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Bitcoin: Opportunities and Threats for Ukraine

The information technology world is constantly evolving. And Bitcoin has become one of the greatest innovations in economic decentralization since the late 20th century. Bitcoin is the first decentralized digital currency, which can be used through the Internet.

Every country should decide what Bitcoin means for them: possibility or threat.

First of all, Bitcoin has significant advantages for investors, companies, employers and employees, they are: solution of the problem of assets centralized nature; bilateral dealing system; it is not affected by inflation; geographic independence for transactions; transparency of bitcoin processes; comparative safety of cryptocurrency wallets; transaction fees and time level in comparison to SWIFT or SEPA; solution of the "double spending problem" of electronic currencies.

The possible advantage for the country in case of bitcoin legalization is new business activity and new tax registration. It is important to notice that cryptocurrencies were created to be uncontrolled by any financial institutions. So the superfluous interference of the government can have detrimental effect on the development of this type of currency as a way of effective payment and accumulation facility.

However, Bitcoin has some disadvantages: lack of awareness and understanding for society; risk and volatility caused by limited amount of coins and high demand; complexity and cost of cryptocurrency mining.

The main threats of bitcoin distribution in Ukraine are: reduction of the state control over currency transactions and decrease of the importance of the existing currency circulation system in settlements between counterparties for goods delivered and services performed.

Bitcoin is the most popular cryptocurrency in the modern world, but, despite the achieved heights, it is in the phase of development and constant improvement.

Considering the facts above, we can draw the following conclusion: the importance of bitcoin should not be underestimated for Ukraine with its developed shadow economy and instability in the east of the country. This can lead to the even greater share of shadow market and reduction of legalized transactions in the field of international payments.

A careful study of the currency features and analysis of its advantages and disadvantages allow to conclude that it is impossible to effectively combat the expansion and development of the cryptocurrency in the world economy. Therefore, it is advisable to take it for granted and to take the process of its development under control by adopting appropriate legislative framework and establishing the main directions for its using in the national economy.