The Degree of Individuals' Awareness of Risks Associated with Crypto-Currency Trading

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الملخص

هدفت الدراسة الحالية للوقوف على مدى إدراك ووعي الأفراد الأردنيين المستثمرين في تداول العملات الرقمية والبتكوين بدرجة المخاطر التي من الممكن أن تتعرض لها أموالهم. تم تبني المنهج الكمي من خلال توزيع استبيان على عينة من المستثمرين الأردنين على منصات تداول العملات الرقمية وتحصيل إجابات حول وعيهم بمخاطر تداول هذه العملات شاملة بذلك (التقلب، عدم التنظيم، القرصنة، والانقطاع). أجاب على الإستبيان (391) متداول في الأردن عام 2021. تم استخدام SPSSلتحليل إجاباتهم، وتوصلت الدراسة الى نتيجة مفادها أن الأفراد الأردنيين كانوا على دراية بمخاطر تداول العملات المشفرة؛ كشفت إجاباتهم أنهم يعرفون من قبل أن التداول داخل أسواق العملات الرقمية قائم على مخاطر شملت بشكل أساسي بيئة تداول غير منظمة مما يعني التأمين أو الحماية، بالإضافة إلى مخاطر التعرض للخطأ والقرصنة ووقف تداول عملة حالية واستبدالها. أوصت هذه الدراسة بضرورة توعية الأفراد بمخاطر تداول العملات المشفرة، على الرغم من أنها تمثل فرصة استثمارية جيدة، إلا أن التداول ينطوي على الكثير من المخاطر، وقد تتجاوز الخسائر قيمة الأموال المتداولة.

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Abstract

The current research was carried out as an approach to measure to what extent are Jordanian individuals aware of crypto-currency trading risks. In order to achieve this aim, some risks were adopted including (Volatility, Unregulation, Susceptible to error and hacking, and Discontinuation) through an online questionnaire that was answered by (391) traders in Jordan in 2021. SPSS was used to analyze their answers and come up with a degree of awareness regarding trading in digital coins. Results of the study indicated that Jordanian individuals were aware of crypto-currency trading risks; their answers revealed that they knew before that trading within digital currency markets is based on risks that mainly included unregulated trading environment which means to insurance or protection, in addition to the risks of susceptible to error and hacking and discontinuation of trading a current currency and replace with another one. This study recommended that individuals should be made aware of the risks of cryptocurrency trading, although it represents a good investment opportunity, but trading involves a lot of risks, and losses may exceed the value of the funds traded.

Keywords: Crypto-Currency, Digital Coin, Bitcoin, Trading Platform, PayPal, Virtual Bank.

1-Introduction

The tremendous technological development that the world is witnessing has not only placed individuals' money in a plastic card or a smartphone, but has created for humanity currencies that you see and do not touch, it is a virtual currency that exists only behind the screen, and in fact it does not exist, it is not seen with the naked eye, but it has a material value. It may lead its owners to a lot of profits (Codrescu and Dobrescu, 2017). Kakushadze and Liew (2020) indicated that digital currencies are numbers and symbols found on the computer screen, and each currency has a specific symbol or sign that belongs to it; the idea of which is that they are initially not harmful to the environment in any way.

The Corona pandemic that swept the world led to an increase in the demand for contactless currencies, and what increased the world's interest in this type of currency is the emergence of one of the most important investors in the world, Elon Musk, who invested nearly 1.5 billion dollars in February 2020, and this matter led to encourage many to engage in this type of trading in the hope of creating instant wealth without hassle or effort (Musk, 2020). But after a while, Elon Musk suspended accepting crypto-currencies as a way to pay for Tesla cars due to many climate-related concerns on one hand, and on other hand, China's imposition of many restrictions on the use and circulation of those currencies. Crypto-Currency trading was well-received and many people invested not hundreds but thousands of dollars in this trade. Some of them believed that digital coins have a future and one day this idea will rule the world, others were attracted by the fortune that others made without burden and entered this world without a clue of its risks.

2-Study Problem

Kyriazis (2019) believes that the trading of digital currencies involves a lot of risks that must be taken into consideration before engaging in trading in an intangible digital currency, and Kyriazis (2019) adds that one of the most important risks known in trading digital currencies is the cyber-security risks, as the trader may be exposed to attacks from malware or targeting his account on the trading platform and stealing the data in it, in addition to the amount of digital currency being traded. And it is not only dependent on individual accounts, but even the block chain system can be hacked by manipulating the value of currencies and causing great turmoil in the financial market. As for Поляков

(2018), it was found that the problem of other unregulated trading process alone is a great danger, as individuals can invest and do a lot of digital currency trading through many platforms, but they are by their nature unregulated and not governed by a clear official body, and its function is only to facilitate communication between traders without regulation, insurance, rights preservation or compensation, which would increase the chances of potential problems between individuals and increase the gaps of fraud and fraud from certain parties. Durham (2020) added that the problem of the unregulated trading process is considered one of the biggest problems in the virtual currency markets, Latimer and Duffy (2019) stressed that the digital currency is now being viewed as an alternative currency to the legal currency approved in the state and involves many of us ambiguity and secrecy, in addition, Crypto-currency traders may be viewed as individuals financing terrorism, money laundering, or other illegal activities, so governments may prevent, restrict, ban or even regulate the trading and use of these currencies (Luu Duc Huynh, 2020).

The study of Liu and others (2019) indicated that there are many risks associated with cryptocurrency trading; in order to reach the nature of these risks, the researcher used the quantitative methodology by applying to a sample of traders for digital work between the years 2014-2018, and the study found as a result, most of the risks associated with it were Volatility, hacking and the fact that trading with crypto currency is basically unregulated.

From that point, current research is an approach of measure individuals' awareness of crypto-currency trading in Jordan based on adopting major risks associated with this type of trading that included (Volatility, Unregulated, Susceptible to error and hacking and Discontinuation). Risks were extracted from previous studies Demertzis and Wolff (2018); Liu et al (2019; 2021) and Ryznar (2018).

3-Study Objectives

Current study was carried out in order to identify how aware individuals in Jordan are aware of risks associated with trading crypto currency. From that aim, current study objectives were:

- Define the concept of crypto currency within a trading platform.
- Define the idea of crypto currency trading.
- Go through the idea of digital currency.
- Highlight the concept of risks associated with crypto currency.

4-Literature Review

This section is divided into four sections: the first section discusses the cryptocurrency, the second section presents the history of digital coins, the third section discusses trading digital coins, and the risks associated with trading digital coins is discussed in section four.

4.1. Cryptocurrency

Digital currencies are defined by Ma'amoun (2021) as a decentralized virtual digital currency. These currencies can be traded between individuals and companies. They are intangible and only appear in digital form, that is, they are a digital asset that exists on the computer as data and symbols, and the individual who owns Crypto-currencies to acquire a credit card and there is no intermediary to impose additional fees.

As for Subramaniam (2021), the digital currency is defined as a virtual encrypted financial currency that enables its owner to purchase products and services through the Internet based on owning a digital ledger based on strong encryption in order to protect virtual financial transactions based on this trading. With the development of the idea, traders began to confuse the trading of digital currencies and the concept of block chain, as many see that they refer to the same meaning, which is the digital currency. According to Coin et al (2020) stressed that there is a big difference between the two, as the digital currency, as mentioned earlier, is an encrypted virtual currency, while the block-chain is a word that refers to the technology that supports digital currency, it is a decentralized technology based on encrypted records spread within many computers; it is super-fast and

through it all digital financial transactions are managed. Kakushadze anda Liew (2020) pointed out that the block-chain process is the process of managing accounts through a huge network that gives customers a copy of the digital record and its transactions in order to add more confidence based on a very complex digital code.

4.2. History of Digital Coins

It is not as it is known that digital currencies appeared recently and that they are a product of yesterday, but that digital currencies have a long history that appeared in the late nineties of the last century and were widely used as a type of virtual financial transactions over the Internet (Bordo, 2021). As a result of its popularity over time, it has become the number one destination for online traders like all other currencies. Bordo (2021) indicates that the idea of digital currencies appeared in 1977 through the formation of an algorithm by Adi Shamir, Leonard Adleman, and Ronald Rivest, and this algorithm was the first nucleus of digital currencies known today as a means of obtaining revenue and money, and the name RSA was launched on this algorithm, which represents the abbreviation of the initials of its creators.

According to Di Pietro (2021) ,until 1993, a new digital currency appeared, the E-cash, which was the result of the research and inventions of the mathematician David Chum, and in order to prove the validity of his invention, he created the DigiCash company in order for his currency to be managed through the company and in an official way, however; his attempts failed as a result of the people and companies not being convinced at that time to trade his currency because electronic commerce in that period of time was not what it is now. In continuation to the development of digital currencies, the first digital bank was established in 1999, which has been a resounding success and continuity to this day, which is Pay Pal and specializes in transferring money via the Internet (Bogucki, 2017).

4.3. Trading Digital Coins

According to Pérez-Solà and Herrera-Joancomartí (2020), the idea of digital currency trading refers to an activity practiced by individuals that involves the sale and purchase of encrypted digital currencies through a specific platform, that the individual sells, buys, or exchanges a specific encrypted digital currency such as Bitcoin for another encrypted

currency such as Litecoin. And the process can be done through the exchange, sale, or purchase of a digital currency in exchange for a traditional paper currency, or vice versa, with the aim of profit (Sampson, 2018). Delfabbro et al (2021) and Putsorn et al (2019) argued that usually, trading takes place within the environment of encrypted exchanges, through the trader opening an account by filling out a form through the Internet and starting the trading process of buying, selling and bartering. It is worth noting that trading platforms usually accept all amounts and accept many operations such as withdrawal and deposit in both digital and traditional currencies, and there are other platforms that require the trader to create a portfolio for trading operations such as withdrawal, deposit, sale, purchase, and swap.

4.5. Developing E-Payment Approach

Since the emergence of digital currencies and their spread among the relevant platforms, many organizations have been exploiting the rush of individuals towards trading in digital currencies to include them in one of the electronic payment methods as a means through which digital currencies are used as one of the electronic payment methods for services and products (Mehilli, 2018).

The beginning of this emergence was in the United States of America as an initiative to accelerate the acceptance of digital currencies and consider them as an official and acceptable means of payment for any services or products that individuals purchase (Ansah et al, 2019). One of the first organizations to adopt digital currencies as an accepted electronic payment method was Pay Pal, and it gave individuals assets the opportunity to use digital currencies just like traditional currencies and prepaid cards (Saxena et al, 2021).

It is worth noting that what prompted organizations to authorize dealing with digital currencies as an electronic payment method came as a means to develop electronic payment methods in line with the acceleration in the spread of digital currencies and their widespread acceptance based on payment through digital currency and the fulfillment of the transaction value through the dollar based on the exchange rate (Liew et al, 2022). Subsequently, the rest of the organizations adopted payment through digital currencies such as Visa, which adopted payment through Bit coin.

4.6. Crypto Currency Trading in the Jordanian Environment

Because of unemployment and the great shortage of job opportunities, thousands of Jordanians turned to trading and trading in digital currencies despite the risks surrounding them. Al-Naimi and Yousef (2021) indicated that many reports issued by the Central Bank of Jordan mentioned that unemployment and the need to make profit are the motives The first for many Jordanian youths to enter this type of trading. D'Amato et al (2022) confirms that there are approximately 129 thousand Jordanians who trade in crypto currencies - most of them are males - sometimes earning close to 2000 dollars and sometimes not earning anything.

Sharma et al (2021) confirms that the State of Jordan prohibits trading in digital currencies for many reasons, including:

-Protection of customers due to their lack of experience in this field.

-Devaluation of the currency as a result of fluctuations in exchange rates.

-Possible losses due to fraud, hacking and theft.

-The absence of a legal framework that guarantees the right to appeal to the judiciary.

-Fear of money laundering operations and the financing of terrorist organizations.

Salhout and Bechter (2018) indicate that trading in digital currencies is useless as it is a game of gambling and despair of the lack of profitable investment opportunities. Therefore, young people must be made aware that some companies commit fraud by investing in these currencies.

But the Jordanian authorities' ban on trading in digital currencies did not prevent people from finding ways to buy them, and Jordanians who trade in digital currencies resort to intermediaries abroad or traditional methods such as paying in cash to the owner of the currency, which he transfers electronically to their accounts.

Based on literature review, the conceptual framework is illustrated as follow:

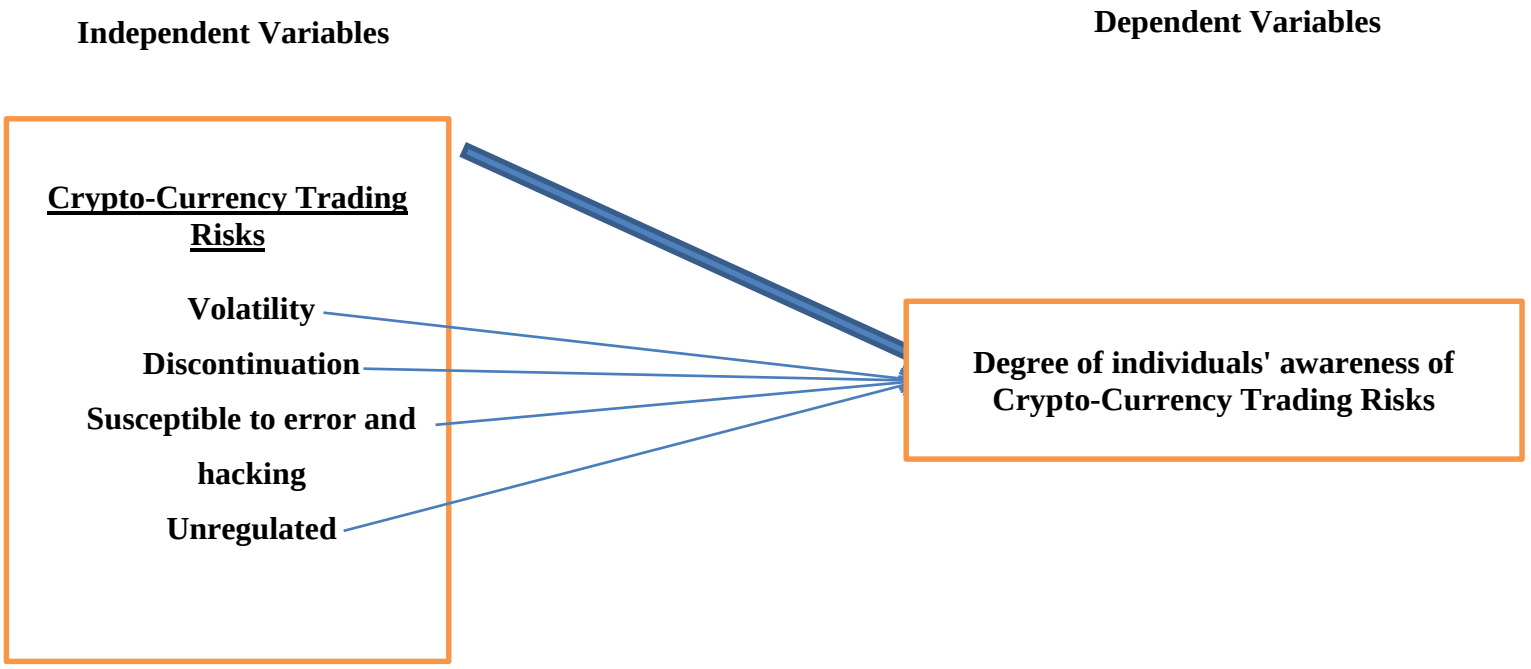

Figure 1. Conceptual Framework

As it can appear from above study model, the relationship between variable starts from the independent variable "crypto currency risks" reaching to the dependent variable which is "individuals' awareness" and these risks "volatility, discontinuation, hacking and regulation" and to what degree individuals might be aware of such risks when dealing with crypto currency.

Based on above conceptual framework; the following set of hypotheses was reached:

H: Risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

H1: Volatility as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

H2: Unregulated as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

H3: Susceptible to error and hacking as a type of risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks

H4: Discontinuation as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

5.Research Methodology

5.1. Methodological Approach

Understanding to what degree individuals (traders) are aware of digital coins trading risks was tested through adopting the quantitative approach. This approach mainly depends on numerical data extracted from SPSS medium, this numerical data was later transformed into understandable information that explained the hypotheses of study.

5.2. Study Tool

Researcher adopted quantitative approach based on utilizing a questionnaire as a tool. The questionnaire consisted of statements related to the chosen risks associated with digital coins trading including (Volatility, Unregulated, Susceptible to error and hacking and Discontinuation) which were extracted from previous studies Demertzis and Wolff (2018); Liu et al (2019) and Ryznar (2018). The questionnaire consisted of two main sections; the first took into perspective demographics of study sample, while the other section consisted of statements related to study sub-variables. The questionnaire was built on likert 5 scale (1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) strongly agree, and was uploaded on Google Forms for primary data collection.

5.3. Population and Sampling

Population of study consisted of Jordanian individuals trading in digital coins in Jordan; the population was reachable through uploaded online on Google Forms and left online for an amount of 12 weeks. Given the size of the population and researcher's inability to define it, it was decided to collected primary data form (500) individuals after the 12 weeks pass. In that sense, after 12 weeks, researchers extracted an excel sheet that contained primary data from (500) individuals who responded to the questionnaire. When screening data; it was found that (391) questionnaires were properly filled which indicated a response rate of (78.2%) as statistically accepted.

5.4. Statistical Processing

Analyzing primary data was done though SPSS; Cronbach's Alpha was utilized in order to test consistency of study tool, Alpha = 0.964 was higher 0.60 which was acceptable and referring to the consistency of study tool. Other statistical tests used were:

-Frequency and percentages

-Mean and standard deviation

-Simple regression

6.Analysis and Results

This section discusses the analysis of this study, demographic, descriptive statistics, and hypotheses testing are presented

6.1. Demographic Results

Table 1 shows the demographic statistics; frequency and percentages were calculated for the study sample demographics. It can be seen that most of individuals who responded to the questionnaire were males forming as much as 73.4% of the sample whose ages were more than 43 years forming 31.4% and who held BA degree forming 43.2% of the sample. Concerning experience in trading crypto-currency, results indicated that majority of sample had an experience of more than 10 years in dealing and trading with crypto-currency forming 41.2% of total sample.

Table 1. Demographic Statistics			
Gender			
		Frequency	Percent
Valid	Male	287	73.4
	Female	104	26.6
Age			
Valid	25-30	30	7.7
	31-36	119	30.4
	37-42	118	30.2
	+43	124	31.7

Qualifications			
Valid	Diploma	65	16.6
	BA	169	43.2
	MA	113	28.9
	PhD	44	11.3
Experience			
Valid	Less than a year	25	6.4
	2-5	70	17.9
	6-9	135	34.5
	+10	161	41.2
	Total	391	100.0

6.2. Descriptive Statistics

Table 2 presented descriptive statistics on sample responses to questionnaire. For that sake, both mean and standard deviation were calculated and results indicated that individuals had positive attitudes towards statements of questionnaire based on the fact that all of them scored higher than mean of scale 3.00 which was statistically positive .

The highest mean was for the benefit of statement articulated "Unexpected changes may lead to either losses or profits and I am aware of that " which scored 4.32/5.00 compared to the least mean for the statement articulated "I know the risks but I am willing to try" with mean of 3.72/5.00.

Such results indicated that individuals managed to answer statements according to scale with full understanding; they were aware of the orientation of statements and the language represented was understandable, clear and easy to digest.

Table 2. Descriptive Statistics		
	Mean	Std. Deviation
Crypto-Currency Trading Risks		
1.I am aware that trading digital currencies is based on risks	3.82	1.084
2.I can associate trading crypto-coins can end up with losses more than profits	3.95	1.078
3.I know the risks but I am willing to try	3.72	1.104
4.It is more of a gambling that a person knows	4.02	1.060
5.If it wasn't worth trading, it wouldn't have spread all over the world	3.82	1.075
6.The thing about trading crypto-currency is that it is money without tax	4.23	.792
7.I think digital coins trading is like gambling and sports betting	4.02	.932
Volatility		
1.Prices move sharply and suddenly	4.18	.739
2.Huge changes can happen overnight	4.16	.896
3.I am aware that my losses would be huge	4.01	.756
4.It is a type of gambling so I am not into it	4.32	.692
5.Unexpected changes may lead to either losses or profits and I am aware of that	4.32	.703
Unregulated		
1.I know that trading digital coins aren't regulated by the government	4.19	.659
2.I am aware that crypto-currency trading isn't approved by central banks	4.31	.758
3.With the more attention digital coins trading have gained, I think government will allow it soon	3.84	.974
4.Marketing for trading in crypto-currency attracts me a lot	4.24	.857
5.Trading in crypto-currency is a luxury not a necessity	3.96	.998
Susceptible to error and hacking		

6.I am totally aware that I may lose all my money due to human error	3.91	1.030
7.I can relate piracy and hacking to losing in digital coins trading	3.91	.833
8.I know that there is no insurance on piracy and hacking	4.26	.696
9.All trading channels are secured from hacking	3.91	.739
10.Millions of people do it; it has to be safe and secure	4.11	.834
Discontinuation		
1.A digital coin may stop all of a sudden	4.21	.822
2.There are no limits for coins mining or creation as well as discontinuation	4.15	.838
3.I am aware that I might be investing my money in nothing	4.20	.798
4.I know that discontinuation of digital coins is something a trader has to accept	3.88	.807
5.Discontinuation might happen suddenly and without prior notice	4.06	.900
6."Crypto-currency trading carries additional risks such as hard forks or discontinuation"	4.16	.894
7."When a hard fork occurs, there may be substantial price volatility around the even"	4.17	.807

The same process in table 2 was done on variables within table 3. Researcher calculated means and standard deviation of study variables in whole. It was seen through analysis that results were for the benefit of volatility as it appeared with mean of 4.19/5.00 followed directly by discontinuation which scored 4.11/5.00 appearing as positive.

Table 3. Descriptive Statistics		
	Mean	Std. Deviation
Crypto-Currency	3.9397	.82038
Volatility	4.1959	.60067
Unregulated	4.1069	.66897
Susceptible	4.0194	.67134
Discontinuation	4.1184	.71236

6.3. Hypotheses Testing:

This section demonstrates the hypotheses testing under study. The first hypotheses states that risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks. Table 4 shows the regression model to test the hypothesis, as results, it can be shown that the F= 77.662 was significant and r = 0.668 reflected high correlation. Therefore, risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks. Also, independent variables explain 44.6% of the variance in the dependent variable. The results indicate that the unregulated, susceptible, and susceptible are statistically significant where they record probability values less than 5%, Also, it is found that VIF values are less than 10, that means there is no Multicolleniarity.

Table 4: Risks associated with crypto-currency trading

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.543	0.221		2.456	0.014	
Volatility	-0.033	0.103	-0.025	-0.324	0.746	3.997
Unregulated	0.259	0.134	0.212	1.929	0.054	6.374
Susceptible	0.383	0.144	0.313	2.657	0.008	7.686
Discontinuation	0.227	0.087	0.197	2.597	0.01	4.000
R Square	0.446					
F-Statistic	77.662***					

Concerning sub-hypotheses, linear regression is employed for all variables. Table 5 shows the results on volatility as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks. The results indicated that F= 176.882 was significant and r = 0.559 reflected medium correlation. So, Volatility as a type of risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks.

Table 5: Risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.736	0.243		3.024	0.003
Volatility	0.764	0.057	0.559	13.3	0.000
R	.559				
F-Statistic	176.882***				

Table 6 illustrates the findings on unregulated as a type of risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks. It can be seen that F= 257.581 was significant and r = 0.631 reflected high correlation. So, Unregulated as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks.

Table 6: Unregulated as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.761	.201		3.792	.000
Volatility	.774	.048	.631	16.049	.000
R	.631				
F-Statistic	257.581***				

Table 7 illustrates the findings on susceptible to error and hacking as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks. The findings show that the F= 294.777 was significant and r= 0.657 reflected

high correlation. So, Susceptible to error and hacking as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks.

Table 7: Susceptible to error and hacking as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.715	.190		3.753	.000
Volatility	.802	.047	.657	17.169	.000
R	.657				
F-Statistic	294.777***				

Table 8 shows the results on discontinuation as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks. The results show that F= 232.721 was significant and r= 0.612 reflected high correlation. So, Discontinuation as a type of risks associated with crypto-currency trading increases the degree of individuals' awareness of these risks

Table 8: Discontinuation as a type of risks associated with crypto-currency trading increase the degree of individuals' awareness of these risks

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.038	.193		5.377	.000
Volatility	.705	.046	.612	15.255	.000
R	.612				
F-Statistic	232.721***				

5.Discussion, Conclusion and Recommendations

Individuals are trying to find ways for easy money, so, they have started to increase their trading levels in crypto-currency especially after Elon Musk dropped a huge amount of money in that space of trading. There are many risks that can influence individuals' trading in crypto-currency and cause a lot of losses and damage. Current research aimed at measuring the extent of Jordanian individuals' awareness of such risks and how they are dealing with the trading in crypto-currency along with their awareness of its risks. Quantitative approach was utilized through a questionnaire that was uploaded online through Google forms for 8 weeks. Total of (391) individuals responded to the questionnaire and SPSS was used in order to screen and analyze the gathered primary data. Research was able to reach following findings:

-Individuals seemed to have the needed level of awareness regarding crypto-currency trading risks but they still went into the process even though it is built on high risks

-All adopted risks seemed to have been digested and understood by individuals responding to questionnaire including (Volatility, Unregulated, Susceptible to error and hacking and Discontinuation), such variables scored a correlation to individuals' awareness

-The highest correlation was for the benefit of (Unregulated, Susceptible to error and hacking and Discontinuation)

-Volatility was the only variable which had a medium correlation through analysis

The state of lack of regulation and control by governments over the circulation and trade of digital and encrypted currencies increases the risk of illegal acts such as money laundering and terrorist financing, as this type of currency is (encrypted) i.e. anonymous, and therefore criminals can Running them in order to carry out their criminal activities in an environment that has no legal or even financial control. This is what agrees with Поляков (2018) and Durham (2020) when they pointed out that the idea of encryption in digital currencies contributed greatly to concealing the identity of many criminal operations, such as terrorist financing, money laundering, arms and drug trade.

Price instability and market fluctuations are also considered one of the most important risks of crypto-currency trading, as it is mentioned that in 2017, the price of Bitcoin reached

21 thousand US dollars, while today the same currency is traded at a value of 8 thousand US dollars, and this is a large fluctuation in the market within 4 years only. And this is what agrees with Demertzis and Wolff (2018) when they pointed out that price fluctuation is dangerous, but it is very natural in the crypto-currency market, as this type of currency is not supported by any real and real activities and does not have any physical origin and the price of the currency depends only on the confidence of the customer No more, and it does not have any traditional assets as well as the common currencies, in addition to that it is an illegal bug and has great legal endowments.

Hacking is also one of the most common risks of crypto-currency trading, as the user is not actually protected from hackers and speculators who could hack the wallet or website, which was also agreed on by Liu et al (2019) and Ryznar (2018).

The study proved through previous studies and analysis and its results that digital currencies and their circulation are not subject to the control of any government or central bank of any country, with the exception of digital currencies linked to traditional currencies such as the US dollar, the European euro, and the Japanese yen. And since the circulation of these currencies means the occurrence of exchanges that may be outside the systems of traditional banks, it is certain that their risks are high in terms of the inability to control the market and its prices and the inability of the Central Bank to stimulate the economy in the event of a state of recession or inflation.

The crypto-currency market is one of the most volatile trading environments, as the market witnesses a great and periodic change, in addition to the presence of many cases of trading suspensions for certain currencies, the production of new currencies, the disappearance of other currencies and many more. Recently, many retail stores have appeared that accept digital currency sales and consider it an official and acceptable sale and payment process, so that in Japan, the government agreed to use digital currencies officially in many commercial transactions.

The price of Bitcoin and crypto currencies in general is incredibly volatile because it is a very young and emerging market. It is not uncommon for the price of Bit coin to experience sharp fluctuations within a day or even within minutes. This makes trading a dangerous venture. Fundamentals usually support currencies in general. But bit coin is not a fully

functional currency, and its fundamentals are still emerging and evolving. As a long-term investment, it is useful to look at an all-time high.

Another reason Bit coin is so risky is that it is a tradable asset but is not backed by anything but its mathematical algorithm. Bit coin has value only because the people who trade it say it has value. There are no governments or regulatory agencies that help Bit coin retain its value. The value is basically configured, for there is no better option. In other words, as investor Warren Buffett said, bit coin has absolutely no unique value. This makes it an incredibly risky investment if the market decides it is no longer valuable.

One of the biggest arguments for investing in bit coin during and after the pandemic is that it is a great hedge against the inflation of fiat currencies, national banks, or even the entire financial system, should they fail. The pandemic has made these scenarios seem more plausible than ever, but thinking that Bit coin will be your salvation in these situations may be wrong.

If traditional currencies or traditional financial systems fail at all, governments and central banks will respond by holding tangible assets such as gold in vaults as an alternative, not crypto currencies such as Bit coin, although this is likely to change in the future with no guarantees of that. If the crash goes any further and stops modern technologies, electrical networks, or even the entire Internet, how can investors be reached? But, in general, the idea that many countries' governments – including Jordan – do not agree to adopt digital currencies for payment and purchase is seen as not an easy matter, especially with the fluctuations of the digital currency market, which is very large compared to the traditional digital currency market. The alarm is about the existence of a large gap that will increase the chances of loss for individuals, especially those who trade in large numbers, especially since the adoption of digital currencies by governments and central banks would change the features of the financial world, leading to governments losing their control over banks.

Based on previously presented results, current research recommended:

-Individuals should be made aware of the risks of crypto-currency trading, although it represents a good investment opportunity, but trading involves a lot of risks, and losses may exceed the value of the funds traded.

-Attempting to revive the economy and provide job opportunities in the Jordanian market to avoid unemployed youth losing their money from trading

-Regulating the process of crypto currency trading in Jordan in a more regulated and regulated manner

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