CRYPTOCURRENCY IS THE CURRENCY OF THE FUTURE

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Annotation. Some facts about cyptocurrency are presented in the paper. Due to the fact that cryptocurrency is very different from regular money, its great effects on the current value system are considered in the article.

Keywords. Cryptocurrency, Bitcoin, digital currency, mining, monetary system, advantages/disadvantages of Bitcoin.

Cryptocurrency is an electronic analogue of real money that works due to various encryption algorithms. At the moment, there are more than 2,000 different cryptocurrencies, each of which is interesting in its own way, but it makes sense to consider one of the oldest and most popular cryptocurrencies - Bitcoin. Using Bitcoin as an example, we will analyze how cryptocurrency differs from regular currency, and how it can be used.

Bitcoin is a digital currency that came into use in 2009. Satoshi Nakamoto is the name of the person or group of people who created the Bitcoin system. Bitcoin is not backed by anything, unlike the dollar and other currencies, but it has the characteristics of money (durability, portability, fungibility, scarcity, divisibility and recognizability). This currency is "mined" through the so-called mining. Mining is the process of using computer resources to process transactions and ensure network security. Another feature of the means of payment is that the electronic cash network is completely decentralized, does not have a central administrator or any equivalent. That means, there is no single bank that emits money, changes its course, et cetera [1].

Let us take a look at the advantages and disadvantages of Bitcoin. Advantages:

1. Cryptocurrency availability at any time.
2. Anonymity. Unlike classic electronic money, transactions with which are easily tracked, it will not work to obtain information about the owner of a cryptocurrency wallet.
3. Reliability. Hacking, counterfeiting or performing other similar manipulations with virtual currency will not work - it is reliably protected.
4. No commission. In most cases, the commission is charged exclusively on a voluntary basis.
5. Limitations of cryptocurrency. As a rule, cryptocurrency is issued in a limited volume, which attracts increased attention from investors and eliminates the risks of inflation due to the excessive activity of the issuer. Thus, the cryptocurrency is not subject to inflation and is inherently a deflationary.

Disadvantages:

1. Difficulty of controlling translations. Banks and other supervisory and oversight bodies do not have the ability to control cryptocurrency transactions.
2. Volatility. Cryptocurrency is unpredictable, as it depends on the current demand, which, in turn, can change as a result of changes in legislation and due to other factors. For this reason, there are fluctuations in the price of virtual money.
3. The cryptocurrency is not backed by anything.
4. Lack of warranties. Each user is personally responsible for his/her savings. There are no regulatory mechanisms here, so in case of theft, it will not be possible to prove anything and return the money [2].

In conclusion, we would like to say that the value of any money is created not by their backing with something, but by the benefits that can potentially be gained from them. Looking at cryptocurrency from the perspective of how it can potentially improve the current monetary system, it becomes clear that its advantages outweigh the disadvantages. With good management and government support, cryptocurrency technology can give us the opportunity to take our economy to the next level.