



IL ÉTAIT UNE FOIS  
UNE LIBRAIRIE...

Souvent, on pousse la porte d'une librairie, on choisit un livre, on paie et on s'en va sans se demander ce qu'est réellement le travail de libraire. Boris de Chazal, nouveau Manager de la librairie Le Trèfle, a ouvert ses portes à Capital

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LA DIFFÉRENCE, C'EST LE CONTENU

Votre hebdomadaire à Rs 15



**NATACHA EMILIEN,**  
CHIEF OPERATING OFFICER, APAVE INDIAN OCEAN

## « LA CRISE ÉCONOMIQUE FAVORISE LES ÉVALUATIONS DU PERSONNEL »

Afin de mieux cibler les forces et les faiblesses de sa main-d'oeuvre, une entreprise peut avoir recours à des évaluations. Natacha Emilien, Chief Operating Officer chez APAVE Indian Ocean, parle des modèles d'évaluation et de leurs bénéfices



À L'ASSEMBLÉE NATIONALE, HIER

## L'HOMMAGE POIGNANT DU DR. RASHID BEEBEJAUN À NELSON MANDELA

C'est un Premier ministre par intérim très ému qui a rendu hommage à Nelson Mandela, hier, dans l'hémicycle, où il a présenté une motion pour la tenue d'une séance parlementaire spéciale le vendredi 15 décembre, à 15h30, pour rendre un hommage à celui qui fut le premier président noir de l'Afrique du Sud démocratique

## BITCOIN

# TOWARDS A TRADING PLATFORM IN MAURITIUS

As at now, there is no trading platform for Bitcoin in the region. Mauritius can set itself up as one if the virtual currency gets the green light from relevant authorities. Nilam Doctor, a life member of the Bitcoin Foundation, talks about the advantages of adopting the "green currency", a much debated topic around the world



11E FED

1,33 MILLIARD D'EUROS À LA RÉGION AFRIQUE  
ORIENTALE, AUSTRALE ET OCÉAN INDIEN

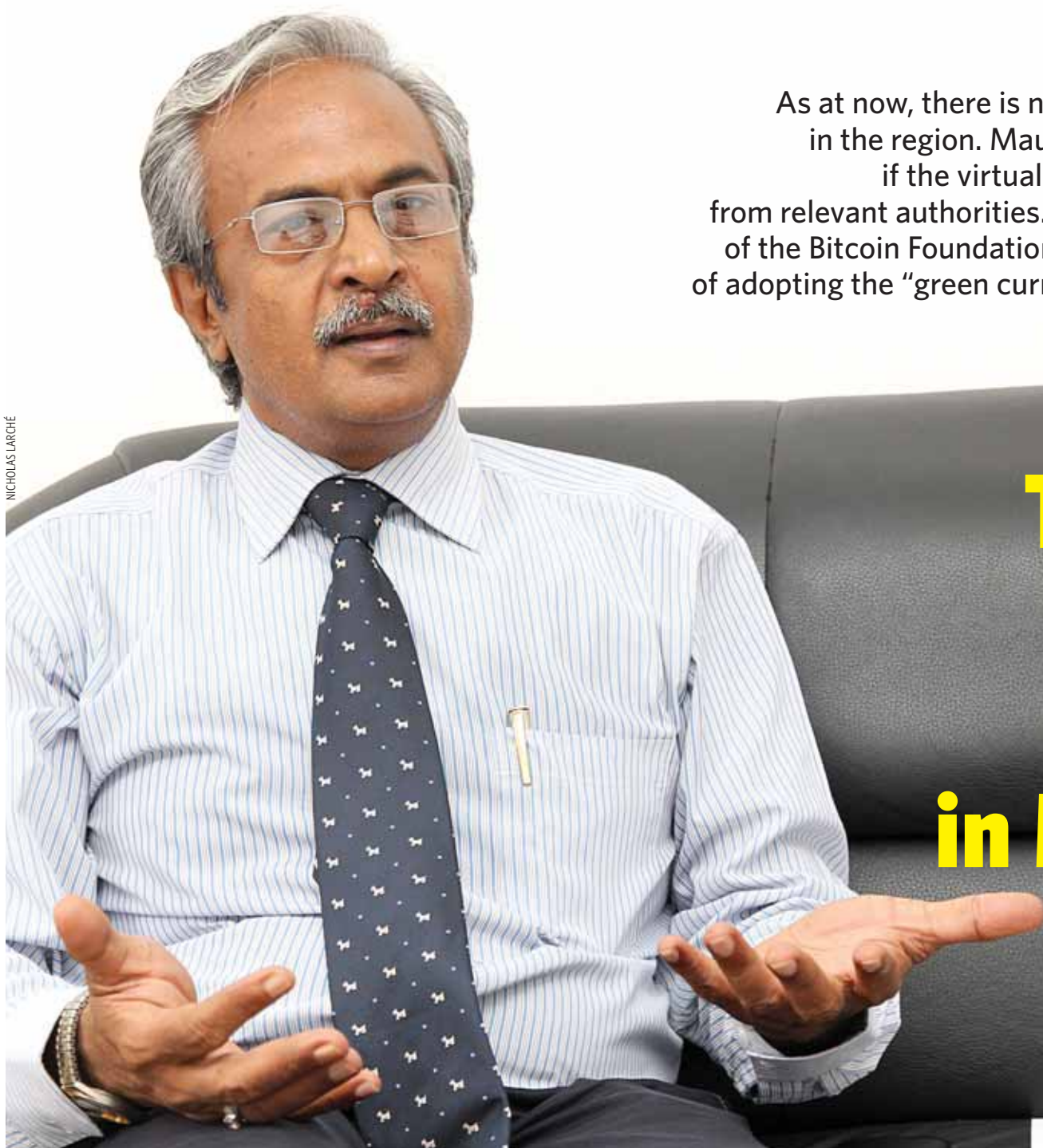


BREAKFAST MEETING

HSBC TALKS  
RENMINBI



NICHOLAS LARCHÉ



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BITCOIN

## Towards a trading platform in Mauritius

▼ HERRSHA LUTCHMAN-BOODHUN

**F**orget the dollar and the euro. A bunch of investors are coming up, by the end of December, with a unique platform where a person in Mauritius will be able to buy and sell Bitcoins, the virtual currency launched in 2009. The longer term view is to go regional and touch South East Asian countries and Africa.

Sometimes called the "next gold", Bitcoins are very much a debated issue around the globe. Will it really change the local economy, as promises Nilam Doctor, a technocrat in software development from India and a life member of the Bitcoin Foundation, presently in Mauritius to help develop the "green currency"?

Indeed, only last week, China's central bank barred financial institutions from handling Bitcoin (BTC) transactions. The ban reflects concern about the risk the digital currency may pose to China's capital controls and financial stability after a surge in trading this year made the country the world's biggest trader of Bitcoin. In the same vein, Thursday last, France's central bank warned that the price of Bitcoin is in-

herently volatile, that it isn't a credible investment vehicle yet, and that it poses a risk for those who choose to invest in it.

In November, Obama administration officials also expressed concern about Bitcoin being used for illicit uses, although they also stressed that Bitcoin has important legitimate uses and that regulators need to be careful not to stifle innovation in virtual currencies.

### DIFFICULT TO UNDERSTAND

Debate over a new development is always advantageous, according to Nilam Doctor. Experts are not against Bitcoin, he says, but are raising questions about its use and simplification, as the virtual currency is difficult to understand and use by the average person. But that, he says, will evolve: *"Questions themselves are the answers! In the last year of my involvement in Bitcoin and its usage, I personally have come up with some valid questions to the Bitcoin Foundation (USA). They were answered and resolved to make it much better for use."*

Nilam Doctor also believes China has restricted banks and financial institutions, but not individuals and businesses, from using or investing in Bitcoins, since it is beneficial to its economy. *"This move by China is good for the virtual currency*

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The first ATM for Bitcoins came in Canada, the second one will be in UK and the third will be in Mauritius

**Nilam Doctor, life member of the Bitcoin Foundation**

*economy, as the general public's trust in virtual currency will increase,"* he says.

As for the fall in Bitcoin prices in the last week – from \$1200 to \$800 – the expert explains it by the fact that a few institutions sold about 100,000 BTC in the market, which were bought by individuals, thus bringing about a "necessary" price correction.

None of this will thus deter the software technocrat, who has already applied to the Financial Services Commission (FSC) to obtain the necessary license. However, the regulator informed him, in a letter, that Bitcoin is not being traded right now, that it does not currently come under the FSC's purview, adding that provision will soon be made for it.

### LEGALISED

*"As of today, the government of Mauritius is not planning to control virtual currency, but it will come in the future. No government has officially legalised Bitcoin, even in the USA. The earlier it is legalised, the better it will be for the economy,"* says Nilam Doctor.

After ten years, he sees an economy where there will be no paper, no plastic currency or coins, but only virtual currencies to promote green economies. Just like the telegram, which was the only



WHY VIRTUAL CURRENCIES ATTRACT

In the last 20 years, the development of IP protocol has had tremendous impact on communication and information sharing, but there has not been any change in the banking or currency scenario. It is high time, says Nilam Doctor, that major reforms are brought about, due to the rise of virtual currencies like Bitcoin.

This, he says, will bring about the following advantages:

- 1. Government will be able to collect taxes for all transactions of virtual currencies, thus controlling the economy in a better way.
- 2. Individuals have a new form of investment and transactions. All identified transactions have a tax liability to the government, which is not being fulfilled by all in the present scenario. Any country accepting virtual currencies as legal tender will benefit from that.
- 3. Minimum transaction fees make it very attractive to merchants and customers.
- 4. No one can produce a fake currency note.
- 5. All transactions are available in block chain.
- 6. The entire economy will be on virtual currency within 10 years, saving a lot of paper, plastic and metal.
- 7. Business and individuals can do transactions 24/7 and not worry about bank holidays.

means of communication a hundred years back, has today become obsolete, everything has a lifespan, says Nilam Doctor. "Once we move to digital, it means each and every currency can be traded virtually. The first ATM for Bitcoins came in Canada, the second one will be in UK and the third will be in Mauritius. The reasons are that an ATM only requires currency counting equipments and a device connected to the Internet to transfer Bitcoins from one to another," he adds.

Why choose Mauritius for the platform? To implement such a concept in a vast country like India, it will take months and months. Anything which can be implemented on a smaller scale and replicated on a larger scale will be more beneficial, which is the case of Mauritius, says Nilam Doctor.

PLATFORM TO DISCUSS

"Why not Mauritius? Moreover, there already exists a Bitcoin Foundation in India. I would like to start a similar chapter with Bitcoin Foundation Indian Ocean, which can include African countries, Reunion Island, Mauritius, Rodrigues and others," he pursues.

The expert is confident that the Mauritian government will eventually be interested in promoting Bitcoins. Logically, he says, policy makers, economists and businessmen should come together on a platform to discuss the viable things, as only illegal things would happen if guidelines and policies are not implemented. For example, he says, the government can come up with a policy

stating that people should buy Bitcoins only from recognized exchange institutions.

"If it is not regulated, it will be used illegally. If we have guidelines for use and trade in virtual currencies, there are more genuine business models which can be built upon, and the best brains and companies of the world will invest in Mauritius and operate from here," adds the expert.

Bitcoin enables instant payments to anyone, anywhere in the world, and uses peer-to-peer technology to operate with no central authority. Therefore, managing transactions and issuing money are carried out collectively by the network. If business grows, people will be more attracted to Bitcoins. That is why Nilam Doctor believes "it is a necessity, at this point in time, that governments accept this as a currency and start promoting business models based on virtual currencies."

NO MONEY LAUNDERING

Just like the Internet when it arrived some twenty years ago, Bitcoin is an evolving technology. "At present, what Mauritius or other developing countries need is a trading platform where a person can easily buy his Bitcoins. Suppose you want to buy some, getting it is problematic because sending it from Tokyo to here takes a lot of time, more than two weeks. Furthermore, banks will ask lots of questions. Mining of Bitcoins is the most profitable thing. The more we mine the more we get. But it requires some investment," explains Nilam Doctor.

When all Bitcoin transactions are available to the public, they will be controlled by the government in a much better way. "If I give you Rs 1 000 in cash right now, the transaction is not recorded by government. But if I give you Rs 1 000 through Bitcoins or any virtual currency, it will be recorded in the block chain," adds the expert.

The transaction can thus be easily verified. Logically, what will need to be done is to match that transaction to a person through their IP address. A Know Your Customer (KYC) is already done for each and every transaction of Bitcoin. So, for the technocrat, the chances are that money laundering would be practically impossible with a digital currency.

Also, as of today, the government is not able to collect all taxes, including through cheque transactions which are not recorded by the government. In the case of a block chain or a virtual currency, transactions are recorded on all the servers across the world. Government can therefore take actions and get back its dues.

"So there are lots of advantages to virtual currencies", concludes Nilam Doctor.



UNKNOWN CREATOR(S) BEHIND BITCOIN

Bitcoin is the virtual currency created by an individual or a group of people called Satoshi Nakamoto in 2009. A paper was presented to about twenty people in the United States of America (USA) and they started the Bitcoin Foundation. The core of Bitcoin was written by Satoshi Nakamoto. No one knows who he was, or if they do, they're not saying. Whoever he is, he stopped working on the project around the end of 2010, and is worth a lot of money thanks to his early mining.

At that time, explains Nilam Doctor, mining of Bitcoin was not considered too much of a computing thing. So any personal computer or laptop could mine a Bitcoin or a virtual currency. Today, it requires special ASIC miners to mine Bitcoins. In January 2013, the price of Bitcoin was about USD 12 per Bitcoin. As of today, it ranges between USD 1 000 and 1 200 per Bitcoin. "This rise in the market is due mainly to the perceived value of the Bitcoin, just like gold. It cannot be considered too volatile," says Nilam Doctor.

Bitcoin usually works on an algorithm called a block chain. "If you would like to browse it from one account or one wallet to another, you usually do it from that particular address. As far as we communicate on Internet through IP, this protocol uses the 33 character address as a key to send and receive Bitcoins."

All the records are stored in a block chain, that is the transactions are stored with all the debit and credit entries. With the public key, any person is able to receive Bitcoins and spend them. The transactions are done through a Bitcoin wallet, which keeps a secret piece of data called a private key or seed, which is used to sign transactions.

"Right now (Ndlr: Monday 2nd December), I have 11.21 Bitcoins in my wallet. It has recorded all the transactions from September till today. The value of this is considered to be USD 12 010. It may change according to the exchange rate prevailing in the market since it is directly connected to the Internet," explains the expert.

Since the value is perceived, the number of Bitcoins he possesses will remain the same but the prices will differ and keep on increasing or decreasing. "If I want to send you Bitcoins, I just have to click on the 'send' button and type your 33 character-long address. Or I can scan it through your barcode. Similarly, I can receive Bitcoins within seconds through that address," explains Nilam Doctor.

The main thing about Bitcoin, he adds, is that the transactions can be done 24/7 and anywhere in the world. Miners only have to validate the transactions.