

China recognizes bitcoin benefits



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According to a publication that was released on 13 October, the Cyberspace Administration of China revealed that they will no longer “ ignore its revolutionary changes” and announced that the bitcoin industry has entered the “ post- Bitcoin era.”

As the volatility of bitcoin decreases, China seems to adopt a more positive stance on digital currencies.

The publication noted that the United States Commodity Futures Trading Commission considers bitcoin as a commodity and even though the recommendations of the third- party bitcoin transfers are to be included in regulations, this attempt “ will promote economic regulation of electronic money.”

The roughly translated version of the publication states,“ Blockchain provides a decentralized [technology] for various industries [such as] finance, including [a way] to establish information verification. Recently the attention has shifted from the traditional financial sector to the blockchain technology.

For example, according to the European Banking Association in its latest report, blockchain technology can lower costs, improve product supply and improve the speed of transaction settlement.”

Cyberspace Administration of China believes in the potentiality and the promise by the underlying technology of bitcoin - blockchain.

It also recognizes the development that the digital currency has brought with the “ expansion of distributed payment and settlement mechanism.”

The publication further states, “ Although some people think that bitcoin and its underlying technology, the blockchain, is not stable, we cannot ignore the revolutionary changes it brought to the financial sector.

The new technology has led to the expansion of a disturbed payment and settlement mechanism, which will innovate financial transactions.”

The text points out that bitcoin is gradually transforming into real currency. Hence, it would be possible to explore the primary functions of bitcoin which includes payment in a regulated environment and settlement functions that will help in the progress of a stable, real electronic money.

The text reads, “ Digital currencies have entered the ‘ post Bitcoin era’, away from the [volatility] and towards regulation and mainstream development.”

The fact that bitcoin prices have rebounded strongly these past days, with a rising volume of CNY/ BTC trades could also be correlated with this favorable stance adopted by the Cyberspace Administration.

In addition, the Harvard Business Review China has organized its first global blockchain summit in Shanghai.

Entrepreneurs, investors, academic experts and executives from financial institutions participated in the event discussed the business applications and the opportunities of blockchain technology in the industry.