Makurin Andrii

Ph.D., Assistant professor

Dnipro University of Technology, Dnipro

orcid.org/ 0000-0001-8093-736X

# OPERATIONS WITH CRYPTOCURRENCY IN UKRAINE

Accounting of the traditional monetary means is performed in terms of the identification of a payment instrument and participants of the agreement. Such a process may be represented as follows: “seller - buyer” (agreement) on the “money-goods” principle. That is the approach which helps conduct short-term transactions in terms of similar location of the counterparties. While using cryptocurrency, which may be represented as a series of bytes of certain information, it is necessary to have electronic payment system acting as an intermediary. Main task of such system is the accounting control providing non-admittance of repeated set of bytes. Nowadays, there are a number of similar systems, which increase the risk of data and information fraud. Bitcoin (cryptocurrency) does not mean the involvement of the third parties to conduct monetary operations; thus, a blockchain system can be considered rather safe.

During the recording of cryptocurrency and operations with it, the accounting has certain legal limitations as the legal status of such assets is different worldwide. It is within the range from virtual currency, monetary surrogate, virtual goods, and digital asset to the intangible asset. Basing on that, there are no legal grounds to recognize cryptocurrency as a payment instrument in Ukraine. Along with that, it is not prohibited to convert cryptocurrency into the national currency and vice versa as such operations are not prohibited at the legislative level; thus, there is no violation of the national legislation. Bitcoin-ATMs already function in the developed countries worldwide, but the no availability of the regulatory system does not allow the operation of electronic payment system PayPal (cryptocurrency) in Ukraine [1].

Legalization of the cryptocurrency operations requires a complex process of the determination of cryptocurrency status, a mechanism of its accounting, and the development of a system for taxation and control of such operations. There is the necessity to legalize cryptocurrency and cryptocurrency operations in order to legalize and impose taxes on the cryptocurrency operations and mining process. Basing on the fiscal law, legal entities that buy the equipment for virtual currency mining should enter it in the books and put it into operation [2].

At the beginning of 2018, market capitalization of cryptocurrencies reached its peak. Cryptocurrencies cannot be neglected in terms of their involvement in a share of wealth of both a state and certain parties. Differences in the approaches to cryptocurrency interpretations are the main practical problem; later, those differences affect the accounting methods, which influence considerably the financial markets. Asymmetry of the information between the authorities and the interested parties experience certain intensification with further effect on the income control in terms of the lack of proper accounting regulation [3]. To understand better the creation of such an accounting object as cryptocurrency, it is expedient to analyze a mining process with the singling out of certain calculation stages of costs and consideration of main stages, which form the activity of economic entities in the cryptocurrency market.

Thus, a virtual currency is a huge amount of computing power and digital assets. At this stage of technological development of mankind, cryptocurrency is gaining a stable position in the international market. Rapid development is causing further capacity growth and interest but may eventually lead to collapse. However, if the price stability of the cryptocurrency is achieved, it can be used in international transactions, not just for speculative gain. However, this issue will be directly related to the legalization of the new currency and its recognition by central banks as a means of exchange or storage of money. There is a need for further research to understand the basic conditions for the use of digital currency in the payments market.

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