

## **IMPACT OF INFRASTRUCTURE ON THE STABILITY OF THE FINANCIAL MARKET**

A country's financial market plays a substantial role in the stability of its financial system. The financial market's effectiveness is significantly predetermined by the level of its infrastructure development.

It is necessary for Ukraine to develop its domestic financial market. The national financial market should become a strong, centralized and highly capitalized structure. According to our beliefs, the goals include: the creation of opportunities for Ukrainian financial market participants; provision of clearing, payment and deposit services on the international basis.

This issue is being discussed by the state and infrastructure organizations (exchanges, depositories, clearing organizations). In particular, measures are designed to ensure the capitalization growth of infrastructure organizations through loans and guarantees of the state. This will help build a centralized and efficient risk management system that substantially increases the reliability of the Ukrainian financial market and its resistance to crises.

An infrastructure organization of a segment depends on the development of the market itself, its speed, the character of its participants and instruments traded in it. However, there are some common features of infrastructure segments, repeated in the market infrastructure as a whole. They are determined by infrastructure problems:

1. Risk management on the financial market.
2. Reduction of operational unit costs.

The Role of the infrastructure in risk management is to:

1. Separate different types of risks from each other, and to transfer some risks to the infrastructure.
2. Identify a person responsible for risk realization.
3. Realize the responsibility of participants for their losses.

In the modern, extremely competitive conditions only that model of the financial market organization would survive, which meets the main demands of globalization: the cover the widest territory possible and to trade different financial instruments quickly, effectively and with minimal costs.

The legal and information risks for the infrastructure after the unification of the market practices in the European market are estimated by experts to be extremely high.

To raise the efficiency of financial markets of Ukraine and its financial system in general, conditions for foreign investors should be created as well as the emergence of new financial instruments in the stock market in order to increase trading volumes to the levels that meet the scope and objectives of the economy.