

# Bitcoin bank or payment service provider to be

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Bitcoin is spreading more and more in recent years. Users call it “ the new gold standard.” Experts in the financial industry predict that in the future their value will continue to rise.

That said, it’s not surprising that more and more people want to get on the bitcoin train before it’s too late. How do people usually get into the bitcoin business? The three most used options are the mining of bitcoins, the trading / investment of these and their acceptance as a form of payment for services offered or items sold. In the beginning, the mining of bitcoins was much simpler. However, with the constant limitation of the increase in performance of the processors (you need a large sum of money to reach the right power!), Today it has become very difficult to achieve profitability by mining bitcoins individually, unless you have of sufficient budget and equipment. What is necessary to keep in mind before starting? 1. The first thing is to decide the operational scope of the exchanger.

If you want to operate globally or limit yourself to a specific territory or country. You will be required to obtain a license and the required authorizations, in accordance with the scope of operations, so that the company can exchange bitcoins. The legislation changes according to the territory, so you will have to consult with a legal expert about the concessions of said license and compliance with local laws and regulations. 2. Almost all governments require that entities involved in foreign exchange trading adhere to the regulations. Get to know your customer (KYC, for its acronym in English). This regulation regulates the process by which a company verifies the identity of its clients through a passport or identity card

issued by the government. The main purpose of this is to combat money laundering.

Make sure you comply with the KYC regulations of your country and include an adequate procedure for user verification in your exchanger. Otherwise, maybe one day you have to ask yourself why, without waiting for it, the police are knocking on your door. 3. You will need to partner with a bank or payment service provider to be able to process the charges with fiduciary money.

Choosing a reliable bank that provides you with online services is a good option. This is more important in developing and underdeveloped economies, where most banks do not have mechanisms to conduct immediate transactions online. The settlement of a transaction can take up to two days. Partner with an entity that has authorizations and settlements of quick deposits will provide comfort for your customers. Investing and withdrawing fiduciary money can be done automatically with a payment gateway or even by transferring the data manually.

4. Any exchange needs liquidity to operate successfully. Customers have doubts when issuing orders or even making deposits, unless there is transparency in the order book and in their commercial activity. Obviously, these new exchangers experience liquidity problems. There are three consolidated methods for liquidity to flow: 1/Simulate the business of exchange through the purchase and sale between two fictional accounts, within your own exchanger. 2/Use an API interface that connects your bitcoin exchanger with another.

3/Be part of the global network of exchanges in cryptocurrency, such as trust funds, which will link the liquidity of all exchanges made within the system. The larger the network, the more liquidity there will be. 5. It is necessary to guarantee safety. Any exchange requires a security system of the highest quality that guarantees the exchange operator and the funds of its traders the protection for both. In the same way, you must act with regard to the private information of your clientele, in which your KYC data and your bank accounts are included. There have been cases of security failures in several exchangers, such as the infamous Mt.

Gox, where a security breach went unnoticed for years, which resulted in the theft of almost 1% of the total bitcoins in circulation in those moments Reuters says that one third of all exchanges of bitcoins operated during the period from 2009 to 2015 were hacked. The main lesson: the internal security of the exchanger should be the highest priority. 6.

Finally, customer service, another of the key elements to achieve good results in an exchanger. A team of employees is required to deal with legal requirements (KYC), respond to customer complaints, process receipts and withdrawal of fiduciary currency, etc. A customer support method in the electronic funds transfer system (SWIFT) will ensure that customers begin to negotiate and generate profits in your exchanger from the moment they register.