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Crypto Regulations in Brazil Exchanges – Exchanges hit hard by Tax Regulations

After Brazil legal authorities stressed that they must regulate the crypto market claiming the fraud occurred at Atlas Quantum, Zero10 and Trader Group last year, during February they saw some improvement of those actions. According to Cointelegraph, Brazil is still one of the countries that do not have a law in place to deal with cryptocurrencies and as a result, all exchanges in Brazil fall under the supervision of Normative instruction issued by the Department of Federal Revenue, which oversees all companies that execute transactions in cryptos. All these companies in Brazil, must be reported by the Department which can impose them fines ranging from 500 BRD to 1500 BRD (between 120 to 360 USD). Both houses of the National Congress of Brazil are looking at proposals to regulate the country's crypto industry.

Legal Framework for Tokenization in Russia

According to Cointelegraph, Central Bank of Russia announced on February 17 of 2020 the completion of blockchain tokenization pilot system using a platform developed by Nornickel within its regulatory sandbox. The central bank suggested an amendment of Russia's digital assets law to accommodate tokenization platforms which are open to all organizations and allow them to issue hybrid tokens. This could lead to expansion of the financing opportunities by giving new options to the investors. The tokenization is rarely used to prevent credit card fraud, where the actual bank account number is held safe in a secure token vault and is being replaced with an algorithmically generated number which is called token. Despite the solid support for the enhancement of crypto blockchain the country's regulators still have doubts.

Britain: Application for the first bank of cryptocurrencies

An application to become the first UK bank of cryptocurrencies has been filed by a British start-up company, which is the country's first serious test of digital currency regulators, amid worries about financial crime. Companies that handle cryptocurrencies, such as bitcoin and those that provide services to users and holders of such currencies, have maintained their relationships with systemic banks due to their perceived links to money laundering and other forms of crime. However, DAG Global, which was founded in London in 2018, said it would re-apply for a bank license next month to provide bank accounts for cryptocurrencies by 2021. "There is a lack of understanding but also a significant risk to reputation, which has kept investors away (from cryptocurrencies). We believe this sector can be cleaner than traditional finance," said Sean Kiernan, chief executive of the company.



Bitcoin Recent Reactions and Trends – Fraud –

Bitcoin commenced recovering during February, after the geopolitical uncertainties between US-China trade and with a lot of doubts created around the two biggest economies in the world. Most significant factor that affected the BTC value is the last few weeks issue with the coronavirus which became the major factor that favor Bitcoin price. This increased demand on cryptos which can be deemed as an alternative investment solution which enhanced dynamically the people's confidence. The first forecasts point to an increased rate of digital transactions in the Asian country. As the Financial Times reports, in times of crisis, cryptocurrencies and their defenders mainly benefited from those situations and there are a lot of examples in the recent past, from the collapse of the banking sector in Cyprus to the social revolution in Venezuela and Brexit in Britain. However, some individual investors, representatives of other investors, exploit the increased demand of Bitcoin and they encourage their clients to create their own e-wallet and make purchases with their debit or credit card in cryptocurrencies. They promise to the victims high return on investment in the short term. To achieve their purpose they ask from the unsuspecting victims to give them access to their computers and bank accounts for the creation of E-Wallets and the purchase of cryptocurrencies. The Cybercrime Bureau has recently received several complaints from citizens about cybercard investment fraud, notably Bitcoin.

Forecast on 2020-2021 and BTC halving

The recent few months Bitcoin has been underestimated from a lot of investors due to the lack of confidence which generated from the limited number of 21 million bitcoins of digital coins into the market. After the global economy started to be threatened by the coronavirus epidemic, its value began to rise and expanded \$3000 to the upside reaching \$10000 dollars in 6 weeks' time frame, something that according to analysts, indicates that will continue to new high records during 2020. According to Tom Lee, the Fundstrat Global Advisors co-founder, claimed that BTC investors could lead the price to increase almost 200% over the next six months, and this can be confirmed by taking into consideration the coin's price triggered to the upside of 200(MA) moving average, which also can be used as a majors resistance level. Bitcoin gained around 30% in January and it's the most successful month since 2013, a sign that that its next long-term bull cycle is already beginning. Up to 1800 bitcoins can be created each day with 144 block chains containing 12.5 new bitcoins. The number of Bitcoins generated per block started at 50 and is halved every 210,000 blocks (about four years). With the latest block reward halving on July 9, 2016, each new block generates 12.5 new bitcoins now. Bitcoin network started with mining capability of 6400 per day after its whitepaper release in 2009 and then the first halving occurred in late 2012. This halving is supposed to go until all the 21 million supply is available and the mining is estimated to stop around Year 2140. Every time halving takes place the demand increases significantly among investors. In 2021, according to one historically accurate price model which demonstrates the knock-on effect of Bitcoin supply reductions, BTC/USD should hit a new all-time high of \$100,000.

