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## **RUSSIA TURNS COLD ON CRYPTO-CURRENCIES**

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Reuters, 11 Oct 2017

President Vladimir Putin said on Tuesday crypto-currencies were risky and used for crime, as Russias central bank said it would block websites selling bitcoin and its rivals - a change of tone from a month-old promise to legalize the market.

Bitcoins are seen in this illustration picture taken September 27, 2017. REUTERS/Dado Ruvic/Illustration

Central Bank First Deputy Governor Sergei Shvetsov told a conference in Moscow that the currencies were dubious and investors needed to be protected.

We cannot stand apart. We cannot give direct and easy access to such dubious instruments for retail (investors), Shvetsov said.

Around 1,000 miles (1,600 km) further south in the resort of Sochi, Putin told reporters that crypto-currencies could be used to launder money, evade taxes and finance terrorism.

The usage of crypto-currencies carries serious risks. I know the central banks position on that, Putin said.

Crypto-currencies are issued by an unlimited number of anonymous bodies. Thus buyers of crypto-currencies could be involved in unlawful activities, Putin said.

Russian financial authorities initially treated any sort of money issued by non-state approved institutions as illegal, saying they could be used to launder money.

But Finance Minister Anton Siluanov said last month that the authorities had to accept that the virtual currencies existed.

There is no sense in banning them, there is a need to regulate them, Siluanov said in September, adding that his ministry was working on a law including registration of those willing to buy the virtual money.

There was no one immediately available to comment from the finance ministry on whether the new comments on Tuesday meant that plan was now dead.

On Tuesday, Shvetsov told a conference on financial market derivatives in Moscow the central bank sees rising interest in crypto-currencies because of high returns to date.

He said they gradually transformed into high-yielding assets from being means of payment.

Bitcoin, the most well-known virtual currency that emerged in mid-2010, last traded at around \$4,807 BTC=BTSP, up from its initial price of less than \$1.

We think that for our citizens, for businesses the usage of such crypto-currencies as an investment object carries unreasonably high risks, he said.

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Kaynak/Source: