

Is Bitcoin going to be regulated out of business?

Bitcoin \$BTC has suffered a volatile last few weeks, with investor nerves being tested by first the split into Bitcoin and Bitcoin cash, and now the government of China ordering the closure of Bitcoin/crypto exchanges within their borders.



Bitcoin \$BTC has suffered a volatile last few weeks, with investor nerves being tested by first the split into Bitcoin and Bitcoin cash, and now the government of China ordering the closure of Bitcoin/crypto exchanges within their borders.

Of all the crypto currencies, Bitcoin is the one that has achieved trust, and Japan is now allowing it to be used as a currency. Amazon are rumoured to be considering allowing Bitcoin to be used for purchases in the near future too.

Bitcoin is, in reality, just another fiat currency, in that it is not backed by tangible assets. Unlike other crypto

currencies, Bitcoin looks to be closest to being accepted as a currency, having achieved trust, unlike other cryptos, that are less well known and are not accepted anywhere as currency, yet.

After a strong upward run so far in 2017, Bitcoin suffered heavy losses recently, as it fell back down, probably through profit taking as some people possibly sought to monetise their gains in regular fiat currencies. The split into Bitcoin and Bitcoin cash then created uncertainty, and more falls were registered, before it bounced back after the split went so well.

The next issue to effect the crypto currencies' valuation is the news that the Chinese government have ordered the banning of ICO's, and the closure of their crypto exchanges. Given that around >50% of world crypto trades are executed by Chinese investors, this is bad news in the long term.

.

Chinese investors can use a VPN to try and trade on other exchanges around the world, but the ban will make this difficult for most that wish to try and circumvent the ban.

In my opinion the biggest issue for Bitcoin moving forward is that it is regulated out of business, as governments clamp down on drug dealing, exchange control abuse, and tax evasion, all of which are facilitated by the anonymity of trading Bitcoin.

I cannot see governments around the world allowing Bitcoin to

become mainstream whilst it gives a cloak of anonymity to those trading the tokens.

We shall see if I am right or not in due course.

.