

CRYPTOCURRENCIES AND REGULATIONS: A COMPARATIVE FRAMEWORK FOR INTERNATIONAL IMPLEMENTATIONS

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ABSTRACT

Purpose- The recent developments in technology have created a remarkable increase in the financial markets. The decentralization of crypto assets and the price movements attract investors attention as an demanding financial instrument. Since the beginning of pandemics, inflation is one of the major macroeconomic issue in the globe that push the investors to seek for new investment opportunities. Perhaps the positive perception regarding the cryptocurrency investment is its protection from inflation. In addition cost-effective mode of transaction and easy transfer of funds make these instruments unique. On the other hand, it can also lead to unsolicited consequences such as money laundering, illegal purchases, and the elimination of corruption. In this context, regulations are being formed to bring crypto assets, which attract the attention of experts, into compliance with the tax and trade-related laws of countries in the financial system. In this study, it is aimed to convey the importance of regulation and regulations on the world.

Methodology- Since the first launch of Bitcoin as a cryptocurrency in 2009; the recent discussion came forward on how to regulate this market. Understanding cryptocurrency takes time and effort while they are extremely volatile investment. The crypto money applications of the countries and their taxation and approaches towards these applications have been evaluated by examining the official reports of the countries.

Findings- Countries' perspectives on crypto money, the concept and definitions of crypto money vary. Some accept the cryptocurrencies as legal investment tools and draw a legal framework, while some announce that they eliminate these investments. Perhaps developing a framework can help to regulate both actors and also the transactions in the crypto ecosystem. National authorities plan to take a position how technology can be used to create cryptoassets.

Conclusion- Regulations are important for making the financial system safe, protecting individual investors and ensuring an orderly environment in enterprises. Countries need to accept the crypto currency system and keep up with the innovations of crypto money by changing the current standards if necessary.

Keywords: Regulation, crypto asset, individual investor, tax

JEL Codes: D53, F47, G11

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