

## Секція 2

# ОБЛІКОВО-АНАЛІТИЧНЕ ЗАБЕЗПЕЧЕННЯ ЕКОНОМІЧНОГО, СОЦІАЛЬНОГО ТА ЕКОЛОГІЧНОГО РОЗВИТКУ ПІДПРИЄМНИЦЬКИХ СТРУКТУР



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### **VIRTUAL MONEY AS A CHALLENGE TO THE ACCOUNTING SYSTEM**

The stability of Ukraine's financial system has been affected by the global financial crisis. This crisis has affected the banking sector and the economy. This significantly reduced the confidence in the traditional financial instruments of the state. Most Ukrainian citizens prefer to invest in foreign currency, real estate, and gold. The choice of an investment object depends on the change in its value over time and the processes that take place in the political field in the country. Third parties with access to the ownership and disposal of the property also have significant influence.

The rapid decline in the value of national money led to the search for alternative ways of saving savings. Cryptocurrency has become such a financial innovation.

In our country there is a history of development of the basic principles of the information society to which the school of cybernetics

belongs; development of concepts and program of informatization; information and communication technologies and national electronic information and analytical systems are created for different levels of management.

Electronic economy is a form of economic relations in the field of production, exchange and consumption of goods. All the usual processes occur electronically with the help of information and communication technologies. The volume of online commerce in the world in 2019 compared to 2017 will increase by 6%, which is \$ 2 trillion. Such trading is inherently a change in the way the sales process is conducted, but the introduction and use of cryptocurrency to carry out such transactions challenges the existing monetary system. That is, when carrying out transactions for the purchase of goods on the Internet environment, there is an opportunity to pay for goods using cryptocurrency as a means of payment. Almost ten years ago, the first transaction was made using Bitcoin, a digital currency that entered the everyday life of developed countries and «settled» in the vocabulary of economists and scientists [1].

The use of cryptocurrency has both positive and negative benefits. From one point of view, the advantages include privacy, data security of owners, independence from the state, no time or territorial restrictions on financial transactions, low cost of service. On the other hand, for example, from a legal point of view, operations in the application of cryptocurrency in our country are impossible without identifying the parties to the transaction. It is also undetermined whether cryptocurrency is the ordinary cash of the 21st century. If so, how to display it in the accounting or even attribute it to «monetary surrogate».

At present, the issue of taxation of transactions in the calculation of cryptocurrency remains unresolved. The legal status of modern money in Ukraine remains uncertain. Therefore, the question of defining an accounting object and interpreting cryptocurrency for financial purposes requires a thorough exploration of the main stages of the development of this form of cash.

The legal status of cryptocurrency in our country remains uncertain. The National Bank of Ukraine defines any cryptocurrency as a «money surrogate» [2]. Nevertheless, the country's main financial institution is actively studying the experience of other countries in order to regulate these relations. It explores the nature of the emergence of cryptocurrency and its regulation in the European and general context. Our legislative and political systems are based on the need to carry out procedures for the registration of contracts, transactions, agreements and records with the help of authorized intermediaries, who guarantee their identity, keep records of events, establish departmental boundaries and preserve assets.

However, the way we use to register these contracts and transactions is already outdated. These important tools do not keep up with the digital revolution. The methods and forms of control need to change in order to oversee cryptocurrency.

The world's leading countries do not have a single approach to defining the concept of cryptocurrency in financial accounting. The circulation of cryptocurrency is gaining momentum – this increases the interest of scientists in their financial and legal status and nature. It is considered that the first cryptocurrency is the bitcoin that started the era of cryptocurrency. Other cryptocurrencies compare their market capitalization with this currency. The first Bitcoin block was created on September 1, 2009. The database size is almost 280 gigabytes, representing a market cap of 179 687 933 402 or nearly USD 180 billion.

When working on the electronic money system, it was thought that such a system would become an effective mechanism against theft, forgery and even inflation. Thus, in order to make payments with such money, you need to earn them. They can be earned by any member of the financial system who has access to the World Wide Web and a personal computer that solves cryptographic equations. Now all transactions with money, documents or other data inevitably go through intermediaries. Banks, public authorities or notaries constantly confirm the authenticity of the performed transactions. The outstanding question remained what denomination such monetary assets have, how to value and recognize fair value, what are the main items of expenses for their «mining» and how to control such transactions. At the same time, this transformation is associated with the emergence of more financial and legal issues related to the establishment of new legal approaches of institutions and procedures that have not yet existed, especially in the field of financial transactions and the exchange of cryptocurrency for goods, works and services. The first cryptocurrency exchange for merchandise took place on May 22, 2010 in Florida, when programmer Laszlo Hane exchanged 10,000 bitcoins for 2 pizzas [3].

The definition of the term cryptocurrency depends on the nature of the process of its generation. It is not possible to directly attribute such a specific asset to the concept of money. Scientists come up with their own theoretical and methodological approaches to defining this term, focusing on the part of the word «crypto» which lays the foundations for technological functioning.

At present, there is no consensus on the nature of electronic money and the choice of account for their accounting, which needs further research. According to Article 15 of the Law of Ukraine «On Payment Systems and Funds Transfer in Ukraine»: electronic money – units of value stored on an electronic device are accepted as a means of payment by a person other than

the person who issues them and are a monetary liability of this person. a person executed in cash or non-cash form. Electronic (digital) money is also defined as a means of payment that exists only in electronic form, that is, in fact, in the form of information contained in special databases. The electronic money is stored in the electronic wallets of the users of the respective payment system.

The similarity is manifested in the fact that cryptocurrencies as electronic money are non-personalized payment instruments (ie do not require identification of the owner) and are rotated outside the banking system electronically. If electronic money issuers must work closely with banks to ensure the free exchange of electronic money for traditional and vice versa, cryptocurrencies are not «banking money», they are not considered in calculating monetary aggregates and cannot be used for banking services [4].

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