

10 Most Interesting Bitcoin Regulations Around The Globe [or lack thereof]

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A few countries have their own **regulations** on **bitcoin** use and whether or not it's considered an *official currency*, some have yet to adopt regulations. In some countries it's welcomed into the *finance world*, and is looked at as a cost effective and new way to *run financial services*. Others strongly disagree with this **new innovation** and have warned its citizens not to go near this potentially risky financial option. Below are 10 of the world's most interesting **bitcoin regulations** (or non-regulation stances) in countries all over the globe.

Canada—The *regulation for bitcoin in Canada* is an interesting one, namely because recently they introduced **the first bitcoin ATM**. The country does not consider the bitcoin as *legal tender* at the moment and has not shown any signs of regulating it in the near future, but that may still change as the use of bitcoin continues to rise. According to Wikileaks, "Bitcoin is regulated under anti-money laundering and counter-terrorist financing laws in Canada".

Australia—Australia is definitely a country to watch in terms of **bitcoin use**, as they *plan to tax it as soon as possible*. Therefore those that are currently or have been previously dealing with **Bitcoin in Australia** should keep an eye out for this regulation to come into play. Many people in Australia are wary of Bitcoin however, as in 2013 an **Australian Bitcoin Bank was hacked** resulting in the *theft of over US \$1 million*. Australia classifies bitcoin as property, and the government has released tax guidelines for individuals. It is subject to goods and services act

and capital gains tax. It's also considered property, and thus purchases are considered barter. Some in the justice department have indicated that Australia aims to further regulate Bitcoin in the future to help prevent money laundering and terrorist financing via digital currency.

Estonia—Although small, Estonia seems very willing to jump onto the latest technological innovations, including **innovations** such as **blockchain technology**. *Blockchains* can be seen in use for services such as healthcare, banking services, and surprisingly, the government—as the country's citizens can become e-Residents. The country now has a number of **bitcoin ATMs**, as well as *several start-ups that use bitcoin as a currency*, such as **Paxful**. **Cryptocurrency users in Estonia** will definitely feel welcomed and accepted.

USA—Although the size of the USA does help, **the US has the largest bitcoin trading volume in the world**. *Silicon Valley* in the US is home to many start-ups that use Bitcoins and various other **cryptocurrencies**, so this is hardly surprising. It also has the highest number of Bitcoin ATMs in the whole world. Due to this technological hub, many other countries also look towards the USA as a guide as to **how to address the legal status of cryptocurrencies**, and it's treated almost as a testing ground. The U.S. Treasury classified the bitcoin as a convertible decentralised virtual currency in 2013. The IRS considers virtual currency as property for federal taxation.

South Korea—*The country is quickly accepting Bitcoin as a means of exchange and also as an investment*. This is hardly surprising considering the country's **vibrant tech industry** and that it has one of the **largest mobile payment rates in the world**. *There are no laws in South Korea that regulate a Bitcoin's use*, and due to this, there have recently been a great number of **Bitcoin related start-ups** coming from the country. The country also hosts **regular Bitcoin conferences** and those who wish to use the currency are welcomed. It is not considered illegal, however authorities will prosecute illegal activity involving bitcoin.

Germany—*Regulations in Germany* state that bitcoin is considered a 'unit of account', it can be **used for the purpose of taxation and trading legally**. However it is not currently considered a foreign currency, but stands as 'private money'.

Poland—The **government in Poland** has recently had a debate about *Bitcoin regulations*. There are two different points of view about it. On the one hand, accepting cryptocurrencies would mean that they would *have to give up complete authority over monetary policies* but very strict regulations *may prevent some of the uses of blockchain technology*. In December 2013 it was announced that the **Ministry of Finance** *does not consider bitcoin illegal*, however it **still cannot be considered a legal tender** nor is it considered electronic money.

China—Regulations state that private parties can hold and trade bitcoins, financial firms are prohibited from doing the same.

The Netherlands—The Netherlands has to be one of the most **Bitcoin friendly countries** out there. Not least because it is home to its own '**Bitcoin City**', a place where those who wishes to use bitcoin to make purchases can get almost anything they want, from gas to dental services. *Currently, a cryptocurrency is not regulated under the **Act on Financial Supervision***

of the Netherlands, which has resulted in many **cryptocurrency start-ups**, ATMs, communities, and even a **Bitcoin Embassy**. **The banking sector of the Netherlands** has started to look into bitcoin and the blockchain as a way to cut costs and improve their own technology.

UK—The Bank of England has been looking closely at bitcoin and the technology surrounding it. At the moment it's considered '**private money**', and VAT is imposed as normal. There is a presence of many *blockchain related start-ups* and it's a fairly **bitcoin friendly country**.

In addition to this initial list of 10, we've decided to add two more countries: Malaysia and Japan.

Malaysia—Malaysia's **Bank Negara Malaysia** (BNM) had met with local proponents of Bitcoin in 2013 for educational purposes, but made no comments. However, in 2014, BNM stated that *Bitcoin was not recognised as a legal tender in Malaysia*. Bitcoin is not being regulated, according to wikipedia, and precautions should be taken. According to coindesk.com, BNM's official website stated:

"The bitcoin is not recognised as legal tender in Malaysia. The Central Bank does not regulate the operations of bitcoin. The public is therefore advised to be cautious of the risks associated with the usage of such digital currency."

Japan—Last year, the **FSA** (Financial Services Agency of Japan) proposed amendments to the *Payment Services Act and the Act on Prevention of Transfer of Criminal Proceeds* to put **regulations on digital currency exchanges**, which would include Bitcoin. These changes are supposed to take effect in April. In essence *Japan will be officially recognizing Bitcoin and other virtual currency as property value*, and will be **imposing a host of new regulations for exchangers**. Feelings on these regulations are mixed, knowing that being officially recognized by the government and having certain regulations can be good for *earning trust*, but also that the extend of the regulations may *stifle growth of cryptocurrency startups*, as it will be much harder to get started. The overall feeling however, seems to be mostly positive. You can read more about these extensive regulations [here](#) and [here](#).

In an article by newsbtc.com written in January of this year, they stated that:

"Japanese traders, on the other hands, are flocking to Bitcoin all of a sudden. bitFlyer and Quoine are battling to become the market leader in Bitcoin trading, followed by Coincheck. The trading volume in JPY has been increasing steadily over the past few days, with a large peak on January 11. Over the past 24 hours, more than 80,500 Bitcoin has changed hands in the JPY market. That number is well above the 65,300 Bitcoin traded against the US Dollar."