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The National Bank of Moldova warns about high risks of investing in cryptocurrencies

The National Bank of Moldova (NBM) reiterates its opinion stated in [the press release of 10 July 2017](#) ^[1] on the so-called cryptocurrencies, also known as “virtual currencies” (VCs), and continues to warn consumers of the high risk of losing money on VCs investments.

The currently traded VCs, especially the Bitcoin, are not currencies in the common sense of the term. These are virtual assets without real cover or any guarantee of acceptance as a means of payment by the monetary authorities. Therefore, these assets are characterized by high price volatility and a low degree of security, as compared to the currencies issued by central banks or regulated electronic currencies. VCs holders have no guarantee of being able to recover the money invested or exchange them for goods and services or for currencies issued by central banks.

Consequently, VCs are an extremely speculative instrument not suitable for being used as a means of payment. The investors in these assets are exposed to a high risk of losing their invested resources and not being able to benefit from any protection or guarantee thereof. The VCs trading takes place in unregulated markets and does not ensure investors protection. In particular, the Bitcoin's recent fluctuations imply a high risk of its value collapse.

Taking into account the technical characteristics of virtual currencies, high volatility and lack of regulatory framework that would ensure investors protection, the National Bank of Moldova recommends maximum caution when deciding on whether to invest capital in such assets.

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