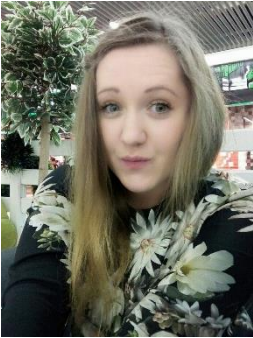


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**PROBLEMS AND PROSPECTS OF THE FINANCIAL SYSTEM OF UKRAINE**



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**Коржова В. Е. Проблеми і перспективи розвитку фінансової системи України.** Фінансова система України за останні 15 років зазнала суттєвих змін, але багато хто з них не отримали відповідного відображення в законодавстві. Україна потребує чіткої правової та адміністративної основи управління податково-бюджетною сферою. Це означає, що всі функції та механізми такого управління (бюджетною та позабюджетною діяльністю) повинні в повному обсязі регламентуватися законами та відповідними нормативними актами. Зрозуміло, що кошти слід виділяти і витратити лише за наявності відповідних на це правових повноважень.

Фінансову систему держави можна розглядати в декількох аспектах. Зокрема, фінансова система - це сукупність фінансових інститутів, кожний з яких сприяє утворенню та використанню відповідних централізованих та децентралізованих фондів грошових коштів для здійснення фінансової діяльності держави, тобто діяльності з приводу мобілізації, розподілу і використання централізованих і децентралізованих фондів грошових коштів для виконання завдань і функцій держави та органів місцевого самоврядування.

Державні фінанси, відіграючи винятково важливу роль в економіці, не можуть розглядатися як єдиний або найголовніший інструмент економічної політики. Сам стан державних фінансів та формування доходної і видаткової частин бюджету залежать від багатьох чинників, хоч недооцінювати його вплив на економіку країни також не слід.

Фінансова система України як предмет дослідження фінансового права складається з таких основних ланок: державний бюджет та місцеві фінанси, фінанси державних підприємств, установ та організацій, спеціальні цільові фонди та кредит.

**Ключові слова :** фінансова система, фінансові інститути, фінансове право, державний бюджет, державні фінанси.

The financial system of Ukraine for the past 15 years has undergone significant changes, but many of them had the appropriate reflection in the legislation. Ukraine needs a clear legal and administrative foundations fiscal management area. This means that all of the features and mechanisms of the administration (budgetary and extrabudgetary activities) should be fully governed by the laws and

relevant regulations. It is clear that public funds should be allocated and spend only on the availability of this legal authority.

The financial system of the state can be seen in several aspects. In particular, the financial system - a set of financial institutions, each of which contributes to the formation and use of appropriate centralized and decentralized funds of funds for financing activities of the state, ie of about mobilization, distribution and use of centralized and decentralized funds of funds to the tasks and functions of state and local governments.

Public finances, playing a crucial role in the economy, can not be regarded as the only or the most important instrument of economic policy. The very public finances and budget revenues and budget expenditures depend on many factors, though underestimate its impact on the economy and should not be.

The financial system of Ukraine as a subject of study Finance consists of the following main parts: the state budget and local finances, finances of state enterprises, institutions and organizations, special trust funds and credit.

**Keywords :** financial system, financial institutions, financial law, state budget, state finances.

Making analysis of crises in the financial and banking system of Ukraine, should be grounded associate them with the overall socio-economic crisis in Ukrainian society that carries out the reduction of production volumes, difficulties with the implementation of the created product due to falling overall demand, the deteriorating financial condition of enterprises largely determines defaults, creates other negative phenomena. Exit from the crisis can be due to a set of measures which should be the basis for:

- development of the concept development of the national economy, equivalent to global trends, existing models of social market economy, as well as historical, socio-economic and cultural features of Ukraine;

- development of science-based concepts of state regulation, which has put limits interference in economic processes of the country, to determine its forms and methods to develop equivalent models of a social market economy, taking into account the socio-economic development of Ukraine; first of all, this concept is to establish the scale of investment of the state and its responsibilities for the social security of citizens;

- determination on ground of the above concept of total and rational structure of public spending at all levels, which has become the basis for building the best for Ukraine at this stage of its development model of redistribution of GDP through the budget; and - an acceptable level of tax burden on the economy and the structure of the optimal model of the tax system [2, c. 14-15].

Overcoming the crisis of public finances. First, stressed the need to raise the quality of development projects of the State Budget for motivated improve the quality of macroeconomic forecasts for key macroeconomic indicators.

Among the measures that would contribute to this – the reform of the Ministry of Finance. It is

proposed to raise the status and the Finance Ministry, giving it the right to forecast macroeconomic indicators necessary for the development of the state budget; create within the ministry headquarters macroeconomic forecasting, strategic planning and analysis, involving work on it leading Ukrainian specialists in this field, and if necessary - and foreign.

The essence of other proposals:

- strengthen the revenue base of the state budget on the ground of some correction today launched tax reform;

- make certain changes to the structure of the state budget;

- organize the budget process in accordance with the Constitution of Ukraine;

- establish an annual report to the Ministry of Finance of the Verkhovna Rada of Ukraine on the state of public finances;

- shift the focus from the external to the internal development of public credit, turning it into an instrument of financing investment projects;

- make the transition from state pension fund, social and medical support to the pension, social and health insurance;

- strengthen the system of financial control;

- to reform the Ministry of Finance under the draft Concept of the Ministry of Finance of Ukraine, which must approve of the legislation.

Finance of businesses and local governments.

The essence of the proposals is the optimum division of functions, competencies and tasks of state and local governments in the provision of public services. According to participants, the bulk of the tasks of life support local communities should be put on local governments. These objectives should be clearly defined and they should be mandatory throughout the country that will provide uniform standards of quality and standard of living.

It is assumed that expenditures of local government should be the objective basis for the revenue base of local communities. Revenues of local government should be formed mainly from its own and fixed sources that will lay the foundations, on the one hand, the financial autonomy of these communities, and the second - direct and immediate responsibility for the situation in the provision of public services.

The process of formation of local government finances should be accompanied by the introduction of a modern system of financial control and audit of accounts and financial transactions of local government, which, according to the participants, it is advisable to put the Accounting Chamber of Ukraine. With the same purpose proposed a system of special financial courts.

The document stresses the need for radical change in cash of affairs of local authorities. Cash execution of local budgets advisable to put on specially created by local governments, communal banks.

Strengthening Local Government Finance has to keep up with the creation of national financial authorities of communities that are not in the system of state financial authorities, but which work on the basis of laws, state-controlled [6, c. 204-205].

The main directions of strengthening the banking system

1. Due to the risk of long-term lending and investment activities, and lack of long-term resources of commercial banks, all of which prevents large scale of these activities most commercial banks, a Ukrainian investment bank and Ukrainian investment company with the participation of the country and foreign capital.

2. Commercial banks that provide long-term lending and investment activities, to provide:

a. state guarantees, the source of which could be a "development budget";

b. tax benefits, including:

– banks, whose share of medium- and long-term loans in the total amount of investment is not less than 25%, to a tax credit;

– reduce taxable income by the amount of profit that banks receive from the financing of investments in priority sectors of the economy, or at least its tax at a reduced rate (15%);

– exempt from income tax, the bank aims to purchase shares of the company (for primary placement) or included in the statutory fund of the company;

– exempt from taxation income from securities transactions that were owned by the bank for more than 6 months, and revenues from short-term operations impose regular income tax.

3. In order to reduce cash in circulation and this motivated increase in lending by commercial banks and to overcome the crisis payments:

– develop rediscount bills National Bank of Ukraine commercial banks and commercial banks - bills its customers;

– commercial banks to carry out operations Aval and domiciliation of bills;

– introduce the practice of licensing of the National Bank of Ukraine the issue of bills by commercial banks.

4. Amend the Law of Ukraine "On taxation of corporate profits" tax on banking activities:

– waive any provision under which the date of increasing gross revenues shall be the date of accrual of interest on the loan, not the actual debtor payments.

5. Cancel obligations incumbent on banks to control the operations of enterprises, combined with the automatic cancellation of their current accounts duties to the budget without recourse to limit the number of accounts that the company may open, maintain a detailed file on deposits. These control obligations beyond the features that banks have to implement a market economy, influencing the increase in direct and indirect costs associated with the provision of banking services, restricting competition and the demand of enterprises and households for banking services. Monitoring the performance of individuals and legal entities tax obligations should be relevant tax authorities.

6. Complete the formation of a database of questionable borrowers.

Create a registry of mortgaged property and guarantees that would prevent double mortgage of the same property.

7. The functioning of commercial banks in reducing inflation needs to find new sources of revenue, primarily due to diversification of banking institutions and improve customer service. To do this:

– develop a mortgage, including - in the housing;

– establish financial leasing, which is necessary to create a regulatory framework that regulates the relationship banks with clients in the implementation of leasing transactions, as well as their execution and accounting;

– develop factoring, which is necessary to develop a mechanism for the alienation of property of state enterprises;

– extend trust operations of banks.

8. Create conditions for engaging in banking institutions funds are in the hands of the public and in the shadow turnover. This will help expand the range of non-cash payments, maintain the stability of the national currency, increase the resource base of long-term loans. To this end:

– the Savings Bank of Ukraine to raise the interest on deposits to 15%; interest on term deposits can be equal to the exact rate of NBU. Board of Sberbank should qualify for set margins in providing loans to 25% of the term deposit rates [1, c. 122-124];

– establish a system of insurance of deposits, taking into account the following:

a. create a fund of compulsory insurance of individuals' deposits was involved and the state that will give investors confidence about the reliability of protection of their funds;

b. in the creation of a fund to apply a differentiated approach to determine the amount of the initial contribution to the basic costs not lie on the shoulders of a stable, large commercial banks, which faces bankruptcy less;

c. determine a procedure for the use of the fund the Deposit Insurance, which would help eliminate the possibility of threat to the existence of the fund would help protect the payment system of Ukraine and the interests of depositors of commercial banks (through income allocation fund);

d. introduce exemptions on income tax, which are clearing system; not to introduce taxation of interest on deposits of citizens.

9. In order to increase confidence in the hryvnia:

– maintain a stable exchange rate, which the National Bank, the Ministry of Economy and Ministry of foreign economic relations and trade are constantly taking measures to avoid significant fluctuations in the balance of payments;

– due to the fact that Ukraine assumed the obligations under Article VIII of the IMF, National Bank to conduct extensive outreach to switch hryvnia in the category of hard currencies for current operations that will boost confidence in the national currency;

– in the stabilization of the national economy gradually intensify the course of its dedollarization, which particularly recommend because of the NBU commercial banks set on foreign currency deposits interest not exceeding the weighted average discount rate of European Central Bank (France, Germany, Switzerland), which should automatically lead to reduce the interest on foreign currency deposits relative to rates on ruble deposits.

10. Create conditions for the normalization of monetary circulation. For this purpose:

– develop and adopt laws "On the monetary system of Ukraine" and "On the circulation of money in Ukraine", which lay down the provisions on direct action: limiting barter and agreements; need for non-cash payments (ie through the banking system); avoid "taking control" customer deposits of the banking system, which is a violation of bank secrecy and could have negative consequences;

– NBU and commercial banks consistently adhere to current regulations on cash and non-cash payments;

– introduce the practice of settlement bills and promissory notes at a discount rate of the National Bank of Ukraine;

– consistently implemented in life electronic payment card type Visa, Mastercard and others in which people will be able to carry out current payments;

– introduce machines in banks to get cash through electronic cards;

– introduce cashless payments among the population, including electronic money put into circulation Checking books to the public;

– practice payment of wages by bank transfer checks to the appropriate accounts of workers and employees [3, c. 126-127].

Proposals for the development of the financial market

1. Taking into account international experience, to determine by law the leading stock exchange of the existing in Ukraine, where shares have traded companies with capital of more than 1 bln. UAH., And to determine the number of regional stock exchanges (Kharkov, Donetsk, Dnepropetrovsk, Lugansk, Zaporozhye) where traded shares of companies with a capital of 200 million. 1 billion. UAH. Joint-stock company with a capital of 200 mln. USD. consider joint stock companies with risk capital that are traded on the OTC market. It is necessary to determine both listed joint stock companies listed on the can exchange and OTC markets, requirements, making review of listing every six months or year.

2. In order to further the development of the stock market it is advisable to develop provisions on:

a. a single system of national and local depositories stock market;

b. a single system computer connection type Internet that will cover leadership and local stock markets of Ukraine, you outs on world stock markets in Europe, Asia, America and CIS countries;

c. a single system of statistical reporting and OTC stock market activity;

d. a single system of rules and agreements can be concluded by the exchange and OTC markets;

e) common accounting rules securities.

3. To develop the concept of the secondary securities market, capital market and ways to enhance their activities.

4. Implement the legal, economic and organizational measures for the establishment and development of the securities market of local authorities.

5. Offer to exchange all designed structure on the ground of listings regularly publish data on the issuers

quoted exchange rate and the price of their shares, the amount of expected dividends, the turnover of shares determined exchange index of business activity and individual issuers.

6. To establish that the Ministry of Statistics of Ukraine for motivated stock reports daily, weekly, monthly business activity determines the exchange market and the dynamics of the volume of transactions on it, dynamics of share prices, developing a national index of business activity.

7. Develop a legal framework of general rules issue of T-bills. With the creation of the necessary conditions to move from short to medium and long-term bonds.

8. In order to normalize the functioning of the foreign exchange market in terms of abolishing the mandatory sale of foreign exchange earnings of 50% is advisable to legislate these rules:

– nature of further movement of foreign exchange earnings by the Cabinet of Ministers and the National Bank of Ukraine, taking into account the specific situation in the monetary sphere;

– currency that is not sold in the currency market in Ukraine remains resident can be used for payments from current operations kept in foreign currency accounts in authorized banks or, with the permission of the NBU in the accounts in foreign banks [4, c. 32-34].

Conclusions: In conclusion, it should be noted that Ukraine gradually integrated into the international financial markets and the effects of globalization become more tangible for the Ukrainian financial system. Positive or negative vector changes of globalization depends on the level of national economic and financial system of the country. Given the fact that the country's financial system more powerful, the more positive results it can get from the process of globalization, Ukraine should develop policies that could meet the challenges of financial globalization, to prevent the negative consequences of this process. First, in order to maintain stability in domestic financial markets need a clear system of state control on the movement of financial flows in the country and the influx of foreign capital.

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