Digital contracts, the spread of digital currency, advantages, innovation and problems stemming from them

Andrea Gjoka

Abstract

This article aims to provide an overview of the creation, development and evolution that banking and the banking system is going through these days. It addresses the concept of digital contracts, their creation and their approach to various banks and banking systems. Afterwards, the article focuses on digital banking and digital activity of today's banks, the application of digital contracts, their content, and digital and online content. This article considers the establishment and development of various digital currencies, and recently, the launch of a new digital currency from Facebook. Looking at the currency expected to be launched by Facebook, various studies show that such currency is increasingly taking ground in the area of economic transactions, replacing thus successfully the traditional currency.

Keywords: digital contracts, digital banking, digital coins, Facebook, Libra.

Introduction

A digital contract otherwise known as “e-contract’ is an agreement created and "signed" in electronic form, without the use of any physical material (physical contract).

The “e-contract is any kind of a contract created during the electronic trading through the interaction of two or more individuals using electronic means, such as e-mail, the interaction of the individual with an online agent, as well as a computer program, or the interaction of at least two of the electronic agents, which are programmed to recognize the existence of a contract.[1] The Uniform Computer Transactions Information Act provides rules regarding formation, governance and basic conditions of a digital contract. The Computer Information Transactions Act (UCITA) is a proposed state contract law developed to regulate transactions in computer information products such as computer software, internet database, software or e-books access contracts.[2] Its goal is to unify and provide rules that apply to information technology transactions that the Uniform Trade code makes for the sale of goods.

UCITA puts the information age industry on a level with goods retailers by codifying legal rules applicable to contracts for their products. UCITA has been extremely controversial and has been rejected by a number of consumer groups and by the General Lawyer of many states. Critics view the act as anti-consumer and pro-business, claiming its protections mostly protect the software industry. In response to the criticism, NCCUSL amended UCITA 38 times, incorporating more protection

[1] E-Contract Law and Legal Definition (). Retrieved from https://definitions.uslegal.com/e/e-contract/

[2] Uniform Computer Information Transactions Act Law and Legal Definition. Retrieved from https://definitions. uslegal.com/ u/uniform-computer-information-transactions-act/

for consumers in order to enable the public criticism on the performance of computer information, making it clear that a buyer shall be given the opportunity to review the terms and conditions of the agreement for the terms and conditions to be applicable. "E-contract", may be in the form of a "click to aggree" contract, which is sent to users to inform them about its terms and terms, the user then clicks the "I Agree" button, meaning he or she agrees with the content of the contract.
Internet acquisition is also included in one of the forms of "E-contract". In that case, the buyer does not sign anything, the simple fact of him paying means the contract is signed.
Other means to make sure an agreement is signed include:

- A tool to capture digital fingerprints;
- Electronic registrationof your signature with hardware;

Requirements of the "E-signature" contract
Under ESIGN, UETA and most state laws, individuals and businesses must take specific measures to make contracts and their signature valid and applicable.[3]
1. Getting the consent from the Signator. Signatories must give their consent for an electronic contract to be used. In most cases, signatories can demonstrate their consent by agreeing to an e-mail or simply by signing an e-mail contract. However, in some cases the law may seek a clear agreement to conduct business electronically.
2. Filling in information by the signatory, what their signature means. The signatories must receive a clear indicator that they agree to sign the terms of a document when they sign. It must be clear that they are not signing to show they have simply accepted or reviewed the document.
3. Signatories are given the opportunity to choose. The laws for electronic signature make a contract invalid in many situations, but some consumers and businesses still may want to use paper. Most of the laws on the signing of e-signatures require that anyone who wants to use paper be allowed to choose the use of e-contracts.
4. Withdrawal of the signatories consent. The signatories are informed they can withdraw their consent to use electronic or e-contracts any time. They also need an explanation for the procedure to attract consent.
5. Keeping copies of documents. The side of contract creation is supposed to retain electronic copies or paper of signed documents and either provide copies for the other side or allow the side to know how to get copies.

Digital banking

Banks' digital activity

Digital banking is part of the wider context for the online banking activity, where bank services are offered via the internet. The shift from traditional banks to digital banks has been gradual and continues to be constant, and is comprised of different degrees of digitalisation of the banking service.[4] The service includes high levels of

[3] O'Connell, Ann. (2019). Electronic Signatures and Online Contracts. Retrieved from https://www.nolo.com/legal-encyclopedia/electronic-signatures-online-contracts-29495.html
4 Caicedo, Diego. (2019 April 5). Neo Banks, Beta banks, new banks and nonbanks are all types of digital

automation of web-based processes and services, and may include API[5] that enable the composition of the institutional service to provide bank products and provide transactions. It provides the ability for users to access financial data through desk-top services, mobile and ATM.

Bank digital activity includes services like:

1. Money deposits, withdrawals and transfers;
2. Check / Store Account Management;
3. Application for financial products;
4. Loan Management;
5. Bill Pay;
6. Account services;

Digital banking is the application of technology for any activity, process and banking programme, making client experience simple, light and adequate and in the process of eliminating the need to be in a physical place:

- Technology use in banking activities, though in a very narrow field.
- Digital banking includes automating every step of bank relations-front and backend processes and everything between.
- Digital banks rely heavily on large, analytical data and use of artificial intelligence to improve client experience beyond "credit and debit""
- Online banking includes building a bank relationship that started from a physical location. The digital banking relationship usually begins and stands entirely on the internet (usually on a smartphone application) without the need to visit any physical locations.[6]

The difference between online banking and digital banking

For the most part, these two words are synonymous.[7]

- Internet banks focus mainly on remote deposits, money transfers, paying bills and basic management of online accounts. Other synonymous for internet banking services include internet banks, virtual banks and e-banking.
- So, internet banks focus on digitalising "essential" aspects of banking, but digital banks include digitalisation of any programme and activity undertaken by financial institutions and their clients.

Internet banks: in addition to online services these types of banks enable and provide traditional physical services that a bank conducts. Consumers can access their account information, make transfers and also create automatic payments. All banks offer internet banking opportunities and through network applications, customers can access their account through their mobile phones.[8]

banking. Retrieved from https://www.business.com/articles/types-digital-banks/

[5] Application Programming Interface (). Retrieved from https://www.openbanking.org.uk/about-us/glossary/

[6] Azodo, Nnamdi. (2017, July 18). Digital vs Mobile Banking: The Differences. Retrieved from https://www.linkedin.com/pulse/digital-vs-mobile-banking-differences-nnamdi-azodo

[7] Krishnan, Vijay. (2019 October 8). What is the difference between digital banking and online banking? Retrieved from https://www.quora.com/What-is-the-difference-between-digital-banking-and-online-banking

[8] Online Banking. (2017, November 2). What is Online Banking. Retrieved from https://bankingserviceonline.blogspot.com/2017/11/online-banking_2.html

Digital banks: digital banks are characterised by not having a physical branch, any transaction conducted through these banks becomes online. A client can't control their controls, because there are no physical branches. Several internet bank companies also have ATM branches, for example: DBS digibank.

Digital coins, their impact on the banking system

What are digital currencies?

Digital coins (digital money, electronic money or electronic currency) is a kind of available currency in a digital form (contrary to physical ones, like bills and coins). It features property similar to physical coins, but can allow immediate transactions and transfer of border-free property. They can include virtual coins and money issued by the central bank, which account for a computer database (including basic digital money). Like traditional money, these coins can be used to buy goods and physical services, but can also be limited to certain communities, as it has faced online games.[9]
The digital currency is a balance of money registered electronically in a card of stored values or other equipment. Another form of electronic money is Network money, allowing the transfer of value to computer networks, especially on the internet. Money slots is also a requirement for a private bank or other financial institution, such as bank deposits.
Digital money can either be centralized, where there is a central control point on the money bid, or decentralized, where control on the money bid can come from various sources.[10]

Electronic coins, future trend

Since 2001, the European Union has implemented e-Money Directive, "for monitoring, careful pursuit of the business of electronic money institutions", changed for the last time in 2009.[11] There have been doubts about the real nature of EU electronic money, as they were called on the EU Payment Services Directive for 2007 in favour of the Union of payment institutions and electronic money institutions. Such a union could mean that electronic money has the same nature as bank money or money of sacred writing.
In the United States, electronic money is led by Article 4A of the Uniform Trade code for wholesale transactions and the Transfer Act of electronic funds for consumer transactions.[12] Supply responsibility and consumer responsibility are regulated according to E rule.

[9] Thanos, S. (2018, October 8). Digital Currencies are impacting video games with new, exiting possibilities. Retrieved from https://www.offgamers.com/blog/digital-currencies-are-impacting-video-games-with-new-exciting-possibilities/

[10] Al-Lahman, Mohamad and Al-Tarawneh Haroon. (2009). Development of Electronic Money and Its Impact on the Central Bank Role and Monetary Policy [PDF file]. Retrieved from http://iisit.org/Vol6/IISITv6p339-349Al-Laham589.pdf

[11] Official Journal of the European Union. (2009, October 10). *DIRECTIVE 2009/110/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 September 2009*. Retrieved from https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32009L0110

[12] Federal Deposit Insurance Corporation. (2009, November 27). Electronic Fund Transfer Act [PDF file]. Retrieved from https://www.fdic.gov/news/news/financial/2009/fil09066.pdf

Approval of electronic coins by various governments

Since 2016, over 24 states are investing in book distribution technologies (DLT) with $ 1.4 billion investments.
Over 90 central banks are committed to the DLT discussions, including launching an electronic currency from a bank.[13]
In March 2018, the Marshall Islands became the first country to issue their cryptocure and prove it as a legal tender; the currency is called "sovereign".[14]
Canada
The Bank of Canada has reviewed the possibility of creating a version of its currency in blockchain.[15]
The Bank of Canada joined the country's five largest banks - and the consulting firm blockchain R3 for what was known as the Jasper project. In 2016, the central bank issued CAD coins.[16] The banks used these coins for the exchange of money in their way at the end of every day to resolve their main accounts.[17]

China
The vice governor of China, Fan Yifei, wrote that "conditions are ripe for digital currencies, which could lower operational costs, increase efficiency and enable a wide range of new applications". According to him, the best way to take advantage of the situation is for central banks to take the lead, both in monitoring digital private currencies and in developing the digital legal tender.

Germany
The central German bank is testing a functional prototype for the write-off of stuck technology's worth of cards and the transfer of numerical currency denominated by the centre.[18]

The Netherlands
The Dutch central bank is experimenting with a bitcoin-based virtual currency called "DNBCoin".

[13] Mani, Shampa. (2016, September 9). BoE explores implications of blockchain and central bank-issued digital currency. Retrieved from http://www.econotimes.com/BoE-explores-implications-of-blockchain-and-central-bank-issued-digital-currency-277718
[14] Chaves-Dreyfuss, Gertrude. (2018, February 28). Marshall Islands to issue own sovereign cryptocurrency. Retrieved from https://www.reuters.com/article/us-crypto-currencies-marshall-islands/marshall-islands-to-issue-own-sovereign-cryptocurrency-idUSKCN1GC2UD
[15] Teague, Solomon. (2016, October 20). Celent calls on central banks to issue their own digital currencies. Retrieved from https://www.euromoney.com/article/b12kpwlr3gtmbb/celent-calls-on-central-banks-to-issue-their-own-digital-currencies
[16] Popper, Nathaniel. (2016, October 11). Central Banks Consider Bitcoin's Technology, if Not Bitcoin. Retrieved from https://www.nytimes.com/2016/10/12/business/dealbook/central-banks-consider-bitcoins-technology-if-not-bitcoin.html
[17] Yifei, Fan. (2016, September 1). On Digital Currencies, Central Banks Should Lead. Retrieved from https://www.bloomberg.com/opinion/articles/2016-09-01/on-digital-currencies-central-banks-should-lead
[18] Parker, Luke. (2016, December 1). German Central Bank testing blockchain technology. Retrieved from https://bravenewcoin.com/insights/german-central-bank-testing-blockchain-technology

India
The interface of Unified Payments (UPI) is a real-time payment system developed by India's National Payment Corporation, facilitating interbank transactions. Its regulation is made through India's Reserve Bank and operates immediately transferring funds between two bank accounts on a mobile platform. UPI is built on the Immediate Payment Service (IMPS) for the transfer of funds.
Being a digital payment system is available 24/7 and during public holidays. UPI pulls and deposits funds directly from the bank account whenever a transaction is required. It uses the virtual payment address (a unique bank-provided ID), the account number with the IFS code, the MMID mobile number (mobile phone ID), the aadhear number or a virtual use ID once. A UPI-PIN (Personal Identification Number UPI creating in the bank'S UPI application) is required to confirm any payment.

Russia
Russia's Sberbank owns Yandex. Money-e-payment service and digital currency under the same name.[19]

South Korea plans national digital currency using a Blockchain.[20]
South Korean Financial Services Commission (FSC) chairman Yim Jong-yong announced that his department would "set the systematic basis for the spread of the digital currency". South Korea has already announced it plans to cut coins by 2020.

Switzerland
In 2016, a first city government accepted the digital currency in the city's tax payment. Zug, Switzerland, added bitcoin as a means to pay small sums, up to 200 SFr. In a test and an attempt to advance Zug as a region that is advancing future technologies. In order to reduce the risk, Zug immediately converts the bitcoins to Swiss currency.[21]

UK.
The leading economist of the Bank of England, the United Kingdom central bank, proposed removing the paper currency. The bank has shown great interest in bitcoin.[22] In 2016, it has launched research to explore the implications of a digital currency released by a central bank. Among the results, the Bank of England has come to some conclusions, where one of them suggests that the economic benefits of pulling out of a digital currency could add more than 3% to a country's economic output. The bank said it wants the next version of the bank's basic software infrastructure to be in line

[19] Degeler, Andrii. (2012 December 19). Yandex sells 75% of its online payment service to Russia's largest bank Sberbank for $60 million. Retrieved from https://thenextweb.com/insider/2012/12/19/yandex-sells-its-electronic-payment-system-to-russias-largest-bank-sberbank/
[20] Parker, Luke. (2016, October 25). South Korea plans national digital currency using Blockchain. Retrieved from https://bravenewcoin.com/insights/south-korea-plans-national-digital-currency-using-a-blockchain.
[21] Uhlig/jse, Christian. (2016, July 1). Alpine 'Crypto Valley' pays with Bitcoins. Retrieved from https://archive.is/20160920160330/http:/www.dw.com/en/alpine-crypto-valley-pays-with-bitcoins/a-19371082
[22] *Szu Ping Chan. (2016, September 13).* Inside the Bank of England's vaults: Can cash survive? Retrieved from https://www.telegraph.co.uk/business/2016/09/11/inside-the-bank-of-englands-vaults-can-cash-survive/

with the accounts books.

Digital currency type

Digital coins are payment methods for the future. Coins are changing business, money and the world. Since some governments accept the digital currency as a payment approach, we think it is important for you to know some of these digital currencies and how they work. Lower we will list 10 kinds of coins, as well as the functioning of each of them:

1.) Bitcoin

Bitcoin is a digital currency created by Satoshi Nakamoto, but that his real name remains unclear. Bitcoin can be used to buy items at the local and electronic level. As a new user, you can use the Bitcoin without understanding all of its technical details. Once you install a Bitcoin portfolio on your cell phone or on your computer, it will generate the first address Bitcoin and you can generate more whenever you need it. After the bitcoins creation, you can use them for all kinds of real transactions.

2.) The Eter

Ethereum is a decentralised platform of Informatics containing the functionality of smart contract. It offers Virtual Machine Machine machine Ethereum (EVM), a decentralised virtual machine that executes peer-to-peer contracts using a cryptocurency known as Ether. The Ethereum platform allows multiple uses in connection with smart contracts.

3.) Ripple

Ripple is a real-time currency exchange, the remitance network and the repayment system. Riple offers immediate, set payments, at low international costs. Also known as the Riple protocol or the Riple Transaction Protocol (RTXP), is built on an openly decentralised internet protocol and local currency referred to as the XRP (Ripley). The basis around the public book, Riple uses a consensus process for all exchanges, remittances and payments in the distributed process.

4.) Litcoin

Litecoin is a peer-to-peer cryptocalence issued under the MIT / X11 license. The currency is inspired by and technically almost identical to bitcoin. The formation and transfer of Litecino is based on an open source protocol.

5.) Peercoin

Also well-known as PPCoin, Peercoin was created by software developers Scott Nadal and Sunny King. Launched in 2012, it was the first digital currency to use a combination of Labour tests and stock evidence.

6.) Dash

Dash, officially called Darkcoin is a more secret form of Bitcoin. Its characteristic is the discretion it offers, as it operates on a mastercode distribution network that makes relations nearly uncontrollable. This coin was created and developed by Evan Duffield.

7.) Dogecoin

Launched in 2013, Dogecoin is based mainly on the Bitcoin protocol, but with some modifications. The currency uses decryption technology as a test-e-Work scheme. Blocking time is 60 seconds. There are no limits to the number of Dogecoin that can be

produced. The digital currency deals with many coins that are smaller individually. Therefore, she has a low access barrier and good for conducting smaller transactions.

8.) The Primecoin

Primecoin was developed by Sunny King. Its test of work is built on the prime minister's numbers, and for that reason, unlike the joint hashcash system used by many kryptocurencies built on the Bitcoin framework. The currency includes finding long distinguished chains of key numbers and provides greater mining relief and network security.

9.) Chinacoin

Chinacoin is a digital litectoin-based currency using the function of melting password-based words. At the moment, it is generated in the 60-second blocks with about 88 coins per block.

10.) Ven

Ven is a global digital currency designed to allow trade among members of Hub Culture. Launched in 2007, the country aims to reduce the risk of inflation. The Ven value is defined in financial markets by a cargo basket, currency and carbon future

FinTech's influence on the future of banking

We are undergoing one of the most important transformations in financial history - the FinTech revolution. FinTech, shortly used for financial technology, is innovative use of technology in drafting and providing financial services, which is turning finance through a wide range of uses and technology, from artificial intelligence and the deadlock to digital payments and robbers. The cause of the FinTech revolution.[23] After the technology evolved, the financial services industry was relatively quick to adopt innovations to better serve customers. But all that changed during the 2008 global financial crisis. During the crisis, banks were focused on implementing numerous new regulations, regulatory requirements and fines imposed on them. Innovation was a far-off priority. During that period, innovative technological series changed the game and influenced the transformation of the way we live and became part of our daily - iPhone, Airbnb, Uber, Watsp, and WeChat - for example. This created a large gap in what banks were able to offer compared to what they had expected their clients - especially when it comes to user comfort and experience. And this was the gap the FinTech Revolution decided to choose. The gap was so big that non-traditional banking players, like major technology firms, decided to jump in and seize the opportunity. For example, Facebook now has almost 50 regulatory licenses in the US alone and finally got his financial services license from the Central Bank of Ireland. These licenses allow Facebook users to transfer money to each other using the envoy's application. Alibaba's financial arm, Ant Financial-launched in 2013 a money market fund called Yu E Bao, which has now become the world's largest money market fund of over $ 160 billion under management assets, shifting tasks that have dominated for decades. How are the banks reacting? Banks worry about these large technological firms, as not only do they have many existing contact points with

[23] Kagan, Julia, (2019, June 25). Financial Technology- Fintech. Retrieved from https://www.investopedia.com/terms/f/fintech.asp

clients like yourself every day, but also have some confidence and trust. What concerns banks as well, is that thousands of young and dynamic Beginners of FinTech now offer products that were once dominated by traditional financial actors. For example, colleagues ' credit platforms now offer customers an alternative for loans you used for the first time by a bank. Advocacy platforms Robo provide solutions for the management of assets that are not only more transparent in what they charge you, but also in essence cheaper.[24] Banks are realizing that the landscape is changing and to survive and are taking steps to evolve. Some banks will succeed in this evolution by being able to include this culture of innovation and entrepreneurship throughout their organisation. Citibank predicts that over the next 10 years, 30% of bank jobs will disappear. Some experts put that number up to 50%. It means not only those direct losses of 30-50% of work, but also indirect ones, as they will harm the economy related to the financial services industry, by lawyer firms and accounting firms, in hotels and restaurants.[25] New jobs will be enabled through FinTechs, but in a substantially smaller number. And these are very different jobs with very different skills groups of what are required by bankers today; mainly these new jobs are for programmers and data scientists, still increasing the importance of the age of technology.

Facebook (Libra)

The Libra mission is to re-launch money and transform the global economy so that people everywhere can have a better living.Books could materially reduce payment costs, particularly cross-border transactions.

Just a couple of months ago, Augustin Carstens, general manager of the Bank for Settlements International (BIS), also known as the central bank for central banks, said that his organization didn't see any value in the potential of the currency digital to be issued by the central banks.

The proposed Facebook digital currency, books, will be supported by fiat's money and designed to preserve a stable value. This, and the global extension of Facebook, could help win the retreat. Facebook is not the only big technology company that makes an explosion in financial services. In the new annual report, BIS also cites Alibaba, Amazon, Google and tent. The report warns that "great technologists have the potential to dominate" in this area thanks to the effects of the network.[26] *Unexplored territory*: Carstens has warned that central bank digital currencies will have a "huge impact" on the financial system, starting with the fact that it can force central banks to serve retail customers.

Traditionally, central banks hold accounts only for commercial banks. The possible implications of such a change to the stability of the world financial system are not fully clear, and Carstens has questioned the value of central banks '

[24] Marous, Jim, (2019, October 7). The Top 7 Digital Transformation Trends in Banking. *The Financial Brand*. Retrieved from https://thefinancialbrand.com/88856/banking-transformation-digital-ai-trends/

[25] Ancri, Clement, (2016, October 19). *Fintech Innovation: An Overview* [PDF file]. Retrieved from 1pubdocs. worldbank.org/en/767751477065124612/11-Fintech.pdf

[26] Orcutt, Mike. (2019 July 1). Facebook's digital currency may force central banks to create their own. Retrieved from https://www.technologyreview.com/f/613909/Facebooks-digital-currency-may-force-central-banks-to-create-their-own/

orientation in this unexplored territory.

The birth of a new phenomenon?

At the G20 meeting in Japan last weekend, national leaders were handed a letter by The Financial Stability Board (FSB), which contained a very clear message. Among the main issues FSB Chairman Randall Charles stressed in his letter was the exploitation of financial benefits resourcing from technology.

Specifically, the issue referred to the use of "crypto-assets" for the purposes of retailment and said their broader use would require a close review to ensure they are subject to high adjustment standards.

Early last month, Facebook, backed by 27 corporate partners, launched the project to create a new digital currency, seeking global support of its 2.4 billion users, so that this currency can be realised with fewer difficulties.[27] Facebook envisions the launch of the new digital currency in the first half of next year, the reaction of regulatory parties and politicians has been quite critical.

The idea of an unregulated global payment system owned and running a number of profitable companies led by the issuance of its currency on Facebook is, at least, disturbing.

If Facebook can create currency, books, as a global exchange medium, however, its potential to break down and avoid not only banking systems, but central banks and their governments, would represent something much more threatening.

The bank for international agreements last weekend stressed that “Krypton issued by major technology companies could rapidly create a dominant position in global finances and pose a threat to competition and stability”.[28] Unlike other cryptocures, which have no internal value and therefore are unstable, the books would be supported by a basket of cards of value in a series of coins. While individuals buy books, the Facebook consortium will gain an amount of worth of Cards compatibility, overturning that process when Libras is being repaid. The value of Libra would be relatively stable, even though they would be supported by the activities expressed at a small number of currencies, they could be significantly fluctuated in terms of individual currencies.

Facebook is presenting Libra as an unregulated payment system or "shadow" that would be more efficient and timely than the fragmented spectrum of existing payment platforms.[29] Those platforms are fragmented and less efficient than they may be, because they are regulated at the national state level, and their main participants are intensely

[27] Partigton, Richard and Belam, Martin. (2019 July). Facebook plans to launch ‘GlobalCoin’ cryptocurrency in 2020. Retrieved from https://www.theguardian.com/technology/2019/may/24/Facebook-plans-to-launch-globalcoin-cryptocurrency-in-2020

[28] Khatri, Yogita. (2019 June 24). Bank for International Settlements warns: Facebook’s Libra crypto project could pose risks to banks. Retrieved from https://www.theblockcrypto.com/tiny/bank-for-international-settlements-warns-Facebooks-libra-crypto-project-could-pose-risks-to-banks/

[29] Hackett, Robert. (2019 June 18). *"Facebook Cryptocurrency: Calibra's Privacy Implications". Fortune magazine. Retrieved 2019 June 19. People who use Calibra will have to trust Facebook's internal firewalls and security measures, of course. And there's a lot of data here that hackers and snoops might like to access. In order to abide by standard "know-your-customer" and "anti-money laundering" laws, Calibra will have to verify people's identities through a thorough process, collecting government-issued IDs and other personal details and documentation. It will be incumbent upon Calibra to keep this data confidential and secure.*

regulated financial institutions, with careful demands and other costly imports such as compliance with money laundering, consumer protection and privacy laws.
Libra will materially minimise payment friction costs, particularly cross-border transactions, if expensive layers of adjustment can avoid.
Given that the revenue on assets that will support the issuance of the book, unlike interest in bank deposits, ultimately flows on Facebook and its partners that regulatory arbitrage - arbitrage between regulations and no regulations, or even a little more profitable - can.
It is also not a great extension to predict that at a moment in the future, if the books become a known exchange medium, the books may decide to offer more financial services, and in particular could decide to offer loans . This would lead to the creation of its central bank and the ability to create loans that would be devastating, not only to banks, but to central banks and governments.

Conclusions

The first electronic coins from a cause-to-effect perspective are a drive for the banking itself, they are indirectly "forcing" banks to adapt as soon as this trend. So that banks do not lose territory to these coins they have created their digital coins, so that they can control the flow of income.
Currently, the FinTech industry is continuing to transform the way of providing financial services, and consumers in general will be excellent beneficiaries not only from user experience or the prospect of comfort, but also one of the savings of entry and cost. But there are many other benefits; one of them is financial involvement. Currently, there are more than 2 billion people around the world who are completely displaced. They have no access to a bank account or they have no way to lend money to college and these are individuals who the only way to save money is to collect it under their mattress. She experiences a poor cycle. The good news is, for the first time in history, we can give them access to financial services. And this is just the beginning. Welcome to the FinTech revolution.

Libra
The book is a recent project, though ambitious, comprehensive and worldwide, as dangerous as creating a dominant position in the world economy. Worldwide Facebook users would give "power" to this currency to govern all online services.
The book is a direct threat to the entire banking system and banks overall, so there have been attitudes against it, where it has indicated that through its Facebook users. More than 4 billion people worldwide are underbanked. And while most live in developing countries, 25 per cent of Americans also fall into that category. That makes people leave increasingly by the need to have a credit card, for example, and by financial opportunities to increase their capital and transact into wider markets. Libra has the potential to bring together a whole generation of people into a more official financial system that, in the longer term, can help them build their loan and go up the socio-economic ladder. The same can be said about bitcoin; however, massive fluctuations in prices are unsustainable for those with little or without available

income. For people who need to make sure their rent money is there Tuesday, bitcoin is not an applicable option now. And with rampa limited to the Bitcoin ecosystem, especially in developing countries, it is not a practical solution if your landlord does not accept BitCo directly. With a pre-existing Facebook community of over 2.38 billion active monthly users, your owner will be one of them.

A common criticism of cryptocurrency coins from the International Development Community is that you need stable internet to use bitcoin and that the cost of using bitcoin in terms of telephone data, and miners ' fees exceeds any benefit from currency use. That's where Facebook has a special advantage. For many people around the world, Facebook is the only way they can access the internet and then into any digital financial system.

On the other hand, Facebook is not exactly known for his ethical operations. As an example, we can get access to personal data of persons, in Cambridge Analytica, which was used for manipulating the US presidential elections. Facebook is also charged with manipulations with the Africa elections and has even been implicated in the Rohingya genocide in Myanmar. Not exactly a great record. Imagine what will come from Facebook not only tracking and selling personal data, but tracking and selling access to your financial transactions as well. According to Barclays, Facebook is projected to provide an additional $ 19B by 2021, as a result of the currency. Historically, they have chosen not to compensate any of their users for the profits they have realized from their data, unlike other social platforms, and there is no indication that adopting books will change it. However, most importantly, Facebook is creating an auxiliary point for government supervision. For those who respond to "if you do nothing illegal, then you should not worry", give your head a nod and put yourself in the shoes of one of the billions of people living under authoritarian governments. Facebook is creating an assistant for the government's supervision.

In Book Marketing, Facebook is actively using phrases as "built in blockades" and "decentralized". Facebook is uploading carefully selected network partners $ 10m to operate a node, they control who records transactions and can easily manipulate them to promote network changes that are not useful to the community. They claim that because these partners have a strong reputation, they will not act against the benefit of the system. Zuckerberg lost the memorandum that some of the world's most famous banks are responsible for clearing over $ 2 trillion annually. This is not how a truly decentralized system seems.

Prepare for Banking Transformation

The biggest financial institutions really have an advantage when it comes to digital transformation. But, the scale advantage is not as important as most bank leaders believe. First of all, banking organisations of all sizes will have to recognise - and operate more - all trends of higher transformation ... and more. While the scale helps, it is not an insurmountable advantage at a time that most digital technologies are available to organisations of all sizes.

Also, there is evidence that smaller organisations can use the advantage of readiness and cultural change required to support digital transformation. The challenge of training current workers and management for a digital future may also be easier in a

smaller organisation.

Organisations of all sizes should become more aware of the challenges in the future. Most importantly, they must implement and act on strategies that will undermine the mind of heritage and bank heritage as we have known it. The consumer is demanding it, competition is already securing it, and each organisation's financial results depend on it.

The future of traditional banking is likely to fade away in the next 20 years, given the enormous technology development, however, banks will exist to keep the system stable, and simply their traditional functions through branches will come and decrease by focusing more on services that can provide online customers.

References

Al-Lahman, Mohamad and Al-Tarawneh Haroon. (2009). Development of Electronic Money and Its Impact on the Central Bank Role and Monetary Policy [PDF file]. Retrieved from http://iisit.org/Vol6/IISITv6p339-349Al-Laham589.pdf

Ancri, Clement, (2016, October 19). *Fintech Innovation: An Overview* [PDF file]. Retrieved from 1pubdocs.worldbank.org/en/767751477065124612/11-Fintech.pdf

Application Programming Interface. Retrieved from https://www.openbanking.org.uk/about-us/glossary/

Azodo, Nnamdi. (2017, July 18). Digital vs Mobile Banking: The Differences. Retrieved from https://www.linkedin.com/pulse/digital-vs-mobile-banking-differences-nnamdi-azodo

Caicedo, Diego. (2019, April 5). Neo Banks, Beta banks, new banks and nonbanks are all types of digital banking. Retrieved from https://www.business.com/articles/types-digital-banks/

Chaves-Dreyfuss, Gertrude. (2018, February 28). Marshall Islands to issue own sovereign cryptocurrency. Retrieved from https://www.reuters.com/article/us-crypto-currencies-marshall-islands/marshall-islands-to-issue-own-sovereign-cryptocurrency-idUSKCN1GC2UD

Degeler, Andrii. (2012, December 19). Yandex sells 75% of its online payment service to Russia's largest bank Sberbank for $60 million. Retrieved from https://thenextweb.com/insider/2012/12/19/yandex-sells-its-electronic-payment-system-to-russias-largest-bank-sberbank/

E-Contract Law and Legal Definition. E-Contract Law and Legal Definiton. Retrieved from https://definitions.uslegal.com/e/e-contract/

Federal Deposit Insurance Corporation. (2009, November 27). Electronic Fund Transfer Act [PDF file]. Retrieved from https://www.fdic.gov/news/news/financial/2009/fil09066.pdf

Hackett, Robert. (2019, June 18). *"Facebook Cryptocurrency: Calibra's Privacy Implications". Fortune magazine. Retrieved 2019 June 19. People who use Calibra will have to trust Facebook's internal firewalls and security measures, of course. And there's a lot of data here that hackers and snoops might like to access. In order to abide by standard "know-your-customer" and "anti-money laundering" laws, Calibra will have to verify people's identities through a thorough process, collecting government-issued IDs and other personal details and documentation. It will be incumbent upon Calibra to keep this data confidential and secure.*

Kagan, Julia, (2019, June 25). Financial Technology- Fintech. Retrieved from https://www.investopedia.com/terms/f/fintech.asp

Khatri, Yogita. (2019, June 24). Bank for International Settlements warns: Facebook's Libra crypto project could pose risks to banks. Retrieved from https://www.theblockcrypto.com/tiny/bank-for-international-settlements-warns-Facebooks-libra-crypto-project-could-pose-

risks-to-banks/
Krishnan, Vijay. (2019, October 8). What is the difference between digital banking and online banking? Retrieved from https://www.quora.com/What-is-the-difference-between-digital-banking-and-online-banking
Mani, Shampa. (2016, September 9). BoE explores implications of blockchain and central bank-issued digital currency. Retrieved from http://www.econotimes.com/BoE-explores-implications-of-blockchain-and-central-bank-issued-digital-currency-277718
Marous, Jim, (2019, October 7). The Top 7 Digital Transformation Trends in Banking. *The Financial Brand*. Retrieved from https://thefinancialbrand.com/88856/banking-transformation-digital-ai-trends/
O'Connell, Ann. (2019). Electronic Signatures and Online Contracts. Retrieved from https://www.nolo.com/legal-encyclopedia/electronic-signatures-online-contracts-29495.html
Official Journal of the European Union. (2009, October 10). *DIRECTIVE 2009/110/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 September 2009.* Retrieved from https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32009L0110
Online Banking. (2017, November 2). What is Online Banking. Retrieved from https://bankingserviceonline.blogspot.com/2017/11/online-banking_2.html
Orcutt, Mike. (2019, July 1). Facebook's digital currency may force central banks to create their own. Retrieved from https://www.technologyreview.com/f/613909/Facebooks-digital-currency-may-force-central-banks-to-create-their-own/
Parker, Luke. (2016, December 1). German Central Bank testing blockchain technology. Retrieved from https://bravenewcoin.com/insights/german-central-bank-testing-blockchain-technology
Parker, Luke. (2016, October 25). South Korea plans national digital currency using Blockchain. Retrieved from https://bravenewcoin.com/insights/south-korea-plans-national-digital-currency-using-a-blockchain
Partigton, Richard and Belam, Martin. (2019, July). Facebook plans to launch 'GlobalCoin' cryptocurrency in 2020. Retrieved from https://www.theguardian.com/technology/2019/may/24/Facebook-plans-to-launch-globalcoin-cryptocurrency-in-2020
Popper, Nathaniel. (2016, October 11). Central Banks Consider Bitcoin's Technology, if Not Bitcoin. Retrieved from https://www.nytimes.com/2016/10/12/business/dealbook/central-banks-consider-bitcoins-technology-if-not-bitcoin.html
Szu Ping Chan. (2016, September 13). Inside the Bank of England's vaults: Can cash survive? Retrieved from https://www.telegraph.co.uk/business/2016/09/11/inside-the-bank-of-englands-vaults-can-cash-survive/
Teague, Solomon. (2016, October 20). Celent calls on central banks to issue their own digital currencies. Retrieved from https://www.euromoney.com/article/b12kpwlr3gtmbb/celent-calls-on-central-banks-to-issue-their-own-digital-currencies
Thanos. (2018, October 8). Digital Currencies are impacting video games with new, exiting possibilities. Retrieved from https://www.offgamers.com/blog/digital-currencies-are-impacting-video-games-with-new-exciting-possibilities/
Uhlig/jse, Christian. (2016, July 1). Alpine 'Crypto Valley' pays with Bitcoins. Retrieved from https://archive.is/20160920160330/http:/www.dw.com/en/alpine-crypto-valley-pays-with-bitcoins/a-19371082
Uniform Computer Information Transactions Act Law and Legal Definition. Retrieved from https://definitions.uslegal.com/u/uniform-computer-information-transactions-act/
Yifei, Fan. (2016, September 1). On Digital Currencies, Central Banks Should Lead. Retrieved from https://www.bloomberg.com/opinion/articles/2016-09-01/on-digital-currencies-central-banks-should-lead