



# TOPICS IN THE NEWS:

## Cryptocurrency (January 2022)

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### INTRODUCTION

Bitcoin. Blockchain. NFTs. Metaverse. [Abbatars](#). Cryptocurrency - currency that exists digitally or virtually - is creeping into daily life at such a pace that anyone disinclined to engage in virtual concepts will no longer be able to look the other way. Much like the [value of the digital currencies](#), the story of cryptocurrency evolves on a daily basis. This issue of *Timely Topics* is a primer on the basics of the crypto-centric realm, providing some background, key definitions, a look at how it is being legislated across the country, and some sources to dig in deeper.

**If you need assistance accessing any of these items or need more information, please contact us at [librarian@michigan.gov](mailto:librarian@michigan.gov) or by phone at 517-335-1477.**

### BACKGROUND SOURCES

2021 may be considered [cryptocurrency's breakthrough year](#), but its origin (the first Bitcoin was established in 2009) can be traced back to a 2008 whitepaper titled "[Bitcoin: A Peer-to-Peer Electronic Cash System](#)", posted to a cryptography listserv by a Satoshi Nakamoto. Mysteriously, Nakamoto's identity is shrouded in mystery and some believe may be a group of people instead of an individual. As interest and speculation in the future of cryptocurrencies gathers speed and [visibility](#), there are potential drawbacks and risks circulating regarding [consumer security](#), [market volatility](#) and the [environmental impact](#).

- ["A Short History of Bitcoin and Crypto Currency Everyone Should Read"](#), Forbes, 12/6/2017
- [Blockchain Hurricane : The Origins, Application, and Future of Blockchain and Cryptocurrency](#), Kate Baucherel, 2020.
- ["Blockchain Technology: An Emerging Public Policy Issue"](#) NCLS Legis Brief Nov 2017
- [Examining Regulatory Frameworks for Digital Currencies and Blockchain](#), Congressional Research Service, 2019

### DEFINITIONS

- **Bitcoin**: the world's first completely decentralized, open-source, and peer-to-peer digital currency.
- **Bitcoin Mining**: the process of creating new bitcoin by solving extremely complicated math problems that verify transactions in the currency.
- **Blockchain**: the behind-the-scenes technology of cryptocurrency, a digital record of transactions maintained across multiple computers that are linked in a peer-to-peer network.

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- [Cryptocurrency](#): digital forms of currency that exist virtually and are not backed by physical assets, such as dollars or gold, or by any government.
  - [HODL](#): Acronym for “Hold on for dear life”, a popular long-term approach to cryptocurrency investing, reflecting the volatile nature of the market.
  - [Meme Coins](#): cryptocurrencies inspired by memes and internet jokes. [Dogecoin](#) is one such example.
  - [Metaverse](#): an online, virtual world that will combine multiple aspects of our digital and real lives, including work, socializing, and recreation.
  - [NFT](#): Acronym for “non-fungible token”. NFTs convert digital works of art and other collectibles into one-of-a-kind, verifiable assets that are easy to trade on the blockchain.

## LEGISLATION AND POLICY

At the federal level, regulation of cryptocurrency is currently patchy and limited, though likely to expand. States are also taking notice, whether embracing it by updating legislation or creating councils and committees to study the feasibility and benefits of cryptocurrency.

- [“Cracking the crypto code: new reporting obligations”](#), National Law Review, January 27, 2022.
- [“White House is set to put itself at center of U.S. crypto policy”](#), Bloomberg, January 21, 2022.
- [Cryptocurrency 2021 Legislation](#), National Conference of State Legislators

## LEARN MORE

- [Blockchain and Money](#) (online course) Sloan School of Management, Massachusetts Institute of Technology
- [Recent ebook titles on cryptocurrency and related issues](#), Library of Michigan Ebook Central