

Issues of virtual assets legal regulation: Possible social and economic consequences

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Abstract. The issue of legal regulation of virtual assets is highly relevant due to the growing role of virtual assets in the modern economy and financial system and given the challenges arising from their legal uncertainty. The study aimed to substantiate the theoretical and applied foundations for creating a unified conceptual understanding of virtual assets which will ensure their legal certainty. Methods of comparative analysis, synthesis, systematic approach and historical and legal methods were used to study international experience and national legislation. The current approaches to the definition of virtual assets in the international context and Ukrainian legislation, in particular, the Law of Ukraine “On Virtual Assets”, were analysed. The study established that the existing definitions contain ambiguities that may lead to legal contradictions. The article examines the arguments of scholars regarding the nature of cryptocurrencies, in particular their intrinsic value, and concludes that the lack of a unified approach complicates the development of an effective regulatory environment. The author analyses possible social and economic consequences, in particular, the impact on investment and financial stability, considering the experience gained. The author proposes a more precise definition of virtual assets as intangible goods that can be an independent object of civil turnover or certify property or non-property rights. The practical value of the work lies in the possibility of using its results by legislators, government agencies, as well

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as academics and practitioners to improve the regulatory framework governing the circulation of virtual assets to ensure the rights of users and attract investment in this area

Keywords: digital assets; legal status of cryptocurrencies; risks of financial transactions; regulation of the virtual market; civil rights; social responsibility

Introduction

As of 2025, the relevance of the topic of legal regulation of virtual assets is growing due to the rapid development of the digital economy and blockchain technologies, which are increasingly integrated into financial and social processes. The growth of cryptocurrency transactions, the development of decentralised finance and the active use of digital tools in business and public administration create new opportunities, but also increase the challenges related to regulation, user rights protection and financial security. Given these changes, the need to develop a clear and effective legal framework is becoming a key factor in creating a transparent and stable environment for the circulation of virtual assets, particularly in the context of market globalisation and growing international requirements for financial transparency.

The popularity of the aforementioned is attributable to the fact that the rapid penetration of virtual assets into the international economic sphere is an innovation in financial activities. Despite the insufficiently regulated issue of defining and classifying virtual assets, which still lacks a unified approach among scholars and practitioners, in the future, amendments to the Law of Ukraine “On Virtual Assets” (2022), accounting for the classification of Regulation of the European Parliament and the Council No. 2023/1114 (2023) (hereinafter referred to as MiCA) adopted in 2023, will contribute to a unified conceptual understanding of virtual assets and ensure their legal certainty. The MiCA establishes common rules for the EU crypto asset market, which provide for investor protection, financial stability and the fight against illegal activities. At the same time, scholars emphasise the need for further adaptation of legal norms to the rapid changes in the cryptocurrency sphere (Matytsin & Inshakova, 2024).

The development of blockchain technologies, the growth of cryptocurrency transactions and the introduction of digital financial instruments into international circulation create not only new opportunities but also significant challenges for regulators. The absence of a legal framework complicates the integration of cryptocurrencies into financial systems, increases the risks of financial instability, and raises the threat of digital assets being used in illegal activities (Kobylnik & Yefremova, 2024).

Studies of the impact of cryptocurrencies on the economic security of the state demonstrate ambiguity in assessments. For instance, O.A. Babych (2024) analysed the significance of the launch of the Bitcoin ETF for the cryptocurrency market, noting that it can help increase investor confidence and create a more stable market. At the same time, A. Mirza (2024) explores the macroeconomic factors affecting the cryptocurrency market, emphasising its dependence on the general economic environment and central bank policies. Another important aspect is the legal nature of virtual assets. O. Yefimov (2022) analysed cryptocurrencies as objects of civil rights and analysed the risks of using them as a means of payment. In turn, the study by N. Atamanova (2024) analysed the specifics of legal regulation of the virtual space, particularly the possibility of

integrating cryptoassets into traditional financial systems. At the international level, different approaches to the classification and taxation of cryptoassets are considered. The study by V. Tsiura *et al.* (2024) shows that effective regulation of digital assets can contribute to economic development and financial stability. At the same time, an analysis of EU and US legislation shows significant differences in approaches to the taxation of cryptocurrency transactions (Inshakova *et al.*, 2024).

Given the above studies, the legal regulation of virtual assets in the modern financial space is becoming increasingly relevant. Determining the optimal regulatory model requires an interdisciplinary approach that combines economic, legal and technological aspects. In this context, further research into the legal mechanisms for regulating virtual assets remains relevant, particularly in Ukraine, where the legal framework has not yet been fully adapted to international standards. The study aimed to substantiate the theoretical and applied foundations for the scientific development of a unified conceptual understanding of virtual assets to ensure their legal certainty.

Materials and methods

The study was based on a comprehensive analysis of scientific publications and legislative acts related to the legal regulation of virtual assets. The main task was to identify key approaches to regulating this area in the international and national contexts. To achieve this goal, a set of methods and a systematic approach were applied. First, international standards were studied, the Financial Action Task Force (FATF, 2019), the European Central Bank Crypto-Assets Task Force (2019) and MiCA (2023). The FATF (2019) is not an EU document, but it has an impact on European legislation. These guidelines regulate the fight against money laundering and terrorist financing, including provisions on cryptoassets. It is important to assess their integration into EU legislation for legal harmonisation. The European Central Bank Crypto-Assets Task Force (2019) provides guidance to regulators on the impact of cryptoassets on financial stability. Analysis of this document will help assess the risks and benefits for the economy. The MiCA Regulation (2023) provides a legal framework for the harmonisation of cryptoassets regulation, which can be used as a benchmark for improving Ukrainian legislation in the field of virtual assets. It allows for analysis of the risks and benefits of a unified approach to regulation, which is relevant for creating a transparent market in Ukraine. The national legislation of Ukraine, represented by the Law of Ukraine “On Virtual Assets” (2022), was examined for compliance with international standards and internal consistency of definitions. The study is also based on the analysis of two draft laws of Ukraine on the regulation of the circulation of virtual assets: Draft Law of Ukraine No. 10225 (2023) proposed by the National Securities and Stock Market Commission and alternative Draft Law of Ukraine No. 10225-1 (2023) developed by the Ministry of Digital Transformation, to determine their impact on the

taxation of crypto investments and the legislative regulation of the status of virtual assets.

To describe the scientific debate on this issue, a review of publications on the research topic was conducted. Studies on the nature of cryptocurrencies, their value and socio-economic consequences were analysed. The regression theory of L. von Mises (1981), the theoretical developments of F. Hayek (1990), and the classification of virtual assets proposed by A. Kud (2021), which incorporates their technological, economic and legal, and information and applied nature were addressed. The application of the comparative method identified differences in approaches to the legal regulation of virtual assets. The systematic approach facilitated the integration of the data obtained, which made it possible to develop practical recommendations for improving the regulatory framework of Ukraine. The results helped to identify the main areas for improving the transparency and efficiency of regulatory mechanisms in this area.

Results and discussion

Legal nature and value of cryptocurrencies. In October 2018, the Financial Action Task Force on Money Laundering (FATF), an independent intergovernmental organisation that develops and promotes its principles to protect the global financial system from the threats of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction, proposed the following definition: "A virtual asset is a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes" (FATF, 2019). This definition was duplicated in the Law of Ukraine No. 361-IX "On the Prevention and Counteraction to Legalisation (Laundering) of Proceeds from Crime, Financing of Terrorism, and Financing of the Proliferation of Weapons of Mass Destruction: Law of Ukraine" (2019). Law of Ukraine No. 2074-IX "On Virtual Assets" (2022) contains a different definition: "A virtual asset is an intangible good that is an object of civil rights, has a value and is expressed as a set of data in electronic form". This definition suggests that, in formulating it, the Ukrainian legislator adhered to the view that each virtual asset has a so-called intrinsic value. However, the opposite view is very common. Several scholars and practitioners deny that cryptocurrencies, a type of virtual asset, have an intrinsic value. Thus, Ukrainian scientist O. Sharov (2018), describing why cryptocurrency is not a measure of value, notes: "cryptocurrencies have no value: neither intrinsic (such as metal money) nor relative depending on the total value of goods in circulation". Several other researchers also point to the lack of intrinsic value in cryptocurrencies (Sapachuk, 2019; Mulska & Gudzovata, 2021).

The American researcher D. Golumbia (2016), noting the words of J.K. Helbreit that money distinguish three types of currency, noted that bitcoin has something in common with only one of them, namely with fiat currency, where the common feature is the absence of intrinsic value (Golumbia, 2016). In this case, the researcher referred to the opinion of the American law professor J. Shreder that Bitcoin "can be considered a fiat currency because it also has no underlying asset". The position of V. Kostakis and C. Giotitsas (2014) on the value of Bitcoin: "Like all objects that have been used as money from time to time, from gold and cigarettes to the dollar and the euro, bitcoin is valuable as long as people are willing to use it. However, bitcoin itself

has no real value... bitcoin itself has absolutely zero value. It is intangible and represents hours and energy (in fact, a lot of it) spent by one or more computers" (Kostakis & Giotitsas, 2014). In the same spirit, V. Kostakis & C. Giotitsas (2014): "...Bitcoin has absolutely zero value in itself. It is intangible and represents hours and power (actually a lot of it) spent by one or more computers".

In this context, the position of the American professor P.D. DeVries (2016) is of interest. On the one hand, this scholar highlighted that bitcoin has no intrinsic value, but on the other hand, the author expressed the opinion that: "one of the greatest possibilities of bitcoin is that it can also function as a kind of commodity, similar to gold". Expanding on this idea, the author suggested that "cryptocurrencies seem to have started to mimic the characteristics of gold" and that Bitcoin may increasingly attract investors. In this regard, it should be noted that the comparison of bitcoin to gold is quite common. This is facilitated by one of the provisions of S. Nakamoto (2009). This refers to the comparison of the increase in the number of virtual coins created within the framework of the electronic transaction system proposed in this article with the extraction of gold to service the sphere of circulation.

However, the reasoning given by Polish scientist A. Sieroń (2013) that "gold is a better candidate for the role of a universal medium of exchange in a free market" than bitcoin is quite substantial. According to scientists, as gold as a medium of exchange has a much longer history (spanning thousands of years), people are inclined to turn to gold, whose ability to be a universal medium of exchange has already been proven. Gold has a more understandable nature, which will reinforce the above trend: for most people, handling gold may be easier, and this is especially true when it comes to storage security, as it is easier to buy a safe than to secure a virtual wallet. The gold market is much larger. There is a so-called network effect, which means that the more people use a given currency, the greater the benefits associated with it. In addition, a larger market promotes greater stability. For instance, during the extraordinary sell-off in the gold market on 15 April 2013, the price of bullion fell by 9% in one day, while the price of bitcoin fell by 80% on 10-12 April 2013. Gold is a better hedge against inflation because its supply cannot be arbitrarily increased. However, the supply of bitcoins is also limited by the mining algorithm. However, although this makes bitcoin inflation impossible from a certain point on, inflation of the virtual currency is possible. After all, other similar currencies appeared shortly after the creation of Bitcoin. The use of bitcoins depends on the use of appropriate technology, but not everyone in the world has access to computers, the Internet and smartphones. In addition, the possibility of dramatic changes in technology due to the emergence of new computers, as well as the risk of limited access to the Internet in circumstances such as natural disasters, wars or infrastructure failures, should be considered. Virtual currency is easier to discredit by pointing to the possibility of money laundering or the relative ease of acquiring goods that are prohibited or restricted. Bitcoin is a private fiat currency, it has no use value, which means that in the event of a massive loss of confidence in this medium of exchange, its owners would be left with virtually nothing, while gold is still widely used in jewellery and industry, which means that if it loses its function as a medium of exchange, its value would not fall to zero.

However, there are opponents to the interpretation of Bitcoin as private fiat money. Therefore, A. Sieroń (2013) focused on two of their arguments: 1) the assertion that the concept of “fiat private money” is contradictory, since fiat money is money whose value is the result of a legally established monopoly on its use as legal tender; 2) the position that bitcoins cannot be fiat money, since according to the theory of regression by L. von Mises (1981), for something to function as a medium of exchange, it must first be a commodity. The first argument of A. Sieroń (2013) rejected the first argument by referring to the following: the essence of fiat money is that it is not a commodity, not the status of legal tender. Regarding the second argument, the author noted that L. von Mises’ (1981) regression theorem refers to the world of barter, while bitcoin appeared in the monetary economy.

The lack of intrinsic value in Bitcoin was highlighted by Nobel Prize winners in economics. J. Tirole (2017) noted that “Bitcoin is a bubble, an asset with no intrinsic value, and its price will fall to zero if trust disappears”. R. Shiller (2014) noted that Bitcoin “has no value at all unless there is a consensus that it has value. Other things, such as gold, would have at least some values even if people did not see them as an investment”. Other Nobel Prize winners in economics have made statements that can be regarded as denying the existence of intrinsic value in cryptocurrencies. For example, in 2017, P. Krugman, when asked by a journalist about cryptocurrencies, replied: “Any cryptocurrencies are bubbles. And they are very unstable” (Samaeva, 2017); Y. Stiglitz characterised bitcoin as a bubble and noted that “the value of bitcoin today is an expectation of what bitcoin will be like tomorrow” (May 2017); R. Taler stated: “The market that looks most like a bubble to me is the market for bitcoin and its sisters” (Fadilpasic, 2018).

In May 2021, the media reported that Bank of England Governor A.J. Bailey, at a press conference when asked about the future of cryptocurrencies, said: “They have no intrinsic value. That doesn’t mean that people don’t value them, because they may have an external value. But they have no intrinsic value” (Browne, 2021). At the same time, the American investor B. Miller, who considers investing in bitcoins to be one of the safest options in the financial world, nevertheless drew traders’ attention to the fact that bitcoin has no intrinsic value (Kolisnyk, 2022). C.J. Daimon, chairman and CEO of JPMorgan Investment Bank, also pointed to the absence of the latter (Locke, 2021), although this bank was the first of the largest US investment banks to provide clients with access to cryptocurrency funds (JPMorgan launched its own Bitcoin..., 2021).

The notion that not all virtual assets are valuable is also reflected in some definitions of cryptoassets. These include, for instance, the definition adopted by the Financial Stability Board (2018): “Cryptoasset: a type of private asset that depends primarily on cryptography and a distributed ledger (a distributed ledger is a database distributed among multiple network nodes, each of which receives data from the other nodes and stores a full copy of the ledger or similar technology as part of its perceived or inherent (intrinsic) value”. However, the concepts of intrinsic and perceived value can be interpreted in different ways. This raises doubts as to whether they should be used simultaneously in the definition of a virtual asset.

As of 2025, numerous attempts were made to find an optimal model aimed at defining the legal nature of cryptocurrencies and regulating their circulation. Undoubtedly, for cryptocurrency traders, the main indicator of income is the market rate, which is prone to growth or decline. The reasons for the dynamics of Bitcoin’s price depend on the financial climate in the cryptocurrency market, which is mostly associated with positive and negative events in the world: positive events lead to an increase in the price of cryptocurrency, while negative events lead to a decrease (Babych, 2024; Mirza, 2024). For example, since the beginning of 2022, the year of Russia’s full-scale aggression against Ukraine, the cryptocurrency market has lost about 1 trillion USD in market capitalisation due to a combination of negative factors (rising global inflation), which led to a series of high-profile bankruptcies involving crypto-hedge funds and creditors, including Celsius Network, Voyager Digital and Three Arrows Capital, and the reduction of activities of companies such as Blockchain.com and Coinbase. According to data collected by Finbold, the number of bitcoin millionaires decreased by 70.23% in the first three quarters of 2022 due to the bear market, and as of 28 September 2022, the total number of bitcoin millionaires was only 29,497 (The 15 Most Popular..., 2022).

The unregulated process of Bitcoin’s value is a cause for concern for some countries, and not every wealthy citizen can afford to risk investing traditional assets (bonds and shares) in cryptocurrency. However, according to statistics, Slovenia has the highest share of citizens (18%) investing in cryptocurrencies, followed by Croatia (16%), Luxembourg (14%), Bulgaria and Cyprus (13%) (Sereda, 2023). The top 10 also includes Slovakia, Austria, Portugal, the Czech Republic, and Estonia.

Issues of legislative regulation of cryptocurrencies.

Regarding the current problems of virtual assets circulation, there are ongoing discussions in Ukraine regarding two draft laws: Draft Law of Ukraine No. 10225 “On Amendments to the Tax Code of Ukraine and Other Legislative Acts of Ukraine Regarding the Regulation of Virtual Assets in Ukraine” (2023) and Draft Law of Ukraine No. 10225-1 (2023) proposed by the National Securities and Stock Market Commission of the same content. During the discussion of both draft laws, certain problematic issues arose among the deputies, which are generally related to high taxation rates that will negatively affect crypto investments, as well as the expediency of introducing a rule prohibiting virtual assets from being a contribution to the authorised capital. Notably, the draft law developed by the Ministry of Digital Transformation, which contains transparent and clear rules for the taxation of virtual assets, is more appropriate and less burdensome for taxpayers in terms of keeping records of such transactions.

Therefore, the provision on the value of a virtual asset, which appears in the current definition of it in Ukrainian legislation, is controversial. The paper published under the auspices of the European Central Bank, which summarises the results of the analysis of its tasks on cryptoassets, states that “...the term “crypto asset” defines any digitally recorded asset that neither implies financial claims on any natural or legal person nor financial liabilities of any natural or legal person and does not embody a property right directed against anyone” (ECB Crypto-Assets Task Force, 2019). The definition adopted by the Office of the Financial Supervision Authority of Poland (UKNF) also does not reveal the value

aspect of cryptocurrencies, which are defined as: “a digital representation of the relationship between participants in a DLT (distributed ledger technology) network, to which rights of various kinds can be attributed in this network, including, for example, property rights” (UKNF, 2020). The position of the authors of the study by R. Houben and A. Snyers (2020), conducted at the request of the Committee on Economic and Monetary Policy of the European Parliament, is particularly revealing. While declaring that they base the definition of cryptoassets on the definition used by the European Banking Authority, they abandoned the first component of this definition (“Cryptoasset means an asset that: (a) depends primarily on cryptography and distributed ledger technology (DLT) or similar technology as part of its perceived or inherent value, (b) is not created or guaranteed by a central bank or government authority, and (c) can be used as a medium of exchange and/or for investment purposes and/or to gain access to a good or service”), which contained the terms “inherent value” and “perceived value”. As a result, the cryptoasset R. Houben and A. Snyers (2020) defined it “as a private digital asset that: a) is recorded in some form of digital distributed ledger protected by cryptography; b) is not created or guaranteed by a central bank or government agency; c) can be used as a medium of exchange and/or for investment purposes and/or to access a good or service”.

An important prerequisite for the effective regulation of legal relations arising in connection with the circulation of virtual assets is the availability of a clear classification of these assets. Shortly before the adoption of Law of Ukraine No. 2074-IX (2022), Simcord CEO A. Kud (2021) proposed a three-tier classification of virtual assets, considering their technological, economic and legal, and information and application nature. This approach further describes their multifaceted nature and establishes the basis for legal regulation. At the first, technological level, virtual assets are divided into two types. The first group includes assets of the distributed ledger, which are represented in the form of tokens with unique identifiers in accounting systems. The second group includes assets of the non-distributed ledger that are created based on other technologies, such as electronic money or digital certificates. The second level reflects the economic and legal nature of assets. This includes tokenised assets that are derived from the primary asset and created as a result of transactions with it. Another type of cryptoassets is those that are not backed by property or property rights, which makes them subject to high financial risks. For instance, threats to traditional financial systems (Tsiura *et al.*, 2024; Inshakova *et al.*, 2024) or legal risks (Tsvytkov, 2024). At the third, information and application level, the classification includes three types of tokenised assets. These are the digital assets of decentralised platforms that circulate in distributed ledgers, monoassets that are indivisible, and polyassets that are divisible and represent property rights. This classification provides a valuable reference point for understanding the nature of virtual assets and improving legal regulation. Its consideration is important for creating a transparent regulatory environment in Ukraine.

Among the criteria according to which A. Kud (2021) built the classification, the Law of Ukraine No. 2074-IX “On Virtual Assets” (2022) uses one, namely, the one according to which this classification distinguishes between tokenised assets and cryptoassets. This is done in Art. 4 of the legislative act, according to which, according to Part 1, virtual

assets can be unsecured or secured. These groups of virtual assets are described in Article 1 of the Law as follows: a secured virtual asset is a virtual asset that certifies property rights, including claims to other objects of civil rights; an unsecured virtual asset is a virtual asset that does not certify any property or non-property rights.

The division of virtual assets into secured and unsecured assets was described by O. Chernykh (2021), Deputy Chairman of the Committee on Commercial Law and Procedure of the Ukrainian National Bar Association, as a simplified classification. Following the opinion, the definition of virtual assets only based on their collateralisation with non-virtual assets is dangerous in terms of ensuring the clarity of the legal regulatory regime and does not comply with European legislation. This, however, could lead to legal conflicts and non-recognition of Ukrainian legal regulation of virtual assets by key financial institutions.

The definition of virtual assets, which before Law of Ukraine No. 2074-IX (2022) was contained in Law of Ukraine No. 361-IX (2019), provided for their use as a means of payment. Instead, according to clause 7 of Article 4 of the first of these legal acts, virtual assets are not a means of payment in Ukraine and cannot be exchanged for property (goods) or works (services). Commenting on this provision, Ukrainian lawyer, auditor and scholar O. Yefimov (2022) noted that it primarily concerns unsecured virtual assets, which, following the opinion, can be regarded as private money. According to the scientist, the Ukrainian legislator, by prohibiting the use of virtual assets as a means of payment and stating that they cannot be exchanged for property (goods), or work (services), tried to prevent the transformation of such assets into private money. However, O. Yefimov (2022) further argues that even the fact that the legislation recognises unsecured assets as an object of civil legal relations creates an opportunity for such assets to compete with the national currency and turn into, following the scientist, is “a kind of private money”. In this context, it is worth noting the favourable attitude to this opportunity that has been recorded among employees of banking institutions in Ukraine: in an anonymous survey conducted by V.D. Ivaniuk (2021), 76.3% of respondents, when asked “In your opinion, can cryptocurrency be used as a means of payment?”, replied positively.

Treating a part of virtual assets as private money, O. Yefimov (2022) recalls the opinion of F. Hayek (1990) that “private enterprises, if they had not been hindered by government, would have long ago provided society with a wide choice of currencies, and those of the monetary units that would win in competition would have stable value and prevent both overinvestment and subsequent periods of decline”. The connection between this idea and the theory and practice of cryptocurrency circulation is demonstrated in several other publications on the legal and economic aspects of the issue of virtual assets, among which it is possible to highlight the work of Ukrainian scholar O. Boyko (2019). It is worth noting the opinion of A. Sieroń (2013) that: “One can even dare to put forward the thesis that the concept of virtual currency goes even further than the project of denationalisation of money proposed by the 1974 Nobel laureate, since this project involved top-down reform, i.e. the abolition of legal tender regulations by the government, while in the case of bitcoin, changes are entirely bottom-up, and potential negative effects from

the state are difficult to avoid due to the decentralised nature of the issuance of this medium of exchange”.

The legal regulation of virtual assets significantly affects the social and economic sphere, creating new challenges and opportunities for society. The absence of a clear legal framework can lead to risks associated with violations of users' rights, financial instability, and increased inequality (Golumbia, 2016). From a social perspective, access to virtual assets creates conditions for financial inclusion, especially for those segments of the population that do not have access to traditional banking services. At the same time, however, without proper regulation, new forms of social vulnerability may emerge, such as fraud, uncontrolled speculation, or the involvement of citizens in pyramid schemes (Houben & Snyers, 2020). Legal mechanisms must ensure the protection of users' rights and build trust in digital tools.

In the context of the economy, effective regulation can foster the development of the virtual asset market, stimulate innovation and attract investment. At the same time, excessive regulation or high tax rates can lead to capital flight and a reduction in entrepreneurial activity (DeVries, 2016). In addition, virtual assets have the potential to create jobs in the fields of technology, finance, and law. Experience from other countries shows that the use of virtual assets can be integrated into government social support programmes, such as digital subsidies or targeted cash transfers. This can increase the efficiency of resource allocation and reduce administrative costs (Chernykh, 2021). From a regulatory perspective, it is necessary to account for the aspects of self-regulation that are considered in studies of complex governance systems (Shvets *et al.*, 2024). Legislative regulation of cryptocurrencies is an important tool for police, especially in the context of hostilities, as it provides a legal framework for combating terrorist financing and other war crimes involving virtual assets. Similar approaches can be applied to the regulation of digital assets, where the principles of self-control and responsibility of market participants play a significant role. Thus, the improvement of Ukraine's legislative framework on virtual assets should address both economic and social aspects, which will create a favourable environment for the development of this market and ensure the protection of users' rights.

Conclusions

Given the above analysis, the absence of a cost aspect in the definition of a cryptoasset is justified. Based on the logic of this approach, a virtual asset should be interpreted as an intangible good expressed by a set of data in electronic form, which can be an independent object of civil turnover or certify property or non-property rights, including rights of claim to other objects of civil rights. Analysing the adopted

Law of Ukraine No. 2074-IX “On Virtual Assets” as amended in 2022, it is worth noting the criticism of the use of the term “virtual assets” to regulate relations with cryptocurrencies, since globally the term “virtual assets” is used to refer not only to cryptocurrencies but also to other types of digital property. The use of the term “virtual assets” in Law of Ukraine No. 2074-IX has been criticised as it does not fully comply with international standards. According to the FATF recommendations and other international documents, virtual assets are defined as a digital expression of value that can be used for payments or investments. At the same time, Ukrainian legislation includes both cryptoassets and other types of digital goods in this concept, which creates some terminological confusion.

The international approach emphasises the separate regulation of cryptocurrencies due to their unique risk profile associated with high volatility, anonymity and the risk of being used in criminal activities. Instead, Ukrainian legislation lumps cryptocurrencies together with other intangible goods, which may reduce the effectiveness of their regulation. Such an ambiguous understanding of the content of cryptocurrencies in Ukraine may lead to a violation of the rights and legitimate interests of users of virtual assets due to several factors. First, the terminological inconsistency with international standards creates legal uncertainty, which complicates the protection of users' rights in cross-border transactions and impedes the integration of the Ukrainian market into the global regulatory environment. Secondly, the lack of a clear distinction between cryptocurrencies and other digital goods in the legislation may lead to uneven legal regulation and risks for users. This may affect the availability of legal protection, regulation of tax liabilities and risk management. Aligning Ukrainian legislation with international standards will help ensure legal certainty, increase the investment attractiveness of the market, and create stable conditions for protecting the rights of users of virtual assets.

Notably, the Ukrainian cryptocurrency community, considering the FATF recommendation, proposals and disagreements among scholars and government officials, is expecting the adoption of the final updated multifaceted legislation that will contribute to the positive regulation of clear and well-defined legal relations in the field of virtual assets. Therefore, further research could compare the regulation of cryptocurrencies by national laws of different countries to find the most effective approaches to their definition.

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Conflict of interest

None.

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Проблеми правового регулювання віртуальних активів: можливі соціальні та економічні наслідки

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Анотація. Проблема правового регулювання віртуальних активів є надзвичайно актуальною у зв'язку зі зростанням їхньої ролі у сучасній економіці та фінансовій системі, а також з огляду на виклики, які виникають через їхню правову невизначеність. Метою статті було обґрунтування теоретико-прикладних засад для створення єдиного концептуального розуміння віртуальних активів, яке забезпечить їхню правову визначеність. У роботі використано методи порівняльного аналізу, синтезу, системного підходу та історико-правовий метод для вивчення міжнародного досвіду і національного законодавства. Було проаналізовано сучасні підходи до визначення віртуальних активів у міжнародному контексті та українському законодавстві, зокрема Закон України «Про віртуальні активи». Встановлено, що існуючі дефініції містять неоднозначності, які можуть спричинити правові суперечності. Було досліджено аргументи науковців щодо природи криптовалют, зокрема їхньої внутрішньої вартості, і зроблено висновок, що відсутність єдиного підходу ускладнює розробку ефективного регуляторного середовища. Проаналізовано можливі соціальні та економічні наслідки, зокрема вплив на інвестиції та фінансову стабільність, враховуючи напрацьований досвід. Запропоновано уточнене визначення віртуальних активів як нематеріальних благ, що можуть бути самостійним об'єктом цивільного обороту або посвідчувати майнові чи немайнові права. Практична цінність роботи полягає у можливості використання її результатів законодавцями, державними органами, а також науковцями і практиками для вдосконалення нормативної бази, що регулює обіг віртуальних активів, з метою забезпечення прав користувачів та залучення інвестицій у цю сферу.

Ключові слова: цифрові активи; правовий статус криптовалют; ризики фінансових операцій; регуляція віртуального ринку; цивільні права; соціальна відповідальність