

BITCOIN SURPASSES \$10,000 FOR THE FIRST TIME – WILL THERE BE A REGULATORY RESPONSE?

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Legal Briefings

With Bitcoin breaking through the \$10,000 barrier, regulatory focus on FinTech – which was already increasing in intensity – is likely to get even more intense. In the past few months, regulators around the globe have announced their intentions towards the regulation of cryptocurrencies and/or Initial Coin Offerings (ICOs); regimes are in varying states of implementation in different jurisdictions which can create complexity for firms interested in this aspect of the FinTech revolution.

At least to start with, these regimes appear to have not imposed, or do not propose to impose, a level of regulatory supervision over fintech companies which are not undertaking regulated activities. However with Bitcoin reaching \$10,000 for the first time (at the time of this publication trading above USD11600), some might say that a psychological barrier has been breached which make it increasingly difficult for regulators to push back against the pressure to intervene. Similarly, the apparent 'gold rush' in the cryptocurrency space appears to make it increasingly enticing to mainstream institutions. Do we foresee an increase in institutional investment in cryptocurrency? Will there be a regulatory response?

In our recent article '[Fintech: to regulate or to partner...that is the question?](#)' we look at the key learnings from the US that show we should stop seeing fintech as 'competitors' but consider them as 'partners'. Our experts explore the best way forward in the current regulatory environment by answering the following questions:

- Is there rationale for regulation of the fintech industry?
- How does personal accountability work within the banking sector?
- Can and should this approach be taken with fintech companies, including P2P lenders?
- What about hitting senior employees in the wallet to disincentivise poor behaviour?
- General trend of regulatory disparity with fintech

- The best way forward: partners instead of competitors?

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