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QUALIFICATION WORK

on the topic «ANALYSIS OF WORLD FINANCIAL MARKETS AND THEIR
DEVELOPMENT TRENDS»

Specialty 292 "International Economic Relations"

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It is submitted for the Bachelor's degree requirements fulfillment.

Qualifying Bachelor's paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source

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ABSTRACT

qualification work for a bachelor's degree

on the topic

«ANALYSIS OF WORLD FINANCIAL MARKETS AND THEIR DEVELOPMENT TRENDS»

Hyrman Daryna Andriivna

The content of the qualifying bachelor's work is presented on 44 pages, including a list of used sources of 30 items, which is placed on 3 pages. The work contains 6 tables and 3 figures.

Key words: WORLD FINANCIAL CENTERS, TRANSNATIONAL COMPANIES, OFFSHORE AND OFFSHORE ZONES, TRENDS, DEVELOPMENT.

The object of this work is the mechanism of the world financial centers.

The subject of this work is the world financial centers.

The purpose of this work is to investigate the mechanism and features of the world financial centers. Analyze the current situation of financial centers and trends of their further development.

To achieve the purpose of the work the following tasks are set:

- to reveal the essence of world financial centers;
- analyze the current state of world financial centers;
- to study the development trend of world financial centers in the past and now;

The information base of the work is analytical reviews and reports of international financial organizations, as well as periodicals and scientific publications of domestic and foreign authors.

According to the results of the study, the following conclusions were drawn:

1. The main conditions for the formation of the world financial center include: stable financial and economic situation, developed credit system and modern technological stock exchange, moderate taxation, availability of effective international communication systems, relative stability of the political regime, etc.

2. Today, the main development trends are the improvement of IT infrastructure, flexible regulation, the establishment of analytical and consulting organizations to provide a wider range of services to investors. Today, the centers of Asia, Africa, and Latin America are developing rapidly, which in the future may lead to an absolute redistribution of spheres of influence. Offshore centers have a special place in today's trends but are very ambiguous. On the one hand, they offer the best conditions for taxation, or rather its absence, for investors, and on the other hand, undermine the economic incentives of conventional financial centers.

3. Today the world's financial centers are becoming more powerful. There is also a redistribution of spheres of influence between the world's financial centers. It is noticeable that now the centers of Asia and Eastern Europe are beginning to develop rapidly, thus strengthening the role of regional financial centers in the structure of international economic relations. It is determined that today the most attractive are such centers as London, New York, Hong Kong, Geneva, Paris, Singapore, Tokyo.

4. Ukraine's successful integration into the international system of global financial centers depends primarily on the competitiveness not only of the national economy but also of regional development. The country needs to address all its weaknesses in order to increase its competitiveness. External factors, such as the pandemic and the war, have significantly slowed the development of Ukraine and Kyiv as a financial center, but with the right approach and greater integration with European and other countries, Ukraine will be able to return to the previous level of economic competitiveness.

The results of approbation of the main provisions of the qualifying bachelor's thesis were considered:

1) at the III International Scientific and Practical Conference "International Economic Relations and Sustainable Development" on May 20, 2022 SSU with the abstracts of the report "Analysis of World Financial Markets and Their Development Trends";

Year of qualification work - 2022

Year of defense of work - 2022

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TASKS FOR BACHELOR'S DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations ")
student 4 course, group ME-82a
Hyrman Daryna Andriivna

1. The theme of the paper is «Analysis of World Financial Markets and Their Development Trends»
approved by the order of the university from «05» May 2022 № ____
2. The term of completed paper submission by the student is «27» May 2022
3. The purpose of the qualification paper is to investigate the mechanism and features of the world financial centers. Determine stages of development of the world financial centers. Analyze the current situation of financial centers and trends of their further development.
4. The object of the research is the mechanism of the world financial centers.
5. The subject of research is the world financial centers.
6. The qualification paper is carried out on materials of analytical reviews and reports of international organizations, periodicals and scientific publications of domestic and foreign authors.
7. Approximate qualifying bachelor's paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:
Chapter 1 Theoretical aspects of the world financial centres. Deadline for submission: 15 May, 2022.
Chapter 1 deals with to consider the economic essence, types, conditions and stages of formation of world financial centers, as well as the classification of world financial centers and indices of their development.

Chapter 2 Current state of the world financial centres. Deadline for submission: 15 May, 2022.

Chapter 2 deals with analysis of the current state of global financial centers, the interaction of multinational companies and global financial centers and features of offshore zones.

Chapter 3 Modern trend in the development of world financial centres. Deadline for submission: 25 May, 2022.

Chapter 3 deals with the trend of development of world financial centers, current trends in their development and integration of Ukraine into the system of world relations.

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INTRODUCTION

The current stage of development of the global financial system is characterized by the freedom of movement of capital internationally and the functioning of national economies and is a key condition for the development of the world economy. The main factor in the formation and development of the financial system is globalization, the greatest progress of which is observed in the financial sphere.

Since the end of the twentieth century, international financial centers have become an integral part of the global financial market. They concentrate all financial flows that contribute to GDP growth and ensure the inflow of investment into the country. In addition, financial centers are an important factor in achieving macroeconomic stability and prosperity. The heart of the financial center is the global city where they are based. Today, cities are the driving force of economic growth, capital movements, migration and integration processes. The formation of concepts of global cities has a long history, which was characterized by the use of many new concepts, including metropolis, world center, world city, global city, capital of capital, international city and more.

The relevance of this topic is that today interprets its rules, the world economy is evolving every day and changing its development trends. Every country that wants to take a leading position in the world economic arena must develop, attract foreign investments, develop its cities and promote the creation of its own global financial centers. Trends and tendency of development change very often and depends on many economic factors and on changes economic system in whole. So it's relevant to investigate what a trend of development of world financial centers today.

The purpose of this work is to investigate the mechanism and features of the world financial centers. Determine stages of development of the world financial centers. Analyze the current situation of financial centers and trends of their further development.

The object of this work is the mechanism of the world financial centers. The subject of this work is the world financial centers.

CHAPTER 1 THEORETICAL ASPECTS OF THE WORLD FINANCIAL CENTRES

1.1 The essence of the global financial center and conditions of its formation

Today, international financial centers are an integral and important part of the global market. Currency and financial operations are the basis of economic policy of the state and are related to both national and international economies, and their development increases the number of international transactions and flows of goods, services or capital. Financial globalization encourages countries to focus their economic policies on creating a sufficiently competitive financial center, and it is thanks to globalization that the number of regional centers has begun and continues to grow, which later grew into the world's leading financial centers.

The world financial market is the center of various financial organizations (banks, stock exchanges, financial and insurance companies, etc.) that either provide financial services or need them themselves, and here offer global services, international currency, credit and financial transactions, securities, or gold) and global financial agreements may be concluded [1].

The national financial market must go through three stages of development, from the usual local market to the global financial market to obtain the status of a global financial market. Trends in the world economy are the so-called driver of the global financial center and the very origin and location of this center depends on these trends. The functioning of the world financial center can influence the development of the world economy as a whole and the individual state in which the center is located. The very process of forming a global financial center depends on the city's ability to develop globally. All processes and flows related to the financial market and its development and development are a priority for the city, which wants to become a global financial center.

The main conditions for the formation of the world financial center are:

1. Stable financial and economic situation;
2. Developed credit system and modern technological stock exchange;
3. Moderate taxation that does not hinder financial transactions and investments;

4. Availability of effective international communication systems that allow efficient cashless and cash payments;
5. Relative stability of the political regime;
6. Convenient geographical location;
7. Availability of qualified employees who are able to work effectively in financial institutions, consulting organizations, as well as in regulatory authorities;
8. Economic freedom: the financial market cannot exist without freedom of activity, consumption, accumulation and investment;
9. A flexible system of financial instruments that would provide creditors with a variety of options in terms of costs, risk, profit, timing, liquidity and control [2].

The most important factors contributing to the transformation of cities into international financial centers can be grouped as follows:

1. Technical progress (computerization, development of mobile and satellite communication and telecommunications systems; Internet, electronic trading platforms).
2. Deregulation and liberalization of international financial transactions.
3. Establishment of uniform rules and mechanisms for banking and other financial transactions, as well as criteria for financial risk assessment and creation of new financial instruments.
4. Global financial institutions that enforce these rules [3].

In order to properly classify financial centers, first of all, it is necessary to pay attention to their scale and scope of financial transactions within the centers, as well as the level of importance of these centers for both national and international economies. Therefore, the following types of financial centers can be distinguished: domestic, regional, world and offshore.

Domestic financial centers are country-specific and serve a specific national clientele, while global financial centers, such as London and New York, are truly international centers serving about 15 international organizations. Regional financial centers serve clients in a region that is considered supranational rather than subnational. In turn, offshore financial centers act as financial firms and operate internationally outside the financial system of the host country [3].

As for the characteristics, there are 4 main features for global financial centers: economic and political stability, effective financial cooperation, good communication system, favorable financial and regulatory climate, which is able to protect the activities of investors without undue restrictions. Offshore financial centers are a very specific group of centers that have some features. They offer narrower financial opportunities for non-residents but are characterized by the absence or very attractive legal regulation and taxation.

Thus, the World Financial Center is a city with leading national and global organizations in the field of exchange, investment, banking, and other financial activities, through which a large number of financial flows and is strategically important for the world economy. To obtain the status of an international financial center, the market must go through three stages of development from local to global financial and meet standards such as economic and political stability, convenient geographical location, effective international communication systems, flexible financial instruments, and others. According to the classification, there are 4 main types of centers: domestic, regional, global and offshore. The first 3 can be easily described: the level of development of their economic activity, but type 4 - offshore centers, have some features. They offer narrower financial opportunities for non-residents but are characterized by the absence or very attractive legal regulation and taxation.

1.2 Stages of development of the world financial center

To better understand the essence of the global financial center, it is worth considering the process of evolution from the ordinary local market to the global financial. Scientists identify three main stages of development of the global financial center: the development of the local market - the formation of a regional financial center in place of the local market - the development of regional to the stage of international financial center.

For the local market to become a developed international financial center, it is necessary that the country has all the necessary elements to support both its own and international activities. [4]

The most important elements of the existence of an international financial center, which should have a country, include:

- stable financial system and stable currency;
- availability of institutions that ensure the rational functioning of financial markets;
- a flexible system of financial instruments that provide creditors and borrowers with a variety of options for costs, risks, returns, maturities, liquidity and control;
- appropriate structure and sufficient legal guarantees that can inspire confidence in international borrowers and creditors;
- human capital with special financial knowledge as a result of systematic training and retraining;
- the ability to direct foreign capital through active, integrated and mobile markets, ie the availability of integrated markets, both long-term and short-term, which provide great opportunities for borrowers and investors;
- economic freedom: the financial market cannot exist without freedom of activity, consumption, accumulation and investment;
- state-of-the-art information technologies and means of communication that allow efficient non-cash and cash payments. [4]

The main criteria that the local market must have to move to the next stage are a stable monetary and financial system, flexible financial instruments, economic freedom, and others that support both domestic and international operations [5]. The first stage is primarily related to the development of the general economy of the country. With a good market mechanism, investments will be attracted to the country, which in turn will increase financial flows. The development of these processes will pose new challenges and needs for the country to expand its financial markets and integrate into the global space.

The most active flows of financial resources are carried out in such international financial centers of the world as New York and Chicago - in America, London, Frankfurt am Main, Paris, Zurich, Geneva, Luxembourg - in Europe, Tokyo, Singapore, Hong Kong, Bahrain - in Asia. [4]

Another condition for the formation of a financial center is a favorable geographical location of the country. As the stock and foreign exchange markets do not stop for a moment, the world's business community is facing a problem. Currency markets start in Wellington, New Zealand, with successive time zones in Sydney, Tokyo, Hong Kong, Singapore, Frankfurt am Main, London, ending the day in New York and Los Angeles. Depending on the period (summer or winter), the time in different financial centers of the globe will differ from the world by a certain number of hours. For example, in the case of Singapore, it was the interest of the City of London in conducting stock exchange transactions in the time zone of Southeast Asia, which allowed to work around the clock. In addition, there was a strong lobby of the Chinese diaspora, interested in moving investment from Malaysia and Indonesia to Singapore, given the country's more favorable geographical and political location, as well as guarantees a more stable situation [5].

International financial centers are also characterized by the presence of many national and international organizations that ensure their development. Stock exchanges, multinational companies, banks, pension and hedge funds are among the most important and important such organizations. Also second in importance are consulting, legal, auditing, accounting, advertising and other companies that provide business services.

Recently, there has been a growing importance of another element of the global financial market - analytical companies. It is these institutions that conduct various studies, calculations of international rankings and indices. Financial centers are part of not only the global financial but also the economic system. They form the structure of a modern competitive economy integrated into the world economy, so the decision to create international financial centers goes beyond the financial system. It determines the profile and structure of the world economy. Such centers promote equal entry of home countries and member countries into the world financial and production system, ensure the

competitiveness of national economies, human development, better use of factors of production, employment growth, etc [6].

Also, some offshore centers (Bahamas, Bermuda and others) have evolved into international financial centers, where capital inflows are mainly due to reduced tax expenditures, low levels of government intervention and liberal monetary legislation.

Each country aims to create a global financial center within its borders. To do this, it must go through all three stages and, most importantly, attract capital, which will help improve the competitiveness of the financial center. Thanks to all these processes, the country will increase its rating in the international arena and develop its own economy. To move to the final stage of development and create a global financial center, a country must have all the necessary elements to support both its own and international activities.

1.3 Classification of world financial centers and indices of their development

Today's global financial centers and their competitiveness are the focus of many experts and the subject of many studies and publications of various popular world economic and political publications.

The competitiveness of an international financial center is a set of factors such as policies, institutions, strategies and processes that determine the level of sustainability of the center. Sustainability covers economic, environmental and social issues, and productivity is the efficient use of available resources, leading to economic growth [7].

In this regard, modern international financial centers must increasingly position themselves in the global information space, identify and best meet the economic needs of local, national and international entities operating in their territory. Thus, their competitive advantages are directly related to the creation of a favorable market environment, ensuring economic freedom of business, encouraging private initiative, creating an open economy and liberalizing the trade regime. This determines the international competitive status of world markets, which can be defined as the level of

their attractiveness to national and transnational businesses, individuals and international organizations as platforms for capital [8].

In order to maintain the competitiveness of the world financial center and its place in the top different rankings, it is necessary to have relevant factors that shape the potential of the center for different economic activities, as well as positively affect the development of the economy.

Such factors include the famous economist D. Eliot:

- access to highly qualified specialists: the quality of the local labor market depends on the city's ability to attract foreign specialists due to the high standard of living and the free spread of English in all areas of socio-economic activity of the metropolis;

- observance of the rule of law: financial market participants must be confident in the independence of the judiciary;

- quality regulation: ensuring the stability of all segments of the financial market, rapid adaptation of regulators to change, the implementation by regulators of a consistent and clear policy towards market participants;

- comfortable urban infrastructure: extends to various areas of municipal economy (transport, housing, telecommunications services, etc.) [9].

Another important aspect for building the competitiveness of the global financial center is to study all its advantages, among others, and identify priorities for improvement, as improving only one or more competitiveness criteria will not provide a sufficient level of competitiveness for leadership positions.

Today, there are three main types of global financial centers:

- 1) Financial centers in developed countries (London, New York, Zurich, Paris)
- 2) Financial centers in developing countries (Singapore, Hong Kong, Arab East)
- 3) Offshore financial centers (Cayman Islands, Virgin Islands, Jersey)

This division of centers is quite obvious and easy to justify. The first two types are determined by the level of the country's economy, and the third is a specific type, a feature of which we have already mentioned. This type implies the presence in these centers of regulation, which provides benefits or simplified conditions for doing business. In such countries or territories, the relevant firms and banks are subject to special confidentiality.

Among the largest financial centers are the following: New York (USA) - a leader among global financial centers in the world, has the world's largest financial exchange, which sells securities; London (Great Britain) is the leader among the world's centers in Europe, which ranks first in terms of currency and credit transactions. Zurich (Switzerland), Frankfurt am Main (Germany), Luxembourg are leading centers in the field of short- and medium-term credit operations. Tokyo, Singapore, Hong Kong - the top Asian financial centers, specializing in credit operations. Scotland, Great Britain, Cyprus, the Isle of Man are the offshore centers of the world, with the lowest taxes.

To assess the level of development of the international financial center, experts use indicators of activity of the main markets that make up the global financial center, such as stock, insurance, banking, investment markets. The development of financial resources management tools and the involvement of the region in global financial flows are also taken into account. The general level of development of the world center is estimated by means of complex indices. Such indices make it possible to compile rankings of world financial centers. The most well-known indicators are the Global Financial Centers Index (GFCI) and the International Financial Centers Development Index (IFCD).

The Global Financial Centers Index is calculated by the Z / Yen Group's London Commercial Research Center and has been published by the London Corporation since 2007. It is determined on the basis of 60 private indices and is updated twice a year - in March and September.

The GFCI index is calculated based on the following groups of factors:

- People (labor skills and their availability, labor market flexibility, quality of business education);

- Business environment (government regulation, taxation, corruption, degree of economic freedom, administrative barriers to doing business);
- Infrastructure (rent, availability of transport services);
- Market Access (assesses the diversity of financial instruments (stocks, bonds), the volume of transactions with them, the level of clustering of markets);
- Overall competitiveness (price level, quality of life and economic comfort) [10].

Various sources are used to determine factors: some from external sources, including other indices (for example, the Transparency International Corruption Perceptions Index and the Kurzman Group's Opacity Index are used to determine the level of corruption), and other data from open online surveys. Although preference is given to the assessments and opinions of professional experts, and the opinion of ordinary respondents.

The International Commodity Exchange Development Index has been calculated by the Chicago Mercantile Exchange and the Dow Jones in collaboration with China's Xinhua News Agency since 2010. To evaluate financial centers, objective indicators and subjective estimates are used. Like the City of London index, the Jones Xinhua Dow Index is published twice a year.

The IFCD calculation methodology is quite complex, based on regional competition theories, ecosystems, systems engineering, cyclical economics and urban theory. The IFCD index is calculated on the basis of 5 indices: financial markets, which is based on 4 indicators: "capital market", "Forex market", "banking market" and "insurance market"; the general environment, which consists of three elements: "economic environment", "political environment" and "openness"; growth and development, which is based on 4 indicators: "capital market growth", "economic growth", "innovative results of the city", "creative potential"; services, which includes three elements: "public services", "intellectual capital" and "urban environment"; industrial support, which includes three indicators: "support for the business environment", "general conditions of the city", "urban infrastructure" [11].

Also, along with the above indicators, expert assessment is used (survey of about 2,000 professionals). If you consider the process of entering this rating, it looks like this: the financial center applies for inclusion in the rating, then an online survey is conducted and the rating includes only those centers that receive 200 reviews in the last 24 months.

As for the cities of Ukraine, they are not yet in this rating due to lack of votes. Only Kyiv has a chance, but first it needs to enter the ranking of global cities, which is compiled by the consulting company "JSC Kearney".

These assessment methods can be classified as specialized, and in addition there are also more general, which are based on indicators relevant to the competitive position of cities and cities. An example of such methods is the World Economic Forum's Global Competitiveness Index, which ranks the centers based on generalized economic indicators and the results of global surveys of the world's largest companies.

When assessing global financial centers by economic parameters, it is also worth using the Global Competitiveness Index, which makes it possible to identify common trends in national economies. The index depends primarily on how efficiently the country uses its own resources, and consists of more than 100 variables grouped into 12 benchmarks.

In general, it should be noted that global financial centers are now at the heart of all new economic or social conditions arising from globalization. It is the world centers that are the first to experience all the pros and cons of globalization and what consequences it may have. Also, it is clear that the world's centers of leading countries occupy leading positions in all criteria for assessing competitiveness, while the centers of developing countries can not yet show such a result. They show partial competitiveness in certain areas and are not yet global in their functions or the degree of influence on world economic and political processes, nor in the scale of economic, investment-financial, innovation-technological, informational or creative activities.

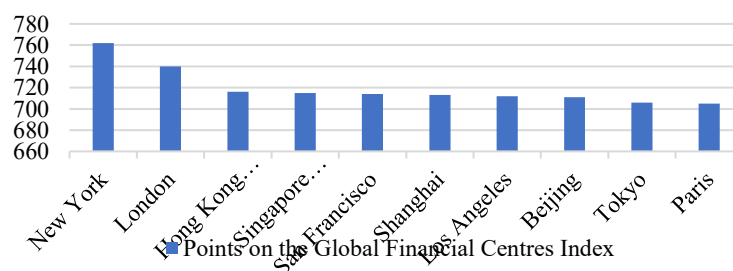
CHAPTER 2. CURRENT STATE OF WORLD FINANCIAL CENTERS

2.1 Analytics of world financial centers

Today the world financial center is the main center of financial activity of international business. Factors such as the development of financial market infrastructure, industrial support, compliance with financial center service standards and other economic factors are key to maintaining competitiveness and, consequently, the development of the city as a global financial center.

In the context of financial globalization, the structures of financial systems and models of responding to external shocks have changed. These changes largely explain the events and efforts aimed at preventing the emergence of systemic risks and the rapid spread of the impact on the financial markets and economies of other countries. It is necessary to increase transparency, change the channels of the financial market, the interdependence of financial and real spheres to avoid financial imbalances [12].

In September 2021, a new edition of GFCI 30 was released with a rating of financial centers. The data in picture 2.1 shows that New York is in the lead position. London is twenty-two points behind the leader (for comparison, in September 2020 the difference was only 4 points). Hong Kong rose to third place instead of Shanghai, and this financial center lost 29 points in six months and dropped to 6th place. Also, San Francisco, Los Angeles and Paris were in the top ten in the GFCI 30 rankings, while other leading Asian centers fell in the rankings. An interesting fact is that in this ranking 9 out of 10 got into the rating.



Picture 2.1 Points on the Global Financial Centers Index

A few more points from this report are that the number of financial centers in the main index increased from 114 to 116 with the addition of Lagos and Kigali.

Among the main areas of competitiveness are the following: business environment, infrastructure, human capital, reputation and development of the financial sector. They can be used to compare the best financial centers in the world and build a rating for each factor. To assess how financial centers operate in each of these areas, the assessment is performed separately for each of the five areas of competitiveness. The 10 best centers in each of these sub-indices are listed in table 2.2.

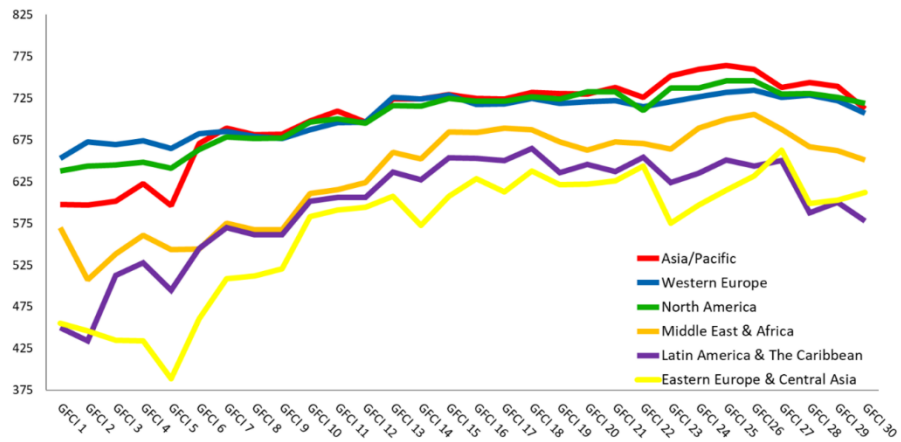
Table 2.2 Top 10 centres by area of competitiveness

Rank	Business Environment	Human Capital	Infrastructure	Financial Sector Development	Reputational & General
1	New York	New York	New York	New York	New York
2	London	Singapore	London	London	London
3	San Francisco	London	Singapore	San Francisco	Singapore
4	Chicago	Hong Kong	Hong Kong	Shanghai	Hong Kong
5	Singapore	San Francisco	Paris	Hong Kong	Chicago
6	Boston	Chicago	Frankfurt	Singapore	San Francisco
7	Hong Kong	Paris	Shanghai	Chicago	Edinburgh
8	Washington DC	Dubai	Los Angeles	Beijing	Seoul
9	Amsterdam	Luxembourg	Beijing	Boston	Toronto
10	Edinburgh	Los Angeles	Tokyo	Los Angeles	Washington DC

New York is a leader in all areas, followed by London and Singapore in human capital. Singapore, Paris, Hong Kong, Chicago, San Francisco and Shanghai also have significant advantages, and other places in the top five in various areas of competitiveness.

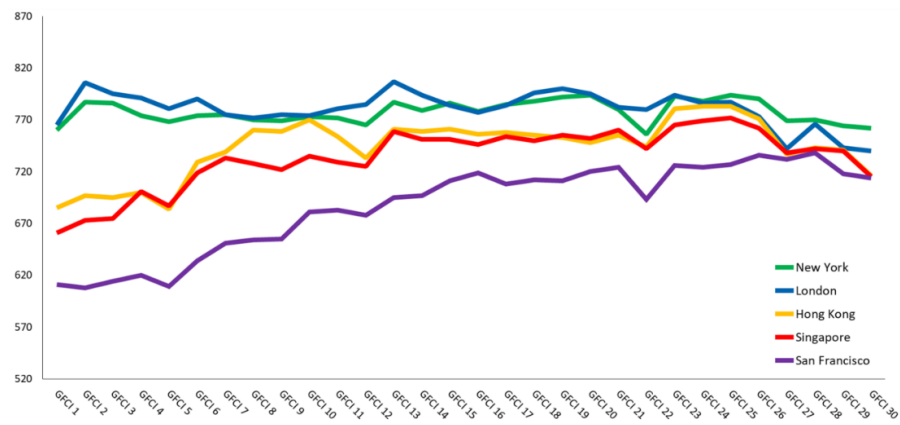
Consider the development of world centers by region over the past 13 years. Picture 2.3 below shows that from the very beginning, the regions of North America, Western

Europe, Asia / Pacific were more developed than others and had more prospects in the creation and development of global financial centers.



Picture 2.3 Average ratings of the top five centres in each region

The average of the five leading centers in the Asia-Pacific region fell lower than in North America in the latest report. Throughout the period, there has been significant development in the Eastern Europe and Asia region and improvements compared to GFCI 29. Overall, the centers of Asia / Pacific, Western Europe, the Middle East and Africa and Latin America and the Caribbean have fallen slightly, with only Eastern Europe and Central Asia has grown a little.



Picture 2.4 GFCI ratings of five top centers over time

Picture 2.4 shows that the two leading centers are London and New York. All 15 years they fought for the first place. In 2021, New York retained its first place in the index, although New York and London fell slightly. Singapore also fell slightly in the rankings and took 4th place, and Hong Kong - third.

The GFCI has also conducted industry research. They researched different estimates for the respective industries, creating an index separately, using only the answers provided by people working in these industries. This creates separate sub-indices for the sectors of banking, investment management, insurance, professional services, government and regulation, finance, financial technology, and trade [13].

Table 2.5 Top 10 centres by Industry Sector Sub-Indices

Rank	Banking	Investment Management	Insurance	Professional Services	Government Regulatory	Finance	FinTech	Trading
1	New York	New York	Singapore	New York	New York	New York	New York	New York
2	Hong Kong	London	Hong Kong	London	London	Shanghai	Singapore	London
3	Singapore	Singapore	Shanghai	Singapore	Singapore	Beijing	London	Hong Kong
4	Shanghai	Beijing	New York	Hong Kong	Zurich	Tokyo	Shanghai	Shanghai
5	London	Shanghai	Beijing	Shanghai	Hong Kong	Hong Kong	Wellington	Singapore
6	Beijing	Hong Kong	London	Luxembourg	Geneva	London	Shenzhen	Beijing
7	Shenzhen	Taipei	Shenzhen	Shenzhen	Shanghai	Shenzhen	Hong Kong	Chicago
8	Guangzhou	Shenzhen	Luxembourg	Zurich	Luxembourg	Singapore	GIFT City-Gujarat	Los Angeles
9	San Francisco	Luxembourg	Frankfurt	San Francisco	Seoul	Luxembourg	Beijing	Frankfurt
10	Zurich	Sydney	Zurich	Seoul	Frankfurt	Frankfurt	San Francisco	Zurich

The table above shows that New York has strengthened its leading position, continuing to occupy the first places in each category, except for insurance, where the first place went to Singapore. All leading centers work well in various fields. Hong Kong, Singapore, London are also leaders in various fields and occupy leading positions in the ranking.

The movement of the most important financial and investment flows is mainly carried out through a system of banks, specialized financial institutions and stock

exchanges based in the international financial center. When comparing financial centers on such a parameter as the location of the largest banks by assets in 2020 [13], the following positions are noted in table 2.6.

Table 2.6 The world's largest banks in world financial centres in 2020, billion dollars USA

2020	Bank	Financial center	Country	Assets
1	Industrial & Commercial Bank Of China	Beijing	China	4324,27
2	China Construction Bank Corporation	Beijing	China	3653,11
3	Agricultural Bank of China	Beijing	China	3572,98
4	Bank of China	Beijing	China	3270,15
5	Mitsubishi UFJ Financial Group	Tokyo	Japan	2892,97
6	HSBC Holdings PLC	London	United Kingdom	2715,15
7	JP Morgan Chase & Co	New York	USA	2687,38
8	Bank of America	Charlotte	USA	2434,08
9	BNP Paribas	Paris	France	2429,26
10	Crédit Agricole Group	Montrouge	France	2256,72

Thus, 4 out of 10 leading banks are based in Chinese financial centers, 2 banks - in the financial centers of the United States (New York, Charlotte), France (Paris, Montrouge). The banking sector in new financial centers, such as Brazil, India and China, continues to grow in the long run, while US financial centers have a high level of banking stability.

Stock exchanges also play a historically important role in the organization of international economic relations. Traditionally, the largest and most important financial institutions in the world's financial centers were formed around exchanges. Therefore, they are a kind of indicator of the level of economic activity and are able to assess the state of the country's economy or its components [14].

Table 2.7 Capitalization of stock exchanges in world financial centers, trillion USD

Country	2021	2020	2019	2018	Share of total value of world stock market (%)
USA	50.1	37.6	30.4	32.1	55.59
China	13.37	8.5	6.3	8.7	5.4
India	7.73	2.2	2.1	2.3	2.1
Japan	6.79	6.1	5.2	6.2	7.4
Hong Kong	6.13	4.9	3.8	4.4	2.9

The above table 2.7 shows that the market capitalization for the period from 2018 to 2021 shows that economic growth is recorded in all regions; As before, US exchanges are ahead of other zones, but the share of 33 exchanges in the Asia-Pacific region has increased significantly in the structure of the world market. The situation in Europe, Africa and the Middle East as a whole has hardly changed.

We can conclude that today the world's financial centers are becoming more powerful. There is also a redistribution of spheres of influence between the world's financial centers. It is noticeable that now the centers of Asia and Eastern Europe are beginning to develop rapidly, thus strengthening the role of regional financial centers in the structure of international economic relations. It is determined that today the most attractive are such centers as London, New York, Hong Kong, Geneva, Paris, Singapore, Tokyo. Several financial centers also have a special place, such as Hong Kong, London, New York, Singapore, Tokyo and Shanghai.

2.2 The international financial centers and activity of transnational companies

International financial centers are a gathering place for national and international organizations from various influential economic and social spheres. The main positions are occupied by banks, stock exchanges, investment funds. And a special place among them is occupied by multinational companies.

If we consider the global economic system in the context of globalization, multinational companies are the main driving force, because they embody all possible forms of modern international business. Also, it should be noted that multinational companies play not the least role in the formation of the global financial center. They create new international economic relations in the country and strengthen existing ties, thus accelerating the transition of the local market to the regional global financial center in the first place and contribute to the creation of a global financial center.

As an example of the close relationship between the activities of multinational companies and global financial centers, it is appropriate to consider New York and its activities as a global financial center. According to the FORTUNE GLOBAL-500 rating, as of 2021, New York has 6 of the 50 largest multinational companies in the world. In general, this financial market cooperates with international markets mainly through multinational companies. Recently, it is international companies that are creating global marketing, financial and production networks. The great advantage of multinational companies is that they are able to direct huge investments to different sectors of the national or international market. From this point of view, New York is one of the most important centers of both domestic American and foreign TNCs [15].

The financial sector is one of the most important in the development of the global financial center and in this case TNCs also play an important role. They work closely with such institutions and promote their further development. Offshore centers also have the advantage of having multinational companies in them - such companies are also interested in liberal taxation, so they try to place their dividends in such areas, attracting their investment and, as a result, promote their development.

World financial centers often become the city where TNCs locate their headquarters. For example, there are about 35 TNCs in Switzerland, most of which are headquartered in Geneva. This contributes to the creation of new jobs, attracting new investment, and as a result, the development of the financial center. Therefore, taking into account this factor and all the above TNCs are an important part of the global financial

center and with their presence the global financial center has a good opportunity to occupy the top places in the rankings.

In general, TNCs have the following special characteristics:

- is a large international company, has offices in different countries and has a significant impact on the world market;
- preserves the national status of the country of origin;
- has a wide range of organizational and legal forms of doing business;
- carries out activities in the following main areas: industrial, scientific and technical, commercial, financial and investment and innovation activities;
- organizes the management of its units from a single decision-making center and conducts a joint development strategy;
- is characterized by the main difference from other international companies by promoting on international markets not goods but directly the process of production and investment, use of local resources, labor, new markets in order to generate profits [16].

The 10 best TNCs in the world include the Chinese companies China Construction Bank, Agricultural Bank of China, Petro China and American companies: JPMorgan Chase, Berkshire Hathaway, Exxon Mobil, General Electric, Wells Fargo [17].

It is a well-known fact that the world's most powerful TNCs are located in the United States, China and the European Union. At the same time, less powerful multinational companies are able to develop global financial centers and do so in countries such as South Korea, Brazil, Hong Kong, Mexico and others. An important aspect is the strengthening of TNCs in fast-growing Asian countries - a new balance of power in the world market.

Thus, it is clear that the modern development of global financial markets is impossible to imagine without the presence of big business, and TNCs are the main focus of business and the engine of globalization in the world economy. It is important to note

that the COVID-19 pandemic has intensified the trend towards further globalization, which in recent years has become an important component of international economic relations. The world's strongest financial centers occupy high positions mainly due to the presence of TNCs and their activities. The inflow of investment, job creation, establishment of new networks, acquisition of new technologies - all this gives TNCs to the world financial center and, as a result, contributes to its development

2.3 Features of functioning of offshore and onshore zones

Globalization is the main driver of international economic relations today. This process simplifies the international movement of capital in the world and the conditions for international financial transactions. This is where offshore zones come into play - they optimize tax conditions and benefits at the international level, which in turn also affects international business.

Offshore zone - one of the types of free economic zones. This is a country or its separate territory, which offers a special preferential tax regime (mainly for non-residents), as well as a simplified procedure for registration of companies, reporting. Features of offshore zones include: preferential taxation; the existence of strict rules for the protection of banking and trade secrets; limited or no currency control over financial transactions and business of non-residents in foreign currency; easy access to the foreign banking system [18].

The advantages of offshore zones are:

- a) achieving anonymity and confidentiality through the existence of barriers, rules for the protection of banking and commercial information;
- b) thanks to an efficient and inexpensive banking system, it is possible to open bank accounts in any currency, keeping profits in a reliable bank and in a stable country;
- c) lack of control over currency exchange and the possibility of its free use;

d) low tax rates for their absence [19].

The disadvantages of offshore zones are:

a) creating elements of instability in the world economy and finance, supporting the shadow economy;

b) obtaining non-competitive advantages by those companies that use offshore, compared to others;

c) reduction of employment in capital donor countries and negative impact on the social situation in these countries.

d) tax evasion, and, as a consequence, reduction of revenues to the budget of the donor country;

e) creating conditions for the outflow of capital, investment [19].

There is another species - the coastal zone. Onshore zones or companies are transactions and transactions between two legal entities that are carried out within the country and are subject to state corporate rules and taxation. An onshore company is an organization registered in the country in which it intends to conduct business (although it may carry out foreign operations). The main feature here is that onshore companies conduct business and operations within the country. [20]

The main advantage of offshore zones is that they provide huge benefits and opportunities to do business in the country where they are located (unlike offshore zones). That is, at the local regulatory level, such zones have no restrictions on doing business, and they also provide an opportunity to reduce language and cultural barriers in their jurisdiction. Another advantage of such zones is that they provide access to local skilled labor.

The disadvantages of such zones are that they do not have preferential treatment, as offshore zones and are more traditional. Having a company in such an area, the business will be subject to the usual state controls and local rules. Other disadvantages include: higher tax rates (because onshore companies do not receive preferential

taxation), less confidentiality (details of onshore companies and their owners are not kept secret, and such information is usually publicly available), higher costs (costs of creation and maintenance of offshore companies higher than onshore ones), longer for incorporation (the process of establishing and creating onshore companies is more complex and longer than for offshore companies).

Therefore, offshore and offshore zones are an effective tool for optimizing taxation, attracting new investment, increasing company profits and, as a result, developing the financial centers located there. However, the activities of such companies have a negative impact on employment and social status in donor countries, leading to significant capital losses. They are one of the reasons for the existence of the shadow economy, instability in the world economy and finance.

Almost all major American and European banks have subsidiaries in offshore areas. Only Delaware (an offshore zone in the United States) officially lists 43% of all companies listed on the New York Stock Exchange. Today, according to Concept consulting Ltd., the global offshore banking system hides \$ 11.5 trillion. USA. The total area of offshore is only 0.223% of the land, but they contain 17% of all bank deposits and formally registered 29% of assets of people from around the world [21]. There is no exact number of offshore centers, the most complete list is given in table 2.8 below.

Table 2.8 List of offshore zones of the world according to Concept Consulting Ltd

Europe	Central America	Africa	Pacific region	Asia and the Indian Ocean
Cyprus	Anguilla	Liberia	Vanuagu	Brunei
Malta	Aruba	Botswana	Cook Islands	Hong Kong
Isle of Man	Bahamas	Seychelles	Marshall	Labuan (Malaysia)
Guernsey	Barbados		islands	Mauritius
Jersey Island	Belize		Nauru	UAE
Sark Island	Bermuda islands		Niue	Oman
Gibraltar	British Virgin Islands		Fiji	
Liechtenstein	Cayman Islands			

Statistics show that today the offshore segment of the world economy accounts for about 21% of all banking operations, up to 7% of world business, while offshore areas are home to about 0.4% of humanity, and their economic activity produces only 0.7% of world GDP [22].

Thus, it's noted that the use of such zones is a profitable tool for raising capital, tax avoidance and the development of the financial center. The greatest growth is observed in those offshore centers that adapt more quickly to new conditions. In the near future, offshore business will increase its influence on the development of international business.

CHAPTER 3. MODERN TRENDS IN WORLD FINANCIAL CENTERS

3.1 Tendency of development of world financial centers in the past and today

Globalization covers all types of international relations, but the financial sector occupies a special place. Comparing the past and the present, we can see how much the world economic relations have changed, how much the wall between the countries is becoming more transparent. National capital markets are merging into one huge investment space, TNCs and other organizations are looking for the most profitable option for the placement of their capital, and here the world's financial centers are entering into relations. International financial centers have been formed and are developing today where there is a stable financial, monetary and political system, developed infrastructure and other factors that attract investors from around the world.

For a more detailed comparison of the past of global financial markets and trends in their development today, it is worth considering their state from the very beginning. Before the First World War, the leader among financial centers was London, and after that all the leading positions were occupied by US financial centers, and this country became the so-called monopolist in this area. Later, the financial sector was actively restructured and new financial instruments emerged, which helped to create new criteria for evaluating global financial centers and new directions for their development. This is how the so-called "leading cities" appeared, which differed in good indicators in terms of population, wage levels, and the number of TNCs in their territory.

Even later, new characteristics and conditions for the prosperity of the world's financial centers were added, including not only financial but also intellectual. Incomes and living standards are higher where the share of people with higher education is higher, as well as more cultural centers. The presence of a significant number of scientific institutions, museums, historical and architectural monuments in the city makes it more attractive to foreign businessmen and potential entrepreneurs [14]. Once again, the

dynamics of development changed according to new characteristics and was determined by those areas of development that could increase the competitiveness of the center.

Therefore, it can be seen that the development trend changed with the emergence of new criteria for their competitiveness. Today, such aspects are more and more complex: the variety of services, network and number of connections with other financial centers, specialization.

To assess how it was and has become in the network of global financial centers, for comparison, we can take the GFCI reports for 2021 and 2017. In 2017, there were only 92 world financial centers, and in 2021 the number has grown to 115. So in 2017, the leading position was occupied by London, and today he went down to second place and is behind New York by 12 points [14].

The report assesses the world's financial centers in various areas of competitiveness and further surveys the importance of each area. It also affects the direction and trends of development, because the more important the area is defined, the more attention is paid to the financial center for its development. The number of mentions of each oblast by respondents in 2017 and 2021 is shown in table 3.1

Table 3.1 Main areas of competitiveness

Area of Competitiveness	Number of mentions in 2017	Number of mentions in 2021
Business Environment	712	582
Human Capital	684	535
Taxation	567	485
Reputation	544	540
Infrastructure	481	515
Financial Sector Development	442	465

It can be seen that the number of votes in 2021 is more evenly distributed than in 2017. This indicates that all the factors mentioned above are important for development today. In 2017, special attention was paid to the level of corruption and the rule of law in the financial center. Protectionism and barriers to international trade have worried many, especially in the United States. So then in the field of Business Environment, global financial centers tried to develop in this direction. And today, with the advent of new

technologies, the main direction of development here is to create flexible regulation that would reduce corruption, but at the same time does not suppress innovation and their development.

As for Human Capital, in 2017 an important direction of development was to provide English language skills for the workforce, especially in Asian financial centers, to encourage investors and TNCs from Western countries. In today's environment, especially as a result of the pandemic, a new trend has emerged - the provision of remote working conditions and relevant skills in the workforce.

Considering the tax sphere, the trends have not changed much - the main thing is the harmonization of international tax systems to encourage more investors in global financial centers. Reputation also remains important for improvement with one main goal - with a good reputation, investors will have more confidence in this financial center [23].

In 2017, in the field of infrastructure, global financial centers paid important attention to the development of air infrastructure, especially in those centers that are just beginning to develop. Much attention was also paid to the development of FinTech infrastructure. Today, the main trend here is the development of IT infrastructure, to some extent also due to the pandemic.

As for the development of the financial sector, in 2017 there was a tendency that protectionism would harm the critical mass of clusters in some financial centers, so the centers worked on the development of this aspect. In 2021, remote work has become the norm in many places, so the world's financial centers have begun to develop in this direction, adapting to new business conditions to improve their competitiveness [24].

In conclusion, the development trends of global financial centers change every year and this is influenced by more and more factors - from economic to social. Whereas in the past the world's financial centers worked to develop common areas such as air infrastructure, today the world is becoming more and more digital and sophisticated, creating new trends for development.

3.2 Current trends in development of world financial centers

In the modern economy and its globalization, financial transactions are mainly concentrated in the world's financial centers. So they are not standing still and evolving every day to meet modern standards and encourage even more international organizations to operate on their territory.

The main general trends in the development of global financial centers in recent years are several. One of them is the merger of financial centers. Some experts believe that New York, London and Hong Kong are gradually moving into one financial center, with one common regulation and rules of business [25].

Recalling regulation, it should be noted that the current trend is the development of so-called flexible regulation, which would work to reduce corruption, but at the same time not slow down the development of technological and other innovations. It is also important to develop regulations to ensure the transparency of business in financial centers, including offshore and offshore zones.

An important place in international relations is occupied by consulting institutions: auditing, accounting, legal and others. So today many of the world's financial centers are more characterized as analytical and organizational and managerial complexes that provide a wide range of such services. In addition, financial centers are forming think tanks that attract experts from various fields to conduct various analyzes of the state and prospects of the world economy and the world economy [26].

The current trend is the development of regional centers in Asia, Latin America, the Middle East and Africa and their further transformation into global financial centers. This may serve to completely redistribute spheres of influence in the world in the future.

Today, the development of digital technologies and their implementation in all spheres of life, including business and work, reaches a certain peak and creates new trends for the development of global financial centers. Remote work has become more popular

and necessary for various TNCs, so financial centers are now working to provide this opportunity for their investors. In general, the labor market in the financial center should be flexible enough to ensure free movement and easy employment of qualified professionals. So this is also an important aspect, the development of which many financial centers are working on today [27].

Increasing the remote format of many employees has highlighted the importance of developing IT infrastructure. So today, more and more IT institutions and specialists are appearing in the world's financial centers to develop this infrastructure.

Also controversial, but the trend of financial centers today is the development of offshore zones. They usually provide tax or lending benefits to investors. In the fight for the investor and his capital, they succeed by specializing in providing a range of services and performing a limited range of financial transactions. Some of them provide a guarantee of confidentiality, some special rates. But these trends are controversial because by making a zero rate for taxation, they are engaged in "tax dumping", attracting investors' capital from other financial centers. And all this leads to the shadow economy and undermining the economic incentives of conventional global financial centers [26].

Thus, global financial centers play a key role in all international economic relations and their development depends on it. Today, the main development trends are the improvement of IT infrastructure, flexible regulation, the establishment of analytical and consulting organizations to provide a wider range of services to investors. Today, the centers of Asia, Africa, and Latin America are developing rapidly, which in the future may lead to an absolute redistribution of spheres of influence. Offshore centers have a special place in today's trends but are very ambiguous. On the one hand, they offer the best conditions for taxation, or rather its absence, for investors, and on the other hand, undermine the economic incentives of conventional financial centers.

3.3 Integration of Ukraine into the system of world financial centers

Integration processes are an integral part of the development of the world economy and the economy of any country. No country in the world will be able to ensure high efficiency and competitiveness of the national economy if it is not integrated into the world network of economic relations. As for Ukraine, today it is difficult to say about its chances of transformation into a global financial center due to underdeveloped banking sector, stock market, weak legal regulation and, especially, military aggression by Russia, which undermines all economic and social indicators of our country.

However, Ukraine is actively trying to integrate into the world community, preferring the European integration vector. Given the current transformational changes in the global financial environment under the influence of Revolution 4.0, Ukraine should take into account the experience of Eastern Europe and Central Asia in forming an international financial center [28].

Ukraine continues to successfully enter the world economy and has all the opportunities, but to accelerate this process it needs to work through all the problems, weaknesses and improve them.

The events of recent years, namely the COVID-19 pandemic and the war with Russia, have significantly disrupted the stability of the economic and social system and led to changes in the structure. The armed conflict is prompting an outflow of foreign direct investment, which is one of the main drivers of transformation into a global financial center. Today, unfortunately, in these conditions, Ukraine is not able to ensure appropriate socio-economic development at the expense of its own forces, as a result, it needs foreign capital. At the same time, competition in the world's capital markets is growing, which further complicates the process of developing the financial center for Ukraine.

However, it should be noted that a similar situation was in 2014 after the start of hostilities in eastern Ukraine and our economy was able to cope with the negative

consequences of this, in 2017 the economy grew by about 2%. Exports have also resumed sufficiently, thanks to the conclusion of free trade agreements with the European Union. So this time, over time and with the right economic measures, Ukraine will be able to return to the pre-war economic situation and establish even more economic ties with European countries [29].

In general, GDP is quite low, which is a big disadvantage, and solving this problem is an important task for the country. The first step here should be to increase the level of production and exports. Effective legal regulations must also be put in place to prevent corruption, shady market relations, and monopolies in various markets.

A positive investment climate is another strategic task to increase Ukraine's integration into the world network of economic relations and to stabilize and develop the national economy as a whole.

The banking system of Ukraine also needs to improve its weaknesses, such as creating a reliable system of protection of customer deposits, improving the skills of bank employees, and taking measures to increase customer confidence in the banking system of Ukraine. All this would increase the competitiveness of the national economy and encourage foreign capital.

Despite all its weaknesses, Ukraine continues to actively integrate with the world community, mainly in Europe.

If we consider the cities of Ukraine as a world financial center in the future - then Kyiv has the most opportunities. The capital is a city that is open to business, new technologies and investments. To assess the current state of Kyiv among other world business centers and the level of its competitiveness, it is advisable to consider international rankings, which are an important tool for positioning the financial center in the international arena.

Euromonitor Top 100 City Destinations Ranking is an important international rating for Kyiv in terms of its promotion on the international arena. Thus, in 2021 he took

82nd place, and by 2025 he plans to enter the top 50. So the prospects for Kyiv are quite good.

Strengths and weaknesses need to be assessed in order to create a plan for Kyiv's integration into the world community as a financial center. Among the strengths is the presence of a large number of highly qualified experts and research staff. In Ukraine, Kyiv is considered the center of all spheres from economic to educational and scientific. The capital is also a center of accumulation of capital and resources of the country. It should be noted that the advantage of Kyiv is the presence of sufficiently competitive Ukrainian startups that attract investors from around the world. A separate advantage is the relatively low cost of living compared to European countries and a convenient time zone for doing business.

Regarding weaknesses, it is worth noting the imperfect system of legal regulation, which does not provide sufficient transparency of economic relations. The infrastructure is also insufficiently developed for the level of a competitive financial center. The stock market is also underdeveloped. A separate obstacle to the transformation into a global financial center is the bureaucracy, which slows down business development [30].

Therefore, Kyiv and Ukraine as a whole must adjust to development in the European direction. First of all, this will be due to the fact that the basic features of the Western mentality prevail in the country. To improve the position of Ukraine and Kyiv as a financial center, the following steps can be identified:

- Changes in the tax system, the creation of benefits or agreements with other countries that would attract more investors to the country.
- Creating more favorable conditions for the development of small and medium-sized businesses, this will create a competitive class
- Formation and support of innovation systems in all sectors of the economy
- Creating a more positive investment climate
- Creation of effective legal regulation and state mechanisms

Ukraine's successful integration into the international system of global financial centers depends primarily on the competitiveness not only of the national economy but also of regional development. The country needs to address all its weaknesses in order to increase its competitiveness. External factors, such as the pandemic and the war, have significantly slowed the development of Ukraine and Kyiv as a financial center, but with the right approach and greater integration with European and other countries, Ukraine will be able to return to the previous level of economic competitiveness.

CONCLUSIONS

The world financial center is a center of various financial organizations (banks, stock exchanges, financial and insurance companies, etc.) that either provide financial services or need them themselves, and here offer global services (international currency, credit and financial transactions, securities transactions or gold) and global financial agreements can be concluded. The main conditions for the formation of the world financial center include: stable financial and economic situation, developed credit system and modern technological stock exchange, moderate taxation that does not interfere financial transactions and investments, availability of effective international communication systems that allow efficient cashless payments and cash payments, relative stability of the political regime, etc.

Each country aims to create a global financial center within its borders. To do this, it must go through all three stages (local market – regional financial center – world financial center) and, most importantly, attract capital, which will help improve the competitiveness of the financial center. Thanks to all these processes, the country will increase its rating in the international arena and develop its own economy. To move to the final stage of development and create a global financial center, a country must have all the necessary elements to support both its own and international activities.

To evaluate the level of development of international financial centers, experts primarily use indicators of stock, banking, insurance markets, investment activity in general, the degree of development of new tools for managing financial resources and the region's involvement in global financial flows. The most well-known indicators are the Global Financial Centers Index (GFCI) and the International Financial Centers Development Index (IFCD).

The modern development of world financial centers is impossible to imagine without big business, and TNCs are the core components of globalization processes in the world economy. The COVID-19 pandemic has exacerbated the trend towards further globalization, which has become an important component of international economic

relations in recent years. The growing protectionism associated with trade wars has severely disrupted complex value chains, negatively affecting the state of world trade.

Offshore zone - one of the types of free economic zones. The use of offshore remains a profitable national tool to avoid taxation and secretion of capital. The largest increase is observed in those offshore centers that adapt more quickly to new conditions. In the near future, offshore business will increase its influence on development international entrepreneurship.

It can be concluded that the use of offshore remains a profitable national tool to avoid taxation and secretion of capital. The largest increase is observed in those offshore centers that adapt more quickly to new conditions. In the near future, offshore business will increase its influence on development international entrepreneurship.

Today the world's financial centers are becoming more powerful. There is also a redistribution of spheres of influence between the world's financial centers. It is noticeable that now the centers of Asia and Eastern Europe are beginning to develop rapidly, thus strengthening the role of regional financial centers in the structure of international economic relations. It is determined that today the most attractive are such centers as London, New York, Hong Kong, Geneva, Paris, Singapore, Tokyo. Several financial centers also have a special place, such as Hong Kong, London, New York, Singapore, Tokyo and Shanghai.

Global financial centers play a key role in all international economic relations and their development depends on it. Today, the main development trends are the improvement of IT infrastructure, flexible regulation, the establishment of analytical and consulting organizations to provide a wider range of services to investors. Today, the centers of Asia, Africa, and Latin America are developing rapidly, which in the future may lead to an absolute redistribution of spheres of influence. Offshore centers have a special place in today's trends but are very ambiguous. On the one hand, they offer the best conditions for taxation, or rather its absence, for investors, and on the other hand, undermine the economic incentives of conventional financial centers.

Ukraine's successful integration into the international system of global financial centers depends primarily on the competitiveness not only of the national economy but also of regional development. The country needs to address all its weaknesses in order to increase its competitiveness. External factors, such as the pandemic and the war, have significantly slowed the development of Ukraine and Kyiv as a financial center, but with the right approach and greater integration with European and other countries, Ukraine will be able to return to the previous level of economic competitiveness.

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