



# BITCOIN BASICS

## What is Bitcoin?

Bitcoin is a convertible virtual currency. Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.

## Is Bitcoin a commodity?

Yes, virtual currencies, such as Bitcoin, have been determined to be commodities under the Commodity Exchange Act (CEA).

## Does the CFTC oversee Bitcoin?

The U.S. Commodity Futures Trading Commission's (CFTC) jurisdiction is implicated when a virtual currency is used in a derivatives contract, or if there is fraud or manipulation involving a virtual currency traded in interstate commerce.



## What risks come with virtual currencies?

While virtual currencies have potential benefits, the market overall is largely unregulated, so beware.

Virtual currencies:

- Are commonly targeted by hackers and fraudsters
- Have no assurance of recourse if stolen
- Involve e-wallets or storage that present cybersecurity risks
- Carry speculative risk plus fraud and manipulation risks

## What do I do if I suspect fraud?

If you believe you may have been the victim of fraud, or to report suspicious activity, contact us at 866.366.2382, [consumers@cftc.gov](mailto:consumers@cftc.gov), or visit [SmartCheck.gov/submitatip](https://www.smartcheck.gov/submitatip).

## How can I learn more?

Find the latest information and ways to protect yourself at: [www.cftc.gov/bitcoin](https://www.cftc.gov/bitcoin).

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