

## [Bitcoin](#)

### **Bitcoin now classed as a commodity in the US**

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Bitcoin officially becomes a commodity

Bitcoin will now be classified as a commodity in the U.S. according to the Commodity Futures Trading Commission (CFTC).

[Bitcoin](#) will now be classed as a commodity in the U.S. along with gold and oil, according to the Commodity Futures Trading Commission (CFTC), which has started to clamp down on unregistered firms that trade derivatives of the cryptocurrency.

The CFTC stated Thursday that it had ordered bitcoin options trading platform Coinflip, and its CEO Francisco Riordan, to cease trading due to it not registering and complying with its regulations. It added that it had also filed, and simultaneously settled, charges against the San Francisco-based firm.

This might mean a nervous couple of months for other unregistered bitcoin derivatives firms in the U.S. but also signaled that the cryptocurrency will now come under the CFTC's scope.

"CFTC holds that bitcoin and other virtual currencies are a commodity covered by the commodity exchange act," the regulator said in a statement Thursday.

Aitan Goelman, the CFTC's director of enforcement, added that "while there is a lot of excitement surrounding bitcoin...innovation does not excuse those acting in this space from following the same rules applicable to all participants in the commodity derivatives markets."



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Francisco Riordan was not immediately available for comment when contacted by CNBC.

Bitcoin is a virtual currency that allows users to exchange online credits for goods and services. While there is no central bank that issues them, bitcoins can be created online by using a computer to complete difficult tasks, a process known as mining.

As well as bitcoin exchanges and wallet services, a small but growing sector of derivatives firms selling products based on the digital currency have also sprung up in recent years. Crypto Facilities was set up in the U.K. this year by former bankers from Goldman Sachs, Morgan Stanley, BNP Paribas and Societe Generale.



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The platform pitches itself as a broker which specializes in bitcoin derivatives, and trades financial products like options and futures which are directly linked to the price of the cryptocurrency. Thus, it allows users to "go long" and bet that the price of bitcoin will rise, or "go short" and bet the price will fall.

Technology enthusiasts, regulators and economists have been pondering how to pigeon hole bitcoin since its emergence in 2009. In August 2013, the German Finance Ministry classified it as a "unit of account", meaning it is can be used for tax and trading purposes in the country and is like "private money."



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