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FINANCIAL INNOVATIONS AS A TOOL OF ACCELERATION OF THE TURNOVER OF GOODS AND SERVICES

ФІНАНСОВІ ІННОВАЦІЇ ЯК ІНСТРУМЕНТ ПРИСКОРЕННЯ ОБОРОТУ ТОВАРІВ І ПОСЛУГ

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The steady growth of demand for means of circulation and payment is one of the features of the modern economy. In the conditions of high rates of technological development there are possibilities of use of new forms of money on electronic carriers. But in the course of the evolution of money the general laws of the functioning of the monetary mechanism are preserved. Among the most important of them there is the flexibility of the money supply, i.e. its ability to change as the phases of the economic cycle change.

Activation of product turnover is accompanied by the emergence and development of innovative financial instruments. Financial innovations are defined by various authors as actions of creation and popularization of new financial instruments as well as new financial technologies, markets and institutions. Considering more broadly financial innovations is an act of creating and then popularization of new financial instruments, technologies, institutions, markets, processes and business-models including new applications, existing ideas in a different market context [1,3]. However, the authors acknowledge that the definitions do not cover the full complexity of innovation in financial services where one new product can combine a variety of innovative functions: turnover, organizational form, marketing and other customer segments as well as the development of supporting infrastructure.

Financial innovations appear and develop as tools of acceleration a turnover of goods and services for both consumer and production purposes, the development of financial technologies themselves as well as a result of finding competitive advantages for their initiators. Together with the creation of competitive advantages, financial innovations make it more profitable to use savings for investment purposes. In turn, new financial instruments being one of the means of competition, in a sense contribute to economic progress complementing with crypto currencies the demand in the money market, accelerating the investment process.

In a number of theoretical and analytical works the further development of monetary relations is associated with the use of crypto currencies which could be used as tools for a new model of money supply based on blockchain technology. This allows to keep an electronic record of all transactions with a particular asset [1,4]. However, to consider bitcoins as a replacement for national currencies in modern conditions is not appropriate. The supply of bitcoins is limited by the possibilities of emission, therefore, the scale of servicing commodity-money relations is limited too.

So, blockchain technology has good prospects for use in the economic including financial sector. It has been tested on banking transactions with transferable letters of credit and allows to create an electronic database of turnover in the markets of financial instruments.

Currently, crypto currencies that do not have an upper emission limit have been developed. Some of them are Novacoin, PPCoin, Sifcoin [3]. Therefore, it is theoretically probable to regulate / reduce their volume in circulation. But this is possible under the condition of their large-scale purchase, i.e. deprivation of property of some of their owners. Obviously, both of these methods of regulating the volume of private assets are not applicable in practice. Due to the blockchain the owners of crypto assets have the possibility to use custodial services that provide services for storage and disposal of the client's property on the basis of his written order. They can also manage cryptocurrency on their own. However, it is worth paying attention to the propensity of electronic money to fail, as well as the possibility of reducing the demand for public money.

Another promising option of electronic money is file money. These are electronic banknotes that contain the denomination, serial number, name of the issuance center, information about the conditions of access to payment systems.

The rapid introduction of financial innovations shows that cryptocurrencies can not only improve the current state of the banking system, but also in the long run they can to replace paper money. However, the distribution of electronic money requires legal and regulatory regulation of the status of platforms that emit money. It is also necessary to organize control over the volume of emission of private money in order to prevent imbalances in money circulation, awareness of the conditions for ensuring the stability of monetary units.

Equating the electronic money to payment systems as a measure of reducing the risks associated with the circulation of the electronic money leads to restrictions on anonymous payments, powers of platforms for managing users' accounts, access of legal entities to emission platforms, which counteract the "leakage" of private money into the settlement system. This eliminates a significant number of advantages of private money because attempts to create independent payment systems in this case are controlled by financial regulators.

Despite these problems which are associated with the development of electronic means of payment, the transition to this form of money should be considered as a natural and inevitable process.

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