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BLOCKCHAIN TECHNOLOGY IN UKRAINE

A blockchain is a global database that is shared among the nodes of a computer network. Blockchains are best known for their crucial role in cryptocurrency systems, such as Bitcoin. One key difference between a typical database and a blockchain is how the data is structured. Hence the term “chain” because you’re making a chain of data. Not being able to change the previous blocks is what makes it so secure.

The goal of blockchain is to allow digital information to be recorded and distributed, but not edited. In this way, a blockchain is the foundation for immutable ledgers, or records of transactions that cannot be deleted. This is why blockchains are also known as a distributed ledger technology (DLT).

Bitcoin is a new currency that was created in 2009 by Satoshi Nakamoto. People can buy and sell bitcoin using different currencies. This coin is also called “Digital Gold”, because the currency is backed by gold. You can make transactions via blockchain, which creates a shared public history of transactions organized into “blocks”. The most known companies in Ukraine that specialized in blockchain and bitcoin are Binance, Whitebit and Exmo.

Ukrainians are very open to cryptocurrency, with Ukrainian crypto exchange Kuna reporting that small businesses might be turning around up to $5 million worth of crypto every week. Nowadays cryptocurrency, especially bitcoin, integrates in different spheres in Ukraine, for example cybersport – some tournaments have prize funds in bitcoin.

The reason cryptocurrency is valuable to Ukraine is because it is less influenced by geopolitical or macroeconomic factors. An extra advantage of donating in cryptocurrencies is the speed of the transfers. Bank wires may take up to 24 hours to be validated between two countries. However, cryptocurrency transfers typically take less time.

On March 16, 2022, Volodymyr Zelensky, the President of Ukraine, signed the law “On virtual assets”, so the cryptocurrency became legal. Now Ukraine takes the first place in the world in terms of transactions and the top 5 countries in terms of cryptocurrency market.

Ukraine is just beginning to develop blockchain technology. Despite the risks associated with crypto, Michael Chobanian, the founder of the Ukrainian crypto exchange Kuna, is confident that it will become a core part of the Ukrainian economy.