

The Development and Innovation of Digital Finance

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ABSTRACT. *With the continuous development of computer technology, innovation in the field of finance has also made new breakthroughs. On the basis of the deep integration and symbiosis of the two, a more intelligent digital finance has emerged. Starting from the necessity and importance of the development of digital finance, this paper analyzes the opportunities and challenges faced by its development and innovation, and puts forward the path choice of future development and innovation.*

KEYWORDS: *Digital finance; Opportunity; Challenge; Development; Innovation*

1. Introduction

Introduction: In recent years, the technology of Internet, big data, cloud computing, artificial intelligence and blockchain is deeply integrated with the financial field, and the digital finance emerges as the times require. Since its birth, digital finance has impacted the traditional financial field and changed the pattern of financial field with its advantages of information, intelligence and convenience.

2. The Necessity and Importance of the Development of Digital Finance

With the rapid development of information technology, in the field of finance, the integration of technological change and finance is faster and faster. Relying on Internet technology, big data technology, cloud computing technology and artificial intelligence technology, it promotes the development of digital finance to a large extent, and constantly optimizes the overall effectiveness and quality of financial development.

2.1 The Background and Necessity of the Development of Digital Finance

In the new normal of rapid economic development, it is of great practical significance and necessity to actively develop digital finance. Digital finance comes into being and develops under the background of the deep integration of information technology and finance. A series of data facts prove that 2010 is the first year of the development of digital finance. In the process of rapid development of Internet technology and information technology, the development of digital finance is faster and faster, and the development of digital finance is more and more extensive. The emergence and development of digital finance, to a large extent, promote the reform and development of the financial field. At the same time, practice has proved that it is very necessary to vigorously promote the development of digital finance. On the one hand, the development of digital finance is generated and developed in the process of financial digitalization. It can promote the reform of financial field to a large extent, and at the same time, it can provide diversified financial tools for the development of social economy to fully meet people's financial needs. On the other hand, the development of digital finance, in line with the requirements of the development of the information age, is an upgrade of traditional fields in the information age. Relying on diversified information technology, intelligent technology and so on, they are promoting the development of digital finance to a large extent.

2.2 The Development Importance of Digital Finance

Digital finance is based on the integration of traditional finance and science and technology. It is an upgrade and change in the field of traditional finance. The development of digital finance has a very prominent role. On the one hand, the rapid development of digital finance can effectively make up for the shortcomings of the development of traditional finance, but also can directly promote the reform of traditional finance. At this stage, although the development speed of digital finance is relatively fast, it is undeniable that traditional finance still

occupies the mainstream position. Actively developing digital finance can promote the traditional financial field to change its perspective, and actively use information technology to achieve its own change and progress. At the same time, actively promoting the development of digital finance can also greatly promote the development and improvement of the financial industry in the direction of medium facilitation and digitalization. On the other hand, with the rapid and all-round development of social economy, we can actively promote the development of digital finance and realize the full and scientific use of financial data. In the process of rapid development of financial industry, a large number of information data will be generated. Traditional finance may lack of recognition and attention to these data, nor attempt to use these key data information in the process of development decision-making and management. However, with the rapid development of digital finance, we can grasp the importance of these information data as a whole, at the same time, we can realize the full and accurate utilization of these key data, and then grasp the development and change direction of digital finance, so as to provide the necessary information data support for the optimization of digital financial work. It can be seen that the development of digital finance can release the potential of data and provide people with more diversified needs and financial services.

3. Opportunities and Challenges for the Development and Innovation of Digital Finance

A large number of facts show that 2010 is the first year for the development of digital finance in China. Compared with traditional finance, digital finance is the product of simultaneous interpreting of the former and information technology. At the same time, it is also the digitalization and intelligence of traditional finance. However, the development of digital finance is still in the primary stage. Although it has strong development advantages and potential, there are also more fierce challenges and competition. Therefore, in the process of actively promoting the development of digital finance, we should fully grasp the opportunities of digital finance development and innovation, make clear the challenges it may face, and then provide necessary support and services for the optimal development of digital finance.

3.1 Opportunities for Development and Innovation of Digital Finance

Relying on information technology and relatively loose policy environment, digital finance has developed rapidly at the beginning. Today, with the rapid development of social economy, digital finance is facing a broad development opportunity in the process of development and innovation. First, in the process of rapid development, digital finance can fully enjoy the policy dividend. As a new thing, as a new force in the traditional financial field, in the process of the development of digital finance, the government has created a good development space, and also issued the corresponding support and incentive policies. In recent years, China has constantly adopted various policies to encourage and support the development of digital finance. The government has repeatedly advocated financial institutions to fully tap the value of emerging digital technologies such as big data, cloud computing, blockchain, etc., give full play to the greatest advantage of Internet financial service platform, and strive to provide customers with diversified financial services such as capital, financing, payment, etc. In the relatively loose policy environment, digital finance has developed rapidly in the initial stage. Second, the rapid development of Internet technology provides a solid platform and carrier for digital finance. At this stage, we have officially entered the era of "Internet plus", and mobile Internet technology has also been developing rapidly. Relying on these technical carriers, digital finance can have the carrier to survive in the process of rapid development. Especially with the continuous development of smart phone technology, the user group of smart phone is expanding, and digital finance has a wide range of potential customers in the development process. Third, diversified and personalized Internet Finance fully meets people's diversified needs. In the development process of digital finance, relying on diversified and personalized Internet finance, it can fully meet the needs of people's clothing, food, housing, travel and other aspects. For example, relying on digital finance, people can realize convenient payment without using cash, or people can achieve personalized transfer, financial management and so on. Because the advantages of digital finance are very obvious, its development potential is very huge.

3.2 Challenges Faced by the Development and Innovation of Digital Finance

With the rapid development of social economy, digital finance has a wide range of development opportunities in the process of rapid development. At the same time, it also faces more severe challenges. First, there is a lack of a unified credit investigation platform, and supervision efforts need to be strengthened. In the process of rapid development of digital finance, although it can fully meet people's diversified needs, due to the lack of regulatory system, it is easy to bring direct threats to people's property security, information security, etc. At

present, there is no unified credit information platform in China, and there are still gaps in supervision and gray areas. Second, publicity and promotion efforts need to be strengthened. After all, digital finance is a new thing, in the process of utilization, risk and convenience coexist. In addition, some people in rural areas and remote mountainous areas are not well educated, vulnerable to the influence and imprisonment of traditional concepts, and then lack of awareness and trust in digital finance, which greatly affect the development of digital finance. Third, in the development of digital finance, information technology as a key carrier needs to be further strengthened and improved. With the development of cloud computing and blockchain technology, the development process of digital finance is also accelerating. However, the integration potential of digital finance and these emerging technologies needs to be further explored, and the dividend of information technology itself needs to be further strengthened and enhanced.

4. The Path Choice of Digital Finance Development and Innovation

With the rapid development of information technology, the deep integration of information technology and financial field has greatly promoted the development of digital finance. In the new normal of economy, people's demand for financial services is increasingly diversified, and people's cognitive literacy for information technology is also constantly improving, which are conducive to the development of digital finance. However, it is undeniable that in the development of digital finance, there are still great difficulties and deficiencies. In order to promote the development of digital finance as a whole, we should apply the innovative development path scientifically.

4.1 Adhere to the Principle of the Unity of “Shared Benefits” and “Accurate”

In the development process of digital finance, we should actively tap the development potential from the traditional finance and learn from the development experience. Traditional finance may pay more attention to the fairness and rationality of both parties in the development process, but in the process of promoting the rapid development of digital finance, we should fully adhere to and practice the principle of “shared benefits”, so as to better radiate a wide range of user groups. On the one hand, in the development practice of digital finance, we should fully adhere to the principle of “shared benefits”. Relying on the modern data platform, we can accurately grasp the shortcomings and defects of traditional financial services, and constantly improve the overall level and quality of financial services. Properly reduce the threshold and restrictions of financial services to ensure that financial services can benefit a wider range of user groups. On the other hand, in the development process of digital finance, we should also fully adhere to the principle of “accuracy”. Digital finance is mainly developed on the basis of information technology. When users use digital financial services, they often leave use records. Therefore, in order to improve the service effectiveness of digital finance, we should actively rely on big data technology to “picture” users, fully integrate their personalized service demands and requirements, and provide them with accurate and efficient services.

4.2 Scientific Construction of Legal System Conducive to the Development of Digital Finance

In the development process of digital finance, in order to make up the blank of legal supervision effectively, standardize the development of digital finance, and actively guarantee the information security and property security of users, we should pay full attention to the construction and improvement of legal system. On the one hand, in the process of promoting the development of digital finance as a whole, we should actively improve and update the existing legal system in combination with the defects. The introduction of standardized documents related to the innovation and development of digital finance can guarantee the orderly and healthy development of digital finance from the legal level. Increase the cost of illegal activities in the field of digital finance to regulate the credit behavior of relevant users. On the other hand, in the development process of digital finance, we should actively adopt big data technology to make legislative decisions, and actively introduce relevant legal system to adapt to the development of digital finance.

4.3 Comprehensively Strengthen the Supervision System of Digital Finance

In the process of the development of digital finance, to ensure the healthy and orderly development of digital finance is inseparable from a scientific regulatory system. Only by constructing a scientific regulatory system can we effectively prevent regulatory loopholes and close regulatory gaps in time. On the one hand, in the process of supervision of digital finance, we should start from the threshold access mechanism, and constantly

regulate the access behavior, so as to ensure that the enterprises developing digital finance can consciously abide by the legal system and industry norms, and constantly optimize their own behavior. On the other hand, in the process of improving the supervision system of digital finance, we should also improve the risk disclosure, timely publicize the enterprises and behaviors with risks, so as to ensure that people can effectively identify when using digital finance. Of course, in the process of supervision of digital finance, we should also innovate the way of supervision. Actively adopt a proactive regulatory approach. Relying on the dynamic supervision mode, we will continue to improve the overall effectiveness of the supervision work. In addition, in the process of supervision of digital finance, we should also strengthen the supervision of transnational financial business.

5. Conclusion

Digital finance is the embodiment of deep integration of financial field and information technology. In the process of all-round and rapid development of digital finance, we should give full play to the importance of digital finance, and clarify the opportunities and challenges in the development of digital finance. Take actions such as implementing scientific and comprehensive development and optimization measures, grasping scientific principles, improving the construction of laws and regulations system, and striving to improve the regulatory system to comprehensively promote the healthy and orderly development of digital finance.

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