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FINANCIAL SECURITY IN THE DIGITAL ECONOMY: EXPECTATIONS AND REALITY

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Abstract. *The article analyzes scientific views on the nature and factors of financial security. The features and qualitative characteristics of digital technologies and financial innovations based on them are disclosed in relation to expectations and impacts on financial security in the digital economy. It is determined that cryptocurrency is a radical financial innovation, with the growth of market capitalization of which we should expect the emergence of risks for monetary policy, the international monetary system, international settlements and lending, and attracting investments. The position of central banks on the regulation of cryptocurrency and the issue of digital currency of central banks is characterized. An assessment of the possible consequences of the impact of the spread of cryptocurrency on budgetary security is made. Generalization of the practice of taxation of cryptocurrency, made it possible to identify threats to tax security and measures to neutralize them. Taking into account the multi-aspect nature of financial innovations, the potential capabilities of digital technologies (Big Data, artificial intelligence, machine learning, blockchain) and financial innovations based on them to strengthen financial security are substantiated.*

Key words: *financial security, financial and credit security, currency security, budget security, tax security, digital economy, financial innovation, digital technologies, cryptocurrency, Big Data, artificial intelligence, machine learning, blockchain.*

The evolutionary progress of the digital economy and the manifestation of global digital trends are increasingly seen in the growing role of information, strengthening the transformation of financial infrastructure, increasing volumes and accelerating the movement of financial flows, increasing competition and disintermediation in the financial services market. Multidimensionality, subject-object, functional and technological diversity spread of digitalization processes bringing additional uncertainty of impact on all components of financial security.

The purpose of the article is to analyze scientific views on the essence and factors of financial security, to reveal the features and qualitative characteristics of financial innovations based on digital technologies in terms of expectations and impact on financial security in the digital economy.

The analysis of researchers positions shows that the difference in the essential features of financial security is to clarify the target direction of the resulting action of its provision with varying degrees of detail. Most often, it is associated with the state of a particular subject, emphasizes the influence of external and

internal factors, the ability to resist them. Based on an integrated approach the author identified the factors of financial security that are influenced by the digital economy. According to identified factors, the peculiarity of their manifestation in the digital economy is revealed through the qualitative characteristics of digital technologies and financial innovations based on them, which have a multi-aspect impact. It is substantiated that the most radical impact on financial security can be expected from cryptocurrency as a financial innovation, in particular, in creating new challenges and threats to financial, credit, currency, budgetary and tax security as a result of the transformation of the

corresponding traditional systems. At the same time, it's proved that the position of central banks about regulation of cryptocurrency and the emission of digital currency requires a clear definition by them. Taking into account the multi-aspect nature of financial innovations, the potential capabilities of digital technologies (Big Data, artificial intelligence, machine learning, blockchain) and financial innovations based on them as a qualitative addition to traditional approaches to improve operational efficiency, ensure financial stability and financial security are substantiated.

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