

Crypto Chronicle



MONTHLY NEWSLETTER FOR MEMBERS OF PNLTF
BY THE DIGITAL CURRENCY TEAM

AUGUST 2016



Two sides of Bitcoin

SIDE 2

Bitcoin has a bad rap as the preferred currency of drug dealers. But that isn't stopping **IBM** and some of the world's most conservative businesses from tapping into its technological underpinnings.

Specifically, their interest is in the blockchain, the mechanism Bitcoin uses to publicly record transactions. But the blockchain approach is more cooperative by providing a consistent record that members of a network can see. *"The blockchain is about distributed trust,"* said Arvind Krishna, a senior vice president at **IBM** Research's Almaden lab in August 2016.

SIDE 1

The digital currency markets repeatedly remind us of a tired but true maxim: your money is only as secure as the bank that guards it.

After a recent hack resulted in the theft of **\$70 million** worth of Bitcoin, Hong Kong-based Bitfinex caused a minor panic when it announced it could spread the losses equally among all its customers, even those whose holdings weren't touched.

In doing so, the exchange called attention to how vulnerable virtual currencies are to criminals who hack through the Internet connected systems that handle money transactions.

SOURCE WWW.SALON.COM

**FREE CRYPTO CURRENCY.
COURSE ON LINE. PAGE 4**



MICROSOFT USES THE BLOCKCHAIN IN PROJECT BLETCHLEY

In Project Bletchley, Azure provides the fabric for blockchain, serving as the cloud platform where distributed applications are built and delivered.

Microsoft Azure's availability in 24 regions across the globe, hybrid cloud capabilities, extensive compliance certification portfolio, and enterprise-grade security enable blockchain adoption, especially in highly regulated industries like financial services, healthcare and government.

Visit the following link for more information <https://github.com/Azure/azure-blockchain-projects/blob/master/bletchley/bletchley-whitepaper.md>

BITCOIN TRANSACTIONS LIKELY TO HIT RECORD HIGH IN 2016
TRANSACTIONS FORECAST TO EXCEED **\$94 BILLION**



Coin Telegraph recently featured the top 10 vendors, based on size, user-friendliness, and lowest cost (if any) to the customer, who accept Bitcoin payments.





INTERNAL REVENUE SERVICE AT A STANDSTILL WITH BITCOIN

USERS AND TAX PROFESSIONALS REMAIN IN THE DARK

The Internal Revenue Service (IRS) has halted proceedings of how individuals should report the earnings they make from bitcoin after failing to provide additional guidance to a 2014 notice, according to the Tax Revolution Institute.

In March 2014, the IRS was reported to have released Notice 2014-21 to the masses. Their aim was to inform people how they should apply current tax regulations to the digital currency, bitcoin. However, it did the exact opposite when it stated that bitcoin was a property and not a currency for tax purposes.

Under the notice, the Tax Revolution Institute reports that ‘users are required to calculate the realized gains and losses of every transaction.’ It said:

“In other words, if I buy one bitcoin at \$500, and then spend it after it has risen in value to \$750, I should report income of \$250, and that goes for transactions as small as the purchase of a cup of coffee.”

Of course, if the IRS had said that bitcoin was a currency rather than property, it would excuse individuals from calculating the profit they made by purchasing the bitcoin low and selling it high.

Additional Guidance Needed

Earlier this year, the American Institute of Certified Public Accountants is reported to have sent a letter to the IRS seeking further direction and clarification on digital currencies, and listing ten areas of concern. The IRS, however, only responded by stating that they have no plans to update the 2014 notice.

Users of bitcoin and tax professionals remain confused.

Source document from CCN.LA (Crypto Coins News.) Dates 8/10/16

<https://www.cryptocoinsnews.com/irs-standstill-bitcoin-users-tax-professionals-remain-dark/>

BITCOIN AND CRYPTOCURRENCY TECHNOLOGIES

FREE



The educational technology firm Coursera will soon be offering a free cryptocurrency course online.

That course, Bitcoin and Cryptocurrency Technologies, is currently scheduled to begin in September 2016 and will be focused on teaching newcomers to the world of digital currencies about Bitcoin and cryptocurrencies.

Key topics within the course will include issues related to cryptocurrency's unique nature, its anonymity, how it works, security, and regulation concerns.

The instructor will be Princeton University assistant professor of Computer Science Arvind Narayanan.

This first cryptocurrency educational offering from Coursera will use an interactive online textbook and a variety of educational tools that will include everything from quizzes to videos and various projects. Students who choose to join the class will be expected to get a passing grade on course assignments to complete the coursework. Finally, the course will provide a forum for students to discuss and debate course materials and a variety of related ideas and concepts. Enrollment is open now for anyone who wants to participate.

Details available at the following link: <http://www.educationnews.org/online-schools/coursera-offering-bitcoin-cryptocurrency-technology-course/>



**14 COUNTRIES,
7 MONTHS
ROUND THE WORLD
USING BITCOIN**

**Felix Weis, a
Berlin programmer, visited
27 countries and 50 cities in
the past 18 months only
spending bitcoin.**

**The adventure, between
January 2015 and July 2016,
involved using website
LocalBitcoins.com to find
people to exchange currency**



PNLTFA

Established in 1989

The PNLTFAs Digital Currency team consists of Ron Brosley, Glenna Trout, Douglas Hansen, Lisa Johnson and John Bishop