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Binance and Coinbase Aren't Implementing Bitcoin Lightning Network

Some community members have suggested that the implementation of the Lightning Network may be against business plans of some cryptocurrency exchanges or simply not a priority for others.

The [Bitcoin Lightning Network](#) integration started to take off among the cryptocurrency exchanges worldwide. However, some of the world's largest crypto trading platforms seemingly are not in the hurry to integrate the protocol.

Last week, Robinhood crypto trading app became the latest major industry player to announce the Lightning integration, following in the footsteps of BitPay and the Kraken crypto exchange.

As the main goal of the Lightning integration is to reduce the cost of Bitcoin (BTC) transactions and accelerate the network transfers, one may wonder what cryptocurrency exchanges have still not added the Lightning support.

Binance, Coinbase And FTX Are Silent on the Lightning Integration

Not everyone is happy with the pace of Bitcoin LN adoption. David Coen, a software quality assurance tester and crypto enthusiast, is disappointed at the lack of progress for the Lightning Network integration among major crypto exchanges. He compiled data from official sources, social media presences and Lightning explorers like 1ML and Amboss, only to find out that Binance, Coinbase and the major South Korean crypto exchange Bithumb are not in the list of "Lightning exchanges."

Despite providing comprehensive information about the Lightning Network on their websites, both

Coinbase and Binance declined to comment on their potential Lightning Network integration plans.

FTX — which is not mentioned in Coen's list — has refused to comment as well. In January last year, FTX said that it "probably pays more in transaction fees than any other single entity in the world" on its official Twitter account.

There are apparently a wide number of possible reasons why some of the world's largest crypto exchanges have not added the Lightning support so far.

One Redditor suggested that the Lightning Network availability would be essentially associated with fewer incentives to keep Bitcoin on exchanges like Binance due to expensive withdrawals. "It may not be to Binance advantage to implement it though. I personally want to use the Lightning Network to transfer all my BTC trading to cold storage," he said.

According to Coen, the Lightning implementation could be simply not a priority for some major crypto exchanges, or even against their business plans for others.

"I believe Binance has no interest in integrating Lightning Network deposit or withdrawal because it could be against their business plans," Coen said. He suggested that Binance may be more interested in promoting usage of its proprietary blockchain networks, including the Binance Beacon Chain and the Binance Smart Chain, particularly for withdrawals.

Some of the Major Cryptocurrency Exchanges Prioritize Industry Trends like NFTs over Lightning Network

Coen emphasized that Lightning not only allows to move Bitcoin at a lower cost but also enables users to hold actual BTC, stating:

"With Lightning Network, users are able to move funds even for free, if they have a direct channel to the exchange and most importantly, they have real bitcoin instead of a Bitcoin token on an Ethereum Virtual Machine network."

The Lightning enthusiast also doesn't expect other exchanges like Coinbase to integrate Lightning support in the near future "since the priority seems to be to integrate as many altcoins as possible and follow the trends of the market," he said. Coen added that nonfungible token (NFT) support appears to be more a priority for Coinbase over Lightning, citing the company's NFT initiative

released officially last year. The expert's remarks echoed some similar comments in the community.

Lightning is becoming less cutting edge and more necessary

According to some community members, Lightning is still a cutting-edge development today, which makes large crypto exchanges take significant time and effort to make such improvements.

However, with exchanges like Bitfinex, OKX (formerly OKEx) and Kraken adding Lightning, "it's becoming less cutting edge and more of a necessity to be competitive," a spokesperson for the Amboss explorer told Cointelegraph.

"The user experience with Lightning is superior and exchange users will be looking for the easiest way to make deposits and withdrawals from their exchange of choice. [...] Lightning support is a necessity for users who need to execute fast trades," the representative stated.

Launched in March 2018, the Lightning Network is a Bitcoin layer 2 protocol designed to enable faster and cheaper BTC transactions. Bitfinex is believed to be the first cryptocurrency exchange in the world to add Bitcoin Lightning support for payments by integrating the protocol in December 2019.