

Australia to regulate virtual currency exchanges like Bitcoin

SYDNEY - Australia is set to regulate virtual currency exchanges such as Bitcoin and strengthen the powers of its financial intelligence agency Austrac as it cracks down on money laundering and terrorism financing.



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The changes came two weeks after Austrac took the country's biggest bank, the Commonwealth, to court for alleged "serious and systemic non-compliance" of money laundering and terror financing laws.

It follows similar reforms by Japan to regulate virtual currency, after the country found itself at the epicentre of a multi-million dollar embezzlement scandal following the collapse of the Tokyo-based MtGox Bitcoin exchange.

"Stopping the movement of money to criminals and terrorists is a vital part of our national security defences and we expect regulated businesses in Australia to comply with our comprehensive regime," Justice Minister Michael Keenan said.

He added that the digital currency exchange sector was being regulated for the first time, while low-risk industries such as cash-in-transit would be subject to fewer regulations.

Virtual currency has grown rapidly since the 2009 launch of Bitcoin, and there are now more than 100 crypto-currency options.

But the sector has suffered from highly publicised scandals like the 2014 collapse of MtGox.

Backers say virtual currencies offer an efficient and anonymous way to store and transfer funds online.

But critics argue the lack of a legal framework governing the currency, the opaque way it is traded and its volatility, make it dangerous.

Source: *AFP*

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