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NEWS RELEASE

For Immediate Release

May 25, 2021

DEPT. OF FINANCE ISSUES INVESTOR ADVISORY
ON VIRTUAL CURRENCY

Patricia R. Perkins, Director of the Idaho Department of Finance, today issued an advisory cautioning investors to consider the risks associated with virtual currencies and investments tied to virtual currencies.

Virtual currency, which includes digital and cryptocurrency are gaining in both popularity and controversy. A growing number of merchants, businesses and other organizations currently accept Bitcoin, one example of cryptocurrency, in lieu of traditional currency. Virtual currency is an electronic medium of exchange that can be bought or sold through virtual currency exchanges and used to purchase goods or services where accepted. These currencies are stored in an electronic wallet, also known as an e-Wallet, which is a digital system that allows payments online via a computer or mobile device such as a smartphone.

Before investing in cyptocurrency, you should know that it does not have the same protections as when you are using U.S. dollars. Common concerns investors should consider before investing in virtual currency include:

- Virtual currency is subject to minimal regulation, susceptible to cyber-attacks and there may be no recourse should the virtual currency disappear.
- Virtual currency accounts are not insured by the Federal Deposit Insurance Corporation (FDIC), which insures bank deposits up to \$250,000.
- Investments tied to virtual currency may be unsuitable for many investors due to their price volatility.
- The international nature of some transactions can also pose additional risks for U.S. investors.
- Investors will have to rely upon the strength of their own computer security systems, as well as security systems provided by third parties, to protect their e-Wallets from theft.

Idaho Department of Finance's press releases and other information can be found on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the Department at 208-332-8000 or Idaho toll-free at 1-888-346-3378.

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