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FEATURES AND PROSPECTS OF CRYPTOCURRENCY DEVELOPMENT IN UKRAINE

KRUSHYNSKA Alla

PhD in Economics, Associate Professor

Head of the Department of Finance, Banking, Insurance and Stock Market

Leonid Yuzkov Khmelnytsky University of Management and Law

ORCID ID: <https://orcid.org/0000-0002-0523-3423>

TKACHUK Nataliia,

PhD in Economics, Associate Professor,

Associate Professor of the Department of Finance, Banking, Insurance and Stock Market

Leonid Yuzkov Khmelnytsky University of Management and Law

ORCID ID: <https://orcid.org/0000-0003-1947-7565>

KRAVCHUK Roman,

Student of higher education at the third (educational and scientific) level

Faculty of Management and Economics

Leonid Yuzkov Khmelnytskyi University of Management and Law

ORCID ID: <https://orcid.org/0009-0003-1618-2830>

Abstract. *The article examines the peculiarities of the emergence and development of virtual assets - cryptocurrencies. The history and reasons for the creation of the most famous cryptocurrency - bitcoin - are analysed. The advantages and disadvantages of using cryptocurrencies are presented. The principle of blockchain operation is described. The foreign experience of regulating the circulation of cryptocurrencies is analysed. The possibility of integrating best practices to legalise and minimise the risks of using cryptocurrencies in Ukraine is substantiated.*

Key words: *virtual assets, cryptocurrency, mining, bitcoin, blockchain, halving.*

The rapid development of IT technologies and the transition to a global economy are contributing to the development of national financial systems and the emergence of new financial institutions and instruments in the financial market. One of these innovations is cryptocurrencies. The article explains the concept of cryptocurrencies and the reasons for their active use. The main advantages and disadvantages of cryptocurrencies are highlighted, which include: decentralisation, anonymity and reliability of transactions, use

of cryptographic security methods, volatility, protection against inflation, etc.

The article presents a ranking of cryptocurrencies by market capitalisation and analyses the growth rates of this indicator. The rating includes the following cryptocurrencies: Bitcoin, Ethereum, Tether, BNB, Solana and others. The article highlights the history of creation and price dynamics of the most famous cryptocurrency - bitcoin.

The content of blockchain technology is

revealed. The main advantages of the blockchain are presented: decentralisation, transparency, immutability, reliability and security. The areas of blockchain application are outlined. In addition to the financial sector, blockchain is used in the delivery, healthcare, and real estate sectors. The article describes the mining process and lists the countries that are leaders in mining.

Considerable attention is paid to the study of the state of regulation and taxation of cryptocurrencies in different countries. Legal

cryptocurrency trading is allowed in the following developed countries: France, the United States, Canada, and Australia. In their turn, China, Egypt, Iraq, Bangladesh, Qatar, Tunisia are trying to ban the use of cryptocurrencies in their economies for various reasons. Ukraine is on the way to creating legislation that will regulate and tax cryptocurrencies, which will allow it to develop cryptocurrency infrastructure and attract foreign investment.

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