

Research on the Construction of Digital Currency International Regulatory System

Chun Li

School of Law, Anhui University of Finance and Economics, Bengbu, China

Abstract: The emergence of digital currency adds new components to the global economic system and monetary system. However, as an emerging thing, its own characteristics such as anonymity, de-neutrality and cross-border also bring new and complex regulatory problems to the global economy. It is necessary to establish an effective international regulatory system of digital currency. Through the analysis of the characteristics and risks of digital currency itself, as well as the study of the existing regulatory measures and regulatory system, it is found that the ICO regulation, jurisdictional disputes, cross-border crimes and other issues of digital currency need to be incorporated into the international regulatory system. In order to avoid risks and guide the development of digital currencies, the international regulatory system of digital currencies should be based on the principles of international cooperation, inclusive regulation and information sharing. The state and national organization should be identified as the regulatory body; Form a form of supervision with trading market as the center and trading platform as the link; Increase the anti-money laundering review, tax collection and administration, create dispute resolution mechanism and other regulatory content.

Keywords: Digital currency, International law, International regulation.

1. The introduction

Digital currency is a new means of payment based on the Internet blockchain technology. Due to its characteristics such as de-neutrality, anonymity and transnational, digital currency has developed rapidly in the international market in recent years, attracting more and more investors and traders. As a result, it faces the regulatory problems of the emerging market of digital currency, especially the digital currency derived from the use of digital currency to conduct transnational crime, tax evasion and other behaviors. The social changes caused by the development of digital currency also pose challenges to many existing legal systems. Legal issues such as the regulation of initial coin offerings, the validity of smart contracts, the protection of personal information, and even national security are in urgent need of response from legal theories.[1]

At the G20 Summit in 2018, member states discussed and studied the tax and money laundering issues related to digital currencies, and initially formed the concept of international regulation of digital currencies. In early 2020, the International Monetary Fund listed the development of digital currency as one of its top priorities for 2020. The decentralized nature of digital currencies, which lack the attributes of national sovereignty, makes it difficult for digital currencies to be strictly monitored at the national level. That is, the technical basis of digital currencies may significantly reduce the control of the state and existing regulatory mechanisms, and call for the development of more effective global governance mechanisms. The establishment of an effective international regulatory system for digital currencies is what should be done in this context. However, in the context of the increasingly rapid development of digital currency and the increasingly large market, there has been no progress in matching regulatory measures, the future direction of digital currency regulation, regulation mode to where, which is worth us to ponder.

2. The Necessity of Establishing An International Regulatory System For Digital Currency

2.1. 2.1the Value of Digital Currency

In recent years, with the emergence of various digital currencies, the development of blockchain technology and big data technology, digital currencies have gradually entered the mainstream market, and people have a deeper understanding of the characteristics of digital currencies. Behind the rapid development of digital currency, there is the support of its own value. In order to give full play to the value of digital currency, it is necessary to strengthen the regulation of digital currency and effectively control the digital currency market.

2.1.1. Digital Currencies Can Help Improve the Efficiency of Payments, Especially Cross - Border Payments.

Digital currency makes use of blockchain technology to realize distributed and collaborative accounting among unfamiliar subjects. In particular, a blockchain is a distributed database that maintains a chain of continuously growing lists of data records. A separate set of data on the chain is called a block. Each block contains data, a timestamp, information associated with the previous block, and the corresponding executable code. With the support of blockchain technology, a decentralized, open and transparent transaction ledger can be built, so that digital cryptocurrencies can achieve reliable and trusted bookkeeping without a centralized issuer.

Digital currency based on the above and the decentralized trade characteristic, can make the multinational business, digital currency decentralized trading generated based on the characteristics, make both sides of the multinational trading center, when choosing a digital currency as a means of payment, you can skip the settlement of financial institutions in the middle of the link, can reduce the transaction cost of time and money. On the existing trading

platforms around the world, traders can buy digital currencies with currencies or digital currencies, without cross-border settlement. Therefore, digital currency can be used for convenient and rapid cross-border settlement, thus breaking the restriction of geographical space and the geographical segmentation of the market, and providing a more convenient, more efficient and lower cost cross-border settlement method for cross-border transactions.

2.1.2. Digital Currencies Can Build A New World Monetary System

After the Second World War, the international monetary system went through the gold standard and the gold exchange standard represented by the Bretton Woods system.[2]After the collapse of the Bretton Woods system, the Board of Governors of the International Monetary Fund adopted the Second Amendment to the International Monetary Fund Agreement in April 1976, which came into force on April 1, 1978, thus forming a new international monetary system -- Jamaica system. Due to the strong military and economic strength of the United States, the current international monetary system is actually a dollar-centered international monetary system dominated by the United States, in which the dollar occupies a dominant position. At present, the world monetary system is in an brewing period from "dollar hegemony" to multi-yuan coexistence.[3]The anonymity, de-neutrality and convenience of digital currency in international payment and settlement make it possible for international settlement to get rid of its dependence on the US dollar and break the monopoly of the US dollar.

2.1.3. The Technology of Digital Currency Itself Has Great Prospects For Development

Different from the physical currency assets in reality, the form of digital currency is computer coding, which means that the digital currency itself has the programmable property, this programmability gives digital currency a great possibility of development. For example, people use digital currency as a tool to encode the rights and obligations of commercial contracts in the real world into the digital space, and write into the automatic execution of the program, giving the future digital contracts strong enforcement. People can have more expectations on the programmability of digital currency. In the future, the consideration of all rights and obligations in the society can be written into the code, and the digital currency fund can be used as a tool to realize the automatic execution of various contracts and contracts, which will reconstruct the credit of human society.[4]

2.2. The International Regulatory System Is an Inevitable Demand for The Development of Digital Currency

2.2.1. The Special Risks of Icos Require International Regulation

With the rapid expansion of the Initial Coin Offering (ICO) financing market, its existing problems and risks are also exposed. In practice, ICOs have the following characteristics: first, the ambiguity of national identity, issuers can freely cross-border financing, investors can freely cross-border investment; Second, the information in the ICO process is not transparent to investors and the market. Investors can only get information from the white paper, and the standard and quality of information used in the white paper have no credit guarantee; Third, it is easier to hide hidden illegal fund -

raising purposes, issuers often set traps, ICO as a means of fraud to collect money, investors can not be protected. In April 2018, the world's largest ICO fraud occurred in Vietnam, when the promoter of cryptocurrency company Modern Tech's ICO project lost access to \$660 million. The decentralized nature of digital currencies has broken down national boundaries, and ICO fundraising has moved from highly regulated to unregulated parts of the world. Therefore, the internal regulation of countries without cooperation and contact can not eliminate the global risks of ICO. A strict international regulatory system must be established to effectively prevent the risks of ICO.[5]

2.2.2. Digital Currency Jurisdiction Need to Be Determined By Aninternational Regulatory System

Digital currency without the endorsement of state sovereignty, international liquidity is a distinct characteristic of digital currency, in this case, the digital currency international dispute occurs, establish the jurisdiction is a difficult problem to be solved: first, the digital currency is based on the Internet of sex without borders, virtual, on the question of jurisdiction, will meet the identity and trading location is difficult to determine. At the same time, since digital currency does not have the status of legal tender and cannot be connected with the financial regulatory system of various countries, it is still doubtful whether the regulatory rules of the financial industry can be applied to the digital currency market. Second, the financial regulatory regulations related to digital currency mostly belong to the scope of public law of a country, which makes the issue of international law and conflict law more complicated.

2.2.3. International Regulation the Transborders Of Digital Currencies and The Sovereignty of Financial Regulation Require International Regulation

Increasing along with the global digital currency market openness, digital currency services globalization makes digital currency cross-border trading products and services become the norm, which contributed to the spread of digital currency risk scope of velocity and force, low threshold, network and technology dependent digital currency makes digital currency risk of science and technology to accelerate the spread to the global market.

Financial regulatory sovereignty refers to the right of a country to independently make decisions, manipulate and control its financial activities, which mainly involves monetary sovereignty and financial regulatory sovereignty. First of all, the digital currency market spans different jurisdictions. Due to different national conditions, perceptions of digital currency and regulatory concepts, different countries will adopt different policies on digital currency. Digital currencies are attached to the global Internet and have strong cross-border liquidity. Digital currencies tend to flow from countries with strong regulation to countries with loose regulation. If a country's regulatory policy on digital currency is too loose, it may attract digital currency platforms that are actively looking for regulatory friendliness. If a country imposes cumbersome regulatory processes on digital currencies, it may lead to the transfer of digital currency platforms. Different fintech regulatory regimes may lead to regulatory conflicts and increase difficulties in regulatory coordination. And a unified and coordinated international regulatory network.

3. Evaluation and Analysis of The Existing Regulatory System of Digital Currency

One of the aims of Bitcoin founders is to make transactions untraceable and users anonymous, and to achieve strong privacy protection through the use of unlimited transaction addresses that can be generated at will. [6] Due to the nature of deneutrality and anonymity of virtual currency itself, the risk of virtual currency is also complex, and different from ordinary legal tender, it is necessary to establish a virtual currency regulatory system, the development and risk of virtual currency into the regulatory system, in order to better play the value of the virtual currency, more accurately control the risk. From the global perspective, the mainstream trend of supervision in various countries (regions) is not only to recognize the objectivity of the existence of virtual currency, but also to be highly vigilant against its hidden risks in money laundering, speculation, illegal financial activities and other aspects, and to bring virtual currency and its derived financial business into the existing regulatory framework.

3.1. The Regulatory Practices of Various Countries

3.1.1. Regulatory Practices in the United States

At present, the United States mainly adopts a regulatory model combining state - level legislation and functional supervision of federal regulatory departments. The Securities and Exchange Commission takes the lead and other regulatory agencies follow up. Federal regulators actively

intervened, states actively legislated regulations, and Congress held irregular hearings on major policy issues. At the federal level, regulators from the perspective of financial innovation regulation digital currency and its derivatives, for example, the Treasury's financial crimes enforcement network (FinCEN) defines the currency as "transformation of the virtual currency", ordered the "delivery business" of the currency to accept "bank security law" regulation, the virtual currency into the existing legal regulation; The US Securities and Exchange Commission (SEC) classifies digital currencies as securities and requires ICO companies to be registered on stock exchanges. In the regulation of virtual currencies at the state level, the identification and policy of virtual currencies vary greatly from state to state. For example, New York uses a license plate system to regulate digital currency practitioners, and Arizona and Georgia allow residents to use cryptocurrency to pay taxes and fees.

3.1.2. Regulatory Practices in China

China has long had a strict regulatory attitude towards digital currencies. In 2013, the People's Bank of China issued a "Notice on Preventing risks of Bitcoin," which labeled Bitcoin as a virtual good rather than a currency and did not allow its circulation in the currency market. In 2017, the central bank issued a Notice on Preventing the Financing Risks of Coin Issuance, which defined ICOs as illegal financial activities and shut down digital currency trading platforms nationwide. In June 2021, China shut down "mining activities" against Bitcoin. The Chinese government's regulatory policies on digital currencies have limited legal space for digital currencies in the country.

countries	positioning	issue	Relevant policy
The United States	Non-legal digital currency	allow	Implement a registration system for ICOs
China	Virtual goods	ban	Do not recognize the legitimacy of virtual currencies, and virtual currencies are identified as virtual goods, do not allow the payment and settlement services about virtual currencies.
Japan	Legal means of payment	allow	Legislation will clarify the legal positioning of virtual currencies and implement a registration system for exchanges
Britain	Non-legal digital currency	allow	The government has not incorporated regulation of virtual currencies into existing financial laws
Germany	Legal means of payment	allow	Include the virtual currency system in the financial regulatory system on financial instruments

Source: Compiled by the author

3.2. International Regulatory Practices

3.2.1. Regulation Against Money Laundering

The regulation of money laundering risk is an important part of the international regulation of digital currency. With the development of digital currency and the increase of money laundering by using digital currency, the Financial Action Task Force (FATF) has noticed the money laundering risk of digital currency and issued corresponding documents: The FATF has issued the following documents: "Virtual Currency Risk as a Guide to this Methodology", "Risk-Based Virtual Assets and Virtual Asset Service Provider Methodology Guide", "Financial Action Task Force Recommendations". These documents analyze the money

laundering risks of digital currencies, improve the regulatory rules, and provide certain regulatory standards for countries and international organizations. And put forward the following regulatory recommendations: first, countries should take the risk of digital currency service providers to set up a qualification examination and approval or registration system; Second, determine the responsibilities of the relevant regulatory authorities, will be related to the digital currency trading platform, and digital currency split, transfer business related institutions are included in the scope of supervision; Third, ensure that virtual asset service providers implement the recommendations of the Financial Action Task Force to impose criminal, civil or administrative penalties if they fail to comply with relevant requirements, and that regulators

engage in extensive international cooperation to exchange information with their foreign counterparts. [7] At the G20 Summit in 2018, G20 member states decided to implement the standards set by the Financial Action Task Force on the regulation of digital currencies. In 2019, the UN Security Council held a meeting and adopted UN Security Council Resolution 2462, highlighting the important role of the Financial Action Task Force in setting standards on money laundering with digital currencies.

3.2.2. Regulation of Tax Revenue

At present, there is no unified and determined international standard on whether the transaction income of digital currency at the international level should be taxed. However, some international organizations have begun to cooperate and discuss the issue of digital currency tax at the international level. The Organization for Economic Cooperation and Development believes that the basic rules of the current international tax system will gradually fail to adapt to the economy in the digital currency era. At the 2018 G20 Summit, the OECD called on countries to reach an agreement on the taxation of digital currencies, and worked with the G20 on the "Tax Challenges Brought by Digitalization", which pointed out that the regulation of digital currencies and the transactions of digital assets formed by blockchain technology should be strengthened. On 3 July 2018, the United States Internal Revenue Service Criminal Investigation Division, HM Revenue & Customs, the Australian Criminal Intelligence Commission and the Australian Taxation Office, the Canada Revenue Agency and the Netherlands Tax Inspectorate established the Joint Global Tax Enforcement Agency (J5). [8] J5 is committed to combating digital currency-related financial crime through cooperation and intelligence sharing, and to reducing the threat posed to tax authorities by financial crime, including digital currencies.

3.2.3. Monitoring Financial Risks

In May 2019, the Financial Stability Board's (FSB) work on crypto assets focused on two main areas: monitoring risks to financial stability and drawing up a list of crypto asset regulators. The International Group of Securities Commissions (IOSCO) has also set up a joint working group to closely monitor innovations in digital currencies and their impact on financial markets.

The Basel Committee (BCBS) has also highlighted the high level of risk associated with digital currencies and is pursuing a number of policy and oversight initiatives related to crypto assets to improve financial stability and indirectly regulate digital currencies through the banking financial institutions it regulates. Its initiatives fall into the following categories: first, setting regulatory targets for banks engaged in digital currency activities; Second, to monitor developments related to digital currencies, including direct and indirect risks regarding digital currencies in banks; Third, prudent handling of the risks of crypto assets in banks. [9]

3.3. The Insufficiency of International Regulation

3.3.1. The Concept of Regulation Has Not Been Changed Regarding Virtual Currencies

Virtual currency is a combination of emerging technology and traditional finance. It has the nature of money, but it is not equivalent to legal tender. It cannot be directly regulated in the category of currency, so it can be regulated with the traditional

financial supervision concept of monetary supervision. Different from ordinary legal tender, virtual currency has anonymity and de-neutrality. Traditional financial supervision methods and concepts can not effectively supervise virtual currency. In the face of emerging virtual currency technology, regulation will lag or even fail.

3.3.2. Regulatory Standards Have Not Been Unified.

At present, digital currencies are defined as virtual goods, currencies, legal digital currencies and so on. They are regulated from the aspects of asset transaction, payment, taxation, ICO, anti-money laundering, anti-terrorist financing, consumer protection, financial stability and so on. Different countries have different regulatory standards and different regulatory effects, and virtual currencies operate on the Internet, which makes virtual currencies have strong transnational liquidity. Different regulations in different countries will make the risks of global virtual currencies concentrated in a few countries, once the risk outbreak, there will be heavy losses.

4. The Construction of An International Regulatory System for Digital Currency

The construction of the international regulatory system of digital currency is an international system formed on the basis of exchanges and interactions between actors with sovereign states as the basic unit, aiming at effective regulation of the global digital currency market. In order to design the international system of digital currency, it is necessary to establish the principles of international regulation, clarify the subject of regulation, establish the form of regulation, improve the content of regulation and then build a powerful international regulation system.

4.1. International Regulatory Principles Should Be Established

4.1.1. Principles of International Cooperation

The principle of international cooperation is a basic principle of international law, which means that the subjects of international law have the obligation to promote the unification, coordination and mutual support of policies, laws and actions through peaceful means such as consultation and dialogue. For the supervision of virtual currency, the principle of international cooperation refers to the combination and unification of national jurisdiction and national sovereignty transfer theory in financial supervision and cooperation, so as to seek common development and universal prosperity.

The trend of the globalization of the digital economy is increasing rapidly. At the same time, the national and regional character of the digital currency is gradually weakening, while the risk of the digital currency is spreading in the global financial market. The transnational nature of digital currency increases the uncertainty and infectivity of its risks, which makes the interests of common prosperity and common loss of digital currency formed between countries. Globally traded digital currencies are regulated by different jurisdictions, which poses a real challenge to cooperation between countries. The contradiction between the globalization of digital currency and the nationalization of national regulation is becoming more acute. Countries must adhere to the principle of international cooperation and establish a closely connected

regulatory network.

4.1.2. Principles of Inclusive Regulation

Compared with traditional currencies, digital currencies are highly progressive and developable. In today's world of economic malaise, digital economy has become an important engine driving global economic development. The international regulatory system of digital currency should provide an economic environment for inclusive growth of digital economy. As an emerging and important part of the world economy, digital currency should be accurately and strictly regulated to avoid abnormal development, and it should also be guided to avoid excessive regulation under the principle of inclusiveness. It is necessary to find a balance between risk defense and incentive of digital currency. The principle of inclusiveness requires a dialectical perspective and way to view and conduct cooperation on international regulation of digital currency: it is necessary to pursue the balance between supporting the innovation and development of digital currency and regulation, and it is also necessary to pursue the unity of the security and efficiency of the economic behavior of digital currency itself. From the perspective of the relationship between economy and law, economy needs the guarantee and constraint of law. The law should restrict the economic behavior in the market through its own norms. At the same time, it should change according to the development of new environment and new technology in the market. When the market is weak, it should encourage innovation. The law should also defend against risks when they increase as a result of rapid market development.

4.1.3. Sharing Principle of User Information and Qualification Review

The anonymity and decentralization of digital currencies make it difficult for digital currencies to be accurately regulated in the global market with information barriers. Sharing the user information held by various countries can be used to regulate international crimes such as money laundering and terrorism from a global perspective, and it is also more effective to track the subject of criminal violations and their criminal paths. With the support of blockchain technology, digital currency can upload information to trading platforms or national databases in real time. Under the guidance of the sharing principle of user information and qualification examination, countries can timely upload risks and issue warnings to the international regulatory system. In addition, privacy policies should also be introduced in response to this sharing principle.

The construction of the international regulation system of digital currency is based on the exchanges and interactions between actors with sovereign states as the basic unit. The international system aims at effective regulation of the global digital currency market. In order to design the international system of digital currency, it is necessary to clarify the subject of regulation, determine the form of regulation, and improve the content of regulation, so as to build a powerful international regulatory system.

4.2. Two Types of Regulatory Entities

Although digital currencies are not sovereign currencies and have strong cross-border liquidity, the role of the state as a regulatory body is still irreplaceable by other actors. In domestic supervision, it is necessary to strengthen the linkage and cooperation between banks, securities and law enforcement departments of various countries, clarify the

responsibilities of each department, establish digital currency user identity authentication, platform audit and other systems, and minimize risks as much as possible. At the same time, countries can carry out treaty-type and active cooperation on digital currencies. Treaty-based cooperation means that two or more countries reach a consensus and form a bilateral or multilateral treaty. Active cooperation means that when regulatory problems arise, countries take active actions and cooperate to solve them.

The regulation of digital currency also requires international organizations to provide platforms and mechanisms for countries, as well as to provide guidance and formulate standards and measures for countries. The Financial Action Task Force is a specialized international organization in the field of anti-money laundering and anti-terrorist financing.

As an important organization for the review and supervision of international anti-money laundering, it provides guidelines for the international crime of money laundering using digital currencies, and also coordinates the jurisdictional issues among countries. Other economic organizations, such as G20, Organization for Economic Cooperation, Barser Commission, Financial Stability Board, have also played a role in the international regulation of digital currencies. But now growing digital currency market, the regulatory risk is becoming more and more diversified complicated, national or international organization, negotiation, making the treaty may be able to set one for digital currency regulation of international organizations, specializing in digital currency, records and supervise the research of digital currency in the global market, And play a role in providing regulation for the regulation of digital currency in countries and the world.

4.3. Establish Scientific and Effective forms of Regulation

The regulation form of digital currency trading market (secondary market) should be taken as the core of regulation, and trading platform as the link and breakthrough of regulation. In the above mentioned international regulatory subject and digital trading platform to establish a close connection, the use of trading platform, through means and technology, to achieve the control of digital currency trading data, to establish a global digital currency database [10] Restrictions on access to and use of digital currencies' databases will both inform regulation and provide clues in the fight against crime, without reducing the important anonymity of digital currencies and impeding their development. International organizations and institutions can be responsible for the supervision and control of the trading platforms, make the trading platforms assume the responsibility of recording and mastering the transaction data, urge the trading platforms to effectively and legally connect the database with the regulatory authorities of various countries, and facilitate the regulatory authorities of various countries to effectively regulate the digital currency market at home. And timely safeguard the interests of all countries before the use of digital currency crimes.

4.4. Improving Regulatory Content

4.4.1. Anti-money Laundering Review and Supervision

The concealment of digital currencies and the swiftness of transactions make cross-border money laundering more

rampant. Compared with traditional underground banks, it integrates blockchain technology to anchor the price of digital currency as a money laundering channel, which has stronger concealment and greater social harm. [11] The characteristics of de-neutrality and anonymity of digital currency also increase the difficulty of anti-money laundering supervision. Decentralization makes the area of money laundering crime wider and the jurisdiction more difficult to establish. Anonymization makes anti-money laundering crimes more difficult to be detected, which increases the difficulty of identifying criminals. Documents issued by the Financial Action Task Force (FATF), a group made up of member states, have no legal force but have strong international recognition. The FATF recommends that countries incorporate the digital currency regulatory standards issued by them into their domestic regulation, define digital currency as capital, income or other assets based on risk, and review the platforms providing digital currency services to make them accept the recommendations and standards of FATF.

The regulation of anti-money laundering crimes requires that there should be no regulatory depression in the international regulatory system of digital currency. Otherwise, it is easy for criminals to rent servers, build websites and provide services to establish an anti-money laundering network in a country with blank regulation of digital currency, which is of great disadvantage to anti-money laundering regulation. In order to solve the problems of international judicial enforcement, jurisdiction establishment, extradition and so on, countries must carry out extensive and effective cooperation; Strengthen domestic legislation and provide more legal support to international organizations; And strengthen cooperation with the International Criminal Police Organization to promote investigative technology. International organizations should also pay attention to various countries and regions to avoid the occurrence of supervision depression.

4.4.2. Tax Collection and Supervision

Tax revenue plays a pillar role in national governance. In the huge digital currency market, how to standardize and develop in the development of regulation, tax revenue cannot be absent. [12] Digital currency anonymity, convenient payment and other characteristics make digital currency transactions become a major disaster area for tax evasion. Countries should sign agreements or incorporate digital currency tax regulation into the existing tax regulation system, and crack down on tax evasion related to digital currency by taking heed of recommendations and agreements from international organizations.

Tax regulation of digital currency should include tax scope, management mode and tax objects. The tax scope includes: the income from "mining" and the income from digital currency investment. The tax object should be the trading platform of digital currency, because every transaction of digital currency takes place on each trading platform, so that the trading platform can withhold information, such as the amount and time of each transaction, so as to facilitate tax collection. The management mode shall include: first, information sharing among domestic departments, which can form a complete and closed information chain; Second, cloud invoices and cloud accounts should be constructed, invoices should be issued without time limit, and invoice records should be stored in time, so that tax authorities can fully

understand the business and financial information of enterprises, and prevent the problem of false invoice tax evasion and creation of false accounts; Third, we should optimize the tax collection and administration process, record and store transaction information and invoice information in real time in the form of blocks, form a database, realize information traceability, solve the problem of inconsistent declaration and payment time, and facilitate the discovery of transfer pricing behavior. [13]

4.4.3. Establish A Dispute Resolution Mechanism

In the international context, traditional jurisdiction rules are based on regional jurisdiction. However, the Internet is non-regional, and digital currencies based on the Internet are completely decentralized. This leads to the situation that multiple countries may claim jurisdiction in one lawsuit, or no country may claim jurisdiction, or two judgments in one case, or the judgment is not enforceable. This makes it necessary to establish a mechanism for resolving disputes.

International commercial arbitration refers to a way to resolve disputes by submitting the dispute to the arbitration institution stipulated in the arbitration agreement through the arbitration agreement concluded by the parties themselves (or although the arbitration agreement has not been concluded but both parties agree to settle the dispute by arbitration). Due to the advantages of flexibility, convenience and execution of international commercial arbitration, many parties prefer this method. However, due to the novelty and technology of digital currency, a new specially established arbitration body should be set up, or the existing body should be improved to the extent that it can solve digital currency disputes, and the corresponding arbitrator standards and other details should be determined at the time of establishment. At the same time, arbitration rules should be jointly formulated by all countries to ensure that the interests of all parties are fairly protected. However, the establishment of arbitration methods is bound to encounter many difficulties, such as a small number of arbitrators with both legal and technical knowledge. [14] In addition, it is difficult to balance the interests of various countries and the lack of unified international rules and standards, which are also urgent problems to be solved in solving international disputes over digital currency.

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