

Banks cut ties with isle of man bitcoin

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Banks decide to cut all Ties with Isle of Man's Bitcoin Industry

Capital Treasury Services, also known as CTS, is the company that connects Bitcoin businesses to different banks in the Isle of Man. Recent news suggests that the CTS is going to cut all ties with the crypto currency sector from the upcoming month.

Capital Treasury Service is a subsidiary of Capital International Group. Currently, they are working with many different virtual currency companies in the Isle of Man. They act as the companies' banking solution.

CTS is not a bank. It is a treasury service, which plays a similar role. The company holds funds for different companies from a variety of sectors.

They also work together with banking partners to clear customer funds.

Their recent decision was mainly pressured by these banking partners. The banks forced them to withdraw their services from all companies involved with crypto currency.

In a statement from the company, it was shared that they have very strong government support.

They have been eager to get behind the government's initiative. This can only be done with the full support of the financial sector, which they do not have any more.

It was also clearly stated that CTS would no longer take digital currency companies. Furthermore, they will close the accounts of those crypto currency companies that they planned to work with, in the next month.

<https://assignbuster.com/banks-cut-ties-with-isle-of-man-bitcoin/>

Companies can receive money for the next 2 weeks. Outward payments will be processed till 15th October.

CTS assured that they will work with the businesses they are currently working with to look for alternative solutions and providers.

They will discuss with the firms and provide guidance based on their long-time experience in the sector.

UK Digital Currency Association's Eric Benz, said in an interview that the Isle of Man government and selective financial services companies are trying very hard to help digital currency companies.

They hope that these companies continue to operation on the island.

Benz repeatedly said how keen CTS still is to work with the crypto currency firms. However, they cannot help without any support from their banking partners.

CEO of Isle of Man-based Bitcoin, Simon Hamblin, informed that he has been approached by several alternative finance providers in other jurisdictions who wanted to work with his firm.

Hamblin thinks Britain claims about its commitment to innovation, which is reflected in the FinTech industry. It is sad that the banking industry does not have the same commitment.

Banks Positions

A Bitcoin conference called “ Crypto Valley Summit” is being held in the Isle of Man this week. On the very first day this topic, of banks cutting ties with the digital currency companies was at the center of the discussions.

Managing director of Counting House Paul Davis and CEO of Instabill Jason Field take part along with managing director of Cayman National IOM Ian Bancroft.

Lieutenant governor of the Isle of Man Adam Wood and CEO of BTC China Bobby Lee also took part.

A panel on banking garnered the most attention, as Paul Davis, the most visible digital currency proponent on the island, decried the banks’ decision to cut ties with domestic bitcoin businesses.

Davis addressed the crowd and this most recent news head on, saying:

“ HSBC closed CTS’ corporate accounts because it objected to bitcoin transactions flowing through it.”

Davis went on to state that banks like Barclays were invited to speak at the event, but demurred following “ national discussions”.

Davis also announced that a merchant services firm based in the US, Instabill, would pick up the slack from CTS’ account closures.