
The Case for Crypto Dark Pools, or Not?

Date: 09/11/25

In light of well-publicized situations highlighting DeFi's "transparency paradox," i.e., where the transparency innate in the technology can be its own Achilles heel, we explore how DeFi markets potentially could be structured in a way to protect market participants from exploitation and the relative benefits and drawbacks of doing so. One such approach would be the utilization of "dark pool" structures in DeFi that shield transaction information from bad actors who might otherwise use the information to effectuate malicious strategies. In this article, we discuss this approach in detail and analyze applicable legal and regulatory considerations related thereto.

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