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MARKET ANALYSIS AND DETERMINATION OF STATUS CRYPT IN UKRAINE

АНАЛІЗ РИНКУ ТА ВИЗНАЧЕННЯ СТАТУСУ КРИПТОВАЛЮТ В УКРАЇНІ

Popova Anzhela

Kharkov National Automobile and Highway University

ORCID: <https://orcid.org/0000-0003-4013-5244>**Попова Анжела Миколаївна**

кандидат технічних наук, доцент,

Харківський національний автомобільно-дорожній університет

Modern Ukraine is not an active participant in the global cryptocurrency market. The estimated factor was the volume of transactions for this type of currency, as well as the degree of infrastructure development for this currency, assessed as very specific. At the same time, according to experts in this industry, Ukraine is more likely at a development stage than an outsider in the cryptocurrency industry. We also analyzed the positive and negative aspects of working with cryptocurrency. The protocol for working with this currency is considered in sufficient detail in order to identify opportunities, shortcomings, and features of a new position in the currency sphere. Ukraine will give an explanation to the fiscal policy in this matter.

Keywords: cryptocurrency, financial markets, electronic payments.

Сучасна Україна не є активним учасником світового ринку криптовалют. Оціночним чинником були обсяги транзакцій з цього виду валют, і навіть ступінь розвитку інфраструктури з даної валюти, оцінюваний як дуже специфічний. При цьому Україна за оцінками експертів цієї галузі, швидше, перебуває в стадії розвитку, ніж є аутсайдером галузі криптовалют. Викладається історія розвитку криптовалют та її ринків, інфраструктури. Активний початок був виконаний в Україні у 2016 році з відкриттям першого біткоїн-апарату. Одеса виявилася піонером України в даній галузі, автомат працював одночасно з купівлею та продажем криптовалют. Ця можливість конвертувати у вільному доступі валюту значно розширює можливості розвитку та роботи з нею. З появою нової валюти проблеми залишилися старі, активізувалися всілякі шахраї, що призвело до інкримінування фінансових, адміністративних і фіскальних правопорушень. Також було проведено аналіз позитивних та негативних аспектів роботи з криптовалютою. Протокол роботи з цією валютою розглянуто досить детально з метою виявлення можливостей, недоліків, особливостей нової позиції у валютній сфері. Що знову підводить до можливості виявити злочинні схеми, які є можливими з високою ймовірністю, зокрема через анонімність учасників процесу придбання та продажу. Правові норми з цих питань перебувають у стадії розробки, розглядають думки експертів у галузі роботи електронних платежів. Немає єдиної думки з цього дослідження. Розгляд динаміки правового статусу криптовалют в Україні. Розгляд законодавчих актів та визначення самої криптовалюти, її статусу. Виникнення ринку в Україні, визнаного прибутковим та ефективним, проводить до закономірних висновків про необхідний законодавчий статус, який чітко регламентує визначення криптовалют та ринку криптовалют в Україні, дасть роз'яснення до фіскальної політики в даному питанні. У 2021 році законопроект був схвалений Верховною Радою, але після розгляду Президентом повернуто на доопрацювання з урахуванням поправок. Стрімкий розвиток сучасних фінансових ринків надалі оцінює як позитивну можливість прийняття на законодавчому рівні криптовалют в Україні.

Ключові слова: криптовалюта, фінансові ринки, електронні платежі.

Современная Украина не является активным участником мирового рынка криптовалют. Оценочным фактором был объем транзакций по этому виду валют, а также степень развития инфраструктуры по данной валюте, оцениваемая как весьма специфичная. При этом Украина по оценкам экспертов этой отрасли скорее находится в стадии развития, чем является аутсайдером отрасли криптовалют. Также был проведен анализ положительных и отрицательных аспектов работы с криптовалютой. Протокол работы с этой валютой рассмотрен достаточно детально с целью выявления возможностей, недостатков, особенностей новой позиции в валютной сфере. Украине даст разъяснение к фискальной политике в данном вопросе.

Ключевые слова: криптовалюта, финансовые рынки, электронные платежи.

Introduction. Modern Ukraine is not an active participant in the global cryptocurrency market. The estimated factor was the volume of transactions for this type of currency, as well as the degree of infrastructure development for this currency, which is assessed as very specific. At the same time, according to experts in this field, Ukraine is more likely to be in the development stage than is an outsider in the cryptocurrency industry.

Review of existing theoretical approaches. Ukraine today is not a dominant participant in the global cryptocurrency market neither in terms of production, nor in terms of the number and amounts of transactions using cryptocurrencies, nor in terms of the degree of development of specific infrastructure [1]. The topic of researching the legal status of cryptocurrency and its place in the legal system of Ukraine is very relevant, since our country does not stand aside from the processes of using and producing cryptocurrencies. According to A.V. Nesen, K.A. Tsiрук [2]. However, Ukraine cannot be called an outsider in this specific area either. Moreover, as noted by Galina Pilipenko, 5 world crypto-exchanges are, in fact, "immigrants" from Ukraine [3].

The purpose and objectives of the study. Entrepreneurs are gradually starting to work with cryptocurrency: in May 2016, the first bitcoin machine was opened in Ukraine. The digital currency machine is located in one of the shopping centers in Odessa and supports operations in both directions: bitcoins can be purchased for hryvnia, and you can also sell and get hryvnia in your hands [4]. Ukrainian officials are already considering cryptocurrency as an investment asset. Law enforcement agencies have also stepped up their activities in the field of cryptocurrencies: in recent months, there have been several high-profile arrests. In particular, a "farm" of 200 computers for generating bitcoin was discovered at the Paton Institute in Kiev. Miners are charged with illegal connection to power grids, fictitious entrepreneurship, tax evasion. Thus, despite the lack of a clear regulatory policy, certain "red lines" are already emerging for Ukrainian cryptocurrency miners [5].

Cryptocurrency has a number of advantages: transactions with cryptocurrency are completely anonymous and confidential. All information about transactions is encrypted in a set of characters, personal data is not tied to a cryptocurrency wallet; each unit of cryptocurrency has a unique code and is protected from counterfeiting; cryptocurrency is decentralized, that is, it does not have a control center, due to which the

founder of digital money or any financial institution cannot influence its existence. The exchange rate and operations are completely regulated by the users of electronic wallets; each unit of cryptocurrency is not tied to one of the banks, significantly reduces the amount of commission for transactions. The cost of the commission is usually the cost of the energy resources spent on the transaction; the absence of a link to banks contributes to a significant reduction in the time spent on transactions with cryptocurrency. Usually, confirmation of transactions with cryptocurrency comes within a few seconds; transactions are carried out directly between different owners of electronic wallets, which contributes to an increase in the speed of transactions and a decrease in commission; the emission of most types of cryptocurrencies has a maximum threshold, caused by the finiteness of all possible combinations of symbols that form each new unit of cryptocurrency. This helps to reduce unjustified money supply in circulation and reduce inflation [5]. At the same time, the advantages of cryptocurrencies can be at the same time its disadvantages. Complete anonymity and confidentiality of transactions can lead to speculation in currency and its use for criminal operations (human trafficking, drug smuggling, terrorist financing, etc.). Fraudsters come up with all the new schemes of "divorce", being attached to the buzzword. Even on OLX. UA, you can find ads where souvenir coins were sold under the guise of bitcoins. Even cryptocurrency pyramids are being created. All this is possible because we do not yet have any special legal regulation of this area at the legislative level.

The problem for the legal regulation of cryptocurrencies in Ukraine is that the functioning of its system is decentralized in a distributed computer network and cannot be controlled by the state, therefore, the circulation of such a means of payment cannot be properly regulated. In addition, if we take into account the Mining process as an increase in the volume of cryptocurrencies and its transfer to an uncontrolled sphere, then such a process will lead to an even greater weakening of the national currency by increasing the size of investments in cryptocurrency [6]. You can trace the chronology of events regulating the legal status of cryptocurrency in Ukraine in table 1.

In 2017, there was even an attempt to adopt the Law of Ukraine "On the Circulation of Cryptocurrency in Ukraine". If it were possible to accept it, we should now have such an interpretation of cryptocurrency: cryptocurrency as a program code (a set of symbols, numbers and

Table 1

Chronology of events regulating the legal status of cryptocurrency in Ukraine

Date of adoption	Explanatory and recommendatory documents	Brief description
10.11.2014	NBU published clarification "On the legality of using in Ukraine" virtual currency / cryptocurrency "Bitcoin"	The NBU considered the "virtual currency / cryptocurrency" Bitcoin as a monetary surrogate that cannot be used by individuals and legal entities on the territory of Ukraine as a means of payment, since it contradicts the norms of Ukrainian legislation. This clarification was later withdrawn
08.12.2014	NBU Letter No. 29-208 / 72889 "On the classification of operations with" virtual currency / cryptocurrency "Bitcoin" as foreign exchange trading operations, as well as the existence of grounds for crediting to ... (lost its relevance from 03/22/2018)	Transactions with "virtual currency / cryptocurrency" Bitcoin "refer to transactions in foreign exchange trading. It is also determined that Bitcoin is a monetary surrogate that does not have real value collateral, and the activity of buying and selling Bitcoin for US dollars or other foreign currency has signs of the functioning of the so-called "financial pyramids"
09.11.2016	Electronic Currency Bill	The NBU approved the "Cashless Economy" roadmap, which mentions the implementation of Blockchain in Ukraine. In this regard, some state registries are planned to be transferred to Blockchain technology.
30.11.2017	Statement by the NBU and the National Commission for Financial Services on the status of cryptocurrency in Ukraine,	According to which the cryptocurrency cannot be recognized as money, currency or legal tender, is not a currency value, electronic money, or a security. Thus, cryptocurrency cannot be recognized as a monetary substitute goods.
19.06.2018	State Service for Special Communication Letter No. 04/02/02-1909	Mining cryptocurrency is not a licensed service
07.11.2019	Memorandum of the Ministry of Digital Transformation and the international company Binance	The document provides information on the formation of a position in establishing the potential legal status of virtual assets and currencies in Ukraine

letters) is an object of property rights, which can act as a means of private property, information about which is entered and stored in the blockchain system as accounting units of the current blockchain systems in the form of data (program code). At the same time, the project noted that general rules apply to cryptocurrency, which apply to the right of private property, and general provisions on an exchange agreement are applied to cryptocurrency transactions, in accordance with the legislation of Ukraine. The project also provided for the distribution of tax legal relations to operations with mining and exchange of cryptocurrency in accordance with the current legislation of Ukraine (that is, cryptocurrency will be subject to taxation) [6]. Unfortunately, this law was not adopted.

In spite of everything, the cryptocurrency market is de facto in Ukraine, as evidenced by the powerful cryptocurrency community, large busi-

ness players of the crypto world with Ukrainian roots. For example, the public organization Bitcoin Foundation Ukraine was created in 2014, according to which Ukraine is in the top countries of cryptocurrency users. In addition, many Ukrainian officials also believed in the profitability of Bitcoin, the presence of which cryptocurrency is mentioned in their tax returns [6].

Conclusions. In 2021, the bill "On Virtual Assets" was adopted by the Verkhovna Rada, but the President did not sign it, and returned it to the Council with his proposals. That is, the cryptocurrency has not received official status.

Summing up, it should be noted that Ukraine is studying a new market, while avoiding state responsibility for the negative consequences for cryptocurrency market participants, that is, it adheres to a position of neutrality. The lack of legal status negatively affects the accounting processes in relation to this type of currency.

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