

Yellen says Fed has no authority on bitcoin issues

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The Federal Reserve has no authority to regulate or otherwise deal with the crypto-currency bitcoin, Fed Chair Janet Yellen said Thursday.

Yellen said in a Senate hearing that the banks under its regulatory purview were not involved with bitcoin, and so the Fed had no powers over its use.

"This a payment innovation that is taking place entirely outside of the [banking industry](#)," she said.

"The Fed doesn't have authority with respect to bitcoin."

Yellen pointed to other US regulators, including the Treasury, watching the bitcoin sector for potential money laundering and other criminal uses of the [digital currency](#).

However, she stressed, "it's not so easy to regulate bitcoin" because it is used outside the banking system, and has no centralized authority behind it as do other normal "fiat" currencies.

Congress could, however, get involved to set up a legal structure for it, if it wants to, she suggested.

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