

NON-FUNGIBLE TOKEN AS AN OBJECT OF ACCOUNTING

Author: Anastasiia Kalenychenko
3-7ab, FMTP, KNUTE

Scientific advisor: Valentyna Kostyuchenko

INTRODUCTION

The spread of digital technologies in the world and the development of the cyber economy have led to the emergence of a new digital asset - non-fungible tokens that are rapidly gaining popularity. NFT is a relatively new and little-studied phenomenon.

WHAT ARE NFTs?

Non-fungible tokens are a type of digital token where every token is different and hold unique characteristics.

USE CASES OF NFTs



NFTs can help digital artists or any type of artist to fight plagiarism as they can tokenize their creations, which can't be copied.



Luxury goods can be verified making them NFTs and giving ownership to the buyer only.



Manufacturing companies can tokenize their products in order to offer provenance to their consumer base.



Institutions can offer NFT based certifications and licenses, to authenticate a person's educational background.



NFTs can stop counterfeiting tickets and merchandise issues within the sports industry.



Games can tokenize in-game items for players and give them ownership over those items.

THE LAW OF UKRAINE "ON VIRTUAL ASSETS"

«This Law regulates the legal relations arising in connection with the turnover of virtual assets in Ukraine, defines the rights and obligations of participants in the market of virtual assets, the principles of state policy in the field of virtual assets»

IS CRYPTOCURRENCY TAXED IN UKRAINE?

The profits from cryptocurrency transactions will be considered separately. Operating profit is defined as the positive difference between the proceeds from the sale and the cost of mining or purchasing assets. The bill sets a tax on such income at 18% for organizations and 5% for individuals. Cryptocurrency sales are not subject to VAT.

CONCLUSIONS

Ukraine is at the stage of searching for ways to effectively regulate the circulation of NFTs in Ukraine. Considering that now our country is pursuing a targeted state policy in the field of digitalization, open data, national electronic information resources, we can say that Ukraine can have an effective market system for the circulation of NFTs. However, at the present stage of development of digital technologies, humanity inevitably faces issues **related** to copyright and intellectual property. Of course, this is a topical and important issue, but its solution is not obvious now.