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Subject: Can Bitcoin be outlawed and other thoughts - from Your Personal Crypto Assistant

Third time's the charm they say, so here I am again with my third weekly email. As before, please let me know what you think about this week's note below. Feedback is greatly appreciated. If you like this let me know. Also, feel free to forward to others that you think might enjoy reading this. If you'd like to be removed, just reply and tell me...

[China Outlaws All Crypto Transactions](#) screams the headlines and Bitcoin (BTC) and other cryptos prices immediately dropped last week. Over the weekend prices recovered some, but as I write this still seem to be mostly down. Can crypto really be outlawed? The short answer is yes, China can pass these laws and make it illegal – but like prohibition of alcohol in the United States, that will not magically make it go away. This will make it more difficult and possibly dangerous for people to use crypto in China. While this is not good news for Chinese citizens as it deprives them of easy access to this technology, it is also not that surprising. This is the same China that last month said [private tutoring must be non-profit only](#). I expect Chinese citizens that were able to secure crypto in wallets they control but aren't tied to their public identities will continue to hold quietly. Anything held publicly whether in a published wallet address or on an exchange is at some risk.

Over the short term, the China crackdown has reduced crypto prices and will likely continue to be a drag for some days to weeks. Around the world, various governments' desire to track crypto currencies and their need to maintain control of the national fiat currencies will encourage them to highly regulate or outlaw stable coins and encourage or even require the usage of CBDCs (Central Bank Digital Coins). Further regulations on cryptos are likely to reduce customer focused innovations and financial privacy, though innovations to comply with and work around regulations will increase. In the long term China's crackdown will merely move the focus of crypto work and benefits away from China and towards countries more friendly to crypto. There is an opportunity right now for bitcoin friendly locations to benefit by attracting hubs of crypto to them. In the United States, [Miami](#) and [Wyoming](#) are both looking to be particularly crypto friendly. Yesterday, Elon Musk said [there should be no additional US Federal regulations](#). I think that would be best, but it is unlikely. [House Bill 4741](#) the Digital Asset Market Structure and Investor Protection Act (before amendments) has a fairly heavy handed regulation approach. For me, I prefer more personal freedom and less government control. For you, I think it is important to think through and advocate for what you think the appropriate powers should be allowed the government and which reserved for the people.

With all the talk about regulations, there are advantages owning coins directly instead of on exchanges. It is like owning gold and silver coins or bars in a vault you physically control instead of owning a [gold ETF](#). Exchange and Brokerage is risk is eliminated and regulatory risk is reduced, though you do now have the responsibility and risk for storage. In the crypto world, you'll hear people talk about this as "Not your keys, not your coin" (NYK NYC). With crypto, you store your coins on the blockchain with your private key on your phone, computer, hardware device or even in your head (just don't forget your 12 or 24 word recovery phrase). I've been doing a lot of work recently focused on helping people manage and protect the coins they own.

Despite the China situation I remain long term bullish on crypto and still expect new all-time highs by year's end. Having said that, crypto remains quite volatile and I did read one analyst earlier this week who believes that within the next month BTC will drop to the low 30s and possibly lower, with other cryptos following suit. I continue to purchase more crypto as I see favorable entry points (buy the dip), but find myself focusing more on Bitcoin / Ethereum. I continue to hold other coins purchased for their potential, but am only adding to a very limited number of positions that I think show exceptional potential. If you've been thinking about getting started in crypto or expanding your positions, now might be a good time to do so. I am happy to share my thoughts and what I'm doing, but only for your education. I don't offer financial, legal or tax advice. You need to evaluate your own situation and risk tolerance and as always it's important to DYOR (Do Your Own Research) and not put any money into crypto that you are not willing to lose.

I enjoy answering crypto questions, so feel free to email me or call me, I like to help. Personal instruction and assistance is my specialty – so if you or someone you know is looking for more than an email response to a question I can also provide one on one consulting and have a number of [consulting packages](#).

Thanks,

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