**FORUM:** Special Conference 2

**QUESTION OF:** Measures to Regulate the Use of E-Currencies such as Bitcoin

**SUBMITTED BY:** The Netherlands

SPECIAL CONFERENCE 2,

*Expressing* the need of action by the Financial Security Board (FSB) and the International Monetary Fund (IMF),

*Recognising* that some countries have not taken any regulations on the usage of cryptocurrencies,

*Emphasising* the concern of user safety in financial and information regards,

*Articulating* that multiple countries have stated that they will replace their national fiat currency with national cryptocurrency,

*Aware* that Bitcoin currently uses around 32 terawatts of energy each year to generate ledgers and are expected to consume more energy in the future,

*Noting with deep concern* that cryptocurrencies are often used by criminals on the Dark Web to make transactions (such as drug trafficking) or concealing profits from illegal activity (money laundering) as these transactions are often untraceable,

1. Emphasizes member states to gain a better understanding of cryptocurrencies by setting up a group of blockchain experts, policy experts and economists to provide governments with knowledge and solutions;
2. Suggests that all cryptocurrencies mining facilities must be strongly regulated to:
   1. decrease the exhaust of CO2 emissions worldwide
   2. limit the amount of mining per country
   3. halt the large consumption of electricity;
3. Strongly requests all cryptocurrencies to help prevent money laundering and illicit transactions by using an open distributed ledger, for example a public blockchain, that records the amount and nature of the transactions and the location (IP addresses) of the users;
4. Requests for an international law to be made demanding all users of transactions and trades of their Money Transmitter License to:
   1. prevent illegal activities or transfers done with cryptocurrencies
   2. prevent untraceable transfers on virtual currency platforms
   3. record data on the users of all transmissions;
5. Urges all cryptocurrencies to ban the use of anonymity networks such as Tor to prevent criminals from conducting anonymous illicit transactions or money laundering;
6. Strongly proposes that countries must reconsider tax laws concerning cryptocurrencies in order to discourage users of cryptocurrencies to invest in cryptocurrencies;
7. Further suggests the creation of the United Nations Cryptocurrencies Commission (UNCC) consisting of cryptocurrency experts to find solutions such as, but not limited to:
   1. creating frameworks for cryptocurrencies to:
      1. increase the security and regulation of cryptocurrencies
      2. allow for LEDC’s to use these frameworks to create their own cryptocurrencies
   2. subsidizing and incentivizing the use of ‘green’ electricity in (the regulation of) cryptocurrencies to make it more environmentally friendly and sustainable,
   3. creating a group that works along the UNCC that helps track down and prosecute anonymous criminals using cryptocurrencies for illicit purposes (assisting MEDC’s as well as LEDC’s)
   4. Helping spread the information of cryptocurrencies by educating LEDC’s about several aspects of cryptocurrencies through organised meetings with the governments undertaken by the UNCC;
8. Strongly recommends all nations to launch educational campaigns in order to inform students in schools and universities studying economics or business about topics such as but not limited to:
   1. the current volatile nature of the cryptocurrency market
   2. the country specific regulations over the trade/production of cryptocurrencies
   3. the country specific system for regulating crypto/e-currencies
   4. the basic of cryptocurrencies such as but not limited to:
      1. what cryptocurrencies are
      2. how cryptocurrencies are produced
      3. what the dangers and advantages of cryptocurrencies such as Bitcoin are;
9. Recommends the implementation of international guidelines to control new and developing cryptocurrencies which must be enforced by the national laws of all member states;
10. Encourages all member states to inform their citizens about cryptocurrencies to any degree and to suggest measures how to deal with them by:
    1. spreading information through media
    2. creating a governmental internet platform that provides reliable information about cryptocurrencies;
11. Calls upon all member states to support any enterprise which focuses on researching the development of cryptocurrencies by measures such as:
    1. cutting taxes
    2. investing in funds.