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## **DIGITAL CURRENCIES AND FOREIGN EXCHANGE RISK: CHALLENGES AND OPPORTUNITIES**

### **Abstract:**

In recent years, the foreign exchange fluctuations have increased significantly, especially after the Brexit announcement, the US presidential election and the financial and economic crises followed by a slow economic recovery in most of the developed countries. Moreover, the development of the information and communication technologies has contributed for the implementation of sophisticated decisions on the foreign exchange market and the instant spread of information used for the purposes of the fundamental and technical analyses. As a result, the transactions made electronically have risen dramatically and the so called crypto currencies appeared on the market and their number rises constantly.

The purpose of the paper is to review the foreign exchange regulations for all the digital currencies including the crypto ones and to analyze the opportunities for the monetary policies of the central banks under the present foreign exchange fluctuation and risk.

### **Keywords:**

digital currencies, crypto currencies, monetary policy, foreign exchange risk, foreign exchange regulations

**JEL Classification:** F31, F33, E52