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Thread: [Alibaba bans bitcoin after China crackdown](#)

Kentek - January 8, 2014, 8:02 am

[img]http://s1.reutersmedia.net/resources/r/?m=02&d=20140108&t=2&i=827685693&w=580&fh=&fw=&ll=&pl=&r=CBREA070SDU00[/img]

(Reuters) - China's biggest online marketplace, Alibaba Group Holding Ltd's Taobao, will ban the sale of bitcoins on the heels of a government crackdown against the virtual currency to plug a potential gap in its tight controls on capital flows.

The move comes as Alibaba, China's biggest e-commerce company, seeks the smoothest of rides toward a giant initial public offering of stock expected later this year. In a statement posted on its website late on Tuesday, Taobao said the ban is effective from January 14.

Taobao's move to fall in line with the government's wishes also comes as Alibaba presses on with efforts to stamp out the sale of fake goods on the online marketplace ahead of the IPO. Alibaba has been conservatively estimated to be worth over \$100 billion.

"The central bank clearly has required third-party payment services to close bitcoin...trading channels," Taobao said in its statement, without disclosing any details on bitcoin sales through its platform up to now. Backed by neither a government nor a bank, bitcoin has attracted currency speculators in recent months.

Alibaba spokeswoman Florence Shih said, "In the interest of consumer protection, Taobao has banned the sale of bitcoins on the platform."

Taobao uses Alibaba's online payment affiliate Alipay to process transactions across the world's second-biggest economy, handling over 1 trillion yuan (\$165 billion) in annual sales volume together with its sister shopping portal T-Mall.

The Taobao ban, which covers other virtual currencies, also includes the sale of any guides, computer hardware or software related to bitcoin "mining". In the mining process users can mint new bitcoins of their own by having a computer solve complex mathematical problems.

Most bitcoin sales take place on specialized electronic platforms, rather than online marketplaces like Taobao, that are designed to trade the virtual currency for various physical currencies.

In December, the People's Bank of China (PBOC) banned financial institutions from trading in bitcoins, saying the government would act to prevent money laundering risks from bitcoin, which is not backed by a government or central bank. It did not ban individual trading.

Later the same month, the Chinese Business News reported that the government had asked third-party payment services to stop handling bitcoin transactions, forcing Shanghai-based BTC China, the world's largest bitcoin exchange platform by volume, to stop taking Chinese yuan deposits.

"I think it's overreaching," said Bobby Lee, Chief Executive Officer of BTC China, referring to

Taobao's ban on bitcoin-related accessories. "I think they're trying to just win favors from the government."

The PBOC stance reflects the fact that the bitcoin trade represents a potential hole in the country's capital controls. They are minted anonymously, untraceable, and can be carried on memory sticks or transmitted electronically.

However, analysts say that given the total value of bitcoins in circulation remains tiny relative to other currencies, the trade is unlikely to have much impact on the wider economy for now.

The price of bitcoins on BTC China fell 15 percent on Tuesday to 4718.51 yuan, but had bounced back 4.5 percent by late afternoon on Wednesday.

(\$1 = 6.0512 Chinese yuan)

SIM-5455545 - December 10, 2023, 1:55 pm

is this how the chinese government draws hype to bitcoin?

on boarding its top firm then banning it off the face off this order lolz, using the government like a hype switch.

GroveKitty - January 6, 2024, 1:39 pm

(Dec 10, 2023 02:55 PM)Bitsy Wrote: [\[CITE\]](#) is this how the chinese government draws hype to bitcoin?

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