

## **China bars use of virtual money for real goods trading**

China has unveiled the first official regulation, banning the use of virtual currency in trade of real goods and services to limit its possible impact on the nation's real financial system.

The government also spells out the definition of the virtual currency for the first time, which includes prepaid cards of the virtual game, but excludes any outfit such as costume and weapon in the game, according to a joint circular issued by the Ministry of Culture and the Ministry of Commerce Friday.

"The virtual currency, which is in exchange with real money at a certain exchange rate, will only be allowed to trade in virtual goods and services provided by its issuer, not real goods and services." it said.

China has the world's largest population of Internet users, with 298 million people online by the end of last year.

Media reports showed the virtual money trade topped several billion yuan last year after rising around 20 percent annually.

Since 2007, the vibrant virtual money trading has caught the attention of the government officials, who demanded tighter controls as it had become a hotbed for gambling and illicit trade under the guise of e-commerce.

Under the new rules, using virtual money for gambling will be punished by public security authority, and the underage are not allowed to buy virtual money.

The Ministry of Culture also vowed to step up supervision on launder of money via virtual credits and other illegal online activities.

*Source: Xinhua*