

'World's first' bitcoin ATM opens in Canada

October 30 2013, by Deborah Jones



Customer David Lowy (right) uses his smart phone to pay .0101 bitcoins for a cup of dark coffee (worth about \$2 US), from barista Chris Fujiki at the Waves coffee shop in downtown Vancouver on October 29, 2013

Three young entrepreneurs have opened what they call the world's first ATM able to exchange bitcoins for any official currency.

The machine inaugurated Tuesday, delivered to Vancouver in Western Canada by Robocoin, an American manufacturer, stands against a wall of a popular [coffee shop](#), and resembles an ordinary cash ATM.

However, instead of cash transactions it swaps Canadian dollars for bitcoins, the virtual [currency](#) of the Internet invented in 2008 by an anonymous computer scientist known only by the pseudonym Satoshi Nakamoto.

Customers lined up Tuesday to use the ATM, then used their smart phones to buy coffee and muffins at the Waves coffee shop.

The ATM is the world's first, said co-owner Mitchel Demeter, a local entrepreneur who started trading in bitcoins several years ago, then earlier this year with two partners set up Bitcoiniacs, a Vancouver storefront money exchange.

He and his friends, who were high school students together, said they saw ATMs as a business opportunity. "Nobody had an ATM, everyone was buying and selling on websites," said Demeter.

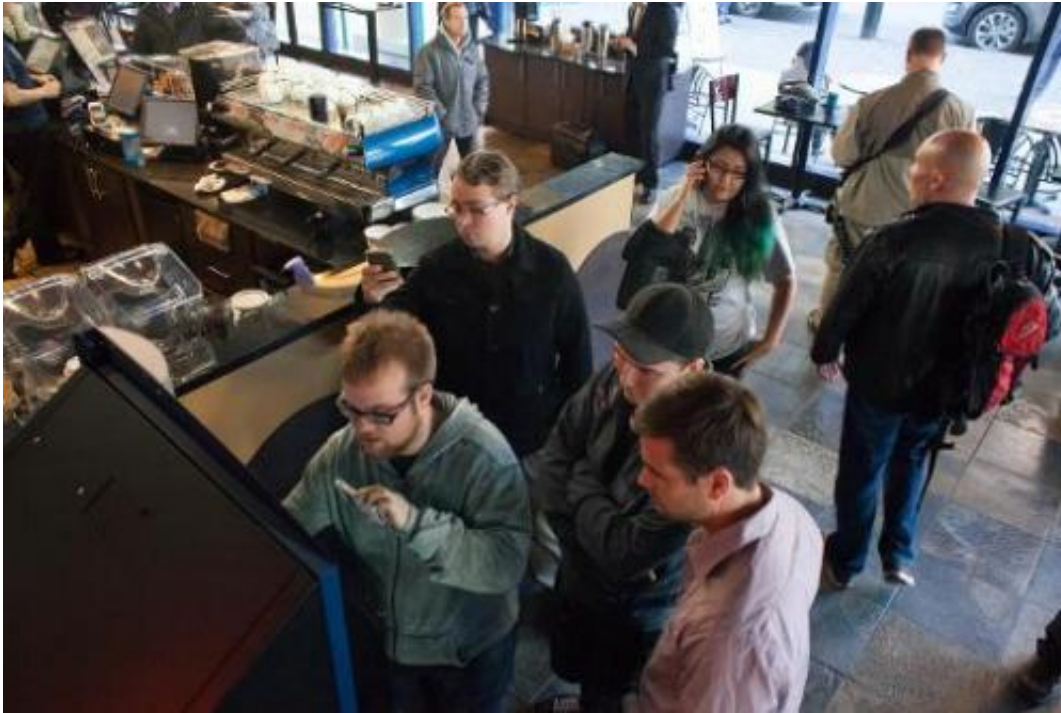
Customers use a private key - like a bank PIN number - to access their online account of bitcoins on the ATM.

They withdraw cash equivalents (the conversion rate is currently about one bitcoin for \$200) from their bitcoins, or deposit cash bills. The machine transfers the money on the Internet via the Canadian VirtEx exchange.

Users can then spend their bitcoins with a smartphone, in a similar way to the way interact or credit cards are used, or by transferring the money to purchase goods online.

"It's the currency of the Internet, as real as any other," said Demeter.

The volatile currency is as yet unregulated by any government in the world, and it has had a share of notoriety by being used in the drug trade.



Curtis Machek, left, uses the world's first bitcoin ATM at Waves Coffee House on October 29, 2013 in Vancouver, British Columbia, Canada

Germany, however, became the first country in the world earlier this year to declare bitcoins a "private currency."

And earlier this month investors were startled when a senior investment officer with giant hedge fund Fortress Investment Group said bitcoins could be used as a cheaper way of transferring money in countries with weak banking systems, the Financial Times reported.

In Vancouver, bitcoins are accepted by some 15 local businesses, from coffee shops to a landscaping business.

Bitcoins are also increasingly common in several hotspots around the world, especially San Francisco, Berlin, and Argentina, and accepted by

online companies such as Wordpress.



Adam Soltys, co-founder of a bitcoin co-operative in Vancouver, swaps Canadian currency for bitcoins using the new bitcoin ATM installed at the Waves coffee shop in the city's downtown on October 29, 2013

David Lowy, a city businessman who used his smart phone to transfer .0101 bitcoins to the Waves barista, for a cup of dark coffee worth \$2 (Canadian), said Vancouver was a likely candidate to claim the first bitcoin ATM because the wealthy city is popular with Internet entrepreneurs.

One of the ATM's first customers was Mike Yeung, a business student at

the city campus of Simon Fraser University, where he helped set up a university bitcoin club, one of a handful of such clubs in the world.

The club's mission "is to educate people about bitcoin so they can adopt bitcoins in their everyday lives," he said.

"I think bitcoins are the wave of the future, because they provide maximum value and efficiency," said Yeung.

Once [bitcoins](#) are more established, Yeung predicted, they will commonly be used to send [money](#) around the world cheaply, the way the Internet allows people to talk with each other on apps such as Skype.

He gestured at the new machine in the coffee shop. "The ATM is a step forward."

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