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## ELECTRONIC MONEY AND PROSPECTS OF ITS USE IN BELARUS

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The progress of information technology has led to a real revolution in the money circulation system. There are new ways of existence of credit money, and with them new terms: òelectronic moneyö, òvirtual moneyö, etc. Electronic money refers to money that can be used to facilitate electronic transactions in banking computer systems. While its value is backed by fiat currency and can therefore be traded in a physical, tangible form, due to the sheer convenience of this technique, electronic money is mainly used for electronic transactions. This phenomenon has caused many misconceptions because it should be noted it is not new money that is appearing, but just new payment systems.

On December 21, 2017, transactions of tokens and all forms of cryptocurrencies in Belarus were legalized. Individuals now are allowed to own, buy and sell tokens for Belarusian roubles, foreign currency and electronic money, perform mining, as well as giving, exchanging and bequeath tokens. [1] According to the National Bank of the Republic of Belarus, the amount of transactions using electronic money (not including the circulation of electronic money through electronic wallets of individuals and legal entities, individual entrepreneurs) has exceeded 61 million since 2012. Moreover, more than 7 million new electronic wallets have been opened in the country since 2012. In 2014, a new law was enforced that made electronic wallets much safer and reliable. E-wallet owners are subject to mandatory identification. That is why, if we compare 2014 with 2015, we can see how the number of new e-wallets decreased from 2858611 to just 167123. [2]

On November 19, 2019 a new service was introduced in Belarus – Apple Pay. To understand how it works, it is necessary to recall what happens while paying with an ordinary credit card. Information about the card, the amount of payment, and transaction confirmation from the person using the card are transmitted to the bank. For security, various cryptography tools are used, including codes, passwords, etc. Paying by phone instead of a card is also based on transferring data to the bank, but the technologies used for this are different. A phone (smartphone, tablet, watch) does not transmit real card data, but a token – a temporary block of information. The generation of the token is a very complicated process; let's just say that even after stealing the token, criminals still won't get access to the card information. Apple Pay is not just the opportunity to pay in stores without a card, but part of the Wallet payment service already installed on Apple devices. The device with Apple Pay can work simultaneously with several cards and wallets. [3]

Another prominent example of electronic money are cryptocurrencies. As F. A. Hayek wrote in his work *Denationalization of Money*, few anticipated transactions occur without the need for a currency created by the bank. In *Denationalization of Money*, Hayek argues that to stop recurring periods of inflation and deflation, state monopoly on money must be eliminated. There should be free market competition instead of one currency run by the state, and it should be the consumer who determines the best option possible. Many experts, including the liberal free-market Milton Friedman, were sceptical as to whether the vision of Hayek would ever come true. The idea of Hayek became reality, not based on the technologies that emerged after his passing. Bitcoin is a mobile app or computer program that provides access to a Bitcoin wallet for the average user. Using this wallet, you can do all cryptocurrencies-related operations. In fact, by Bitcoin we mean the public registry, in another way it is also called blockchain. This holds the history of all transactions that have ever been made that any client can see and track.

The major risks of investing in Bitcoins are linked to the cryptocurrency system itself. Looking at the chart of the rate, you can see some trends. For example, in 2013 there was the first sharp increase in the rate, which prompted users to buy Bitcoins. Because demand for goods shapes the price itself, the participants themselves serve as the reason for the price change. Users may lose trust in Bitcoin, for example, and their price will drop. Therefore, it is necessary to consider all investments in cryptocurrencies in the long term and it's getting harder to predict. [4]

To assess the prospects of using electronic money in the Republic of Belarus, we carried out a survey which took place in the autumn of 2019 and involved 115 students aged 17-20. We looked at their attitudes towards usage of electronic wallets. Having categorized responses to the questions spread through Google Forms, we have found that 56.52% are using e-wallets right now and more than half of them want to substitute their physical wallets with electronic ones. The option "I just never need an e-wallet" was chosen by 39.13% and only 4.35% said they would never use it even if they had to. It is obvious from the study that young people are shifting to the digital society; they start to have necessary trust in electronic wallets and money. Indeed, with electronic wallets, we can save a lot of time and resources during transactions, they are easy to use and provide us with necessary transparency and security.

To conclude, with technological progress different new payment systems emerge. Electronic wallet and electronic money become more and more wide-spread in Belarus, especially among young people. Necessary legislative actions were already taken to ensure secure usage of them, which shows good prospects for the further development of electronic money in Belarus.

