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JP Buntinx November 15, 2017 Crypto, News

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We recently noted that the US government is increasingly tracking Bitcoin users with the help of the Chainalysis firm. It turns out there is growing interest in conducting Bitcoin surveillance globally. Moreover, there is an increasing need to track privacy-centric cryptocurrencies such as Zcash and Monero. That may prove to be more difficult than originally assumed, though.

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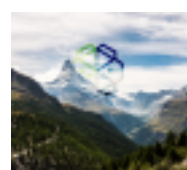
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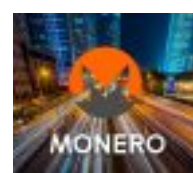
PRIVACY-ORIENTED CURRENCIES GET SCRUTINIZED

It has become increasingly evident that anyone who values cryptocurrency for privacy or anonymity reasons shouldn't use Bitcoin whatsoever. Not only is it one of the most transparent cryptocurrencies in existence today, it is also a major target for [blockchain analysis](#) firms these days. The US government is spending a lot of money to keep tabs on Bitcoin users these days, and it is expected other countries will follow suit in the not-so-distant future.

However, the focus of a lot of governments may not just be Bitcoin for the time being. Instead, there is a growing demand to track the activities of Zcash and Monero users. It's an interesting development, especially considering that a recent report [showed](#) how analyzing the Monero blockchain is essentially impossible these days with current technology. That doesn't mean it can't be done, but it may require a very different approach.

The inherent transparency of Bitcoin makes it easier for firms to analyze these movements. While no personal information is recorded by transactions, dedicated software isn't required in order to monitor the blockchain in real time. In fact, anyone with internet access can do so. Making sense of this information is something else entirely, though. Companies such as Elliptic and Chainalysis are making good money with their analytical solutions right now, although a lot of new firms have come to market in recent months as well.

Monero and [Zcash](#), on the other hand, are very different creatures. Monero especially may pose a much bigger challenge than most companies may be willing to admit right now. Monero was built to be private and untraceable from the ground up, and Zcash was built by academics. Monero is gaining traction on the darknet, whereas Zcash



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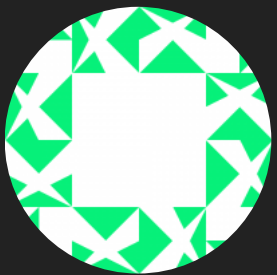
is the only payment method accepted by The Shadow Brokers.

Dark Owl's VP Andrew Lewman [explains](#) it as follows:

“*Monero in particular [is gaining adoption]. One or two [criminal] marketplaces have played with Zcash but Monero is becoming much more popular and there is a marketplace that only does Monero now because bitcoin is easy to trace through the blockchain.*

It will be interesting to see how governments and analytics companies decide to tackle the Monero and Zcash “problem”. It is evident these currencies are sufficiently advanced to make Bitcoin appear toy-like when it comes to anonymity. While both of these currencies are gaining traction as we speak, the vast majority of illicit activity on the Internet still takes place with Bitcoin. Dethroning the world's leading cryptocurrency will not be easy by any means; that much is certain.

About The Author



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JP Buntinx is a FinTech and Bitcoin enthusiast living in Belgium. His passion for finance and technology made him one of the world's leading freelance Bitcoin writers, and he aims to achieve the same level of respect in the FinTech sector.

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