

SOCIAL SCIENCES. Business & Economics

REVIEW ARTICLE

Substantiation of the Term “Digital Asset”:
Economic and Legal Aspects

Author’s Contribution:

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A – Study design;

B – Data collection;

C – Statistical analysis;

D – Data interpretation;

E – Manuscript preparation;

F – Literature search;

G – Funds collection

¹ Simcord Information Services SIA, Latvia² Simcord LLC. Technologies, Ukraine**Received:** 25.01.2019; **Accepted:** 20.02.2019; **Published:** 30.03.2019**Background and
Aim of Study:****Abstract**

The development of the digital economy has led to the emergence of new terms. The research work focuses on the introduction of the term “digital asset” into the scientific use. The scientific publications and research works on the interpretation of the term “digital asset” have been analyzed, and various fields of its use have been considered. It has been determined that today there is no clear definition and understanding of the term “digital asset”.

The aim of the study: to substantiate the essence and content of the term “digital asset” on the basis of etymological analysis in the economic and legal aspects.

Materials and Methods:

To substantiate the essence and content of the term “digital asset” in the economic and legal aspects, the following complex of theoretical research methods has been used: deduction and induction, analysis and synthesis, comparison, generalization, systematization and interpretation of results.

Results:

The term “digital asset” in the economic and legal aspects has been clarified in the research work. Digital asset is an information resource derivative of the right to a value and circulating in the distributed ledger in the form of a unique identifier. The components of the clarified term have been considered in detail in the economic and legal aspects; the interconnection and interdependence between them have been revealed.

Conclusions:

The essence and content of the term “digital asset” have been analyzed on the basis of etymological analysis. The use of a complex of theoretical research methods allowed determining the essential semantic features of the phenomenon under consideration, which are characterized by the following four components: economic, legal, information, value. This allowed substantiating the essence and content of the term “digital asset” in the economic and legal aspects, identifying features of the use of this term, as well as clarifying the interconnection and interdependence between its components. Further research will focus on identifying the characteristics of this phenomenon, fields and levels of application, as well as methodological tools.

Keywords:

Digital asset, distributed ledger, unique identifier, economic, legal, value, information resource.

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Introduction

The current stage of the economic development of society is characterized by the formation of a new field of economy – digital economy, which is caused by the increasing role of digital technologies as well as information and communication technologies in the development of all major branches of science. Digital technologies that have emerged over the past decade help to find sources of increased efficiency and the possibility of rapid competitive development of market business structures. At the same time, they require restructuring of existing business processes based on new values, priorities and focus on customers, innovation, uniqueness, right to use and transfer, synergize.

The development of the digital economy as a whole, and of digital technologies in particular, has led to the emergence of a new term “digital asset” and to the rapid development of related processes.

Today, the term “digital asset” does not have a single comprehensive definition that would fully reveal the essence and content of the term. This fact greatly complicates the understanding of many processes related to the use of digital assets and quite often affects the distortion and misinterpretation of information laid down in the basis of existence of digital assets. Such terminological confusion creates stable conditions for further establishment of the inconsistency and ambiguity not only of the term “digital asset” itself, but also of the prospects for its use. Therefore, it is relevant to clarify the definition of the term “digital asset”.

The analysis of modern scientific publications and research works on digital assets shows that today there is no clear definition and understanding of this term.

Thus, one group of scholars (Arianova, 2018; Averianov, Evtushenko, & Kochetova, 2016; Buntinx, 2017; Fiduciary Access to Digital Assets and Digital Accounts Act, 2014; Gray, 2016; Harbinja, 2017; Kud & Pypenko, 2018; Osterman, 2018; Sapozhkov & Kriuchkova, 2018; Walker, 2017) employs the term “digital asset”; the second group (Ethereum News, 2018; Tsegoev, 2018; Zaharova, 2018) employs the term “cryptocurrency”; the third group (Velikaia, 2018) employs the term “token”; the fourth group (The main legal portal of Ukraine, 2018) employs the term “virtual asset”; the fifth group of scholars (Lenz, 2012; Owens, 2017; Wink, Concannon, Jennings, Kates, & Gabay, 2018) employs several terms simultaneously as synonyms, i.e. close intertwining of terms can be observed.

When developing the terminological apparatus, we have referred to the recommendations of GOST 3966-2000 (2000).

The aim of the study. To substantiate the essence and content of the term “digital asset” on the basis of etymological analysis in the economic and legal aspects.

Materials and Methods

To substantiate the essence and content of the term “digital asset” in the economic and legal aspects, the

following complex of theoretical research methods has been used: deduction and induction, analysis and synthesis, comparison, generalization, systematization and interpretation of results.

Results

The clarification of the term “digital asset” should be based on a clear terminological definition of “digit” (derivative “digital”) and “asset”.

Initially, the word “digital” was used to describe information expressed in numbers. Data, such as images, sounds, words, are represented as a set of digits (1 and 0) in the binary system, which is used directly in the computer field (Encyclopedic Dictionary of Science and Technology, 2018). In the Explanatory Dictionary (Efremova, 2001), the term “digital” is considered as the one translating information using electronic systems into a binary code intended for the sequential processing, storage and transmission of the corresponding information. These definitions confirm that the term “digital” is closely related to the processes of dissemination and integration of information and information technologies into various fields of activity, and is an integral part of the terms and processes that characterize changes occurring not only in the financial and economic sector, but also in society as a whole.

The essence and content of the term “asset” should also be considered. In the Explanatory Dictionary of Finance, the term “asset” is interpreted as a subject of objective reality, be it tangible or intangible, which has some value to the holder of assets (Osadchaja, 2000). In the Encyclopedic Dictionary (2018), the component parts of a property are determined as an asset, excluding existing debts, i.e. commodities, cash, securities, promissory notes, machines, tools, land and buildings, etc. In turn, in the Modern Economic Dictionary, one of the definitions of the term “assets” is clarified as the total amount of money and property that belongs to a business entity (firm, enterprise, company), which the funds of their owners were previously invested in (Rajzberg, Lozovskij, & Starodubceva, 2011).

When considering the term “digital”, it was revealed that it includes both numerical combinations and coding of various types and methods as well as the technology of converting anything into an electronic format (digitization). Most sources link the term “asset” with tangible or intangible resources and property rights. It represents a kind of value, whose owner can be one person as well as an enterprise or society as a whole. By combining these two terms, a digital asset can be defined as a value expressed in a digital form. Therefore, a digital asset is a set of digital (binary) data that are autonomous, uniquely identifiable and have a certain value.

The use of the term “digital asset” in its modern understanding is first and foremost caused by the emergence of the Blockchain technology and cryptocurrencies. In 2009, the first cryptocurrency Bitcoin was created, which became a new phenomenon in the field of economics. Simultaneously, the Blockchain technology was developed, which is a

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Применение технологии распределенного реестра для построения защищенного документооборота/Заворина Л. Д. и др. *Известия Тульского государственного университета*. 2018. Вып. 10. С. 3–7.

Обґрунтування поняття “цифровий актив”: економіко-правовий аспект

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Анотація

Вступ: Розвиток цифрової економіки зумовив появу нових понять. Дослідження присвячено введенню в науковий обіг поняття “цифровий актив”. Проаналізовано наукові публікації та дослідження з питання тлумачення поняття “цифровий актив”, розглянуто різні сфери його використання. Встановлено, що на сьогодні не існує чіткого визначення та розуміння поняття

цифрового активу. **Мета дослідження:** На підставі етимологічного аналізу обґрунтувати сутність поняття “цифровий актив” в економіко-правовому аспекті. **Матеріали і методи:** Для обґрунтування сутності поняття “цифровий актив” в економіко-правовому аспекті було використано комплекс теоретичних методів дослідження: дедукції та індукції, аналізу та синтезу, порівняння, узагальнення, систематизації та інтерпретації результатів. **Результати:** У дослідженні уточнено поняття цифрового активу в економіко-правовому аспекті. Цифровий актив – інформаційний ресурс, похідний від права на цінність і такий, що обертається у розподіленому реєстрі у вигляді унікального ідентифікатора. Детально розглянуто складові уточненого поняття в економіко-правовому аспекті, виявлено взаємозв'язок і взаємозалежність між ними. **Висновки:** Досліджено сутність поняття “цифровий актив” на підставі етимологічного аналізу. Використання комплексу теоретичних методів дослідження дозволило визначити сутнісно-сміслові особливості досліджуваного феномена, що характеризуються чотирма складовими: економічною, правовою, інформаційною, ціннісною. Це дало можливість обґрунтувати сутність поняття “цифровий актив” в економіко-правовому аспекті, виокремити особливості використання цього поняття, а також уточнити взаємозв'язок між його складовими. Подальші дослідження будуть спрямовані на визначення ознак цього феномена, сфер і рівнів застосування, а також методичного інструментарію.

Ключові слова: цифровий актив, розподілений реєстр, унікальний ідентифікатор, економічний, правовий, ціннісний, інформаційний ресурс.

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