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## Cryptocurrency Auditors Are in Trouble Between Government Regulations and Investors

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<https://www.btcc.com/en-US/academy/research-analysis/cryptocurrency-auditors-are-in-trouble-between-government-regulations-and-investors>

**Cryptocurrency** auditors are caught between investors and government regulation.

In a very short time, cryptocurrency has become an integral part of the global financial system. However, most of the cryptocurrency market is shrouded in secrets and mysteries, and doubts and doubts continue to dominate it. Cryptocurrency audit is the inevitable result of the increasing attention to the “free play” of this kind of cryptocurrency and the call for its supervision.

Cryptocurrency audit is basically an assessment of the fact that the transactions recorded in the blockchain ledger are verifiably complete and correct, which is based on the existing evidence of the transactions recorded in the ledger. Several specialized smart contract audit service companies are doing this work. But it is clear that cryptocurrency auditors are caught between cryptocurrency investors and government regulations.

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## Cryptocurrency Audit

Smart contract or cryptocurrency audit is to conduct extensive methodological inspection and analysis on the code of smart contract, which is used to interact with cryptocurrency or blockchain. Like any audit, this process is to detect errors, problems and security vulnerabilities. The protocol also needs to make improvement suggestions to improve the situation of cryptocurrency investors. Many governments are formulating laws and regulations, some of which are quite strict. The fundamental reason is the logic that the regulation of cryptocurrency is not only crucial to the healthy development of cryptocurrency market, but also to the proper function of the global financial system.

For cryptocurrency investors, there are other important issues, such as the prevention of fraud such as money laundering and the violation of national security by cryptocurrency transactions. Government regulations also try to reduce the high investment probability of cryptocurrency transactions. The government hopes to obtain greater transparency from the cryptocurrency audit and insists that all parties concerned, whether individuals or companies, must disclose the transaction volume of cryptocurrency.

Audit companies with professional cryptocurrency auditors must play a key role in this regard. For example, the government of India has put forward some “additional requirements” as part of the increased responsibilities of auditors with the rise of the cryptocurrency market. The US

government under President Biden is also busy clarifying further regulations. So is Russia.



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## **The Increased Government Intervention**

Not all cryptocurrency investors are happy with the increased government intervention in the form of regulations and cryptocurrency audits. The basic objection comes from the fear that the strict audit of professional cryptocurrency auditors will weaken the decentralization of cryptocurrency, which should not be regulated by any institution. Another reason for opposition is that it will also undermine innovation related to the exploitation and trading of this cryptocurrency.

It was also pointed out that excessive cryptocurrency audit will also attack the enthusiasm of cryptocurrency investors and seriously erode the great potential of cryptocurrency in increasing GDP. Most cryptocurrency investors are firmly opposed to treating cryptocurrency as ordinary currency. They put pressure on cryptocurrency auditors to adopt more flexible evaluation methods.

In order to resist the dual pressure faced by cryptocurrency auditors, it is necessary to strike a balance between investor freedom and government regulation, in terms of cryptocurrency. This balance must be supported, that is, in the highly volatile and basically unstable cryptocurrency market, some degree of regulation will benefit the long-term interests of cryptocurrency investors.