

# DEVELOPMENT OF THE GLOBAL CRYPTOCURRENCY MARKET

## RAZVOJ GLOBALNOG TRŽIŠTA KRIPTOVALUTA

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**Abstract:** Cryptocurrencies represent a new form of property that exists only on the Internet. The first cryptocurrency to appear on the global market was Bitcoin, and its appearance is linked to the first financial crisis in 2008. The market capitalization of Bitcoin grew very quickly and in 2017 reached the highest capitalization in history (334 billion US dollars). Later, there was an expansion of new cryptocurrencies, of which there are currently over 1500 (e.g. Ethereum, Tether, BNB, USD Coin, etc.). The emergence of cryptocurrencies as a new concept affects the change in the perception of payments and money as a means of payment in general. The development of the global cryptocurrency market is indeed rapid and dynamic, and it is becoming an increasingly popular method of payment. Since the emergence of cryptocurrencies is not related to central banks, the need to change the classical systems and economic policies of countries is also expressed. The dynamic development of the mentioned market takes place in parallel with the development of information technologies, so there is a trend of capital outflow from classic capital markets to emerging global cryptocurrency markets. The question arises of the survival of traditional banks in the future, as more users trust

cryptocurrencies. Global cryptocurrency markets are expected to expand more and more in the future. The paper will analyze the development of the global cryptocurrency market based on a sample of five of the most significant cryptocurrencies today.

**Key words:** cryptocurrencies, Bitcoin, global market, market capitalization.

**Анотација:** Криптовалуте представљају нови облик имовине који постоји само на интернету. Прва криптовалута која се појавила на глобалном тржишту је Bitcoin, а њена појава се везује за прву финансијску кризу из 2008. године. Тржишна капитализација Bitcoin је расла веома брзо и 2017. године достигла историјски највишу капитализацију (334 милијарди америчких долара). Касније долази до експанзије нових криптовалута, којих у данашњем времену постоји преко 1500 (нпр. Ethereum, Tether, BNB, USD Coin итд.). Појава криптовалута као новог концепта утиче на промену перцепције плаћања и уопште новца као средства плаћања. Развој глобалног тржишта криптовалута је заиста брз и динамичан, те је све више популаран начин плаћања. Будући да појава криптовалута није везана за централне банке, исказује се и потреба

*promene klasičnih sistema i ekonomske politike zemalja. Dinamičan razvoj pomenutog tržišta odvija se uporedo sa razvojem informacionih tehnologija, pa je prisutan trend odliva kapitala sa klasičnih tržišta kapitala na novonastala globalna tržišta kriptovaluta. Postavlja se pitanje opstanka tradicionalnih banaka u budućnosti, budući da se više korisnika ima poverenja u kriptovalute. U budućnosti se očekuje sve veća ekspanzija globalnih tržišta kriptovaluta. U radu će biti izvršena analiza razvoja globalnog tržišta kriptovaluta na uzorku od pet najznačajnijih kriptovaluta u današnjem vremenu.*

**Кључне рјечии:** kriptovalute, Bitcoin, globalno tržište, tržišna kapitalizacija.

**JEL classification:** F65

## 1. INTRODUCTION

The growing popularity of cryptocurrencies and their increasing market capitalization creates a need for a more detailed understanding of the dynamics of the cryptocurrency market. One of the potential threats to cryptocurrencies stems from their inherently speculative nature. A large number of participants in these markets trade cryptocurrencies in the hope that their value will increase (Krafft, Della Penna, & Pentland, April 2018).

In the past years, especially since 2017 when Bitcoin, as an example of the most popular cryptocurrency, for the first time exceeded the historical limit of 20,000 USD, a significant increase in interest in this type of asset has been observed. This phenomenon indicates an increased awareness and acceptance of cryptocurrencies as an important financial instrument (Kozarević & Ibrić, 2021, p. 42).

The paper will perform a descriptive analysis of the global cryptocurrency market, its market capitalization, and price movements. In the first segment of the work, the relevant research papers that laid the foundations for the development of cryptocurrencies will be presented in detail. The second segment includes a description of the historical development of cryptocurrencies, providing insight into their evolution over time. The third segment will focus on the emergence of other cryptocurrencies after Bitcoin, providing an overview of the diversity of this digital financial asset. The fourth segment will analyze the market capitalization and price movements of the most prominent cryptocurrencies, such as Bitcoin and Ethereum. This analysis will provide insight into the market trends and value changes of these

digital currencies over some time. The last, and sixth segments of the work will deal with global trends in the development of the cryptocurrency market and the regulations established in different countries.

Legal guidelines and regulations affecting the use and trading of cryptocurrencies will be described here, providing insight into the different approaches and strategies adopted around the world. Through this analysis, the paper will contribute to a broader understanding of cryptocurrencies, their economic importance, and their impact on the global financial market.

## 2. THE MOST SIGNIFICANT PAPERS AS THE BASIS OF CRYPTOCURRENCY DEVELOPMENT

Several papers stand out as the basis of the development of the cryptocurrency market. Some of the papers were created by the scientific and professional public, and some by the cryptocurrency founders themselves.

We will highlight some:

- "Bitcoin: A Peer-to-Peer Electronic Cash System" (Nakamoto, 2008). This paper was written by the founder i.e. group of Bitcoin founders, Satoshi Nakamoto, in 2008. It explains in detail the concept of cryptocurrencies and how Bitcoin papers.
- "The Economics of Bitcoin Mining, or Bitcoin in the Presence of Adversaries" (Kroll, Davey, & Felten, 2013). The paper was written by Joshua Kroll, Ian Davey, and Edward Felten in 2013. The paper analyzes the Bitcoin mining process and discusses issues of network security and stability.
- "Ethereum: A Next-Generation Smart Contract and Decentralized Application Platform" (Buterin, 2014). The paper was written by Vitalik Buterin in 2014. The paper details the Ethereum platform for smart contracts and decentralized applications.
- "A Fistful of Bitcoins: Characterizing Payments among Men with No Names" (Meiklejohn, i drugi, 2016). The paper was written by Sarah Meiklejohn and others in 2016. The paper examines anonymity in Bitcoin transactions and identifies several possibilities for linking transactions to real persons.
- "A Survey on Security and Privacy Issues of Bitcoin" (Conti, Kumar, & Lal, 2018). This paper was written by a group of IEE authors,

Conti, Kumar, and Lal et al in 2018. The paper analyzes security and privacy issues in the context of cryptocurrencies, especially Bitcoin.

### **3. HISTORICAL DEVELOPMENT OF CRYPTOCURRENCIES**

The development of the cryptocurrency market has a relatively short but interesting history. The concept of digital currencies existed before the invention of Bitcoin, but it wasn't until 2008 that the first decentralized digital money, Bitcoin, was created. Bitcoin was invented by an individual (or group) named Satoshi Nakamoto (Pinkerton, 2023). The true identity of this person or group remains unknown to this day. Bitcoin is a decentralized digital currency, meaning it is not controlled by any central authority, such as a government or bank. It uses a technology called blockchain, which is essentially a decentralized ledger that records all transactions made using Bitcoin.

The creation of Bitcoin spurred the development of other cryptocurrencies, such as Ethereum, Litecoin, Ripple, and many others. Each of these currencies has its unique characteristics, but they all share the basic idea of decentralization and the use of blockchain technology. The growth of the cryptocurrency market has been relatively volatile, with large price fluctuations over the years. In the early days of Bitcoin, it was mostly used by tech enthusiasts and people who wanted to make anonymous transactions on the Internet. However, as the market developed, more and more investors and businesses became interested in cryptocurrencies.

One of the significant milestones in the development of the cryptocurrency market was the launch of Bitcoin futures trading on the Chicago Board Options Exchange (CBOE) in December 2017 (BBC, 2017).

The move brought the cryptocurrency market more into the mainstream and opened up opportunities for institutional investors to trade Bitcoin. Since then, the cryptocurrency market has continued to grow and evolve, with new cryptocurrencies being created and more businesses accepting them as a form of payment. Although the market remains relatively volatile, it has become a legitimate asset class, and many investors are beginning to take it seriously as an investment opportunity.

### **4. EMERGENCE OF OTHER CRYPTOCURRENCIES AFTER BITCOIN**

After the emergence of Bitcoin in 2008, the way was opened for the development of other

cryptocurrencies. Each of these currencies has its unique features and functionalities.

One of the first currencies to emerge after Bitcoin was Litecoin. Litecoin was created by Charlie Lee in 2011 and was envisioned as a faster and cheaper way to transact compared to Bitcoin (Reiff, n.d.).

Ethereum is also a popular cryptocurrency that appeared in 2015. Ethereum is designed as a platform for building decentralized applications, that use smart contracts (Eng. smart contracts) (Yuxin Huang, 2020). This functionality allows the Ethereum network to be used for various purposes, such as storing digital assets, running decentralized applications, and issuing new cryptocurrencies.

Ripple is a cryptocurrency that appeared in 2012, and its goal is to enable faster, cheaper, and safer payments across borders. This currency, which many do not even consider a cryptocurrency (Ahmadova & Erek, 2022), uses its payment protocol rather than blockchain technology, which allows it to process transactions faster compared to other cryptocurrencies.

Many other cryptocurrencies emerged after Bitcoin such as Monero, Dash, Zcash, and many others. All of these currencies have their unique features and functionalities, although most of them share the basic idea of decentralization and the use of blockchain technology. The development of cryptocurrencies continues, and new innovative solutions and functionalities are created regularly.

### **5. MARKET CAPITALIZATION AND PRICE MOVEMENTS OF CRYPTOCURRENCIES**

Cryptocurrencies are digital assets designed as a means of exchange. The first cryptocurrency, Bitcoin, was introduced in 2009, and since then around 1500 other cryptocurrencies have been created, of which around 600 are actively operating today.

Cryptocurrencies use the underlying blockchain technology and reward mechanism, but each typically operates on its isolated transaction network. Apart from being used as a means of everyday payments, cryptocurrencies are also popular as objects of speculation.

The market capitalization of active cryptocurrencies exceeded \$91 billion in May 2017, and the total market capitalization of cryptocurrencies has been increasing since late 2015 after a period of relative stability (ElBahrawy, Alessandretti, Kandler, Pastor-Satorras, & Baronchelli, 2017, p. 1-2, 7).

**Figure 1.** The total market capitalization of the cryptocurrency, token, and stablecoin market from 04/30/2013 to 06/11/2023



*Source:* (<https://coinmarketcap.com/>)

In June 2023, the global market capitalization of cryptocurrencies reached a value of 1.053 trillion dollars (USD). Based on the presented image (Figure 1), the stagnation of the cryptocurrency market is observed in the period from 2013 to 2018, when the total market capitalization exceeded 828 billion dollars (USD). However, following the COVID-19 pandemic, the market experienced an expansion, with the market capitalization peaking at \$2.828 trillion (USD) in November 2022.

After that period, the market capitalization showed a downward trend, and in June 2023 it was 1.023 trillion dollars (USD). This decline may be the result of a variety of factors, including regulatory changes, market corrections, and changes in investor sentiment. It is important to emphasize

that the cryptocurrency market is still subject to high volatility and risks and that investors must be carefully informed and analyzed before making investment decisions.

Thus, the growth of the global cryptocurrency market has seen tremendous growth, with around 1,500 cryptocurrencies in existence as of February 2018, and their total market capitalization reached a record \$830 billion on January 7, 2018. However, in the following month, the market saw a sensational drop to \$280 billion.

The growth potential and developments in the market attracted enormous attention among retail and institutional investors, who "rushed" to enter the new "crypto-world" (Wu, Whetl Wu, Wheatly, & Sornette, 2018, p. 2).

**Figure 2.** Share of certain cryptocurrencies in market capitalization from 04/30/2013 to 06/12/2023



*Source:* (<https://coinmarketcap.com/>)

Bitcoin was the largest contributor to the total market capitalization during the observed period from 2014 to 2023. During that period, Bitcoin's share in the total market capitalization fluctuated

around 90%, while other cryptocurrencies had a share of around 4.45%. However, there was a significant drop in Bitcoin's share from February to June 2017, when it was around 36.89%. At the

same time, the participation of other cryptocurrencies such as Ethereum, Tether, Dogecoin, and others increased to 27.47%, 0.14%, 0.31%, and 22.01% in the total market capitalization. The renewed growth of the share of Bitcoin among other cryptocurrencies was recorded from April 2019 to March 2021, when in March 2021 the share of individual cryptocurrencies in the total market capitalization was as follows: Bitcoin 60.43%, Ethereum 11.53%, Tether 2.20%, BNB 2.26%, USD Coin 0.55%, Dogecoin 0.42%, Solana 0.21% and others 18.69%. In the later period, from May 2021, there was a further decline in the share of Bitcoin in the

total market capitalization, which in June 2023 was 45.9%. At the same time, the participation of Ethereum and other mentioned cryptocurrencies continued to grow. Ethereum's share rose to 19.90%, while other cryptocurrencies also saw growth.

These changes in the share of different cryptocurrencies in the total market capitalization reflect the dynamics and competition in the crypto world. It is important to monitor such changes to gain a deeper understanding of market trends and the factors that affect the distribution of market capitalization among cryptocurrencies.

**Figure 3.** Bitcoin Price Movement (2011-2023)



**Source:** (<https://coinmarketcap.com/>)

Bitcoin started its journey in June 2011 with an initial price of 17.17 USD.

Since then, a significant upward trend has been observed, which culminated in December 2017 when the price reached the amount of USD 16,919.8. After that, the price of Bitcoin experienced some fluctuations, but a significant jump in the price has been observed since October 2020, when it reached a value of 11,426.6 USD. The maximum price of Bitcoin was recorded in

November 2021, when it reached the amount of 66,953.34 USD.

However, since the end of 2021, Bitcoin experienced a price decline, leading to its value of \$25,732.11 in June 2023.

These fluctuations in the price of Bitcoin indicate the dynamism and volatility of the crypto market, where factors such as market sentiment, regulatory changes, and economic events are crucial to the price and value of cryptocurrencies.

**Figure 4.** Ethereum price movement (2016-2023)



**Source:** (<https://coinmarketcap.com/>)

In February 2016, Ethereum started its journey in the market with a price of 6.19 USD. During the analysis period, the price of Ethereum gradually increased, reaching a value of 1,457.62 USD in April 2021.

Since April 2021, Ethereum has experienced significant price growth, culminating in November 2021 when the price reached a maximum of \$4,570.48. However, after that period, Ethereum saw its price drop. In the later period, the price of the mentioned cryptocurrency fell, so in June 2023 it amounted to USD 1,749.3.

## **6. DEVELOPMENT OF THE GLOBAL CRYPTOCURRENCY MARKET AND ITS LEGAL REGULATION IN THE WORLD**

Cryptocurrency adoption shows a global upward trend. According to the estimate for the year 2023, the average global adoption rate of cryptocurrencies is 4.2%, and the number of cryptocurrency users worldwide exceeds 420 million (<https://triple-a.io/>). Analysis of data from May 2023 indicates that the largest number of cryptocurrency users was recorded in the United States of America with 46 million users, followed by India with 27 million, Pakistan with 26 million, Nigeria with 22 million, and Vietnam with 20 million users (<https://triple-a.io/>).

The European Union (EU) has introduced pioneering measures requiring cryptocurrency service providers to effectively detect and prevent the illegal use of cryptocurrencies. These measures are part of a comprehensive legislative framework aimed at regulating digital currencies and ensuring transparency and user protection. In addition, the EU also introduces the "travel rule" concept that is already applied in the traditional financial sector, and will now include the transfer of funds in crypto form. These rules require that information about the source of the funds and the beneficiary travel with the transaction and be stored on both sides of the transfer. This EU step aims to create a single cryptocurrency market with clear rules and protection against financial crime (<https://www.europarl.europa.eu/>).

In 2022, the United States introduced a new regulatory framework aimed at enhancing the regulation of the cryptocurrency market. This new regulatory framework transfers regulatory authority to existing market regulators such as the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). As part of these regulatory efforts, the SEC has demonstrated its presence by taking significant legal actions, including a lawsuit against Ripple. This lawsuit is based on the claim that Ripple raised over \$1.3 billion by selling its

XRP token in transactions that were not registered as securities. The lawsuit against Ripple illustrates the SEC's efforts to apply existing securities laws to cryptocurrencies. China classifies cryptocurrencies as property for inheritance purposes (<https://coingeek.com/>). The People's Bank of China (PBOC) has imposed a ban on cryptocurrency exchanges in the country, asserting that these platforms facilitate unauthorized public financing. Furthermore, China implemented a prohibition on Bitcoin mining in May 2021, leading to the closure or relocation of many mining operations to regions with more favorable regulatory conditions. In September 2021, a comprehensive ban on cryptocurrencies was enforced. Nevertheless, China is actively engaged in the development of a Central Bank Digital Currency (CBDC) known as the Digital Yuan (e-CNY). In August 2022, the subsequent phase of pilot testing for this CBDC was initiated. While cryptocurrencies do not hold the status of legal tender within Canada, the nation has exhibited a proactive stance in regulating digital currencies compared to other jurisdictions. Canada notably marked a pioneering milestone by approving a publicly traded Bitcoin exchange-traded fund (ETF), a development that has since seen several such funds listed on the Toronto Stock Exchange (<https://evolveetfs.com/>). In the realm of cryptocurrency trading platforms, the Canadian Securities Regulators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) have established the requirement for these platforms and traders operating within the country to register with provincial regulatory authorities. Canada classifies all enterprises engaged in cryptocurrency investment as Money Services Businesses (MSBs) and mandates their registration with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) (<https://fintrac-canafe.canada.ca/>).

The United Kingdom lacks specific legislation governing cryptocurrencies, but it designates them as assets rather than legal tender. Cryptocurrency exchanges are obligated to register with the United Kingdom's Financial Conduct Authority (FCA). The trading of cryptocurrency derivatives is prohibited, and stringent reporting requirements related to Know Your Customer (KYC), Anti-Money Laundering (AML), and Counter-Terrorist Financing (CFT) standards are enforced (<https://web.archive.org/>). Capital gains tax remains applicable to profits derived from cryptocurrency trading, with the specific taxation criteria contingent upon the nature of the activity and the parties involved in the transaction (<https://www.gov.uk/>). As of August 2022, cryptocurrency exchanges and custodial wallet

providers must adhere to reporting obligations introduced by the Office for Financial Sanctions Enforcement (OFSI). Entities engaged in cryptocurrency-related activities are mandated to promptly notify OFSI if they possess knowledge or reasonable suspicion of individuals subject to sanctions or those involved in financially sanctioned offenses. From a taxation perspective, the United Kingdom applies a regulatory approach to cryptocurrencies similar to other commodities (<https://www.bclplaw.com/>).

Japan has adopted a progressive approach to cryptocurrency regulation, recognizing them as legal property under the Payment Services Act (PSA). Cryptocurrency exchanges in Japan must register with the Financial Services Agency (FSA) and adhere to anti-money laundering and counter-terrorism financing (AML/CFT) requirements.

To enhance market transparency and security, Japan has established the Japan Virtual Currency Association (JVCEA), with all cryptocurrency exchange operators as members (<https://cointelegraph.com/>). Regarding taxation, gains from cryptocurrency trading in Japan are classified as income from other sources, and investors are subject to corresponding taxes (<https://news.bitcoin.com/>). The Japanese government is actively working to enhance regulatory measures, including in the area of taxation.

Recently, they announced new rules aimed at preventing money laundering when sending money through cryptocurrency exchanges. To achieve this, amendments will be made to the Anti-Transfer of Criminal Proceeds Act to enable the collection of customer information (<https://asia.nikkei.com/>).

India maintains an ambivalent stance on cryptocurrency regulation, with no definitive laws either legalizing or penalizing their use. Although a bill to ban private cryptocurrencies exists, it has not yet undergone voting (<https://www.mondaq.com/>). India currently imposes a 30% tax on all cryptocurrency investments and enforces a 1% tax deduction at source (TDS) on cryptocurrency trading (<https://indianexpress.com/>). In summary, India has been hesitant to make a conclusive decision regarding the outright ban or regulation of cryptocurrencies. The current regulatory landscape remains unclear and offers limited guidance to investors. India is actively engaged in developing a digital version of the Indian rupee, likely to be launched during the 2022-2023 fiscal year (<https://www.paymentsjournal.com/>).

Conversely, on June 9, 2021, El Salvador passed a groundbreaking law designating Bitcoin as legal tender, which took effect on September 7, 2021, making El Salvador the world's first nation to formally accept

Bitcoin as legal tender. The primary goal of this initiative is to enhance financial inclusion and streamline faster and more cost-effective transactions within the country (<https://www.pwc.com/>). El Salvador's acceptance of Bitcoin is underpinned by three principal reasons (<https://www.pwc.com/>):

1. Enhancing the efficiency of international remittances: Over 20% of El Salvador's GDP originates from remittances, a substantial part of which relies on cross-border money transfers. Traditional remittance systems often entail high costs and complexities, with fees from the United States to El Salvador ranging from 30-50% of the transfer's value, in addition to the challenges related to physical cash handling.
2. Expanding financial inclusion: Approximately 70% of El Salvador's population lacks access to traditional banking services. Bitcoin technology can offer a broader demographic easier entry to financial services.
3. Reducing dependence on the US dollar: A key objective of El Salvador's legislation is to establish Bitcoin as a neutral store of value for savings, mitigating reliance on the US dollar.

In April 2022, the Parliament of the Central African Republic (CAR) ratified Law No. 22.004, which introduced regulations for the utilization of cryptocurrencies within the country.

This historic move positions CAR as the world's second nation and the first in Africa to designate cryptocurrencies as legal tender. The decision has engendered diverse reactions, with some quarters offering commendation while political opposition, the governors of the Bank of Central African States (BEAC), the World Bank, and the International Monetary Fund (IMF) have expressed criticism. It's essential to underscore that this decision places CAR in a state of disagreement with the Bank of Central African States (BEAC), which serves as a regional central bank for the Central African Economic and Monetary Community (CEMAC).

The Central African Republic is a CEMAC member, and this decision stands in violation of the CEMAC Agreement. The Central African Banking Commission, an oversight entity within BEAC, has formally prohibited the utilization of cryptocurrencies for financial transactions throughout the CEMAC region.

Furthermore, Algeria has enacted a ban on cryptocurrencies, and Egypt has previously deemed Bitcoin transactions as "haram."

However, Egypt has recently passed legislation that establishes specific rules governing the use of financial technology.

Nigeria, in contrast, has prohibited cryptocurrency trading and introduced its digital currency, while South Africa is presently in the process of formulating regulations for the cryptocurrency sector (<https://africlaw.com/>).

## CONCLUSION

Cryptocurrencies represent innovative financial instruments that have developed as a result of technological advances. The development of their market is characterized by exceptional unpredictability and speed of change. Globalization, accelerated technological development and the recent global crisis caused by the COVID-19 pandemic have created a favorable framework for the flourishing of the cryptocurrency market.

After the global financial crisis in 2008, Bitcoin was created as the first cryptocurrency, and later other cryptocurrencies such as Ethereum appeared. Bitcoin dominated the market and had the largest share in the total market capitalization, but during the analyzed period, a decrease in its share was observed in favor of other cryptocurrencies such as Ethereum, Tether, BNB, USD Coin, and others. This diversity of cryptocurrencies indicates the dynamism of the market and the wider range of investment opportunities. All cryptocurrencies have seen an upward trend in prices over time, which has sparked great investor interest and wider acceptance of cryptocurrencies as an alternative form of investment. However, this rapid valuation also carries the risk of creating bubbles and future market declines.

Many countries around the world are implementing regulations for the use of cryptocurrencies, while some countries such as El Salvador and the Central African Republic have even legally recognized cryptocurrencies as a means of payment.

This legal regulation aims to ensure the stability and protection of users, while at the same time supporting innovation and development of the digital economy. Through the analysis of the development of the global cryptocurrency market, the work contributes to a better understanding of the complexity and possibilities of this financial sector.

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- <https://africlaw.com/>

overall market capitalization during the observed period from 2014 to 2023 In the later period, from May 2021, there was a further decline in Bitcoin's share of the total market capitalization, which stood at 45.9% in June 2023. At the same time, the share of Ethereum and other mentioned cryptocurrencies continued to rise. Ethereum's share increased to 19.90%, while other cryptocurrencies also recorded growth. Bitcoin began its journey in June 2011 with an initial price of USD 17.17. The maximum price of Bitcoin was recorded in November 2021 when it reached USD 66,953.34. In February 2016, Ethereum entered the market with a price of USD 6.19. During the analysis period, the price of Ethereum gradually increased, reaching a value of USD 1,457.62 in April 2021. The adoption of cryptocurrencies reflects a global growth trend. According to estimates for the year 2023, the average global cryptocurrency adoption rate is 4.2%, with the number of cryptocurrency users worldwide surpassing 420 million (<https://triple-a.io/>). Data analysis from May 2023 indicates that the highest number of cryptocurrency users was recorded in the United States with 46 million users, followed by India with 27 million, Pakistan with 26 million, Nigeria with 22 million, and Vietnam with 20 million users (<https://triple-a.io/>).



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**SUMMARY**

Cryptocurrencies represent a new form of digital assets that exist solely on the internet. The first cryptocurrency to appear on the global market was Bitcoin, and its emergence is linked to the first financial crisis of 2008. Bitcoin's market capitalization grew rapidly and reached its all-time high in 2017, at USD 334 trillion. Later, there was an expansion of new cryptocurrencies, with over 1500 existing in today's time, such as Ethereum, Tether, BNB, USD Coin, and others. Bitcoin was invented by an individual (or group) known as Satoshi Nakamoto (Pinkerton, 2023). In June 2023, the global market capitalization of cryptocurrencies reached a value of USD 1,053 trillion. However, after the COVID-19 pandemic, the market experienced an expansion, with the market capitalization reaching its maximum value of USD 2,828 trillion in November 2022. Bitcoin made the most significant contribution to the