



**Economic and Financial Committee**

**Establishing an international base for cyber currencies &  
cryptocurrencies**

**Approved by president of the general assembly**

## Letter from the President of the General Assembly

In the words of George Monbiot " The only thing that can replace a story is a story ", After The financial crisis of 2008, a lot of us have been left wondering what's next, who is the hero that defeated the villain and who is this mysterious figure that is going to lead us into the modernization era. Now for us, it seems that the recently defeated neo-liberalism is an immortal ideology that's never going to leave and is the only way to progress into modernization, but with the rise of a new generation, a generation that grew up under a fragile economy, decays long disputes, and safety threats even within their own homes because of unauthorized weaponry, this idea of immortalization is slowly but surely starting to fade away. This generation is determined to get results no matter what it takes. They have made it their long life goal to resolve decays of dispute in hopes of finding the peace and prosperity they have never gotten the chance to taste and are keen on building a world where we prevent making the same mistakes like the ones we inherited.

Here we invite you to join us in creating our own story engraved with equality, equity, justice and peace where everyone's voice matters.

***Mohamad Hachem***  
***PGA of SafirMUN***

## Introduction

Bitcoin is a simple example of how difficult it is to regulate cyberspace in general, which is why a united solution is required in order to reach a universal solution that applies worldwide. Setting international regulations that are to be followed by all users that access the internet, in order to ensure security, peace, and civil rights.

## Key Vocabulary

**Cryptocurrency:** Digital currencies that mostly rely on blockchain technology, uses P2P transfer protocol and focus mostly on privacy and anonymity.

**Bitcoin:** A virtual currency that exists in the form of mathematical algorithms to prove ownership of a certain value. It uses Blockchain technology which relies on P2P transfer protocol for transactions.

## Abstract

The concept of using a digital currency has been around since 1982. It has been greatly discussed in papers that evaluate its viability, security, potential uses, and overall stability. The technology eventually materialized in 1993 with the launch of eCash. David Chaum, founder of eCash and publisher of a paper discussing the fundamentals of his technology under the name of 'Blind Signatures', marked a massive checkpoint in technological history; opening the gates to a massive trend that takes shape over the upcoming years.

Following the establishment of eCash, many ideas and concepts for the development of a secure and efficient form of digital currency began to flow. From these concepts was a proof-of-concept by Adam Back called 'Hashcash' in 1997, followed a year later by 'BitGold' created by Nick Szabo. Eventually, in 2009, after 2 year of continuous development, BitCoin, the first ever mainstream digital currency, was delivered by Satoshi Nakamoto to the world. BitCoin marked a massive revolution due to its decentralized nature as a currency and for being the first currency to implement Blockchain technology, which relies on a serverless, peer-to-peer system. This was a huge breakthrough as it was the first ever currency to not rely on a specific base for its value other than demand, and is also seen as the most secure form of digital data transfer.

BitCoin began to slowly gather attention and ‘BitCoin miners’. The act of cryptocurrency mining involves dedicating raw computational power, mostly from a graphics-processing-unit into the processing of complex algorithms, eventually resulting in the generation of a Bitcoin Block, which produces a specified number of bitcoins. Satoshi Nakamoto, being the inventor of bitcoin was responsible for mining the Genesis Block, which was the first ever block of bitcoin (block 0). With an initial value of 1309.03 BTC per USD, BitCoin reached its peak value in December 2017 at a value of \$19,783.21 per BTC.

The exponential rise of BitCoin grabbed the world’s attention and spurred massive controversy. Its huge popularity called for actions to be taken by the world’s governments in order to regulate it to prevent any hit to the world’s economy. To this day, the technology remains largely unregulated by most governments, however major summits such as the recent G20 have discussed this issue in depth, and are beginning to implement further regulations.

On the 8th and 9th of June 2019. Representatives from G20 countries met in Fukuoka, Japan to discuss the state of the world economy, and have touched upon the arising issue of cyber currencies. Part of their concluding communiqué is as follows:

*“Technological innovations, including those underlying crypto-assets, can deliver significant benefits to the financial system and the broader economy. While crypto-assets do not pose a threat to global financial stability at this point, we remain vigilant to risks, including those related to consumer and investor protection, anti-money laundering (AML) and countering the financing of terrorism (CFT). We reaffirm our commitment to applying the recently amended FATF Standards to virtual assets and related providers for AML and CFT. We look forward to the adoption of the FATF Interpretive Note and Guidance by the FATF at its plenary later this month. We welcome IOSCO’s work on crypto-asset trading platforms related to consumer and investor protection and market integrity. We welcome the FSB’s directory of crypto-asset regulators, and its report on work underway, regulatory approaches and potential gaps relating to crypto-assets. We ask the FSB and standard setting bodies to monitor risks and consider work on additional multilateral responses as needed. We also welcome the FSB report on decentralized financial technologies, and the possible implications for financial stability, regulation and governance, and how regulators can enhance the dialogue with a wider group of stakeholders. We also continue to step up efforts to enhance cyber resilience, and welcome progress on the FSB’s initiative to identify effective practices for response to and recovery from cyber incidents.”*

# Cryptocurrency Regulations Around The World

## United States:

Cryptocurrencies: Not considered legal tender

Cryptocurrency exchanges: Legal, regulation varies by state

## Canada:

Cryptocurrencies: Not legal tender

Cryptocurrency exchanges: Legal, regulation varies by province

## Singapore:

Cryptocurrencies: Not legal tender

Cryptocurrency exchanges: Legal, no registration required

## Australia:

Cryptocurrencies: Legal, treated as property

Cryptocurrency exchanges: Legal, must register with AUSTRAC

## Japan:

Cryptocurrency: Legal, treated as property

Cryptocurrency Exchanges: Legal, must register with the Financial Services Agency

## South Korea:

Cryptocurrencies: Not legal tender

Cryptocurrency Exchanges: Legal, must register with FSS

## China:

Cryptocurrencies: Not legal tender

Cryptocurrency exchanges: Illegal

## India:

Cryptocurrencies: Not legal tender

Cryptocurrency exchanges: Effectively illegal – regulations being considered

## UK:

Cryptocurrencies: Not legal tender

Cryptocurrency exchanges: Legal, registration requirements with FCA

## Switzerland:

Cryptocurrencies: Legal, accepted as payment in some contexts

Cryptocurrency exchanges: Legal, regulated by SFTA

## The EU:

Cryptocurrencies: Legal, member-states may not introduce their own cryptocurrencies

Cryptocurrency exchanges: Regulations vary by member-state