

Btc china – trading volume down



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Once the largest Bitcoin exchange in the country, BTC China has seen better days. Trading volume on the site is down over 80 percent from its peak, and customers are fleeing amid rumors China is preparing a crackdown on the virtual currency, said the exchange's CEO Bobby Lee.

" People are scared, people are sitting on the sidelines," he said on Thursday. BTC China, though, is preparing fall back plans to keep the virtual currency in circulation even as local exchanges face a more hostile market.

Chinese Bitcoin exchanges have been on alert since media reports emerged claiming that China is readying another crackdown on the virtual currency. By April 15, Chinese banks will have to close the accounts used by the local exchanges to take funds from customers wanting bitcoins in return.

Gradually, more banks are shutting down services to local exchanges. On Thursday, another prominent exchange, called Huobi, reported that one of its banks has been forced to close its account by April 18. Huobi's accounts with other Chinese banks, however, remain in operation.

Although BTC China has yet to receive any formal notification of any bank account closures, the rumors have been enough to send customers packing, Lee said in an interview. Since December, when China first announced it would ban banks from trading in bitcoins, the virtual currency's price has fallen from 7000 yuan (US\$1, 136) to 2487 yuan.

" The people who are actively trading are few and far between," he said. " Certainly, the mainstream audience, if they ever get back in, is sitting on the sidelines."

Fans of new technology make up most of the remaining investors. But despite the beating BTC China has taken from today's market, the exchange is optimistic it can remain viable, Lee said. He pointed to recent statements from China's central bank that, while authorities believe bitcoins should not be treated as a currency, consumers are still free to buy and sell them.

"So there's no doubt in my mind that these activities are legal and allowed," he said. "It's just about what hoops you have to jump through to conduct these activities."

BTC China is also coming up with legal "workarounds" to get bitcoins in the hands of wanting customers, he said. Shutting down the bank accounts would mean customers could no longer wire money to the local exchanges, although they could still buy bitcoins with cash, Lee said.

Lee declined to offer more details on how local exchanges might end up taking customer deposits in the future. However, some exchanges are experimenting with methods revolving around customer's personal debit cards. The exchanges could also conceivably sell pre-paid cards filled with bitcoins that are then delivered to customer's doorsteps, he added.

For China's Bitcoin market, "It's a cooling off period," he said, adding, "We are still very excited. Everything will have ups and downs."