

Morocco regulator bans bitcoin payments

RABAT, Morocco: Morocco's currency regulator has announced a ban on transactions in bitcoin and other virtual currencies, in a country where foreign exchange flows are tightly controlled.



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"Transactions via virtual currencies constitute a breach of regulations, punishable by penalties and fines," the Offices des Changes said in a statement on its website.

The announcement came a week after Moroccan digital services company MTDS said it would accept payment in bitcoin.

MTDS said it was the first time the regulator had taken a clear position on bitcoin payments.

MTDS head Karl Stanzik said the company had dropped its proposal in order to "comply with Moroccan law" but that it would be "very difficult to control" bitcoin transactions due to the currency's secretive nature.

Unlike physical currencies, bitcoin and other so-called crypto-currencies are not backed by states or regulated by central banks.

Instead, they derive their value from decentralised ledger systems known as blockchains for verifying transactions and the contents of virtual wallets.

"As secretive payment systems not backed by financial institutions... virtual currencies involve significant risks for their users," the Offices des Changes said.

It added that all of Morocco's financial transactions with foreign countries must go through intermediaries approved by the authorities and be carried out in foreign currencies listed by Bank Al-Maghrib, the country's central bank.

Local media outlets have estimated that virtual payments worth around \$200,000 (170,000 euros) pass through Morocco each day, although an exact figure is extremely difficult to verify.

One bitcoin was worth over \$8,200 (7,000 euros) on Tuesday, up from less than \$1,000 at the start of 2017.

Source: AFP

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