

Boston Bitcoin Startup Gains Crucial U.K. Toehold

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Circle, a Boston-based Bitcoin start-up, was recently awarded the U.K.'s very first [Electronic Money License](#). This award is a tangible sign of the English government's commitment to promoting the development of financial technology. Furthermore Circle was not only selected for a license, it was also placed into the British "[Innovation Hub](#)," which offers support to innovators in financial technology. The license allows Circle to help its customers transfer money via a mobile app in the U.K. This license also enables Circle to build a business relationship with Barclays, a major British bank that has [tremendous interest](#) in financial technology.

Circle, founded in 2013, is a start-up that allows its customers to use [virtual currency](#) in order to transfer money cheaply and quickly. It is backed by giant investors, such as Goldman Sachs and IDG Capital Partners. Traditional Bitcoin companies act as trading companies and focus their business on helping their customers buy and sell Bitcoins. Circle still possesses this traditional function, but their innovative emphasis is on facilitating the transfer of money [between different national currencies](#). Customers can use dollars to buy Bitcoin and hold it for a short period of time before transferring the Bitcoin into pounds. By using Bitcoin as a medium, Circle allows people to exchange dollars and pounds instantly, with no cost. Circle customers will also be able to transfer money for euros in the near future, since its license is valid in the European Union as well.

Although Bitcoin is still not accepted by the mainstream in the United States, Circle was granted the first BitLicense by the New York state government last year. However, the financial regulator in New York State remains the only agency that has granted a license for virtual currency companies. The U.S. government is wary of Bitcoin because it is often associated with [criminal activities](#), such as prostitution and drug dealing. Bitcoin is well suited to use by criminals because it can be transferred to anywhere in the world instantly for free without disclosing the identities of either side of the transaction. Moreover, the market of virtual currencies is very unstable. For example, the value of a new virtual currency, [Ethereum](#), which has become very popular recently, soared more than 1000 percent in three months. The instability of the virtual currency market means that governments are hesitant to accept these currencies as a mainstream technology.

Although the future of the virtual currency is unpredictable, this approval from the British government has given the industry of financial technology some measure of confidence and hope for European development.