



SDI FINAL EVALUATION FORM 1.1

PART 1:

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	Ms_BJEMT_19763
Title of the Manuscript:	Bitcoin: main trends and perspectives*
Type of Article	Original Research Article

PART 2:

FINAL EVALUATOR'S comments on revised paper (if any)	Authors' response to final evaluator's comments
The authors performed a part of the recommendations, but did not answer to the second point. In it reviewer is invite to give in the article the information about how each of cryptocurrency ensured. It would be greatly expanded the area covered by this article. Without such additions or informing the printing of the article is inappropriate.	The following part was added to the article in order to answer the question about the insurances of the cryptocurrency: The irony of the BTC adepts contained in their counter-question to Alan Greenspan has compelling reasons. At the present time (as opposed to the period of the gold exchange standard and Bretton Woods agreement, 1944), the dollar does not fully has backing of currency neither by the United States gold reserves nor by the volume of real goods and services produced in the country. According to expert estimation in 2006 only about 25% of the dollar value is covered by real goods, when the remaining 75% is a fabrication of unsecured liabilities generated by government printing press. [23] The situation has deteriorated dramatically by 2015 due to growing pyramid of government debt amounted to 17 trillion dollars or 106% of US GDP (total debt, including debt of states and the financial sector - 250% of US GDP, consolidated debt, taking into account social obligations exceeds the GDP 11.6 times) [24, 25]. As for the US gold reserves ($\approx 8133,5$ tons in October 2015, by approximate estimates (authors' calculations), taking into account the average gold price in 2015, equal to \$ 1186.62 per Troy ounce [26], it is about 414 billion dollars. Thus, it is 41 times less than the US public debt. The content of gold in \$ 1 is roughly estimated by the ratio of gold reserves and the money supply, which is a negligible amount. As of 2006, M2 money supply amounted to 12 trillion dollars; at the same period the gold reserve was equal to 8196 tons at an average price of 603,46 for 1 Troy once [26]. Accordingly, there comes the ratio: $\frac{32170,1 \times 603,46 \times 8196}{12 \text{ trillion}} = 0.013.$ (7) Despite the proximity of the calculation, the essence of the existing order of things is quite clear: the issue of the gold covering of the dollar loses its meaning. Nevertheless, the dollar remains the leading currency of international settlements and the creation of reserves. As majority of modern currencies (including BTC and other crypto currencies), the dollar is a fiduciary monetary unit *) it means such a payment facilities denominational value of which is set (adjusted) by the appropriate state or public structure and does not depend on the value of the material (gold) it is made of, or the value of reserves of this material [27]. There is no hard link between the fiduciary unit and marketable coating. These facts are highlighted by the



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	supporters BTC which defend its right to exist. In other words, goodwill and intangible assets play the main role in modern money cover, which importance to the switch to the information society (knowledge society) will increase as a result of objective developments. The fact that cover of dollar at the moment is not US GDP is widely known, and its reputation component is goodwill, including: 1) its leading role in the international arena for more than one decade, participation in major military-political alliances; 2) prevailing US dollars assets in the world community for payment and savings systems (60.7% of total); 3) the principle "it's too big to burst" because all countries will suffer losses, etc. [24]. These features of modern monetary circulation should be as well considered, according to the authors, at assessing BTC and other crypto currency sufficiency. BTC backing of currency is composed of two components: • material one - is a network of powerful pooling computers which is the primary means of storing and processing information as the main product in the knowledge society; • nonmaterial one, including: 1) the unique IT-technology (blokchain, fork, etc.) - the main advantages of the BTC, which allow us to call it digital gold [28], 2) a special method of decentralized emission and the free market money circulation which excludes "spoiling of money" (by F. von Hayer); 3) a set of specific properties of BTC as a currency, making it attractive for the user (supranational character and independence from local and foreign banks, free trade with the possibility to avoid the prohibitions and sanctions, financial intermediaries elimination, safety and security, zero or low commission, the principle 24/7/365, speed of transactions, etc.) [29]. Analyzing the integration of BTC into the world monetary system, the authoritative magazine "The Economist" points out that the blokchain technology used in the BTC can be successfully used in a wide range of socio-economic activities [30], which, in turn, on the basis of the feedback, will contribute to the growth of BTC due to the impact of IT- technologies generality. According to Samee Zafar, Director of the London office of Edger Dunn & Company Consultancy, demand for BTC is also provided due to the fact that the currency is the epitome of personal freedom and the right to privacy. Therefore, currencies like BTC, based on scientific principles and protected from volatility of central banks policies and the impact of irresponsible governments, will become widespread. [31]
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