

A Study on Cryptocurrency: Fate of Bitcoin

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Abstract - The advent of new technologies, many activities in our daily lifestyles were merged online and that they emerge as extra flexible and extra effective. A huge crypto currency to increase a clean picture of its effect on numerous legal guidelines in India in an effort to modify increase in range of online users has activated digital world principles and created a new enterprise phenomenon that's crypto currency to facilitate the financial activities including buying, selling and trading. The use of virtual foreign money has grown to be large in many exclusive systems in recent years.

Virtual money isn't always absolutely managed and regulated consequently maximum of the countries have now not admitted this foreign money in their monetary activities. This paper investigates about cryptocurrency gift legality in addition to future authorities 'movements' effect on these currencies.

Index Terms – Bit coin, Crypto currency, block chain, legality, RBI, Government.

INTRODUCTION

Bit coin is a crypto currency. It is a decentralized digital foreign money without a principal bank or single administrator that may be dispatched from consumer to person at the peer-to-peer bit coin community without the want for intermediaries. Transactions are established via community nodes through cryptography and recorded in a public distributed ledger known as a block chain. Bitcoin was invented in 2008 by way of an unknown person or organization of humans using the name Satoshi Nakamoto and commenced in 2009 when its supply code become launched as open-source software. Bitcoins are created as praise for a manner called mining.

OBJECTIVES

- Understanding the concept of Bitcoin.
- Analysing the position of Bit coin in India.
- Understanding the Intellectual Property issues.

- Analysing the security, privacy, and data protection issues.

RESEARCH METHODOLOGY

Researcher has been selected analytical studies method for this examine. To fulfil the goals of the research, researcher used secondary statistics from various guides by way of economic web sites, authorities of India, journals, information papers, books and magazines etc.

SOURCE OF DATA COLLECTION

Secondary data:

The secondary statistics vital for finishing the investigation might be gathering from the posted sources in the instructional libraries, websites, books, journals, magazines, and so on.

REVIEW OF LITERATURE

Nicolas Cary, (2017) said that Post demonetization, India has seen a surge in digital foreign money demand. According to a report, 2500 Indians are making an investment in bit coin day by day, which makes India one of the top contenders for becoming the largest market for crypto currency. It is so inconvenient nowadays to use legacy transaction networks and legacy banks to make remittance payments for move border international transactions. Jalak Jobanputra, (2017) said that the jurisdictions that ban virtual currencies will lose out in the worldwide commercial enterprise environment. Bans don't work with decentralized generation. Japan, England, South Korea and Australia have all taken a favorable regulatory technique by means of legitimizing certain instances and supplying a significant tax environment for virtual foreign money.

CRYPTO CURRENCY

Crypto currencies are not regulated through any authorities and are a decentralized shape of currency. They are created the usage of cryptography which makes it even extra comfortable as double spending can be avoided. Moreover, there are no intermediaries so they can be without delay transferred to the receiver of their digital wallet.

Definition:

A cryptocurrency is an encrypted data string that denotes a unit of currency. It is monitored and organized by a peer-to-peer network called a blockchain, which also serves as a secure ledger of transactions ,e.g., buying ,selling ,and transferring. Bit coin, Ether, Lit coin, and popular cryptocurrencies.

Block chain:

The bitcoin block chain is a public record that records bit coin exchanges. It is carried out as a chain of block, each block containing a hash of the past obstruct to the beginning block of the chain. An organization of imparting nodes running bit coin programming keeps up with the block chain. Organization nodes can approve exchanges, add them to their duplicate of the record, and afterward broadcast these record options to different nodes.

Types of cryptocurrencies:

ETHEREUM:

Ethereal also can be described as Ether due to its technology at the platform of Ethereum. It is like platform that is public with supply beginning and has block chain computing. Smart scripting facility is likewise to be had in it. It was first set up in the 12 months 2013 by using Italic Butyrin who changed into apc programmer and was additionally the researcher in cryptocurrency. Ethereum software improvement changed into funded by using a crowd sale among July and august 2014 also developed a system that is going live on 30 July 2015.

LIT COIN:

Charles Lee. (2011), the founder of Lit coin brought Lit coin in crypto currency that is giving hard opposition to the main development of Bit coin. The main agenda is to design Lit coin to do the transaction for the smaller cost in a rapid manner. Lit coin turned into located in the 12 months. The foremost difference

among Lit coin and Bit coin is that for the Bit coin mining method may be very heavy and the quick computing is required on the other hand Lit coin regular desktop pc with gradual processing is enough. As contrast to Bitcoin, these days Lit coin is 4 times larger, that is it has 84 million.

RIPPLE:

Ripple was installed in the 12 months 2012 by a company named "OpenCoin" with its founder Chris Larsen. It is a cryptocurrency which worked equal as payment approach like Bitcoin. The mechanism charge method of Ripple is very fast which permits the finances switch in any currency to every other consumer at the ripple network within seconds.

BIT COIN AND HOW ITS WORK

Bit coin: A peer-to-peer electronic cash system "helped launch crypto currency into reality.

Each Bit coin is basically a laptop file which is stored in a 'virtual wallet' app on a smart phone or computer. People can send Bitcoins (or part of one) for your virtual pockets, and you could ship Bitcoins to other humans. Every single transaction is recorded in a public list known as the blockchain.

How are new Bit coins created?

In order for the Bit coin gadget to work, human beings can make their laptop procedure transactions for everyone. The computer systems are made to workout extraordinarily difficult sums. Occasionally they are rewarded with a Bit coin for the owner to hold. People set up powerful computers simply to attempt to get Bit coins. This is known as mining. But the sums have become increasingly hard to forestall too many Bit coins being generated. If you began mining now it is able to be years before to procure a single Bit coin. You should emerge as spending more money on energy in your pc than the Bit coin could be really worth.

Where spend bit coin in India?

Most Indians alternate and mine Bitcoin to keep them in digital web wallets in preference to spending them to shop for something. Regardless several ventures have been in region to use Bit coin for spending. Uno coin has been the maximum outstanding on this area. In 2017, it linked up with Book My Show, an online cinema ticketing platform. This undertaking allowed

clients to top up their bills for movie tickets with Bit coin. Uno coin also launched a 'service provider gateway' which allows business entities to simply accept Bit coins. Sellers like Sapna Book House, bus price tag reserving portal eTravelSmart and Dhār wad International School take bills from clients through the Uno coin gateway. A more specific Bit coin enjoy, Suryawanshi restaurants in Bangalore's Indiranagar and Whitefield neighborhoods receive Bit coin as a mode of price, along the standard coins, playing cards, and Pay tm. Due to a robust diaspora tradition, many Indians additionally use Bit coin on multinational dealers like Dell and Steam but get their shipments thru household/shipping organizations overseas.

BIT COIN AND RBI

India's standard attitude closer to cryptocurrency has been criminal. It has additionally been searching into encouraging blockchain era in monetary and payment institutions. But the authorities have avoided cryptocurrency with policymakers opting to outlaw cryptocurrency with incarceration and prison petitions. Bitcoin is not always recognized as prison gentle and, as of 23 July 2019, the Banning of Cryptocurrency and Regulation of Official Digital Currency Bill has been proposed. Unocoin, an India-based totally trade, allowed individuals to alternate Bitcoins but is now disabled. However, Bitcoin remains traded in India via digital foreign money exchanges like Zebu Pay, Coin Delta and Coin Secure. Many Bit coin buyers normally buy via diaspora networks in international locations where it's miles legal tender.

Arun Jaitley, (2018), said that the authorities will do the entirety to discontinue the use of bit coin and different digital currencies in India for criminal uses. He repeated that India does no longer realize them as corruption smooth and will instead encourage blockchain era in price structures.

"The authorities does now not understand cryptocurrency as legal tender or coin and could take all measures to do away with the use of these crypto property in financing illegitimate activities or as a part of the payments device," Jaitley stated.

In early 2018 India's central financial institution, the Reserve Bank of India (RBI) announced a ban on the sale or purchase of crypto currency for entities regulated by way of RBI. Prohibition of

Cryptocurrency and Regulation of Official Digital Currency Bill 2019 draft has offered a ten-yr. Prison sentence for anyone who mines, generates, holds, sells, transfers, disposes, issues or deals in crypto currencies. In 2019, a petition has been filed by means of Internet and Mobile Association of India with the Supreme Court of India difficult the legality of crypto currencies and seeking a path or order warning their transaction.

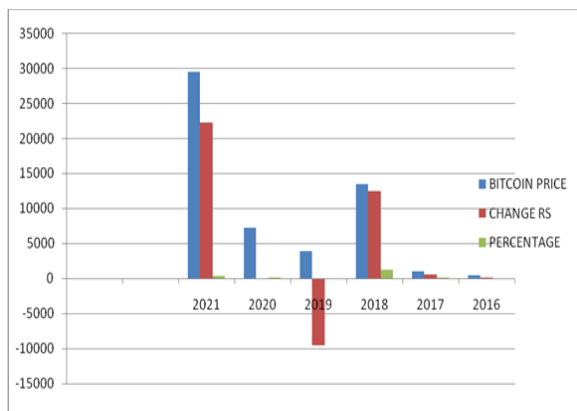
The Supreme Court of India (2020), exceeded the verdict, revoking the RBI ban on crypto currency trade. In 2021, the authorities' is exploring the arrival of country-subsidized digital cash issued by the Reserve Bank of India, even as banning personal ones like Bit coin.

HISTORY OF CRYPTO CURRENCY

- 2013, Nascent stages of crypto; in this year handful of exchanges open. In 2014, gains force with 13 large & 20 small exchanges is opening of currency.
- July 2017-The first draft recommendation by government to control crypto trend over usage for Ponzi scheme, scams, terrorism.
- Dec 2017-bitcoin has showing increasing all time high of \$20,000.
- Feb 2018-in this year finance Minister Mrs. Arun Jaitley has to say that bit coins are not legal tender in India.
- April 2018-Reserve Bank of India has to bans the bit coin in India. Banks are stopped supporting crypto payments, and in July banks are exchanges depend on private peer to peer network for payment.
- In present scenario apex court lifts ban.

Bitcoin price increases from 2016 to 2021:

year	Bit coin price (\$)	Change (\$)	Year-over-year(%)
2021	29,391.78	22,203.31	308.87
2020	7,188.46	318.99	85.77
2019	3,869.47	-9,542.97	-71.15
2018	13,412.44	12,414.75	1,244.35
2017	997.69	563.23	129.64
2016	434.46	120.54	38.40



FINDINGS

- In March 2020, the supreme court of India passed the verdict, revoking RBI ban on cryptocurrency trade. Now cryptocurrency legal in India.
- In 2021, the government is exploring the creation of a state-backed digital currency issued by the RBI.
- The bit coin price has to be increased in 2021, comparing to 2016 value of bit coin.
- In 2019-bit coin has to be change value has downward.

CONCLUSION

The origin of cryptocurrency is a white paper posted with the aid of Satoshi Nakamoto presenting "a device for electronic transactions" based on a peer-to-peer community, where transactions could be tested and recorded through nodes, or computing structures, that are part of the network, thereby making such transactions decentralized. Soon after, in 2009, Satoshi Nakamoto implemented the first cryptocurrency – Bitcoin.

A draft bill titled as the 'Banning of Cryptocurrency and Regulation of Official Digital Currency Bill, 2019 (Draft Bill) become organized by way of the Inter-Ministerial Committee constituted on 2 November 2017 to advocate precise movement on crypto currencies. The Draft Bill has been beneath attention and is yet to be brought within the Parliament. The Draft Bill gives a wide definition to "cryptocurrency" and efficaciously prohibits the use of and dealing in all kinds of digital assets, now not just digital currencies. If invoice handed by way of parliament, then buyers in digital currencies would be stricken.

We don't need to put money into bitcoin to have a nicely diversified portfolio. If we want to make a speculative wager on bitcoin, do it with a small, single-digit, part of our assets. There isn't sufficient proof to signify both will supply greater constant returns. But making an investment in gold is higher as it will supply constant return as evaluating to bitcoin.

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