# Bitpanda’s UK IPO withdrawal highlights shifting crypto listing preferences towards US and Frankfurt markets



The cryptocurrency sector, which once flourished amid speculative enthusiasm, is now confronted with the stark realities of liquidity challenges and regulatory uncertainty that are reshaping the viability of crypto exchanges aiming to go public. A prominent example is Bitpanda, the Vienna-based crypto exchange backed by billionaire investors including Peter Thiel and Alan Howard. Bitpanda recently decided to forego an initial public offering (IPO) on the London Stock Exchange (LSE), citing poor liquidity and an unfavorable market environment as decisive factors in its strategic pivot toward potential listings in Frankfurt or New York.

Liquidity—the ease with which assets can be bought or sold without causing significant price changes—has emerged as the "silent killer" for many crypto firms seeking public capital. Bitpanda’s CEO, Eric Demuth, explicitly pointed to a lack of "depth of buyers and sellers" on the LSE as a critical barrier to executing a successful IPO. This issue is symptomatic of a broader structural decline in London’s capital markets, which have seen fundraising plunge to a 30-year low in the first half of 2025. With IPO proceeds on the LSE dropping to between £160 million and £182.8 million, compared to a peak of £8.8 billion in 2021, the exchange struggles to attract both institutional and retail interest. For crypto firms, which typically exhibit higher volatility and regulatory complexities, the liquidity deficit represents an even greater risk of underperformance post-listing.

In stark contrast, markets like New York and Frankfurt have become preferred venues for crypto exchanges seeking robust investor demand and deeper liquidity pools. The New York Stock Exchange (NYSE) and Nasdaq, benefitting from a regulatory environment that has been historically more supportive and clearer in its frameworks, have seen a wave of successful crypto listings such as those by Gemini, Bullish, BitGo, and Figure Technology Solutions. This trend can be partly attributed to earlier U.S. government efforts under the Trump administration to prioritise regulatory clarity and foster innovation within the fintech sector, including crypto assets. Meanwhile, Frankfurt is emerging as a significant European hub, boosted by Germany's progressive stance towards fintech and regulatory engagement.

The UK’s governance framework, by comparison, has not kept pace with the rapid evolution of digital assets. Observers from the Official Monetary and Financial Institutions Forum (OMFIF) highlight that the UK missed its earlier opportunity to lead in blockchain innovation due to slow regulatory adaptation and fragmented policy approaches. The absence of a clear roadmap for crypto asset classification, compounded by delays in implementing the European Union’s Markets in Crypto-Assets (MiCA) regulation, has created uncertainty that hinders institutional investment. For firms like Bitpanda, which rely on predictable regulatory environments to attract long-term capital, the UK’s environment has become a significant obstacle. The U.S. model—with its Securities and Exchange Commission (SEC) compliant frameworks and investor-friendly policies—has set a global benchmark, putting UK-based crypto firms at a relative disadvantage.

For investors, the implications are clear. Markets that combine liquidity and regulatory clarity—such as those in the U.S. and Frankfurt—offer more attractive risk-adjusted returns for crypto-focused firms. The U.S. market’s capacity to absorb high-growth IPOs amid sector turbulence demonstrates resilience, while Frankfurt provides an appealing alternative for companies keen to mitigate U.S. regulatory scrutiny. Bitpanda’s move away from the UK not only signals the declining attractiveness of London as a venue for high-growth tech listings but also reflects the broader challenges faced by the UK in sustaining its capital market vibrancy amid evolving global competition.

Looking ahead, digital asset firms intent on tapping public markets must take a nuanced, strategic approach. Critical considerations include prioritising exchanges with sufficient market depth to absorb asset volatility, aligning with jurisdictions that offer clear and innovation-friendly regulatory frameworks, and diversifying geographic exposure across U.S. and EU markets to hedge against geopolitical risks. Bitpanda’s focus on New York and Frankfurt exemplifies this strategy, positioning the firm to leverage global capital flows while navigating governance risks.

In conclusion, Bitpanda’s decision to abandon its LSE IPO plans is both a cautionary tale and a blueprint for adaptation within the crypto sector. It underscores that liquidity and regulatory clarity are not merely operational factors but existential determinants of success or failure for crypto exchanges aiming to go public. As the crypto landscape continues to evolve, the ability of firms and investors to recalibrate towards jurisdictions offering stability and depth will be pivotal in shaping the future trajectory of digital asset financial markets.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/), [[2]](https://www.ft.com/content/ca0094da-6ffb-454e-876f-7ffc3d13dfd9), [[3]](https://www.coindesk.com/business/2025/08/26/bitpanda-considers-public-listing-rules-out-london-as-destination-ft), [[4]](https://financefeeds.com/bitpanda-shelves-london-ipo-plans/), [[5]](https://coincentral.com/peter-thiel-backed-bitpanda-avoids-uk-ipo-focuses-on-new-york-or-frankfurt/), [[6]](https://cryptonews.com/news/peter-thiel-backed-bitpanda-rejects-uk-listing-liquidity-woes/), [[7]](https://coinfomania.com/bitpanda-rejects-london-ipo-over-liquidity-struggles/)
* Paragraph 2 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/), [[2]](https://www.ft.com/content/ca0094da-6ffb-454e-876f-7ffc3d13dfd9), [[3]](https://www.coindesk.com/business/2025/08/26/bitpanda-considers-public-listing-rules-out-london-as-destination-ft), [[4]](https://financefeeds.com/bitpanda-shelves-london-ipo-plans/), [[6]](https://cryptonews.com/news/peter-thiel-backed-bitpanda-rejects-uk-listing-liquidity-woes/), [[7]](https://coinfomania.com/bitpanda-rejects-london-ipo-over-liquidity-struggles/)
* Paragraph 3 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/), [[2]](https://www.ft.com/content/ca0094da-6ffb-454e-876f-7ffc3d13dfd9), [[5]](https://coincentral.com/peter-thiel-backed-bitpanda-avoids-uk-ipo-focuses-on-new-york-or-frankfurt/)
* Paragraph 4 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/), [[5]](https://coincentral.com/peter-thiel-backed-bitpanda-avoids-uk-ipo-focuses-on-new-york-or-frankfurt/)
* Paragraph 5 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/)
* Paragraph 6 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/)
* Paragraph 7 – [[1]](https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/)

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## Bibliography

1. <https://www.ainvest.com/news/cryptocurrency-exchange-viability-liquidity-challenges-navigating-regulatory-financial-risks-shifting-market-2508/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/ca0094da-6ffb-454e-876f-7ffc3d13dfd9> - Bitpanda, a leading European crypto exchange backed by billionaire investors Peter Thiel and Alan Howard, has ruled out listing in London, citing poor liquidity on the London Stock Exchange (LSE). Co-founder Eric Demuth emphasized that despite actively considering a public listing, the UK is no longer an attractive option due to its recent IPO drought and diminished investor interest. London’s capital markets have reached a 30-year low in funds raised this year, prompting companies like fintech firm Wise to shift listings to New York. Instead, Bitpanda is eyeing potential listings in Frankfurt or New York, aligning with a broader trend of crypto firms favoring the US, bolstered by President Trump's administration, which strongly supports digital assets. The US has seen a wave of crypto listings, including Figure Technology Solutions, Gemini, BitGo, and Bullish, another Thiel-backed firm. Founded in 2014 and valued at $4.1 billion in 2021, Bitpanda recently expanded into the UK, offering trading in over 600 tokens and becoming an Arsenal FC sponsor. However, with most of its revenue still coming from continental Europe, the UK remains a lower priority for strategic moves like stock exchange listings.
3. <https://www.coindesk.com/business/2025/08/26/bitpanda-considers-public-listing-rules-out-london-as-destination-ft> - Bitpanda, the cryptocurrency exchange backed by billionaire Peter Thiel, has ruled out the UK for its upcoming public offering. The company cited low liquidity on the London Stock Exchange (LSE) as a key reason for this decision. CEO Eric Demuth confirmed that the exchange is now considering Frankfurt or New York as potential listing venues. Demuth highlighted that the LSE's lack of depth in buyers and sellers poses a significant barrier to a successful IPO. This decision reflects a broader trend of companies moving away from the LSE due to weak liquidity and investor interest. The UK’s IPO market has fallen to a 30-year low in 2025, with only £160 million to £182.8 million raised in the first half of the year, compared to £8.8 billion in 2021. Bitpanda's move underscores the challenges facing the UK's capital markets in attracting high-growth tech and crypto IPOs.
4. <https://financefeeds.com/bitpanda-shelves-london-ipo-plans/> - Bitpanda, a well-known cryptocurrency exchange in Vienna, funded by billionaire investor Peter Thiel, has opted not to go through with an initial public offering (IPO) on the London Stock Exchange (LSE). The decision was made because of the speculation about the lack of liquidity in London’s financial markets. This is a sign of bigger problems that the UK is having as a place for high-growth digital businesses. The company is considering other locations to list, such as Frankfurt or New York, but it hasn’t set a date yet. The UK’s IPO market struck a 30-year low in 2025, with the amount raised from listings in the first half of this year plunging to a 30-year low. Anxiety is mounting about London's status as a hub for ... .
5. <https://coincentral.com/peter-thiel-backed-bitpanda-avoids-uk-ipo-focuses-on-new-york-or-frankfurt/> - Bitpanda, the crypto exchange backed by Peter Thiel, has decided against a UK listing due to liquidity concerns. CEO Eric Demuth confirmed that the company is now considering Frankfurt or New York for its public offering. The UK IPO market has fallen to a 30-year low, with only £160 million to £182.8 million raised in the first half of 2025. Bitpanda generates most of its revenue from continental Europe, reducing the incentive to list in the UK. Many crypto firms are opting for the US or European markets due to better liquidity and regulatory clarity.
6. <https://cryptonews.com/news/peter-thiel-backed-bitpanda-rejects-uk-listing-liquidity-woes/> - Bitpanda, the crypto exchange backed by billionaire Peter Thiel, has ruled out a UK listing due to liquidity concerns. CEO Eric Demuth highlighted that the London Stock Exchange (LSE) lacks sufficient trading activity and liquidity, making it difficult for companies to attract investors. He pointed to British fintech ... shift its primary listing to New York in search of deeper investor demand and better liquidity. The UK’s IPO market has fallen to a 30-year low in 2025, with only £160 million to £182.8 million raised in the first half of the year, compared to £8.8 billion in 2021.
7. <https://coinfomania.com/bitpanda-rejects-london-ipo-over-liquidity-struggles/> - Bitpanda, the Vienna-born crypto exchange backed by investor Peter Thiel, has told markets it will not seek a listing in London as it plans its path to the public markets. Reports have disclosed that the UK’s IPO market has slid to its weakest level in three decades. In the first half of 2025, roughly $215 million to nearly $248 million was raised, compared with a 2021 peak of $11.88 billion. Even when secondary issues are counted, the totals remain the lowest in decades. Investors and bankers point to thin trading and low liquidity as core reasons. According to the Financial Times, CEO Eric Demuth said the company is weighing Frankfurt or New York instead and that London is “not on the table.” No firm timetable was given. Demuth has been blunt about liquidity. He told reporters that many companies are shifting away from the London Stock Exchange in search of deeper pools of buyers. Wise recently moved its primary listing to New York after a shareholder vote. Bitpanda only launched in the UK recently and, based on reports, still earns most of its revenue from continental Europe. The move away from London, the CEO suggested, reflects where capital can be found.