

The Evolving State of Centralized Crypto Exchanges in 2025

By Shift Markets

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This report explores how centralized crypto exchanges (CEXs) are evolving in 2025 amid rising user demands, regulatory changes, and technological innovation. From market shifts and trading infrastructure to product offerings and institutional adoption, the following sections provide actionable insights for crypto operators and stakeholders seeking to stay competitive in a rapidly changing environment.

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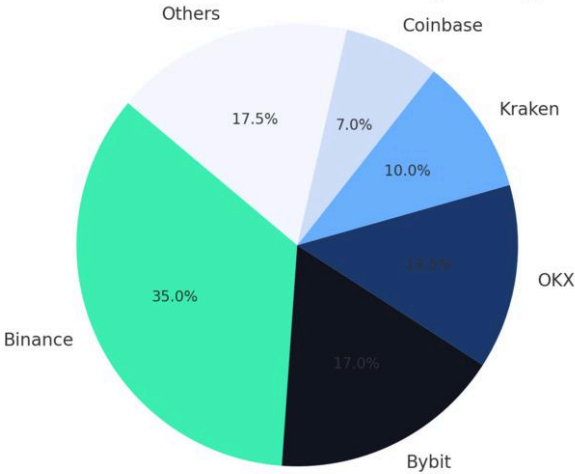
About Shift Markets

CEX Market Landscape in 2025

Leading Exchanges: Dominance and Shifts in Market Share

In 2025, the centralized crypto exchange (CEX) landscape continues growing, with market dominance among leading exchanges slightly diminishing. **Binance, while still the largest by trading volume, saw its global market share in spot and derivatives trading decrease from around 50% in 2024 to approximately 35-40%** due to intensified competition and increased regulatory pressure. **Bybit emerged notably in derivatives trading, capturing around 17% of global market share** by late 2024, while **OKX held steady at approximately 13.5%**. Emerging specialized platforms, such as Bitget (achieving a 5.5% global market share by late 2024), have capitalized on user demand for niche services like copy trading and synthetic assets.

CEX Market Share Distribution in 2024 by Trading Volume



Regional markets, particularly South Korea and Latin America, have experienced robust growth. **Upbit dominates South Korea with roughly 70% market share**, handling over \$45 billion in daily trading volume during peak periods. **Bitso leads in Latin America, increasing user registrations by 44% in 2024 and surpassing \$2 billion in monthly trading volume.**

Key Market Movements & Takeaways

Since 2024, the centralized crypto exchange market has sustained significant momentum, with the top 15 centralized exchanges **collectively recording approximately \$18.83 trillion in spot trading volume**. Binance maintained its leadership position with a 39% market share, representing around \$7.35 trillion of this total.

This notable expansion reflects increased engagement from both institutional and retail investors, enhanced liquidity facilitated by advanced trading infrastructures, and expanded fiat-to-crypto accessibility. **The ongoing rise of diverse financial products, including synthetic assets and derivatives, continues to drive competition and innovation**, shaping a dynamic and increasingly mature crypto exchange ecosystem poised for further evolution beyond 2025.

Technological Advancements in CEX Infrastructure

Matching Engines and Execution Speed

In 2025, substantial advancements in matching engine performance have significantly enhanced execution speeds and throughput within centralized crypto exchanges. **Matching engine upgrades have notably reduced trade execution times, in some cases from approximately 10 milliseconds to as low as 5 milliseconds**, supporting order processing rates of over 1 million orders per second.

Advanced acceleration techniques such as **FPGA-based optimization and microservices architecture** have enabled consistent execution latencies below 1 millisecond, further facilitating extremely high order throughput. Strategic software optimizations using languages like Rust and C++ have contributed to achieving trade processing latencies measured in microseconds, maintaining nearly perfect uptime with sub-2ms end-to-end latency.

Security Enhancements and Custody Solutions

Security remains a focal area for exchange platforms of all caliburs, with industry-wide adoption of multi-signature wallets, multi-party computation (MPC) technology, and geographically distributed cold storage solutions. The prevailing practice of **securing over 95% of customer assets offline in cold storage substantially reduces theft risks**. The integration of MPC technology, significantly advanced through strategic acquisitions of security-focused firms, ensures that cryptographic keys are never fully exposed in a single location.

Transparency Through Proof-of-Reserves

The heightened emphasis on transparency across the industry has led to widespread implementation of cryptographic **Proof-of-Reserve (PoR) systems**. Early adoption of Merkle-tree-based audits has allowed exchanges to cryptographically verify assets exceeding \$20 billion.

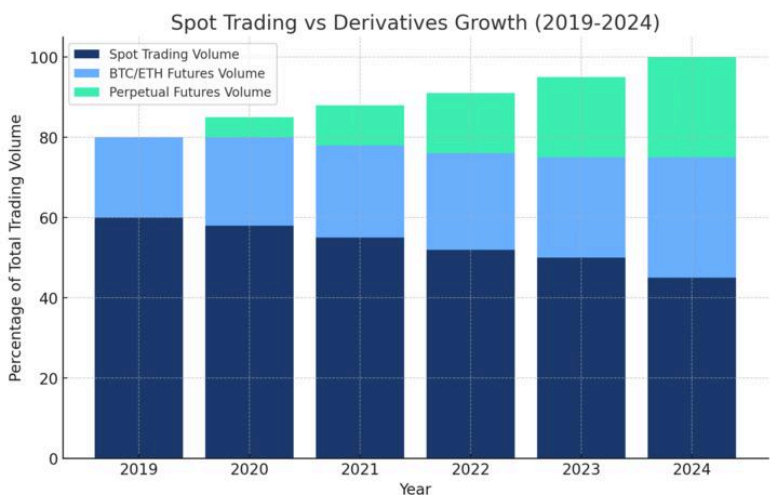
Further innovation includes the adoption of advanced **zero-knowledge proofs like zk-SNARKs and zk-STARKs**, enabling cryptographic validation without disclosing sensitive individual account information. Regularly published reports, detailed reserve ratios, and public wallet disclosures enable users to independently verify reserve data. Third-party audit firms have become integral in conducting these audits, significantly bolstering transparency, accountability, and user confidence in the exchanges' commitment to responsibly managing client assets.

Evolving Product Offerings and User Demands

Spot Trading and Derivatives Growth

In 2024, spot trading maintained its position as the predominant product across the centralized crypto exchange market. However, derivatives trading emerged as a rapidly growing segment, significantly reshaping the overall market structure. Futures contracts, **particularly BTC and ETH futures, accounted for more than 55% of the total trading volume on major platforms**, as traders increasingly utilized these instruments to amplify market exposure efficiently. Perpetual futures notably stood out, capturing approximately 60% of global derivatives trading volumes.

Year-on-year derivatives market growth across exchanges averaged around 30%, reflecting increasing user interest and participation. To address this rising demand, exchanges introduced higher leverage levels (up to 100x) and features such as auto-compounding, specifically tailored to retail traders seeking enhanced returns. In parallel, platforms emphasized improved risk management solutions, deploying advanced tools to mitigate the potential risks associated with heightened leverage and maintain market stability.



Staking and Passive Income

Centralized exchanges now position themselves as yield platforms, with staking widely available for assets like ETH, SOL, DOT, and ADA, **offering typical returns of 3%-12% annually**. Flexible and fixed-term options, auto-restaking, and slashing protection have made staking more accessible. Beyond staking, exchanges offer structured products—like dual investments and fixed-income vaults—to deliver passive income across varying risk levels.

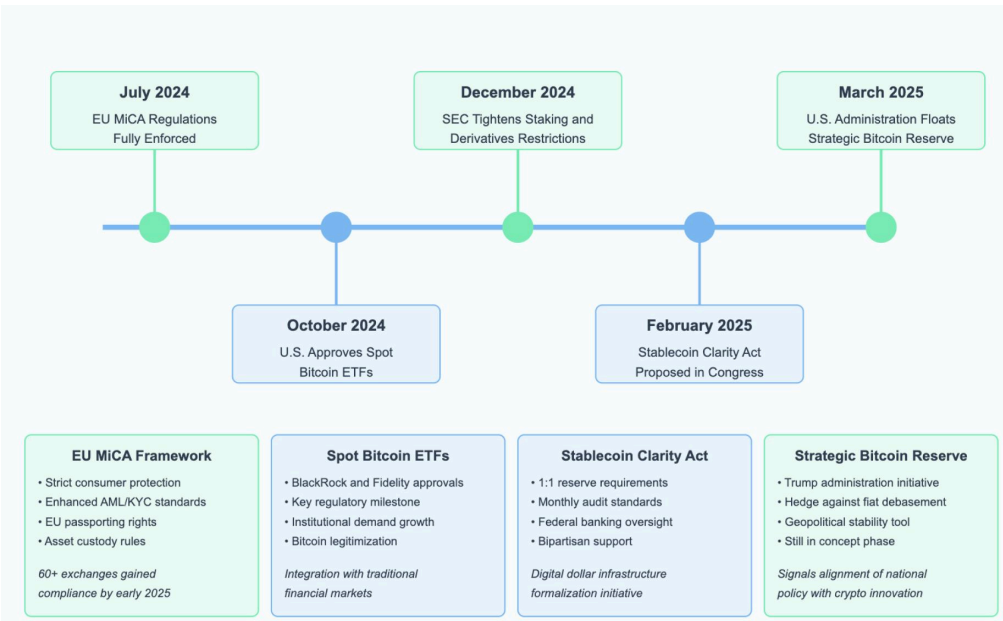
These features serve as key retention tools during low-volatility periods, as platforms compete to become all-in-one crypto financial hubs. **Yield levels remain closely tied to market conditions, expanding during bull runs and tightening in downturns.**

Regulatory Landscape and User Trust

Shifting Regulatory Policies

The global regulatory environment has undergone significant changes. The European Union's MiCA regulations, which came into full effect in 2024, require exchanges to meet strict compliance standards regarding consumer protection, AML/KYC requirements, and asset custody. **As of March 2025, over 60 exchanges in the EU are now MiCA-compliant**, allowing them to operate freely across member states. This regulatory clarity has driven a 30% increase in institutional investment in the EU region .

Meanwhile, in the U.S., regulatory pressure remains high, with the SEC continuing to restrict certain exchange services, particularly those involving derivatives and staking. However, the **approval of spot Bitcoin ETFs in 2024 marked a major milestone**, triggering renewed institutional interest and legitimizing crypto as an investable asset class. Under the Trump administration, recent federal-level shifts have begun to reshape the policy landscape. **Proposals around establishing a strategic Bitcoin reserve, framed as a monetary hedge and sovereignty tool, have gained traction within government circles.**



Additionally, calls for **reducing the regulatory burden on domestic exchanges—particularly around licensing and stablecoin issuance**—have emerged as part of a broader strategy to retain crypto innovation within U.S. borders. While concrete legislation is still developing, the shift signals a potential pivot toward a more industry-aligned stance at the federal level.



Prediction: CEXs Will Dominate the Crypto Market for the Next Decade

In 2025, centralized exchanges (CEXs) remain the foundation of the global crypto market, handling over 90% of trading volume. Despite innovation in DeFi, the convergence of liquidity, speed, and regulatory alignment continues to favor CEXs. Looking ahead, CEXs are well-positioned to maintain dominance through 2030 as infrastructure matures and institutional adoption accelerates.

Liquidity Infrastructure: CEXs Extend Their Lead

By early 2025, top CEXs processed approximately \$6.4 trillion in trading volume. **Forecasts suggest this figure could surpass \$10 trillion by 2026 if current compound growth trends persist.** CEXs continue to serve as liquidity anchors for both spot and derivatives markets. BTC and ETH futures alone now account for over 55% of global crypto trading volume. **Perpetual futures, supported by low-latency execution and deeper leverage tools, are projected to represent nearly 70% of crypto derivatives trading by 2027.** As high-throughput infrastructure and order book depth become critical differentiators, CEXs are investing aggressively to sustain their liquidity advantage.

Emerging Markets and UX: The Growth Frontier

Asia, Latin America, and Africa are projected to be the largest contributors to user growth through 2030. **Latin America alone saw a 44% increase in new user registrations in 2024,** and that trend is expected to continue, particularly in markets with high inflation or limited access to traditional finance. **Monthly trading volume in the region has already surpassed \$2 billion, with mobile-first platforms leading adoption.** Additionally, female participation in crypto rose 25% last year—signaling the success of more inclusive design. CEXs investing in localized onboarding, simplified KYC, and passive income tools are best positioned to capture these demographics. If growth rates hold, emerging markets could account for over 50% of new exchange users by 2028.

Outlook: CEXs Hold the Strategic Advantage

Despite DeFi's continued innovation, **CEXs are projected to capture 85% of global trading volume by 2030.** Their ability to adapt to regulation, integrate institutional services, and scale liquidity makes them critical infrastructure for the digital asset economy. As geopolitical forces shape crypto policy and new user classes enter the market, CEXs that align compliance, accessibility, and yield strategies will remain the industry leaders for the foreseeable future.



Final Analysis: What This Means for the Industry

Centralized exchanges have evolved into more than just trading venues, they now serve as comprehensive platforms that integrate liquidity, custody, yield, and compliance. From record-breaking trading volumes to regulatory breakthroughs, the momentum behind CEXs in 2025 signals the beginning of a new phase: one defined by institutional scale, regional expansion, and deeper financial integration.

While DeFi will continue to grow in parallel, the infrastructural and regulatory foundations laid by CEXs place them at the center of crypto's global evolution. Their ability to meet user demand at scale while aligning with legal frameworks and advancing technical performance—makes them indispensable to the next decade of digital asset growth.

Key Report Takeaways:

- **Market Consolidation with Diversification:** While a few platforms continue to lead by volume, the broader CEX market is expanding with niche products and region-specific offerings.
- **Technology is the Differentiator:** Sub-5ms execution, advanced custody, and PoR systems are no longer optional—they're baseline infrastructure.
- **Yield and Derivatives Are the Engine:** These products now drive engagement and retention across user segments, especially in low-volatility environments.
- **Emerging Markets Will Shape the Future:** Platforms prioritizing mobile UX, local fiat ramps, and simplified KYC are best positioned to lead.
- **Regulatory Alignment Is a Growth Lever:** MiCA, ETF approvals, and national strategies like the U.S. Bitcoin reserve concept are transforming CEXs into state-aligned financial infrastructure.

Action Items for Operators & Stakeholders

To stay competitive in a maturing market, **exchange operators must shift from reactive scaling to proactive infrastructure development**. This includes **doubling down on execution speed, expanding derivatives and yield products**, and preparing internally for evolving regulatory frameworks like MiCA and potential U.S. legislation changes. Operators should also **localize onboarding strategies for high-growth regions and invest in modern custody and PoR systems** that meet rising institutional expectations.

For the broader ecosystem—regulators, investors, and infrastructure providers—the focus must be on **alignment and interoperability**. Regulatory bodies should prioritize clear, harmonized policies that support compliant innovation, while institutional players allocate capital toward transparent, well-audited venues. Meanwhile, technology providers and service firms have an opportunity to build scalable tools that plug seamlessly into both centralized and decentralized finance rails, helping exchanges evolve into full-stack financial platforms.

Shift Markets'

Exchange Infrastructure Solution

Shift Markets' white label crypto exchange solution is designed to provide brokers with a turnkey platform that is ready to launch and fully customizable. Our solution includes:



Unified Spot & Derivatives Trading

Supports both spot and derivatives crypto, offering a comprehensive trading experience that meets the needs of diverse traders.



High-Speed Trading

Shift's advanced matching engine is designed for low latency and high-volume trading, ensuring swift and accurate order execution.



Aggregated Liquidity

Access deep liquidity from major exchanges like Coinbase, Binance, and Kucoin, providing traders with competitive pricing and minimal slippage.



Full Back Office Control

Manage every aspect of your exchange with precision, from user accounts and compliance to trading activity and financial reporting.



Customizable UI/UX

Tailor your platform's look and feel to reflect your brand, ensuring a unique and engaging user experience. Create a distinctive brand identity while offering a user-friendly and intuitive trading environment.

Ready To Grow Your Brokerage?

Explore crypto trading solutions with Shift Markets to boost your FX brokerage's profitability and expand your client base. Request a Demo Today.



About Shift Markets

Shift Markets has been at the forefront of financial innovation since 2009, providing advanced trading infrastructure for FX and cryptocurrency markets. With over a decade of experience, Shift helps brokers integrate cryptocurrency trading seamlessly into their platforms. We ensure efficient adoption and superior market performance for enterprises in the evolving digital asset landscape.

Proprietary Technology

Our white label crypto exchange platform includes a robust trading system, back office, CRM, mobile app, order matching, bridge connectivity, and liquidity aggregator, enabling businesses to commercialize digital assets swiftly.

Established Expertise

Having launched over 200 brokerages and exchanges, Shift Markets offers unmatched industry knowledge and technical expertise.

Global Licensing and Compliance

We offer personalized licensing services for global compliance, backed by extensive legal and regulatory expertise.





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