

# Vietnam says bitcoin transactions are illegal

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(AP)—Vietnam's communist government said trading in bitcoin and other electronic currencies is illegal, and warned its citizens not to use or invest in them.

A central bank statement late Thursday didn't spell out penalties for those who disobeyed the instruction, but it said that virtual currencies are linked to money laundering and other [illegal activities](#).

The collapse of a major [bitcoin](#) exchange in Tokyo this week has drawn renewed attention to the currency.

Late last year, China banned its banks and payment systems from handling bitcoin. Thailand earlier put a blanket ban on its use.

Currencies like bitcoin are unnerving financial regulators in Asia and elsewhere because they are outside of their control. Established banks don't like them because people can send the money around the world with any fees.

There are a few websites that claim to offer bitcoin in exchange for Vietnamese dong, but it's unclear whether they have done any trading so far.

Aside from an investment and buying goods and services online, bitcoin could be used by Vietnam's diaspora to send home remittances if the currency were to take a broader hold.

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