Bitcoin Foundation

Best Practices for Businesses

Education Committee of the Bitcoin Foundation

1. **Audience:** This guide is for readers who have already informed themselves on Bitcoin technology.

2. **Technical Considerations**

   1. **iOS**

      - As of January 2014, Apple App Store policies have restricted development of many Bitcoin payment processing apps. However, web pages can be configured to accept payments using iOS devices.
      - Feature-rich merchant tools are available for Android mobile devices.

   2. **Desktop personal computers**

      - Feature-rich merchant tools are available through web browsers

   3. **Point Of Sale (POS)**

      - Most POS systems do not currently support Bitcoin, but should have customizable payment buttons, one of which can be labeled "Bitcoin". This allows merchants to record bitcoin transactions in their POS, and issue receipts as usual. Transfer of bitcoins will need to be completed using a 3rd party merchant tool.

   4. **E-Commerce**

      - Popular merchant tools offer customizable hosted payment buttons and web pages that can be integrated into existing e-commerce websites. These tools offer application programming interfaces (APIs) that can be used to create customized transaction experiences.
      - Bitcoin payment gateway APIs are available via various services.

3. **Transaction Considerations**

1. **Pricing**

Products and services should be priced in local currency at time of transaction to protect customers and merchants from volatility. Merchant tools allow pricing in local currency and will calculate the BTC equivalent at time of transaction.

2. **Return Processing**
   - Merchants may issue return for local currency store credit, as does Overstock.com.
   - Merchants may indicate "All Sales Final" and not issue returns.
   - *Full refunds are a manual process, where a merchant must send bitcoins or cash equivalent back to the customer. Human error could expose several serious risks to both merchant and customer. Refunds are not considered a best practice at this point in time.*

4. **Risk Reduction**

   1. **Volatility**

      Merchant tools allow for zero exchange risk and daily scheduled payouts to USD.

   2. **Chargebacks**

      Bitcoin is not subject to chargebacks. Bitcoin transactions are permanent, similar to cash. No central authority can reverse a payment.

   3. **Terms Of Service (TOS)**

      Business should amend their TOS to reflect bitcoin transactions agreement.

5. **Tax Compliance** (Source: https://en.bitcoin.it/wiki/Tax_compliance) *"This is not legal advice nor accounting advice. For either for those consult your attorney or accountant."*

   1. **Taxable Income**

      Any form of payment that is accepted is taxable unless it is specifically exempt. Business should generally treat bitcoin payments as cash payments.

   2. **Capital Gains**
      - Bitcoin incurs capital gains and losses when realized.
      - If you're buying and selling bitcoin as an investment, be sure to file the appropriate paperwork for your earnings and holdings where applicable.

6. **Popular Merchant Tools**

Features	Coinbase	Bitpay
Transaction Fees	Free up to $1,000,000 1% thereafter (+ payout fees)	Tiered pricing, starting with $0 monthly fee + 1% of transactions
Payout To Local Currency Fees	1% + $0.15	0
Scheduled Payouts	Yes	Yes
Zero Exchange Risk	Yes, subject to payout fees.	Yes, included
iOS Support	No	No
Android Support	Yes	Yes
Mac/PC Support	Yes	Yes
API	Yes	Yes
Native POS App	Yes	Yes
Hosted Payment	Yes	Yes
Support	Email	Depends on subscription

7. **Bitcoin Advertising**

- http://bitcoinmagazine.com/5936/feature-your-bitcoin-related-business/

- http://coinmap.org/

- https://coinurl.com/index.php

- https://en.bitcoin.it/wiki/Trade

- https://www.spendbitcoins.com/places/

- http://www.getbitcoin.info/map

- http://yellowcoins.com/bitcoin/index.php

- https://bitcorati.com/

- http://www.coingig.com/

- http://www.reddit.com/r/Bitcoin