

Cryptocurrency: Digital Money for the Digital Era



Cryptocurrency has trodden along and made its mark in both federal and private sectors. For long, regulators have been looking for means to regulate it. To achieve this, an analysis needs to be performed of all the structured and unstructured data linked to blockchain, market, and market intelligence. Data analysis is key to identifying risk patterns, fraud, market manipulation, tax evasion, and Ponzi schemes. This will help in garnering public confidence, earning market credibility, foster organic growth and ensure long term stay in the global market. Infotrend offers businesses, agencies, and industry partners with tools, processes, and analytical insights for creating an efficient regulatory framework.

History of Bitcoin

As per Garrick Hileman, Head of Research at Blockchain.com, bitcoin's market cap could reach \$1 trillion sometime in 2021 as investors take its reserve currency status more seriously. Currently bitcoin's market cap is around 1 trillion (Feb 2021). While the overall market capitalization was at its peak of \$80 billion in 2017, it grew to \$539 billion by 2020.

Bitcoin was the first cryptocurrency developed in 2008 by a person or group of people going by the name, Satoshi Nakamoto. The building blocks of cryptocurrencies, like cryptography and blockchain, are well-known technological concepts since 1970's. However, features like decentralized public ledger and immutability promised a wide variety of use cases which would revolutionize everything from payment processing to supply-chain management.

Bitcoin garnered public notice only by 2017, but dark web entities like Silk Road had adopted bitcoin for illegal transactions much before that. They took advantage of anonymous transactions, easy cross-border transport, unclear regulations, and settlement finality for skirting the law. Soon the US Financial Crimes Enforcement Network (FinCEN) became cognizant and set up guidelines that cryptocurrencies are money service business (MSBs) subject to registration and other legal obligations. Further, there was some upheaval when US Drug Enforcement Administration (DEA) seized assets from a popular exchange – Mt. Gox – which did not comply with FinCEN

requirements and also took down the Silk Road enterprise that was big in the illegal drug trade.

Although, for a brief period, these events gave a negative spin to the crypto assets, start-up companies, technology pioneers, and venture capitalists started to leverage the cryptos to build real-world applications that would soon solve challenges in multiple sectors. Their investments led to the development of new cryptos like Ethereum, Ripple, and Stellar.

Bitcoin hits \$1 trillion in market value as cryptocurrency surge continues

CNBC – Feb 19th 2021

Growing Role of Regulators in Cryptocurrency Market

Even though some cryptos never saw the light of day, others made quick wins by cashing in on the hype and disappeared. Globally, regulators started to develop a regulatory framework to nurture and promote the decentralized finance (DeFi) market, smart contracts, and other real-world applications. They also wanted to get a stronghold on bad actors like Ponzi schemes, money laundering, and market manipulation.

As the cryptocurrency market grows, agencies globally are gearing to understand the crypto market and underlying

blockchain data for efficiently regulating the digital asset market and reducing fraud in cryptocurrency. These organizations are working towards enabling regulators with the right tools, data, and processes.






The Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), DEA, Internal Revenue Service (IRS) and FinCEN have different roles and responsibilities for regulating and enforcing markets. These regulators are trying to understand all the pieces of the crypto puzzle to identify their respective regulatory roles. To achieve the unique challenge of regulating digital assets, regulators need to build infrastructure and services to interpret large amounts of information that come with cryptocurrencies.

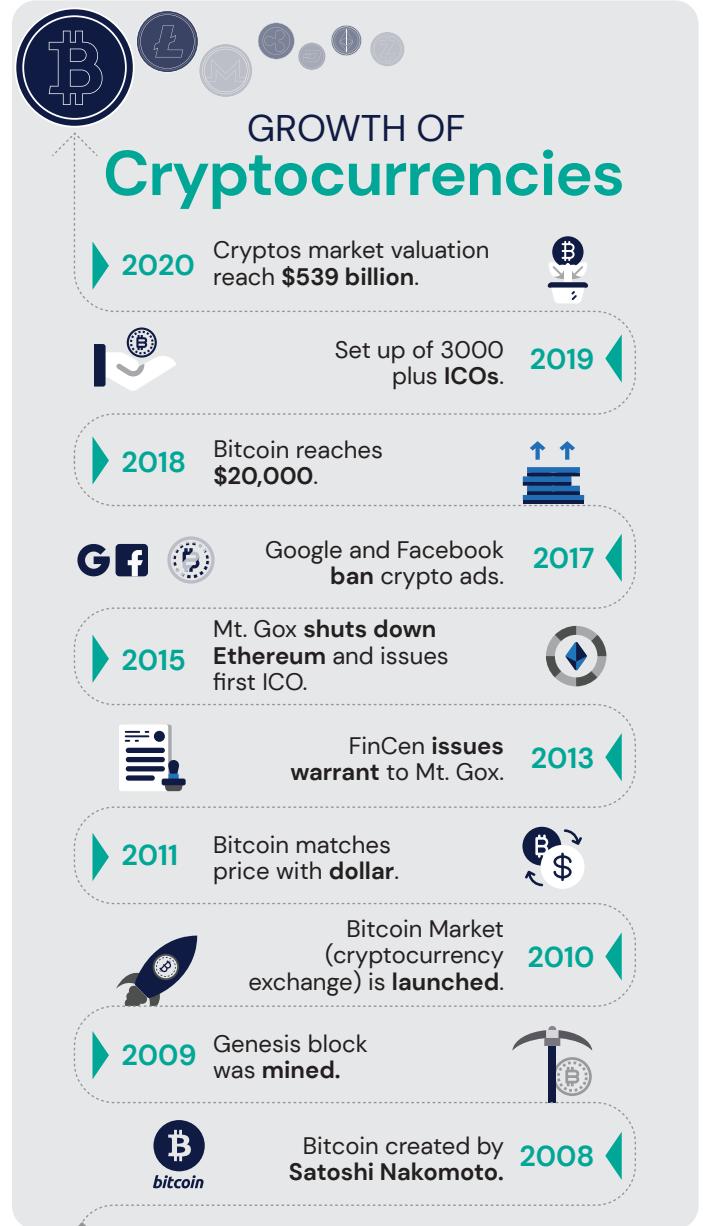
Infotrend's Experience with Blockchain and Digital Ledger Technologies

Infotrend has the expertise needed to help agencies meet the challenges mentioned above. We can run full crypto nodes, data extraction services, data storage and setup infrastructure. We also provide digital market asset data, and technology services for data extraction, data mining, data visualization, and big data insights leading to better decisions and strategic business moves.

We offer the best approach by using a scalable architecture with cloud, big data and real-time data processing, up-to-date data science approach and machine learning model through open source movement.

Listed below are our other key capabilities in blockchain:

-  Empowering agencies to make better decisions through data analytics
-  Providing useful and actionable blockchain data
-  Classification of blockchain activity to digital asset market data
-  Data Quality Management
-  Data Analytics
-  Pattern Recognition
-  Data Visualization
-  Predictive Analysis



Conclusion

Cryptocurrencies have a wide range of use cases for solving and simplifying many ongoing issues. However, channelling the energy for positive use and restricting fraud is key for regulators. Analyzing massive amounts of unstructured data and building links to disparate systems is the key for regulatory actions. Infotrend is a market leader in providing data and analytical solutions for blockchain and cryptocurrency data.

Infotrend
Understand | Innovate | Evolve

SBA U.S. Small Business Administration

ISO 20000-1:2011
ISO 27001:2013
ISO 9001:2015

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