.

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