

Cypriot university to accept Bitcoin payments

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Gabriel Scheare uses the world's first bitcoin ATM on October 29, 2013 at Waves Coffee House in Vancouver

Cyprus' biggest private university said Thursday it will start accepting the digital currency Bitcoin as an alternative way to pay tuition fees.

The country had been a hub for international banking before suffering a collapse in its financial system this year, leading the government to impose controls on the flow of capital as it accepted an international bailout.

But the University of Nicosia said the move to accept Bitcoin was unrelated to the controls. Rather, it was meant to help [foreign students](#) in countries where traditional banking transactions are either difficult or costly to pay for programs such as online degrees.

The university's [chief financial officer](#), Christos Vlachos, said the institution, which has about 8,500 students enrolled, is the first in the world to take Bitcoin payments.

Bitcoin is a cryptography-based digital currency that advocates say is counterfeit-proof. Its value is determined by supply—which is limited by its design—and demand. Among the various criticisms leveled at Bitcoin are that it is too prone to price swings against other currencies to be useful.

Vlachos said payments are free of risk for the university since it immediately converts the digital currency to euros at the day's exchange rate.

He said that the university is also offering a new Masters' degree in digital currency, a field he says is the monetary equivalent of the Internet in its infancy.

"It's the gold of tomorrow," Vlachos told the Associated Press.

He said the Cypriot government should set up a regulatory framework to attract [digital currency](#) trading companies and boost the bailed-out country's foundering economy.

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