

Iran turns to bitcoin to fund imports

Sanctions-hit Islamic republic has changed law to channel crypto into central bank, state news agency reports

By **PAUL MUIR**

OCTOBER 30, 2020



Image: Twitter

Crippled by sanctions imposed by the US government, Iran has turned to cryptocurrency to fund imports.

The Islamic republic has become the first country in the world to adopt bitcoin at a state level for value exchange, Trustnodes [reports](#), citing a [story](#) issued by the official IRNA news agency.

The Iranian cabinet has changed legislation in order to redirect the crypto into the Central Bank of Iran's funding mechanisms for imports.

“The miners are supposed to supply the original cryptocurrency directly and within the authorized limit to the channels introduced by the CBI,” said a report by CBI and the Ministry of Energy.

Presstv, an Iranian state-owned news and documentary network affiliated with the IRIB, explained: “The legal cap for the amount of cryptocurrency for each miner would be determined by the level of

the subsidized energy used for mining and based on instructions published by the Ministry of the Energy.”

Economic desperation

With inflation at around 34% since 2018, the value of Iran’s rial has fallen dramatically.

The country’s economy has been devastated by punitive US [sanctions](#) that [prevent it](#) from using dollars for international trade, including the purchase of desperately needed foreign pharmaceuticals, which has forced Tehran to turn to bitcoin.

The leading crypto is notoriously volatile, but the country’s desperate economic situation has left it with few options.

In response to the news, Australian crypto analyst Alex Saunders said Iran was just the first domino to fall. He tweeted: “I predicted the first sovereign to hold [\\$BTC](#) would be one with nothing to lose. Iran’s central bank will now legally hold all [#Bitcoin](#) used for imports/exports allowing them to bypass the USD. No one wants to be 1st. Then no one wants to be last.