

Bitcoin does not need
regulation



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A report posted about an economic note on bitcoin regulation by David Descoteaux of the Montreal Economic Institute has made the Bitcoin Foundation Canada to react.

Descoteaux's report suggested that bitcoin would require regulation in order to thrive, but according to the Canadian Bitcoin Foundation, they would much prefer if the government kept out.

In an statement issued on Thursday, Bitcoin Foundation Canada welcomed the publication of the report, but fundamentally disagreed with points made by Descoteaux.

“ Government intervention is not required for Bitcoin to develop and become accepted by the Canadian public. The Bitcoin network is completely decentralized and it simply cannot be subjected to government control,” it said in a statement written by Francis Pouliot, public affairs director at the Bitcoin Foundation of Canada.

Canada has been a hotspot for bitcoin activity in the past year, and is now home to a number of bitcoin-related startups, which include exchange Vault of Satoshi and bitcoin ATM manufacturer BitAccess.

“ Canadian authorities must maintain their current neutral regulatory stance if these businesses are to continue investing and creating jobs in Canada,” adds Pouliot.

And while KYC/AML (know your customer/anti-money laundering) processes are a reality today, the Foundation says the Canadian government shouldn't take it much further.

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“ It is perfectly normal for governments to ask Bitcoin exchange platforms which facilitate the exchange of bitcoins and fiat currencies to identify their costumers for anti-money-laundering purposes, a requirement which we expect to be regulated in Canada in the following months,” Pouliot says.

“ We believe this would suffice in clarifying the legal framework surrounding Bitcoin and that no other regulation is needed in the near future.”

The Foundation points out that technology-specific regulation that targets start-ups and well-established businesses would be “ discriminatory” and could inhibit growth.

According to Pouliot, the “ Bit-License” topic currently being discussed by regulators in the State of New York “ could impose an unjustified burden on Bitcoin startups which may prompt them to establish themselves in another jurisdiction.”

“ Such a situation should be avoided in Canada,” he concluded.