

Bitcoin battle

On Friday, Jamie Dimon, chairman of JPMorgan Chase and Co., made a scathing appraisal of bitcoin, calling it a tool for criminals and money launderers. On the same day, Christine Lagarde, managing director of the International Monetary Fund (IMF), was far more positive, noting that it was time global financial institutions took cryptocurrencies seriously.

Lagarde is also right in pointing to the disruptive potential of cryptocurrencies. Certainly, there are dodgy operators such as Mavrodi Mundial Moneybox, which has emerged as a financial network driving bitcoin adoption. But there are also heavyweights such as HSBC and Barclays that are working on cryptocurrency projects.

Central banks must also step up. Some like the People's Bank of China and the Dutch central bank are already dabbling, while the Reserve Bank of India is working on a cryptocurrency policy. All of them will have to be fleet-footed to keep up with the evolution of cryptocurrencies and the blockchain technology underlying them—something central banks are not known for.

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