

FINANCIAL SERVICES

## Tesla plans to accept Bitcoin as payment

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The Tesla Model X SUV. Image credit: Tesla

By LUXURY DAILY NEWS SERVICE

U.S. automaker Tesla has invested in cryptocurrency as part of an effort to diversify its assets.

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In a [filing](#) to the U.S. Securities and Exchange Commission, the automaker revealed it purchased about \$1.5 billion in Bitcoin. Tesla also expects to accept Bitcoin as a form of payment in the near future.

### Bitcoin boom

Cryptocurrencies such as Bitcoin are digital assets. While wealthy investors have embraced Bitcoin and other cryptocurrencies in recent years, these are largely unregulated and decentralized.

Tesla acknowledged these challenges in its filing.

"The prices of digital assets have been in the past and may continue to be highly volatile, including as a result of various associated risks and uncertainties," Tesla said in the filing. "If we hold digital assets and their values decrease relative to our purchase prices, our financial condition may be harmed."

After the investment was revealed on Feb. 8, Bitcoin prices climbed up about 16 percent and Tesla shares closed 1.3 percent according to [CNN](#).

Tesla is not the only automaker to explore using cryptocurrencies for car purchases.

In 2019, California-based electric automaker Karma began testing Bitcoin as a form of payment at its Newport Beach, CA dealership.

The cryptocurrency will be accepted for both new car purchases and services at the flagship. While Bitcoin is being used in an increasing number of applications throughout the luxury business, its adoption at retail remains less common ([see story](#)).