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Research on the regulatory policy of accounting and financial industry in the era of digital economy

Jiayue Zhou

Northwest Normal University, Lanzhou, Gansu, 730070

ABSTRACT
With the rapid development of digital economy, the accounting and financial industry is facing unprecedented changes. The application of new technologies, such as blockchain, artificial intelligence and big data, is reshaping the operation mode and regulatory environment of the accounting and financial industry. This paper aims to explore the regulatory policies of the accounting and financial industry in the era of digital economy, analyze the shortcomings of the existing policies, and put forward corresponding suggestions for improvement, so as to promote the healthy and stable development of the industry.

KEYWORDS
Digital economy; Accounting and finance industry; Regulatory policies; technological innovation

The rise of digital economy has brought new opportunities and challenges to the accounting and financial industry. On the one hand, the application of new technologies improves the efficiency of the industry, reduces costs, and enhances the personalization and accuracy of services; On the other hand, it also challenges the traditional regulatory framework, such as data security, privacy protection, anti money laundering and other issues. Therefore, it is of great practical significance to study the regulatory policies of accounting and financial industry in the era of digital economy.

1 The impact of digital economy on accounting and finance industry

Under the tide of digital economy, the accounting and financial industry is undergoing profound changes, which are mainly reflected in three aspects: business model innovation, data-driven decision-making and personalized service.

In terms of business model innovation, the application of blockchain technology and smart contracts has reshaped the traditional financial transaction mode. The popularity of digital payment methods has reduced communication and united the dependence of bank branches, simplifying payment processes and enhancing transaction security. The decentralized and tamper proof characteristics of blockchain not only improve the transparency and reliability of transactions but also reduce the risk of fraud; Smart contracts can automatically implement contract terms, improve efficiency and reduce human errors. For example, the insurance industry can achieve rapid claims settlement, and the supply chain finance sector can improve the efficiency of capital turnover.

In terms of data-driven decision-making, big data analysis technology enables financial institutions to mine valuable information from massive data, better understand customer needs and carry out precise market positioning. By analyzing multi-source data, build a comprehensive customer portrait, optimize product design, and provide more accurate and competitive financial products. For example, banks can identify high-value customers and provide personalized services through credit card consumption data analysis. At the same time, big data analysis also improves the ability of risk management, and builds a risk assessment model through historical data to achieve early warning and effective control of potential risks. In terms of service personalization, AI technology provides strong support for financial service personalization. Digital finance enables financial institutions to conduct multi-dimensional analysis of customer needs, credit, and risk preferences through big data and artificial intelligence technologies, providing personalized financial products and services to meet the diverse needs of customers. For example, recommend appropriate financial products according to customers' risk preference, and provide personalized services according to real-time needs, such as the recommendation of housing loan scheme when purchasing a house. The artificial intelligence customer service robot can provide 7*24-hour online services to improve the customer experience. These personalized services not only improve customer satisfaction and loyalty, but also bring new business growth points for financial institutions.

2 Deficiencies of existing regulatory policies

2.1 Regulatory lag and overlap

The wave of fintech-driven cross-sector financing is forcing the regulatory system to undergo in-depth reforms, with the existing structure showing a lag in regulation when dealing with the characteristics of mixed business operations, resulting in weakened regulatory effectiveness and the emergence of blind spots in rules.For example, the application of blockchain technology is hindered to a certain extent due to the lack of corresponding regulatory framework. On the other hand, regulatory redundancy has become a governance problem that needs to be solved urgently. Some financial products and services are caught in the "regulatory labyrinth" of parallel management by multiple departments, and enterprises are forced to bear high and repetitive compliance costs, while facing the dual risks of conflicting regulatory standards and uncertain implementation.

2.2 Data security and privacy protection

With the rapid development of financial technology and its widespread penetration in daily life, sensitive information is rapidly digitized and recorded. These digitalized information, together, form the critical data foundation of modern society, making data security and privacy protection a crucial issue. However, the current safety management system and technical means are not perfect, and there are many loopholes. For example, data flow and processing due to improper management or accidental leakage by financial institutions. For example, some financial institutions' inadequate protective measures have led to the occurrence of information leakage events. In addition, the awareness of privacy protection is generally weak, leading to excessive collection and abuse of personal information. Although there are provisions in the laws and regulations, it is difficult to effectively curb violations due to the lack of effective supervision and punishment mechanism.

2.3 Cross border regulatory cooperation

The globalization of the digital economy makes cross-border financial activities increasingly frequent, which requires countries to strengthen regulatory cooperation. However, due to the great differences in regulatory standards and legal application among countries, it is difficult to form an effective regulatory force. Different countries have different regulatory attitudes towards emerging digital currencies and other technologies, which leads to the phenomenon of regulatory arbitrage. At the same time, cross-border data flow has also brought challenges. Due to differences in data privacy protection laws, legal risks have increased. For example, different countries have different restrictions on cross-border data transmission, which has brought a lot of inconvenience to the development of international business. Therefore, it has become an urgent task to strengthen international cooperation, establish a unified regulatory framework, combat cross-border crime and maintain global financial stability.

3 Regulatory policy recommendations

3.1 Strengthen the application of regulatory Technology

In the face of the challenges brought by the digital economy, the traditional regulatory means have been difficult to adapt, and there is an urgent need to strengthen the application of regulatory technology, and use scientific and technological means to improve regulatory efficiency. Regtech refers to a technical solution that uses emerging technologies such as blockchain, artificial intelligence and big data to help financial institutions and regulators meet regulatory requirements and improve regulatory efficiency. By applying blockchain technology, we can build a more transparent and tamper proof regulatory data platform, realize the full tracking and traceability of regulatory data, and improve the transparency and credibility of regulation. For example, blockchain technology can be used to build a decentralized regulatory data sharing platform to achieve data security sharing among regulators and between regulators and financial institutions, and improve the efficiency of regulatory collaboration.Leveraging the powerful data processing capabilities of artificial intelligence, regulatory authorities can deeply mine massive financial data, accurately capture abnormal transaction patterns and risk signs, and then achieve an intelligent monitoring and early warning system.For example, the use of machine learning algorithm can build a risk monitoring model, conduct real-time analysis of massive financial transaction data, timely discover abnormal transaction behavior, and carry out risk early warning.

3.2 Improve data security and privacy protection regulations

Data security and privacy protection are the cornerstone of the development of digital economy, and also the key areas of supervision. In order to cope with the increasingly severe data security challenges, it is necessary to formulate more stringent data security standards and privacy protection measures to ensure customer information security. First of all, we need to improve the laws and regulations related to data security, and clarify the security requirements and responsible subjects of data collection, storage, use, transmission and other links. For example, a special data security law can be formulated to make clear provisions on data security level protection, data security risk assessment, data security incident emergency plan, etc. Secondly, it is necessary to strengthen the formulation and promotion of data security technology standards, guide financial institutions to adopt advanced security technologies, and improve the ability of data security protection. For example, we can formulate technical standards for data encryption, access control, security audit and other aspects, and promote financial institutions to adopt these standards. In addition, it is also necessary to strengthen data privacy protection, respect users' right to know and choice, and prevent excessive collection and abuse of personal information. For example, special rules on the openness and transparency of personal information can be formulated, requiring financial institutions to clearly inform users of the purpose, scope and use of data collection when collecting and using personal data, and obtain clear authorization from users. By improving data security and privacy protection regulations, we can create a safe and reliable environment for the development of digital economy.

3.3 Promote international regulatory cooperation

The global character of digital economy determines that regulation must be global. In order to meet the challenges of cross-border financial activities, it is necessary to establish an internationally unified regulatory framework and standards, strengthen cross-border regulatory cooperation, and jointly combat financial crime. First of all, we need to strengthen international regulatory dialogue and coordination, and promote information sharing and experience exchange among national regulatory agencies. For example, an international regulatory cooperation mechanism can be established, and international regulatory meetings can be held regularly to discuss and coordinate the key issues of digital economy regulation. Secondly, it is necessary to promote the formulation of internationally unified regulatory standards to reduce regulatory arbitrage space. For example, we can draw on the experience of international financial regulation such as the Basel Accord to formulate regulatory standards for emerging financial formats such as digital currency and cross-border payment. In addition, it is also necessary to strengthen the regulatory cooperation of cross-border data flow and establish the regulatory framework and mechanism of cross-border data flow. For example, we can formulate rules for cross-border data flow, clarify the conditions and procedures for cross-border data transmission, and establish a regulatory cooperation mechanism for cross-border data flow to jointly combat cross-border data crime. By promoting international regulatory cooperation, we can better meet the challenges of the digital economy and maintain global financial stability.

4 Conclusion

To sum up, in the current era of vigorous development of the digital economy, the regulatory policy of the accounting and financial industry is particularly critical. It should not only adapt to the huge changes in the industry due to the application of new technologies, but also solve many deficiencies in the existing regulatory policies. By strengthening the application of regulatory technology, regulation can keep up with the pace of technological innovation and achieve more efficient and accurate dynamic regulation; Improving data security and privacy protection laws and regulations can lay a solid foundation for the steady development of the digital economy and effectively protect the information security of customers; Promoting international regulatory cooperation can effectively deal with the complex challenges brought by cross-border financial activities and maintain the stability of the global financial order. Only by comprehensively promoting the implementation and improvement of these regulatory policies, can the accounting and financial industry continue to develop healthily and stably in the digital economy era, better play its role in supporting and promoting economic development, and contribute to the prosperity of the global economy.

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