

“Bitcoin the Internet Money” Boon or Bane

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Abstract

The conception of crypto currency or Internet Money is difficult to recognize and accept, but easy to use. It is considered difficult, mostly because it is entirely different from the orthodox currencies that people are using since ages. The most stimulating part of the usage of the new form of internet money is that there is no central or main stream authority like Central or Reserve Banks that control and checks the flow of these currencies. It is completely decentralized.

With the surging prices of the costlier currency in the world market and the way it is getting costlier every passing day. On November 3, the leading Cryptocurrency's price surged up by \$400 within 24 hours, hitting \$7,450. For the past 12 months, Bitcoin price has gone up by tenfold, making Satoshi Nakamoto, Bitcoin founder who owns 980K Bitcoins richer on Forbe's rich list.

Cryptocurrency has created unprecedented changes in the market challenging the various global financial markets having positive and negative contribution. With this paper we will study when was the concept of Cryptocurrency gained its importance and what are its important types and its performance? What is its implication in Indian market?

Objectives of the study are to learn about the concept of Cryptocurrency market, its types and its top player Bitcoin. Functioning of Bitcoin its financial implication. Applicability of Cryptocurrency in Indian financial market

KeyWords: Cryptocurrency, Internet Money, Bitcoin, decentralized banking.

I. INTRODUCTION

Bitcoin was created as a peer to peer electronic cash system. It is a decentralized network of computers that stores transactions in a ledger, in the form of a blockchain. Bitcoin was created as an open-source project, which means the code was visible from the first day to the whole world to examine, copy, and modify.

Since Bitcoin's inception in January 2009, there have been thousands of other projects that used similar ideas as Bitcoin. These are collectively referred to as “cryptocurrencies”. Some of these projects are not necessarily geared towards a currency application, but they are all ‘tokens’, like Bitcoin. They can be transferred from one user to another, and can usually be traded on an exchange.

Currently there are over 600 cryptocurrencies traded on the markets, tracked by Coinmarketcap. Bitcoin makes up over 80% of the total market today. Cryptocurrencies other than Bitcoin are usually traded against Bitcoin. Some of the larger ones are also traded against government-backed currencies like US Dollar and Chinese Yuan.

Cryptocurrencies, by their nature, are public for anyone to join and participate. They differ significantly in terms of details, such as the consensus protocol used by the network to agree on the list of valid transactions, the way transaction and account information is stored, the specific algorithms used for hashing, the type of public-private key cryptography, the real-world applications and use cases and the type of community.

A. Litecoin (LTC)

Litecoin, launched in the year 2011, was among the initial cryptocurrencies following Bitcoin and was often referred to as ‘silver to Bitcoin's gold.’ It was created by Charlie Lee, a MIT graduate and former Google engineer. Litecoin is based on an open source global payment network that is not controlled by any central authority and uses “Scrypt” as a proof of work, which can be decoded with the help of CPUs of consumer grade. Although Litecoin is like Bitcoin in many ways, it has a faster block generation rate and hence offers a faster transaction confirmation. Other than developers, there are a growing number of merchants who accept Litecoin.

B. Ethereum (ETH)

Launched in 2015, Ethereum is a decentralized software platform that enables Smart Contracts and Distributed Applications (DApps) to be built and run without any downtime, fraud, control or interference from a third party. During 2014, Ethereum had launched a pre-sale for ether which had received an overwhelming response. The applications on Ethereum are run on its platform-specific cryptographic token, ether. Ether is like a vehicle for moving around on the Ethereum platform, and is sought by mostly developers looking to develop and run applications inside Ethereum. According to Ethereum, it can be used to “codify, decentralize, secure and trade just about anything.” Following the attack on the DAO in 2016, Ethereum was split into Ethereum (ETH) and Ethereum Classic (ETC). Ethereum (ETH) has a market capitalization of \$41.4 billion, second after Bitcoin among all cryptocurrencies.

C. Zcash (ZEC)

Zcash, a decentralized and open-source Cryptocurrency launched in the latter part of 2016, looks promising. “If Bitcoin is like http for money, Zcash is https,” is how Zcash defines itself. Zcash offers privacy and selective transparency of transactions. Thus, like https, Zcash claims to provide extra security or privacy where all transactions are recorded and published on a blockchain, but details such as the sender, recipient, and amount remain private. Zcash offers its users the choice of ‘shielded’ transactions, which allow for content to be encrypted using advanced cryptographic technique or zero-knowledge proof construction called a zk-SNARK developed by its team.

D. Dash

Dash (originally known as Darkcoin) is a more secretive version of Bitcoin. Dash offers more anonymity as it works on a decentralized mastercode network that makes transactions almost untraceably. Launched in January 2014, Dash experienced an increasing fan following in a short span of time. This Cryptocurrency was created and developed by Evan Duffield and can be mined using a CPU or GPU. In March 2015, ‘Darkcoin’ was rebranded to Dash, which stands for Digital Cash and operates under the ticker – DASH. The rebranding didn't change any of its technological features such as Darksend, InstantX.

E. Ripple (XRP)

Ripple is a real-time global settlement network that offers instant, certain and low-cost international payments. Ripple “enables banks to settle cross-border payments in real time, with end-to-end transparency, and at lower costs.” Released in 2012, Ripple currency has a market capitalization of \$1.26 billion. Ripple’s consensus ledger -- its method of conformation -- doesn’t need mining, a feature that deviates from Bitcoin and altcoins. Since Ripple’s structure doesn't require mining, it reduces the usage of computing power, and minimizes network latency. Ripple believes that ‘distributing value is a powerful way to incentivize certain behaviors’ and thus currently plans to distribute XRP primarily “through business development deals, incentives to liquidity providers who offer tighter spreads for payments, and selling XRP to institutional buyers interested in investing in XRP.”

F. Monero (XMR)

Monero is a secure, private and untraceable currency. This open source Cryptocurrency was launched in April 2014 and soon spiked great interest among the cryptography community and enthusiasts. The development of this Cryptocurrency is completely donation-based and community-driven. Monero has been launched with a strong focus on decentralization and scalability, and enables complete privacy by using a special technique called ‘ring signatures.’ With this technique, there appears a

group of cryptographic signatures including at least one real participant – but since they all appear valid, the real one cannot be isolated.

Bitcoin continues to lead the pack of cryptocurrencies, in terms of market capitalization, user base and popularity. Nevertheless, virtual currencies such as Ethereum and Ripple which are being used more for enterprise solutions are becoming popular, while some altcoins are being endorsed for superior or advanced features vis-à-vis Bitcoins. Going by the current trend, cryptocurrencies are here to stay but how many of them will emerge leaders amid the growing competition within the space will only be revealed with time.

'Bitcoin Mining'

Bitcoin mining is the process by which transactions are verified and added to the public ledger, known as the block chain, and also the means through which new Bitcoin are released. Anyone with access to the internet and suitable hardware can participate in mining. The mining process involves compiling recent transactions into blocks and trying to solve a computationally difficult puzzle. The participant who first solves the puzzle gets to place the next block on the block chain and claim the rewards. The rewards, which incentivize mining, are both the transaction fees associated with the transactions compiled in the block as well as newly released Bitcoin.

'Bitcoin Exchange'

Bitcoin exchange platforms match buyers with sellers. Like a traditional stock exchange, traders can opt to buy and sell Bitcoin by inputting either a market order or a limit order. When a market order is selected, the trader is authorizing the exchange to trade his coins for the best available price in the online marketplace. With a limit order set, the trader directs the exchange to trade coins for a price below the current ask or above the current bid, depending on whether s/he is buying or selling.

II. LITERATURE REVIEW

Rick Falkvinge, another Bitcoin enthusiast and Founder of the Swedish pirate party, came back with an interesting analogy, “Bitcoin (BTC) will do to banks what email did to the postal industry.”

Sandeep Goenka, co-founder of Zebpay and a member of the Cryptocurrency certification consortium, states Bitcoin as the future of finance, finding applications in ‘identification and authentication,’ ‘creation of digital assets,’ ‘micropayments’ and ‘for creating a decentralized notary’. not only this,

Saurabh Agarwal, co-founder and CEO of Zebpay described Bitcoin as virtual gold. As stated in one of his articles on inc42, “with the current

demonetization of Indian currency and other such unpredictable moves, the Indian millennial has agreed on digital assets being the future of investment. The industry is witnessing unseen milestones and it's safe to assume that Bitcoins could be the next 'virtual gold' which we can look up to."

Deputy Governor RBI Shri R Gandhi also stated, "Digital currencies and crowd funding have the potential to support criminal, anti-social activities like money laundering, terrorist funding, and tax evasion. While we do not have any reported instances of crowd funding in this respect, cryptocurrencies have been widely suspected to finance criminal activities. We have to be carefully and critically watching these developments."

Luis Cuende, Co-Founder of DAO Network, Aragon, states Bitcoin cash may very well be short-lived. He said, "Probably a fatal bug will crash the whole network (it already happened with Bitcoin unlimited, cash's predecessor) or people will just lose interest in a currency engineered to look decentralized while being totally centralized."

Zencash Co-Founder Rob Viglione's take on the entire thing is slightly less apocalyptic. He recently told futurism, "There are pros and cons to everything. The downside of a split is that Bitcoin loses part of its ecosystem, and network effects are so important to this industry. That said, this isn't a zero-sum game, and it's more than possible to see both chains flourish in parallel."

III. RESEARCH METHODOLOGY

This paper is prepared purely on the basis of secondary data referring to various sources such as newspaper articles, opine of top financial players and statutory reports.

IV. FINDINGS AND DISCUSSIONS

A. Impact of Bitcoin on the economic functioning

It seems the Indian government has just criticized MacAfee's belief with their latest provision. Reportedly, the reserve bank of India (RBI) has issued a statement against the usage of virtual currencies/encrypted money like Bitcoin. The further usage of any such currency will be considered as breach of anti-money laundering provisions. Also, in an official statement, RBI has warned users, holders and traders of Bitcoin or any other virtual currency, "about the potential financial, legal, and security risks arising from their use."

As stated by Minister of State for Finance *Arjun Ram Meghwal*, "The absence of counter parties in usage of virtual currencies, including Bitcoins, for illicit and illegal activities in anonymous/pseudonymous systems could subject the users to unintentional breaches of anti-money laundering and combating the financing of terrorism laws."

At present, the Reserve Bank of India regards cryptocurrencies as a violation of the country's existing foreign exchange norms. This is because the conversion of Bitcoins into foreign exchange does not currently fall under the purview of the central banking institution, making such transactions highly unsafe and vulnerable to cyber-attacks.

In India, the RBI has been warning and issuing notices against Cryptocurrency several times in the last few years. For instance, in December 2013, Bitcoin exchanges in India had to halt their operations after a similar announcement by the RBI. Also, raids were carried out on Bitcoin trading platforms. Post RBI warning and raids, where several Indian digital currency companies like LaxmiCoin postponed their launch, some continued with trading. Furthermore, in June 2015, the Bitcoin exchange BtcxIndia was shut down.

B. How Bitcoin will contribute to financial market in India:

India is the world's biggest remittance market at more than \$70 billion. The majority of the remittance is small amounts of around \$200. For small amounts especially, users end up paying up to 15% in fees to companies like PayPal, Western Union or to banks through transfer and exchange rate fees. Bitcoin makes it extremely easy to send a small remittance back home. This could save India upto \$7 billion in fees paid to third party and add to country's wealth.

In February 2014, India's first Bitcoin retailer – highkart.com was launched as the first ecommerce site to accept Bitcoin payments exclusively. The first fully compliant Bitcoin exchange, BtcxIndia, was also set up in Hyderabad. In December 2015, former RBI chief *Raghuram Rajan* said the digital currency was 'fascinating' and that India's central bank could use digital currencies.

Initially dealing with low acceptance and trust issues from the regulatory bodies, 2016 was the year Bitcoin gained countrywide acceptance. As per a trak.in report, in 2016, the country possessed around 50,000 Bitcoin wallets and around 700-800 Bitcoins were traded every day. With Bitcoin transactions reaching INR 500Cr a year, the Cryptocurrency had started finding applications in areas such as ecommerce, paying bills, and buying gift vouchers from popular online retail sites.

This was the time when RBI too "Appreciated the strengths of the underlying 'Blockchain' Technology," and there were hints in the air to use Bitcoin wallets in remote areas instead of putting up brick and mortar banks. Also, Bitcoin was considered useful in reportedly saving over \$7 Billion in fees paid to third parties during transactions with companies such as PayPal, western union or to banks through transfer and exchange rate fees.

Apart from this, the virtual currency segment has also attracted leading angels and venture capitalists to invest in Bitcoin startups. In September 2016, Bengaluru-based Bitcoin startup Unocoin raised \$1.5 MN in a pre-series a round, while in April 2016, Ahmedabad-based mobile Bitcoin wallet startup, Zebpay, raised \$1 MN in series a funding.

India is perfect as a society to be at the forefront of developing a vibrant crypto-currency economy. With the appropriate support and guidelines and also with appropriate laws and regulation it can bring in the revolutionary change in the banking industries.

C. Convincing Circumstances of Bitcoin Currency:

1) Receiving as Payment

Bitcoins can be accepted as a means of payment the transactions can be handled with the requisite hardware terminal or wallet address through QR codes and touch screen apps. An online business can easily accept Bitcoins by just adding this payment option to the others it offers, like credit cards, PayPal, etc. Online payments will require a Bitcoin merchant tool (an external processor like Coinbase or BitPay).

It is best for those who are self-employed can get paid for a job in Bitcoins. There are several websites/job boards which are dedicated to the digital currency. WorkforBitcoin brings together work seekers and prospective employers through its website. Coinality features jobs – freelance, part-time and full-time – that offer payment in Bitcoins, as well as Dogecoin and Litecoin

2) Bitcoins can used for lending:

The interesting way to earn Bitcoins is by lending them out, and being repaid in the currency. Lending can take three forms – direct lending to someone you know; through a website which facilitates peer-to-peer transactions, pairing borrowers and lenders; or depositing Bitcoins in a virtual bank that offers a certain interest rate for Bitcoin accounts. Some such sites are Bitbond, BitLendingClub and BTCJam.

3) Avoid Fraudulence:

Individuals cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by the sender, as with credit card charge-backs.

4) Immediate Settlement:

Purchasing real property typically involves some third parties (Lawyers, Notary), delays, and payment of fees. In many ways, the Bitcoin/Cryptocurrency blockchain is like a “large property rights database,” Bitcoin contracts can be designed and enforced to eliminate or add third party approvals, reference external facts, or be completed at a future date or time for a fraction of the expense and time required to complete traditional asset transfers.

5) Lower Fees:

There aren't usually transaction fees for Cryptocurrency exchanges because the miners are compensated by the network. Even though there's no Bitcoin/Cryptocurrency transaction fee, many expect that most users will engage a third-party service, such as Coinbase, creating and maintaining their Bitcoin wallets. These services act like PayPal does for cash or credit card users, providing the online exchange system for Bitcoin, and as such, they're likely to charge fees. It's interesting to note that PayPal does not accept or transfer Bitcoins.

6) Identity Theft:

When you give your credit card to a merchant, you give him or her access to your full credit line, even if the transaction is for a small amount. Credit cards operate on a “pull” basis, where the store initiates the payment and pulls the designated amount from your account. Cryptocurrency uses a “push” mechanism that allows the Cryptocurrency holder to send exactly what he or she wants to the merchant or recipient with no further information.

7) Access to Everyone:

There are approximately 2.2 billion individuals with access to the Internet or mobile phones who don't currently have access to traditional exchange; these people are primed for the Cryptocurrency market. Keeping the internet usage worldwide it is advice able that, there could be a mobile phone-based money transfer, and micro financing service to have a Bitcoin device, ensuring with one in three now owning a Bitcoin wallet.

8) Decentralization:

A Global network of computers uses blockchain technology to jointly manage the database that records Bitcoin transactions. That is, Bitcoin is managed by its network, and not any one central authority. Decentralization means the network operates on a user-to-user (or peer-to-peer) basis. The forms of mass collaboration this makes possible are just beginning to be investigated.

9) Recognition at universal level:

Since Cryptocurrency is not bound by the exchange rates, interest rates, transactions charges or other charges of any country; therefore it can be used at an international level without experiencing any problems. This, in turn, saves lots of time as well as money on the part of any business which is otherwise spent in transferring money from one country to the other. Cryptocurrency operates at the universal level and hence makes transactions quite easy.

Overall, cryptocurrencies have a long way to go before they can replace credit cards and traditional currencies as a tool for global commerce.

D. Unfavorable Position Due To Operation of Bitcoin:

Malicious Software: After Ransomware, some hackers have developed another Cryptocurrency malware called CryptoShuffler. Using CryptoShuffler, hackers have so far stolen \$150K worth of Bitcoins. CryptoShuffler phishing game was uncovered by Kaspersky Lab last year; however, the wallet-malware is still operational.

However, even with several defined use cases, it has come out that Bitcoin also attracted criminals for charging Ransomware, people using it for tax evasion and more. Since then financial regulators, legislative bodies, law enforcers and media all over the world have continuously debated on its legality and usage. Infact, a recent Forbes report also termed Bitcoin as the ‘blood diamonds’ of the digital era citing it as a mere medium of exchange for lawbreakers.

1) Time consuming and Expensive Process:

Bitcoin, has had legitimate uses and while the ‘mining’ of Bitcoin is a time-consuming and expensive process, it also has opened up the door for changing the global mindset of people when it comes to the one thing they hold most precious – money.

2) Less Experimental Every Day:

Still, after eight years, all digital currencies remain in a development phase, still evolving. It is highest-risk, highest-return investment that anybody can possibly make.

3) Regulatory Risk:

Bitcoins are a rival to government currency and may be used for black market transactions, money laundering, illegal activities or tax evasion. As a result, governments may seek to regulate, restrict or ban the use and sale of Bitcoins, and some already have. Others are coming up with various rules.

Although more agencies will follow suit, issuing rules and guidelines, the lack of uniform regulations about Bitcoins (and other virtual currency) raises questions over their longevity, liquidity and universality.

4) Security Risk:

Bitcoin exchanges are entirely digital and, as with any virtual system, are at risk from hackers, malware and operational glitches. If a thief gains access to a Bitcoin owner's computer hard drive and steals his private encryption key, he could transfer the stolen Bitcoins to another account. (Users can prevent this only if Bitcoins are stored on a computer which is not connected to the internet, or else by choosing to use a paper wallet – printing out the Bitcoin private keys and addresses, and not keeping them on a computer at all.) Hackers can also target Bitcoin

exchanges, gaining access to thousands of accounts and digital wallets where Bitcoins are stored.

This is particularly problematic once you remember that all Bitcoin transactions are permanent and irreversible. It's like dealing with cash: Any transaction carried out with Bitcoins can only be reversed if the person who has received them refunds them. There is no third party or a payment processor, as in the case of a debit or credit card – hence, no source of protection or appeal if there is a problem.

5) Insurance Risk

Some investments are insured through the Securities Investor Protection Corporation. Normal bank accounts are insured through the various Deposit Insurance Corporation up to a certain amount depending on the jurisdiction. Bitcoin exchanges and Bitcoin accounts are not insured by any type of union or government program.

6) Fraud Risk

While Bitcoin uses private key encryption to verify owners and register transactions, fraudsters and scammers may attempt to sell false Bitcoins. For instance, in July 2013, the SEC brought legal action against an operator of a Bitcoin-related Ponzi scheme.

7) Market Risk

Like with any investment, Bitcoin values can fluctuate. Indeed, the value of the currency has seen wild swings in price over its short existence. Subject to high volume buying and selling on exchanges, it has a high sensitivity to “news.” According to the CFPB, the price of Bitcoins fell by 61% in a single day in 2013, while the one-day price drop in 2014 has been as big as 80%.

If fewer people begin to accept Bitcoin as a currency, these digital units may lose value and could become worthless. There is already plenty of competition, and though Bitcoin has a huge lead over the other 100-odd digital currencies that have sprung up, thanks to its brand recognition and venture capital money, a technological break-through in the form of a better virtual coin is always a threat.

8) Tax Risk

As Bitcoin is ineligible to be included in any tax-advantaged retirement accounts, there are no good, legal options to shield investments from taxation.

E. The other important points contributing towards functioning of the Bitcoin currencies:

- The world's largest ecommerce company Amazon is buckling up itself for cryptocurrencies. The company has just bought three domain names pertaining to cryptocurrencies. These domains are amazonethereum.com,

amazonCryptocurrency.com,
amazoncryptocurrencies.com.

- In March 2014, the IRS stated that all virtual currencies, including Bitcoins, would be taxed as property rather than currency. Gains or losses from Bitcoins held as capital will be realized as capital gains or losses, while Bitcoins held as inventory will incur ordinary gains or losses.
- Bitcoin has not just been a trendsetter, ushering in a wave of cryptocurrencies built on decentralized peer-to-peer network; it's become the de facto standard for cryptocurrencies. The currencies inspired by Bitcoin are collectively called altcoins and have tried to present themselves as modified or improved versions of Bitcoin. While some of these currencies are easier to mine than Bitcoin is, there are tradeoffs, including greater risk brought on by lesser liquidity, acceptance and value retention. Since Bitcoin prices are soaring new highs, we look at six cryptocurrencies, picked from over 700 (in no specific order) that could be worth your while.
- The move comes after the IT department conducted survey operations last week at major Bitcoin exchanges across the country on suspicion of alleged tax evasion. These operations were undertaken for gathering evidence for establishing the identity of investors and traders, the transaction undertaken by them, identity of counter-parties and related bank accounts.
- In addition to financial risk the value of Bitcoins has seen huge falls within hours the regulators are worried about their use for illicit and illegal activities, subjecting the users to an unintentional breach of laws against money laundering and terror finance.
- Concerns also emanate from some unscrupulous entities indulging in illicit money-pooling activities commonly known as Ponzi schemes with the promise of huge returns from investment in Bitcoins and other variants, which they claim are minted through blockchain, a distributed ledger technology that was created to mint Bitcoins and comprises of extremely complex algorithms with several thousand nodes for each chain.
- The Reserve Bank of India had cautioned the users, holders and traders of Virtual Currencies (VCs), including Bitcoins, about the potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to, vide its press release dated December 24, 2013.
- The Reserve Bank of India advises that it has not given any license / authorization to any entity / company to operate such schemes or deal with Bitcoin or any virtual currency. As such, any user, holder, investor, trader, etc. dealing with Virtual Currencies will be doing so at their own risk.

Points To Be Considered For the Betterment of Bitcoin Currency

- There are many inhibitions with regards to operations of the all types of cryptocurrencies in spite of it being popularized since 9 years. There should be awareness with regards to the operation.
- As it is decentralized system of financial functioning no security with regards investments from public, there has to be some legitimized body to monitor the functioning.
- Though the operations of Bitcoin seems to simpler, it has to be imparted the general public for the usage as per day to day transaction.
- As India concentrating on digitalization of currency, Cryptocurrency could be a best positive opportunity if it is legalized with some security operations.
- The developer of the crypto currencies has to work further more towards the security of the operations of the cryptocurrencies.
- As Bitcoin is been treated as the global currency, there has to be global laws and regulation for the smoother functioning.
- It is the major invention and contribution in the world of Fintech, so it the responsibility of the developers for the successful contribution.

V. CONCLUSION

Technology brings solutions, but hardly succeeds in driving the market. While some economists believe "Bitcoin is evil," some others believe the quite opposite. This leaves investors in confusion. As the making of global laws and regulations is still under process for the Cryptocurrency / Internet of Money, with regards to the treatment of Bitcoins by the investors. It should be kept grounded and simpler as of now; Bitcoins in every country is treated like foreign currency notes. The bubbles and chaos have not settled down yet but are slowly settling down. And, in the long-term it could be optimistically settled.

Currently, neither the developers nor the authorities could assure the 100% legitimacy of Bitcoins. Having said that, Indian Cryptocurrency startups, investors and developers are definitely looking forward to the Cryptocurrency as a gateway to the future market. Bitcoins happens to be the current one, the most popular Internet of Money.

Meanwhile, India's Inter-Disciplinary Committee has submitted its report regarding Cryptocurrency to the Finance Minister, **Arun Jaitley**. Based on the report, the next article would discuss Bitcoin's future in India, either as an asset or currency; or what if, the government just decides to make it illegal?

Because the use of cryptocurrencies in India has still not been legalized, it is too early to predict the financial impact of the Bitcoin civil war and the hard fork. That said, it would be interesting to see if Bitcoin startups in the country will adopt the new technology, which guarantees transaction rates that are eight times the current speed.

But, the government's concerns cannot be overlooked either, as no form of currency (crypto and otherwise) can be used to bypass and launder money or finance terrorist activities. If used judiciously, and within the defined legal framework, Bitcoin could become a game changer, taking Fintech to the next level in the coming decades.

ACKNOWLEDGEMENT

Bitcoin has rushed in value and popularity recently as it has come to be involved by more and more users across the planet. In a world of government traditional currencies, Bitcoin is a marvelous innovation to challenge and revolutionize the banking reforms. But in a sense it extends the current currency framework; as opposed to revolutionizing it bring about changes in the regular banking reforms worldwide. It was created out of less than thin air when cyber geeks who saw it as a natural progression of the modern web specified the creation and distribution of the new cyber currency in a paper posted on the internet in 2008. The virtual currency was then launched into operation in 2009. The bubble created in the Fintech with all the inceptions and apprehensions about it being fraudulent activity or the vulnerability in dollar market or the benefits of it led to preparation of this paper.

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