

British government to explore Bitcoin potential

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A man holds a bitcoin medal at a bitcoin trading club meeting in Tokyo on February 27, 2014

British finance minister George Osborne said Wednesday the government would further explore the potential of digital currencies such as Bitcoin.

The regulation of virtual and digital currencies, and the risks associated

with them, will be examined in a bid to boost Britain's Financial Technology (FinTech) sector, Osborne said.

The government is set to publish a strategy document later this year setting out how Britain can become the "global centre of [financial innovation](#)," the Treasury said.

Bitcoin—a virtual currency that can be used to pay for goods from a computer or mobile device—is not currently subject to legislation.

Several countries have warned users of the risks associated with Bitcoin, such as their susceptibility to fraud because of the difficulty of tracing transactions.

Osborne said cementing Britain's position as "the centre of global finance" was key to the government's long-term economic strategy.

"That's why I'm delighted to announce a series of major steps today to help our FinTech firms continue to grow and succeed," he said.

The Treasury predicts Britain's alternative finance market will be worth £1.6 billion (\$2.7 billion, 2.0 billion euros) this year.

Other measures announced included a £100 million extension to investment for smaller businesses and awards for those who come up with solutions to help [small businesses](#) access [finance](#).

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