



EDITORIAL

Dear Readers,

I am glad to greet you in the pages of the international, peer-reviewed Digital Law Journal. The mission of the Journal is to provide a platform to exchange and discuss information around various research aspects and best practices concerned with the legalization of digital technologies. Another fundamental goal is to elucidate the peculiarities of these technologies and their implementation prospects within a legal and regulatory framework.

At present, attempts to use digital technologies in socioeconomic and production processes pose two major problems. The first is updating the existing legal provisions; the second relates to the transformation of the legal system in order to address the digital challenges of our time.

Several countries have already begun to shape their approaches to the legalization of digital assets, although their attitudes to the issue are rather contradictory. The comparatively recent incorporation of digital technologies into the legal sphere, alongside their novelty and originality, is combined with a lack of legal control of such relations in many jurisdictions.

It is important to note that Russia is ranked second among the world's cryptocurrency traders¹. Figures for January 2020 show that, according to the approval rating of cryptocurrencies as an investment vehicle, Russia is one of the top 5 countries². In the most popular P2P bitcoin marketplace, LocalBitcoins.com, Russia is also leading in the trading volume³. However, based on BloomChain research⁴, Russia ranks 40th among 63 players in the FinTech market, and falls behind other countries as far as the factors of 'legal and regulatory framework', 'technologies', and being 'future ready' are concerned. Consequently, Russia is one of the most promising economies, whilst at the same time is behind many 'digital' jurisdictions in doctrine and regulation. It is my firm belief that the Digital Law Journal can facilitate the legalization of digital technologies on both the national and international levels. This quarterly aims to become an environment for research, expert analysis, and education, regarding the evolution and establishment of digital law and digital economy.

Lawmaking in the field of digital economy in our country is developing rapidly. The category of 'digital rights' in Russian law is legalized by Federal Act № 34-FZ⁵; the biometric identification act⁶ and the crowdfunding act⁷ are also applied, whilst the legislation of digital financial assets is pending⁸. Additionally,

¹ Forklog. (2018, December 5). Issledovaniye: Rossiya zanyala vtoroye mesto v mire po kolichestvu kriptovalyutnykh trejderov [Research: Russia ranked second in the world in the number of cryptocurrency traders]. <https://forklog.com/issledovanie-rossiya-zanyala-vtoroe-mesto-v-mire-po-kolichestvu-kriptovalyutnyh-trejderov/>

² Zyl, A. (2020, March 18). Luchshiy birzhi kriptovalyut v 2020 godu [The best cryptocurrency exchanges in 2020]. *Cryptonisation*. <https://cryptonisation.ru/obzor-birzh-kriptovaljut-2018/>

³ MyCrypter. (2020). Rossiya lideruyet po ob'yemu trgov na LocalBitcoins [Russia leads in trading volume on LocalBitcoins]. <https://mycrypter.com/rossiya-lidiruyet-po-obyemu-torgov-na-localbitcoins/>

⁴ Solodkov, A. (2018, December 29). Rossijskij fintekh v 2018 godu: issledovaniye Bloomchain [Russian Fintech in 2018: Bloomchain research]. *Bloomchain*. <https://bloomchain.ru/detailed/rossijskij-finteh-v-2018-godu-issledovanie-bloomchain>

⁵ Federal Law 34-FZ, dated 18 Mar. 2019, 'On introducing amendments to Parts 1, 2 and Article 1124 of Part 3 of the Russian Civil Code'

⁶ Federal Law 482-FZ, dated 31 Dec. 2017, 'On introducing amendments to certain legislative acts of the Russian Federation'

⁷ Federal Law 259-FZ, dated 2 Aug. 2019, 'On raising capital using investment platforms and on introducing amendments to certain legislative acts of the Russian Federation'

⁸ Law project No 419059-7 'On Digital Financial Assets'.

the national programme 'Digital Economy of the Russian Federation' is already in force⁹, and the Bank of Russia is implementing the proposals outlined in the policy paper 'Basic Directions of Financial Technologies Development for the period 2018-2020'¹⁰.

The Bank of Russia has launched some FinTech projects: a regulatory sandbox, a financial service marketplace, a coin marketplace for banks, a faster payment system, remote identification and biometrics in banks. The FinTech Association implements the projects of digital KYC, electronic letters of credit, and digital mortgages¹¹. The FinTech, RegTech/SupTech, and GovTech markets in Russia are developing with the aid of dynamic start-ups; they are given infrastructure support by the FinTech Association, the Russian Association of Cryptoindustry and Blockchain (RACIB), the Skolkovo Foundation, and others.

Russia is one of the leaders in implementing the digital agenda of the Eurasian Economic Union. In this regard, the Eurasian Economic Commission (EEC) and the Eurasian Development Bank (EDB) released a joint report on cryptocurrency and blockchain issues¹². The Russian Federation is also actively involved in the discussion of digital problems associated with the economic security of the Eurasian region.

In the field of the legal regulation of digital economy, a singular school of thought is just beginning to evolve. Nevertheless, there are centres for digital economy competencies in the Russian academic environment. It is worth mentioning such bodies as the Centre for Digital Economy and Financial Innovation at MGIMO University run by the Russian Ministry of Foreign Affairs; the Digital Economics Centre of the National Research University's Higher School of Economics; the Centre for Training Chief Digital Transformation Officers at the Russian Presidential Academy of National Economy and Public Administration; the National Centre for Digital Economy at Lomonosov Moscow State University; the Russian School of Private Law; the Blockchain Academy Inc.; and others.

Market players also have expert groups (think tanks) which play a key role in creating this Russian school of thought; these include the Competence Centre for Normative Regulation in the Digital Economy at the Skolkovo Foundation; Vnesheconombank's Centre for Blockchain Competencies and Digitalization; the Robo-law Research Center for Problems of Robotics and Artificial Intelligence Regulation; the Russian E-money Association; the National Council of Financial Market; and others. The best practices of management consulting companies (for instance, Baker, McKenzie, Deloitte, Dentons, PWC) make a significant contribution to the legal element of the digital competence framework.

I am confident that the Digital Law Journal will facilitate the growth of a remarkable intellectual tradition in the field of legal support of digital economy development. To achieve this aim, the Journal is consolidating the efforts of the abovementioned actors and leading centres abroad (the American Chamber of Digital Commerce, the American Bar Association, the Cambridge Centre for Alternative Finance, the American Global Legal Research Center).

I would like to express sincere gratitude to the members of the Editorial Board for joining our international research project.

Maxim I. Inozemtsev

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Moscow, Russia, March 2020*

⁹ The passport of the national project 'Digital Economy of The Russian Federation' (approved by the Presidium of the Presidential Council for Strategic Development and National Projects, Minutes No 7, dated 4 Jun. 2019).

URL: http://www.consultant.ru/document/cons_doc_LAW_328854/

¹⁰ Bank of Russia. (2018). Osnovnyye napravleniya razvitiya finansovykh tekhnologiy na period 2018 – 2020 godov [The main directions of development of financial technologies for the period 2018 – 2020]. http://www.cbr.ru/Content/Document/File/85540/ON_FinTex_2017.pdf

¹¹ Assotsiatsiya Fintekh [Fintech Association]. <https://www.fintechru.org/>

¹² Eurasian Economic Commission. (2019). Kriptovalyuty i blokcheyn kak atributy novoy ekonomiki. Razrabotka regulatorynykh podkhodov: mezhdunarodnyy opyt, praktika gosudarstv – chlenov YEAES, perspektivy dlya primeneniya v Yevraziyskom ekonomicheskoy soyuze [Cryptocurrencies and blockchain as attributes of the new economy. Development of regulatory approaches: international experience, practice of the EAEU member states, prospects for application in the Eurasian Economic Union]. http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_makroec_pol/SiteAssets/Доклад_FINAL.pdf