

Bitcoin – part of the global banking order

[Finance](#), [Banks](#)



The future of bitcoin will be determined by central banks, standards bodies and corporate contributors.

That's the view of entrepreneur Jeremy Allaire, who used a Monday morning keynote address in New York to set out a vision of the digital currency that is decidedly unlike the decentralized dreams of many early bitcoin backers.

Allaire, whose startup Circle is vying to taking bitcoin into the consumer mainstream, spoke at Inside Bitcoins, one of a growing number of event franchises capitalizing on a spike of interest in payments and virtual currencies.

According to Allaire, bitcoin's emergence as a global payment platform will depend on governments altering anti-money-laundering laws, and helping bitcoin service providers integrate with the world's existing banking infrastructure. In his view, the choice between bitcoin and conventional fiat currencies doesn't represent an "either/or" proposition. Instead, he predicted the two systems will one day become intertwined through commercial banks and ATM networks.

More remarkably, Allaire also suggested that national governments could one day establish treaties to regulate bitcoin mining cartels, and act as market makers for bitcoin through their central banks.

All of this is a bit mind-boggling at a time when the average consumer has no idea what bitcoins do in the first place, and when the currency remains impractical as an everyday payment platform. While Allaire, along with west

coast rival Coinbase, are clamoring to change this, it's still unclear when — or if — bitcoin will go mainstream.

Like others, Allaire is fond of comparing today's bitcoin ecosystem to the world wide web in 1994, when Netscape suddenly brought the internet to everybody.

“ There is not yet the killer app for bitcoin,” he said, despite the upwards of 2, 000 bitcoin-related start-ups and companies that Allaire claims are now operating around the world.

So what will it take to get bitcoin to go from techie fetish to common currency? Allaire said that cryptocurrencies, recently dubbed a “ fifth protocol” for the internet, require more better standard systems and a company akin to Red Hat - a corporation that packages open-source software into practical commercial products.