

# French police smash illegal Bitcoin trading ring

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French police say they have smashed an illegal Bitcoin trading network, seizing virtual currency worth 200,000 euros in Europe's first such operation

French police said Monday they had smashed an illegal Bitcoin trading network, seizing virtual currency worth 200,000 euros (\$272,000) in the first such operation in Europe.

Two people have been charged and are in custody following raids last

week in the French southern cities of Nice, Cannes and Toulouse and in Brussels that led to the seizure of 388 Bitcoins.

"This is the first time that an illegal exchange platform for Bitcoins like this one has been dismantled in Europe," a police statement said.

The two men charged are a 27-year-old Tunisian who ran the website trading in Bitcoins and his suspected accomplice, a 36-year-old Frenchman.

Virtual currencies, most famously Bitcoin, have come under increasing scrutiny by financial regulators as their popularity has grown.

Launched in 2009 by a mysterious computer guru, Bitcoin is a form of cryptography-based e-money that offers a largely anonymous payment system.

Backers say virtual currencies allow for an efficient and anonymous way to store and transfer funds online.

But regulators argue the lack of legal framework governing the currency, the opaque way it is traded and its volatility make it dangerous.

In France, platforms that exchange Bitcoins and euros have to be approved by the ACPR, the bank and insurance supervisory body.

Police found that the website run by the two suspects had not been authorised by the ACPR, and charged them with undeclared work and illegally acting as a banker.

The Tunisian suspect was also charged with money laundering.

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