

Pboc to enforce its new bitcoin ruling



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PBOC Cutting off the Funding Chain

The Central Bank of China (PBOC) has met with commercial banks and third party payment processors, in particular those that still do, or have done, business with Chinese Bitcoin Exchanges to remind them of the PBOC's stance.

According to Caixin, the PBOC wants that commercial banks and third-party payment processor stop providing banking accounts services to bitcoin operators. The english translation of the article claims that PBOC is looking to « completely cuts off the funding chain into Bitcoin Trading ».

The PBOC is cracking down on the adaptive funding methods that Chinese Bitcoin Exchanges have come up with, and is even moving to stop cash withdrawals. However, they still are not enforcing anything for individuals nor merchants.

The PBOC is talking with both compliant and non-compliant banks, Chinese Bitcoin Exchanges, and third party payment processors in meetings overseen by the Payment and Clearing Organization of China, hopefully there will be meaningful two-way dialogue that may soften the PBOC's stance.

Central Bank in March issued "on further prevent the risk of bitcoin notice", stressed banks and third-party payment institutions may not serve Bitcoin transactions cleared in the current account deadline April 15. However, on April 15, the majority of Bitcoin trading platform is still functioning, Bitcoin prices also soared from 2,500 yuan to 3,000 yuan last week.

From April 22 the central bank began interviews of commercial banks still with Bitcoin transactions and third-party payment agencies , the number of not less than twenty , including major commercial banks , Paypal , money paid through other large payment institutions , as well as pre- currency net recharge codes involved in a fire incident prone paid EPRO payments.

The interviews hosted by the Central Bank of the Law Secretary Muhuai Peng , participants include the central bank to pay Secretary Li Yue , and many other central bankers , specifications unprecedented high.

Bitcoin Prices Falling Sharply

Following the publication of the article from Caixin, Bitcoin prices have dropped about 10% across all Bitcoin exchanges.

Chinese Exchanges are suffering more than other, as BTC/USD on huobi has dropped from \$504 to current trading price of \$452, or from RMB 3, 155 to RMB 2, 760.

However, it is a Bearish News, Chinese Bitcoin Exchanges have been adapting over the last few weeks as many had their bank accounts closed. The government forced anti-Bitcoin moves of most of China's major banks have forced Chinese Bitcoin Exchanges to turn to unconventional methods for funding, such as ATMs.

Some Chinese Bitcoin Exchanges, among them OKCoin and Huobi, have planned on taking their operations overseas (accounts, servers, website) to benefit from more extensive regulation.