

Venezuelan government closes down local Bitcoin mining

Bitcoin – The government of Venezuela, the beleaguered South American country struggling with a currency crisis, has closed down local Bitcoin mining, and their Bitcoin Exchange, Surbitcion, has had its banking facilities suspended.

This follows a surge in usage as Venezuelans used it to circumvent local currency regulations.



Venezuela closes the local Bitcoin Exchange

Following on from recent actions taken by the Chinese government, to prevent Bitcoin being used as a tool to circumvent currency outflows, the Venezuelan government has taken similar action, by accusing local Bitcoin miners of “electricity theft”, and Surbitcion, the local bitcoin exchange, has had its banking facilities suspended.

Surbitcoin has stated it is confident of their banking facilities being restored in a couple of weeks, but that remains to be seen.

In both the Chinese and Venezuelan cases, Bitcoin usage has been reigned in by a government to prevent capital flight and the circumvention of local currency regulations.

This must be seen as the start of Bitcoin coming more under the control of governments. Until now, Bitcoin has always been marketed as a confidential means of money transfer, outside of the prying eyes of governments and tax authorities. I have always thought the time this will be allowed was limited.

There is no point in having money laundering and banking laws, and then allowing Bitcoin to facilitate these transactions in total secrecy via the blockchain. Things had to change, and now it looks as though governments are starting to flex their muscles to rein in Bitcoin, and prevent the flouting of local currency rules.

