

Paris, 4 December 2017

Buying Bitcoin: the AMF and the ACPR issue a warning to savers

In view of the rapid appreciation in value of Bitcoin in recent weeks and its volatility, the *Autorité des marchés financiers* and the *Autorité de Contrôle Prudentiel et de Résolution* reminds of the risks associated with investing in these speculative assets.

Bitcoin is one of the speculative assets, sometimes wrongly referred to as virtual "currencies" or "crypto currencies", that currently exist worldwide. It is traded online and does not exist as a physical coin or banknote. Similarly to other assets of this kind, Bitcoin, operates on a cryptographic protocol and is decentralized, with transactions recorded in a publicly-distributed ledger, commonly known as a Blockchain¹. Its operation is based on a network without intermediaries, and does not constitute legal tender contrary to currencies issued by central banks.

Bitcoin's has seen abrupt increases in its value for several weeks now. In a similar manner, its value can just as unexpectedly collapsed. The purchase/sale of and investment in Bitcoin currently takes place outside any regulated market.

Investors are therefore exposed to very high risks of a correction and do not benefit from any guarantee or protection of invested capital.

The AMF and the ACPR have received, an increasing number of calls from savers on this matter via their respective call centres.

Bitcoins are not considered as financial instruments as the law stands, so "crypto" assets do not fall within the scope of direct supervision of the AMF. They cannot be classified as currencies or considered a means of payment in the legal sense of the term. They are therefore not subject to the regulatory framework for means of payment.

More generally, the two authorities nevertheless point out that the Blockchain technological environment may provide many opportunities in terms of use for businesses. These types of technology, among others, are therefore sources of innovation.

However, in the case of "crypto" assets based on the Blockchain and taking their technical characteristics, high volatility, and the absence of specific regulations into consideration, the AMF and the ACPR recommend that investors be extremely vigilant when considering to invest a portion of their savings in this asset.

Do you have any questions? For all information, go to the following websites:

Assurance-Banque-Epargne Info Service: www.abe-infoservice.fr or call 0811 901 801, Mondays to Fridays from 8am to 6pm.

AMF: <http://www.amf-france.org> or call 01 53 45 62 00, Mondays to Fridays from 9am to 5pm.

ACPR: <https://www.acpr.banque-france.fr/>

□ About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, providing investors with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org



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¹ Blockchain: a database with a continuously growing list of records, called/know as blocks blocks, in which transactions made in bitcoin or another cryptocurrency are recorded.