



Cryptocurrencies in the Globalized World

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ABSTRACT

The flaws of our present banking system, such as high fees, identity theft, and great economic inequality, are discussed in terms of how cryptocurrencies can offer answers. Cryptocurrencies could help with these problems. Beyond the banking sector, the technology that powers digital currencies is transforming supply chains and building a new, decentralized internet, among other things.¹⁹³ Most of the time, neither a government nor another central organization issues or regulates cryptocurrencies. They are managed through computer peer-to-peer networks that employ free, open-source software. Everyone who wants to take part is generally welcome. The author's goal with this paper is to examine the viability and future of cryptocurrencies in India. It would be interesting to track the developments in Crypto in an era when our country has yet to fully transition from a reliance on physical currency to a digital economy. It would be particularly interesting to note the developments in the world of crypto after the government announced its plan to bring a bill on regulating Cryptocurrencies through centralized regulation of the legislation in 2021. Operations of crypto rely on AI and cyber laws due to its virtual existence, it would be interesting to read through the vigilance mechanism that the government would impose because of the crypto.

Keywords: Cryptocurrency, Physical Currency, Legislation, Legal-tender money.

Introduction

A digital payment system known as Cryptocurrency does not rely on banks to verify transactions. It is stored in digital wallets and is verified by encryption. The original Cryptocurrency and currently the most well-known is bitcoin. After Bitcoin, numerous other cryptocurrencies, including altcoins, have emerged, and many of them have made an effort to position themselves as improved or modified versions of Bitcoin.¹⁹⁴

¹⁹² LL.M., O.P. Jindal Global University.

¹⁹³ Available at <https://cointelegraph.com/category/expert-take> last visited on 25/10/22

¹⁹⁴ Available at, <https://www.trendmicro.com/vinfo/us/security/definition/cryptocurrency#:~:text=A%20cryptocurrency%20is%20an%20encrypted,buying%2C%20selling%2C%20and%20transferring.> last visited on 25/10/22

Why Crypto

Crypto has some distinct advantages over other forms of currency that make it preferable to others, such as¹⁹⁵

- **Transferability:** Dealing with someone on the other side of the globe is as easy as purchasing with cash at your neighbourhood supermarket.
- **Privacy:** You don't have to provide the merchant with any unnecessary personal information when you pay with Cryptocurrency. Additionally, there is very little possibility that your bank information or identity will be stolen because no critical information is transmitted over the internet.
- **Security:** Blockchain technology, which is constantly examined and confirmed by a significant amount of processing power, protects almost all cryptocurrencies, including Bitcoin, Ethereum, Tezos, and Bitcoin Cash.
- **Profitability:** Cryptocurrency holdings are not linked to any one financial institution or government, they are accessible from anywhere in the world, regardless of what happens to the main global intermediaries.
- **Transparency:** All of the networks for Bitcoin, Ethereum, Tezos, and Bitcoin Cash make their transactions transparent to the public. This implies that it is impossible to manipulate transactions, alter the money supply, or alter the game's rules in the middle of it.
- **Profitability:** Payments made using cryptocurrencies cannot be cancelled, unlike those made with credit cards. For retailers, this dramatically lowers the likelihood of fraud. It can lower transaction costs for consumers by getting rid of a key justification for the high processing fees used by credit card firms.
- **Security:** There has never been a hack on the Bitcoin network. Additionally, the fundamental ideas behind cryptocurrencies help to ensure their security. For example, permission less systems and open-source core software enable a huge community of computer scientists and cryptographers to thoroughly analyse the networks' architectures and security.

Functioning of Cryptocurrencies

The first digital money independent of a central intermediary was Bitcoin. Before Bitcoin, there was no method to reach distributed consensus without a centralized player. Simply said, the distributed consensus is when a sizable number of people who are separated by distance agree

¹⁹⁵ Available at, <https://conotoxia.com/cryptocurrencies/what-are-cryptocurrencies/cryptocurrency-features>, last visited on 25/10/22

on something. Bitcoin's solution to the trust problems that prevented the creation of decentralized money was the introduction of the Blockchain.¹⁹⁶

Digital signatures, Merkle Trees, and the cryptographic notion of Proof-of-Work are all applied to a single distributed ledger (an open ledger to which anyone has access) in the Bitcoin Blockchain.

To make sure that every transaction has a distinctive signature that can only be obtained with a private key, digital signatures are utilized. Merkle trees accomplish this by utilizing the hashing algorithm. A string of characters is transformed into a fixed-length value or key that symbolizes the original string through the process of hashing.

Types of Cryptocurrencies

Using a decentralized network of users, cryptocurrencies are intended to conduct transactions by sending value (akin to digital money). This category includes a large number of altcoins, sometimes known as value tokens, which are digital currencies other than Bitcoin and Ethereum.¹⁹⁷

Crypto is popular in the following types:

1. Tokens

There are security tokens that are correlated with a project's or company's value (as in securities like stocks, not safety). An initial coin offering token, for instance, represents a share in a project. Other tokens, like Namecoin and Storj, are used for specialized tasks or to carry out specified tasks.

2. Ethereum (ETH)

With the help of the decentralized software platform ETH, smart contracts and decentralized apps may be created and operated without interruption, fraud, centralization, or outside influence. With ETH, everybody in the world, regardless of country of origin, race, or religion, will be able to freely access a decentralized suite of financial products.

¹⁹⁶ Available at <https://www.kaspersky.com/resource-center/definitions/what-is-cryptocurrency> last visited on 25.10.22

¹⁹⁷ Available at <https://www.investopedia.com/tech/most-important-cryptocurrencies-other-than-bitcoin/> last visited on 25/10/22

3. Tether (USDT)

One of the first and most well-known stablecoins was Tether (USDT), which was also one of the first. By linking their market value to a currency or other external benchmark, stablecoins seek to lower volatility. The price of Tether is directly correlated with the price of the US dollar.

4. USD Coin (USDC)

In 2018, USD Coin was introduced by The Center Consortium, which also consists of Circle and Coinbase. Due to the circle's location in the United States, it is controlled, making USD Coin a regulated stablecoin. As of July 8, 2022, the market capitalization of USD Coin is \$55.5 billion, at a \$1 per coin pricing.

5. Binance Coin (BNB)

A Cryptocurrency called Binance Coin (BNB) is used to pay trading commissions on the Binance Exchange. One Binance Coin (BNB) was worth about \$241.83 as of July 8, 2022, giving the Cryptocurrency a market valuation of \$39 billion.

6. Binance USD (BUSD)

As a stablecoin linked to the US dollar, Binance USD was created by the Cryptocurrency exchange Binance. Due to the stablecoin's approval by the New York State Department of Financial Services, it is also governed. At \$0.9994 per coin on July 8, 2022, Binance USD had a \$17.5 billion market cap.

7. XRP

On July 8, 2022, XRP had a \$16.5 billion market cap and was priced at about \$0.34. The XRP Ledger, which Ripple created as a payment system in 2012, uses XRP as its native token. For consensus and validation, the protocol does not use proof of work or proof of stake.

8. Cardano (ADA)

Cardano (ADA) is an "Ouroboros proof-of-stake" cryptocurrency developed by engineers, mathematicians, and cryptography experts using a research-based approach. The project's

researchers have published over 120 papers on blockchain technology covering a wide range of topics. The eighth-largest market capitalization belongs to Cardano at \$15.7 billion as of July 8, 2022.

9. Solana (SOL)

Solana is a Cryptocurrency that runs on the Solana blockchain (SOL). Its value has skyrocketed since its inception. Solana is worth about \$38 and has a market capitalization of \$12.8 billion. According to market capitalization, it is the ninth-largest Cryptocurrency.

10. Dogecoin (DOGE)

Some claim that Dogecoin (DOGE) was the first "meme coin," and some prominent businesses now accept it as payment because it has a Shiba Inu as its avatar. The coin is the tenth-largest Cryptocurrency by market capitalization with a value of \$19.2 billion at roughly \$0.07.

11. SHIB

In the fall of 2021, Shiba Inu (SHIB), a namecoin that was modeled after another namecoin, gained popularity and briefly surpassed Dogecoin in terms of market valuation.

12. Polkadot

It is a unique proof-of-stake coin made to work with different blockchains. The relay chain, its key element, facilitates network interoperability. As of July 8, 2022, Polkadot's market value was about \$6.9 billion. Gavin Wood, one of the original core founders of the Ethereum project, developed it.

Need and importance of Crypto

The bill is likely to impose a minimum investment amount in cryptocurrencies while prohibiting their use as legal tender or currency substitutes. The bill also proposes to lay the groundwork for the creation of an official digital currency to be issued by the Reserve Bank of India and regulated under the RBI Act.¹⁹⁸

¹⁹⁸ Available at, <https://cointelegraph.com/defi-101/why-do-we-need-cryptocurrencies#:~:text=The%20cryptocurrency%2C%20a%20key%20fintech,to%20make%20payments%20more%20manageable>. Last visited on 25/10/22

Here are 5 reasons why cryptocurrencies need to be regulated:

1) **Volatility:** Cryptocurrencies are volatile and difficult to understand because of the lack of authorized information and the technological complexities associated with them. As a result, it is critical to enact regulations to protect investors. Bitcoin reached all-time highs in early 2021 before plummeting and losing a large portion of its value.

2) **Accept certain cryptocurrencies:** There are thousands of cryptocurrencies in the world. Most investors are only familiar with a few of them, including Bitcoin. As a result, regulatory authority was established to protect customers. It is necessary to clear cryptocurrency, which can reveal all information about the performance of digital assets.

3) **Understanding technological risks:** There are thousands of cryptocurrencies in the world. Most investors are only familiar with a few of them, including Bitcoin. As a result, regulatory authority was established to protect customers. It is necessary to clear cryptocurrency, which can reveal all information about the performance of digital assets.

4) **Risks of online fraud and cyber security:** Investing in cryptocurrencies introduces a new risk: online fraud. Hacking is a major threat all over the world, and cyber-attacks are becoming more common. Authorities can put in place regulations to help cryptocurrency investors protect their assets. Investors can also address concerns or reclaim their investments if they are lost.

5) **Money laundering:** Any unregulated system can be used to fund criminal activities. As a result, similar to a bank, a client due diligence process is required. This can aid in tracking down investors' true identities and verify their locations when buying or selling cryptocurrencies. Any violation of such standards should result in severe penalties.

Legal Existence

In India, all companies will be required to disclose their investments in cryptocurrencies, as well as any profit or loss involved in the transaction, beginning with the new fiscal year.¹⁹⁹ The Income Tax Act makes no distinction between income earned legally and income earned

¹⁹⁹ Available at, <https://www.mondaq.com/india/fin-tech/1194412/legal-status-of-cryptocurrencies-in-india-government-recognition-and-tacit-de-facto-approval-of-digital-currency#:~:text=The%20latest%20amendment%20to%20Schedule,loss%20involved%20in%20the%20transaction.> Last visited on 25/10/22

illegally. As a result, the Income Tax Department can collect taxes on all incomes. When the government becomes aware that income has been generated illegally, it has a statutory obligation to punish the perpetrators under various punitive laws, such as the Indian Penal Code, the Benami Transactions Act, and so on. Because the government has not yet initiated criminal proceedings against any cryptocurrency investor, trader, or service provider, it can be safely assumed that the government is tacitly agreeing that income earned from cryptocurrencies is legal income from a legal source.

The central government ban on Crypto

In India, cryptocurrencies are unregulated, but the government announced in Budget 2022 a flat 30% tax on gains from cryptocurrency transactions. The FSB report would be useful in determining whether crypto should be prohibited. Only prohibiting it in India would leave the door open for cross-border transactions via wallets, an official said.²⁰⁰

What about the encumbrance?

Once a decision is made on the legality of cryptocurrency, the next step is to impose GST. Before imposing GST, it must first be determined what type of asset it is—is it a commodity or a service? We anticipate that the report will aid in answering these questions. "Those discussions are largely ongoing and are dependent on whether we intend to legalize it or not," the official said.

RBI's Stance

The Reserve Bank of India (RBI) has recommended that legislation be drafted in response to the destabilizing effect of cryptocurrencies on a country's monetary and fiscal stability. The central bank has identified several risks associated with cryptocurrency asset markets, including links between such markets and the regulated banking system.

Cryptocurrency and regulation of official digital Currency: A step to recognize Crypto

The Indian government's stance on cryptocurrencies is cautious, as evidenced by the proposed tax regime and its administration. According to the proposed amendments to the Income Tax Act 1961 ("IT Act") made by the Finance Bill, 2022 ("2022 Bill"), income arising from the

²⁰⁰ Available at, <https://techcrunch.com/2022/07/18/indias-central-bank-wants-to-ban-cryptocurrencies/#:~:text=India's%20central%20bank%20wants%20to%20ban%20cryptocurrencies%2C%20government%20says,Jagmeet%20Singh%2C%20Manish&text=India's%20central%20bank%20wants%20to%20ban%20cryptocurrencies%2C%20the%20government%20told,world's%20second%20largest%20internet%20market. Last visited on 25/10/22>

transfer of virtual digital assets (cryptocurrencies and NFTs) will be taxed at a rate of 30%.²⁰¹ (For a detailed understanding of the tax implications of virtual digital assets in India, read ELP's Union Budget 2022 Analysis.)

The latest draft of the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 ("draught Bill") seeks to outlaw all private cryptocurrencies in India, among other things. However, it is important to note that the entire foundation of the cryptocurrency ecosystem is decentralized. Because no centralized entity or authority is operating the ecosystem, the industry cannot be banned or regulated from the start. What can be regulated/banned is the use, holding, transactions, and so on, which appears to be sought in the draught Bill as well. The government favors banning cryptocurrency for four reasons: volatile price fluctuations, the risk to consumers from cyber-attacks and Ponzi schemes, the impact on power consumption (a study estimated that about 19 households in the United States could be powered for one day with the electricity used for a single Bitcoin transaction), and finally its potential use in criminal activity, such as money laundering, terrorism, and so on.

The Transition of Crypto in India

In spite of the vulnerability of the fate of cryptographic forms of money in India, interest in unregulated computerized resources, especially Bitcoin, has been on a fleeting ascent starting around 2020.²⁰² As per information from different indigenous digital currency trades, more than 1.5-2 crore Indians have put resources into the resource class, which outperformed the \$10 billion imprint in November of this current year. The developing number of digital money clients proposes a change in the country's venture worldview, which is known to incline toward gold and other more secure resources. Allow us to investigate the historical backdrop of the virtual resource before the eagerly awaited Cryptographic money and Guideline of official digital currency Bills.

2008- Generation of the idea of Cryptocurrencies

The excursion of digital currency started in 2008 with the distribution of a paper named "Bitcoin: A Shared Electronic Money Framework" by Satoshi Nakamoto, a pseudonymous engineer.

²⁰¹ Available at, <https://www.medianama.com/2022/03/223-cryptocurrency-regulation-india-legal-anatomy/#:~:text=As%20per%20the%20Finance%20Bill,at%20the%20rate%20of%2030%25>. Last visited on 25/10/22

²⁰² Available at <https://www.drishtiias.com/blog/the%20future%20of%20cryptocurrency%20in%20india> last visited on 25/10/22

2010: The first transaction of sale involving Crypto

After two years, the main Bitcoin exchange happened, with somebody trading 10,000 Bitcoin for two pizzas. Interestingly, digital forms of money were given a financial worth. Other cryptographic forms of money, like Litecoin, Namecoin, and Swiftcoin, before long followed, and the computerized resource got some momentum.

2013: First Circular Regarding Cryptocurrencies issued by RBI

As crypto speculations expanded in India, and trades like Zebpay, Pocket Pieces, Coinsecure, Koinex, and Unocoin grew up, the Reserve Bank of India (RBI) gave a round in 2013 advance notice clients of the potential security dangers of utilizing virtual monetary forms.

2016-2018: Demonetisation and RBI's Banking Ban on Crypto

India's central bank, the Reserve Bank of India (RBI), has cautioned that virtual monetary forms are not lawful and delicate. The Focal Leading group of Computerized Duty (CBDT) presented a draft plan for the money service in Walk 2018. This managed a critical disaster for digital currency trades, with exchanging volumes dropping by close to 100%.

November 2018: India Wants Crypto campaign germinated in India

Nischal Shetty launched the #IndiaWantsCrypto campaign in support of positive crypto regulation in India. The campaign's first impact was seen when Rajeev Chandrashekhar, a sitting Rajya Sabha MP, responded positively. Celebrities such as Unocoin's Sathvik Vishwanath, Anthony Pompliano, and DJ Nikhil Chinapa later joined the campaign.

March 2020: Supreme Court Strikes Down the Crypto Banking Ban

The ban was a huge setback, prompting crypto exchanges to file a writ petition in the Supreme Court, and the ban was eventually overturned, declaring the RBI circular unconstitutional.

As a result, cryptocurrency exchanges reopened, and the Supreme Court ruling came at the best possible time, coinciding with the crypto boom.

2021: Announcement of Crypto Bill,

India's Standing Committee on Finance met with the Blockchain and Crypto Assets Council (BACC) and other cryptocurrency representatives in November 2021. They concluded that cryptocurrencies should be regulated rather than banned. In January 2021, the Indian government announced that it will introduce legislation to create a sovereign digital currency.

The Bottom Line

As per current signs, crucial areas of strength for a system will be set up in India to manage digital currencies. The choice of which administrative body will deal with the matter is as yet being made. In all probability, the public authority will see cryptographic money as a resource class as opposed to cash. Subject matter authorities agree guidelines will build straightforwardness and responsibility in cryptographic money exchanging stages. Balanced governance may likewise be utilized to forestall extortion and track cross-line exchanges. In spite of vulnerability about the fate of unregulated computerized resources, digital currency reception has advanced over the most recent two years, with India turning into the biggest financial backer. Accordingly, it will be fascinating to see where the crypto venture goes in India after the parliamentary bill is passed.

Crypto: The booming Trend

Cryptocurrencies are the first alternative to the traditional banking system, with significant advantages over previous payment methods and asset classes. They can provide an alternative to dysfunctional fiat currencies for savings and payments in areas where inflation is a major issue. One strategy is to buy and hold something like bitcoin, which has gone from being virtually worthless in 2008 to be worth thousands today.²⁰³

Challenges to implementing Crypto in India

● **Crypto and the store of Value:**²⁰⁴ Cryptocurrency is a new asset class that has gained popularity as a store of value. Bitcoin, the most popular cryptocurrency, first appeared on the monetary scene in 2009. Bitcoin is currently worth around \$23,000, which is 70% less than its all-time high of \$69,000 in November of last year. Despite its volatility, Bitcoin is regarded as an unrivalled investment tool and store of value. Several governments and major corporations have invested in Bitcoin and kept it on their books. It isn't just Bitcoin. In general, the digital asset class is regarded as a store of value and a hedge against inflation. Despite recent price drops, crypto enthusiasts believe Bitcoin and other altcoins will recover and provide a high return on investment. But what makes these virtual digital assets valuable? Let us investigate!

²⁰³ Available at, <https://www.moneycontrol.com/msite/wazirx-cryptocontrol-articles/the-journey-of-cryptocurrencies-in-india/> last visited on 25/10/22

²⁰⁴ Available at, <https://www.cnbc.com/2022/07/12/op-ed-the-toughest-challenges-for-cryptocurrency-lie-ahead.html>, last visited on 25/10/22

- **Underlying value:** Bitcoin and other cryptocurrencies are based on and operate on blockchain networks. These networks are proving to be a valuable piece of infrastructure, capable of reimagining and redeploying financial concepts for a new global monetary system. Aside from finance, they are finding applications in supply chain management, healthcare, real estate, voting, and a variety of other industries. Given their future scope, their future value appears promising.
- **Lack of Legal Status of Crypto:** In the Union Budget 2022, the Indian money serves expressed that "any pay from the move of any virtual computerized resource will be charged at the pace of 30%". Digital money pay is legitimate to pay from a lawful source. Assuming that the public authority chooses to arraign residents who bargain in digital currencies, it will without a doubt open the so-called Pandora's case for the public authority.
- **Weak Vigilance mechanism:** The Service of Corporate Issues has chosen to watch out for organizations managing Bitcoin to forestall misrepresentation. This comes as the nation's money service considers carrying out Bitcoin guidelines. A between clerical board is now researching the utilization of Bitcoin and expected administrative mechanisms.
- **Absence of Cyber laws:** The value of some crypto, such as Dogecoin, increased by 8,300% last year, surpassing even bitcoin. While it is unclear how many people in India own cryptocurrency, some large crypto exchanges claim to have over 15 million users.
- **The transition from Physical Money to E-money:** The value of some crypto soared by 8,300% last year, exceeding even that of bitcoin. While it's still not clear how many people in India own crypto, some of the large crypto exchanges such as CoinSwitch Kuber claim to have over 15 million users.
- **The transition from E-money to Crypto:** The World Bank estimates that lowering fees to 2% could increase remittances to low-income countries by \$16 billion per year. Sub-Saharan Africa is a mobile money leader, accounting for nearly half of all mobile money accounts worldwide. Digital passports enable mobile money providers to on board customers at a low cost while adhering to local regulations.

Maintaining a balance

- A financial inclusion strategy cannot be based solely on a signal falling from the sky. A coordinated infrastructure investment push is required, including expanding internet access to poorer and more remote areas. Regulation must strike the right balance, including incentivizing new payment companies to enter the market while limiting their dominance.

Digital currencies issued by central banks will almost certainly require changes to the central bank and monetary law. Countries must not lose sight of the bigger picture in their efforts to join, benefit from, and regulate the digital money revolution.²⁰⁵

- A clear and responsible vision of tomorrow's payment, financial, economic, and environmental landscape must guide the path to digital money adoption. Prudent

Existence of Crypto in different countries

Many governments have introduced regulations to limit its use for these purposes. The Library of Congress has identified 103 countries that allow or restrict the use of cryptocurrencies.²⁰⁶ Some of these are elaborated on below:

The United States

On Bitcoin, the US Department of Treasury has provided advice. Bitcoin is a convertible currency that can be used in place of actual money or as a real-world equivalent. An MSB is obliged to register with the US Treasury, abide by the Bank Secrecy Act, and provide reports on transactions worth more than \$10,000.

The European Union

The European Banking Authority has warned the public and businesses about the risks of cryptocurrencies while asserting that it has no control over crypto-asset operations. In 2020, the European Commission published its completed draught of proposed regulations to control crypto assets. This Act aims to level the playing field for financial institutions across the EU and prevent the fragmentation of financial regulatory systems.

Canada

In Canada, cryptocurrency exchanges fall under the category of money service enterprises. The Proceeds of Crime (Money Laundering and Terrorist Financing Act) applies to them as a result. In addition to registering with FINTRAC, they also have to follow compliance strategies, report any questionable transactions, and maintain specific records.

²⁰⁵ Available at, <https://www.livemint.com/brand-stories/the-powerful-effects-of-cryptocurrencies-on-the-economy-11650629242780.html> last visited on 25/10/22

²⁰⁶ Available at, <https://indianexpress.com/article/technology/crypto/cryptocurrency-bill-all-top-countries-where-cryptos-is-legal-illegal-or-restricted-7947092/> last visited on 25/10/22

Australia

Similar to Canada, the Australian Taxation Office sees Bitcoin as a financial asset having a monetary value that can be taxed when specific circumstances arise. When you exchange, sell, give away, convert it to fiat currency, or use Bitcoin to make a purchase, a capital gains tax is triggered. For tax purposes, you must also maintain track of any Bitcoin transactions you make. In Australia, you might not owe any taxes if you exclusively use your Bitcoins for personal purposes and make money off of them.

El Salvador

The only nation in the world to declare bitcoin legal tender in El Salvador. In June 2021, the nation's Congress gave President Nayib Bukele permission to formally accept bitcoin as payment.

Other Countries Where Bitcoin Is Legal

Several other nations have created regulatory frameworks and permitted the use of bitcoin in financial transactions and have developed forms of regulation. . Denmark, France, Germany, Iceland, Japan, Mexico, Spain, and the United Kingdom are a few examples.²⁰⁷

Countries Where Bitcoin has been declared illegal explicitly Although Bitcoin is widely used around the world, several governments are now paying closer attention to it. Others worry about its use to support illegal operations, while some regard it as a danger to their current monetary systems.²⁰⁸

Countries with Implicit Bans

- In its November 2021 update, the Library of Congress found 42 nations having implied prohibitions on certain cryptocurrency usage. It mentions a few of the following nations: Bahrain, Burundi, Central African Republic, Cameroon, Gabon, Georgia, Guyana, Kuwait, Lesotho, Libya, Macao, Maldives, Vietnam, and Zimbabwe

Countries which banned cryptocurrency

²⁰⁷ Available at, <https://www.investopedia.com/articles/forex/041515/countries-where-bitcoin-legal-illegal.asp> last visited on 25/10/22

²⁰⁸ Available at, <https://www.investopedia.com/articles/forex/041515/countries-where-bitcoin-legal-illegal.asp> last visited on 25/10/22

In November 2021, the Library of Congress identified nine nations that have outright restrictions on cryptocurrencies. Namely, Algeria, Bangladesh, China, Egypt, Iraq, Morocco, Nepal, Qatar, and Tunisia

Reason: Interest in digital forms of money such as crypto and other Initial Coin offerings ("ICOs") is very hazardous and speculative. A certified proficient ought to continuously be counselled before pursuing any monetary choices because each individual's circumstance is novel. No certifications or cases are made by Investopedia regarding the idealness or precision of the data on this site.

Conclusion

In a best-case scenario, international authorities may agree on a global framework for regulating cryptocurrencies by 2023 and beyond. Around the world, viewpoints on cryptocurrencies range from "Bitcoin is an official currency" in El Salvador and the Central African Republic to "Crypto transactions are illegal" in China. The Biden administration has assembled a highly qualified team to monitor cryptocurrency regulation. Cryptocurrencies will be recognized as legal tender in El Salvador and the Central African Republic in 2021, but not in the US. The distinctions between a sophisticated ledger with smart contracts, like Ethereum or Dogecoin, and a value storage system, like Bitcoin, will be obvious to regulators who are knowledgeable about the subject. The likelihood of the US taking action is very less.
