

## New Bitcoin Exchange Approved in New York By Xiaolin Ma, LL.M. Candidate 2016 | October 07, 2015

Bitcoin, the peer-to-peer payment system first published in 2009, has opened a monetary Pandora's Box since day one. The system was created by an unknown individual or group with the name [Satoshi Nakamoto](#). With no central authority, the system enables decentralized, irreversible and non-freezable money transfer with a completely digital currency. Such innovation gradually attracted enormous attention and the Bitcoin prices have been volatile, with a notable increase in 2013 and a subsequent downtrend in 2014.

People who are not familiar with Bitcoin may wonder how the system is connected with the existing currency system. Online Bitcoin exchanges are the marketplace for both individuals and institutional investors to buy or sell bitcoins using multiple currencies, and vice versa. Mt. Gox used to be the largest bitcoin exchange in the world before its [dramatic bankruptcy](#) in March 2014, with \$460 million stolen by hackers and another \$27.4 million missing from its bank accounts. There are a variety of exchanges available on the market nowadays, including but not limited to: ItBit, Coinsetter, Coinbase, Bitstamp, BTC-e and Cryptsy.

On October 5, 2015, Cameron and Tyler Winklevoss announced that their new Bitcoin exchange named "Gemini" has [received approval](#) from the New York State Department of Financial Services. The Winklevoss twins are notorious for the lawsuit they brought against Mark Zuckerberg, alleging that he stole their idea to create Facebook. Since New York's approval of Gemini, it has been recognized by several other state regulators. Its service is now available in 27 states, including California. The company is seeking specific approval from each state to ensure complete compliance.

This is not the Winklevoss' first foray into the world of Bitcoin. They backed a prior company, BitInstant, which [tanked](#) in 2013. They are also [still working](#) on a Bitcoin backed Exchange Traded Fund (ETF) that will be available on NASDAQ, which is still waiting for approval from regulators.