

The Future of Cryptocurrency: From the Bitcoin Whitepaper to National Virtual Currencies  
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Cryptocurrency entered our lives in 2009 with a “[whitepaper](#)” introducing Bitcoin. The revolutionary agenda of Bitcoin was to create a decentralized system by eliminating financial institutions from transactions. Bitcoin garnered tremendous interest from people with a variety of interests and from a variety of fields. In last ten years, countless cryptocurrencies have emerged to form a billion-dollar market.

Facebook recently introduced a cryptocurrency called “[Libra](#).” Economists question its legitimacy and compliance with securities provisions. With Facebook still reeling from its various [privacy scandals](#), regulators doubt its incentives in entering the virtual currency industry. Their primary concern is that Facebook will use private spending information to optimize its advertisement algorithm. The Federal Reserve has made clear its reservations about Libra, and five European countries have [explicitly stated](#) that they will block Libra in their countries.

Since Libra was unveiled in June 2018, Facebook’s various business ventures have struggled against a backdrop of being [thwarted](#) by regulators. Meanwhile, China is creating a government-backed [national virtual currency](#) akin to Libra. Chinese officials have [declared](#) the initiative’s disruptive potential to carry the world to a new financial system.

China seeks to achieve “[controlled anonymity](#)” with its upcoming digital currency. Some economists feel this is an [oxymoron](#). For virtual money to become currency, the anonymity that people could gain from cash should be preserved, [according to](#) Flex Yang. Otherwise, it only has value as a payment tool. Regardless, Chinese authorities plan to scrutinize transactions made via the new virtual currency.

Sweden, Canada, and Australia have also put forward significant [efforts](#) to release their own cryptocurrencies. However, much of cryptocurrencies’ value lies in its neutrality and anonymity, features which disappear when sovereign cryptocurrencies require identification for virtual wallets and the like. Bitcoin remains a standout among cryptocurrencies for this reason—success that Libra and sovereign cryptocurrencies will find difficult to replicate.

