MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY
Educational and Research Institute of Business, Economics and Management
Department of International Economic Relations

«Admitted to the defense»
Head of the Department
Petrushenko Yu.__ _______________
(signature) (full name)
____ ___________ 20__ p.

QUALIFICATION PAPER
It is submitted for the Bachelor's degree

Specialty 292 "International Economic Relations"
on the topic " FORMATION AND DEVELOPMENT OF FINANCIAL SYSTEMS OF FOREIGN COUNTRIES"

Student ___4____ Course ______________ Kolesnyk Nadya
(course number) (signature) (full name)
group ME-02a.ан
(group's code)

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

Research advisor _Ph.D., Assoc.prof.__ ___Taraniuk L.M
(position, scientific degree) (signature) (full name)

Sumy, 2024

ABSTRACT

qualification work for a bachelor's degree on the topic

"FORMATION AND DEVELOPMENT OF FINANCIAL SYSTEMS OF FOREIGN COUNTRIES"

student Kolesnyk Nadya

The main content of the bachelor's thesis is presented in 70 pages, including a list of 41 references spread across 4 pages. The thesis contains 9 figures. Keywords: FINANCE, FINANCIAL SYSTEM, BUDGET, EXPENDITURE, REVENUE, TAXES. The aim of the research in the bachelor's thesis is to theoretically justify and practically examine the peculiarities of the process of formation and development of financial systems of foreign countries.

The object of the research is finance and the financial system as a set of spheres and links of financial relations.

The subject of the research is the peculiarities of the process of formation and development of financial systems of foreign countries. Modern methods of conducting scientific research, systemic and comprehensive approaches, and the method of comparative analysis were used in the preparation of the research. The informational and legal basis of the research includes legislative and regulatory acts, as well as official statistical, methodological, and analytical materials, and data from the Internet.

The research results lead to the following conclusions:

1. The financial system of the state ensures the creation and flow of financial resources, allowing the state to provide public goods, services, and benefits, and also promotes the accumulation and use of financial resources for the implementation of government activities. The financial system mediates relationships between the state, organizations, and citizens, which occur continuously with the help of modern communication technologies not only within the country but also beyond its borders.
2. An important condition for the construction of an effectively functioning financial system of the state and its improvement is the study of foreign

experience, including the necessity of comparing theoretical approaches to defining the financial system, its structure, which is conducted by modern financial policy to assess the possibility of using best practices for implementing the financial policy of the state.

3. The financial systems of states may differ significantly from each other and may not have a similar structure, but they all must correspond to their main function - meeting the needs of the state, economic entities, and the population, and the subjects of the financial system contribute to its fulfillment.
4. Despite the large number of scientific opinions and approaches to definition, the financial system is the main system in all spheres of society's life, in social and economic policies, as well as in the functioning of the state and the performance of its functions.
5. The financial system of each country has an individual structure with its peculiarities of construction and functioning.

The obtained results can be used in the process of developing a strategy for forming financial policy and assessing its effectiveness. The main provisions of the bachelor's thesis were considered at the:

1. International economic relations and Sustainable development: materials of the V International Scientific and Practical Conference, Sumy, May 23, 2024 / by general ed. Yu.M. Petrushenko, M.D. Domashenko - Sumy: Sumy State University, 2024.

Year of completion of the bachelor's thesis - 2024

Year of thesis defense - 2024

CONTENT

INTRODUCTION

Relevance of the study. The relevance of the issues of formation of the financial system makes us turn to foreign experience in this area in order to identify the budget indicators of federal and unitary states and their features of the formation of the financial system at the state and regional levels.

The importance of research on the problem of foreign experience in the formation of the financial system is substantiated in the studies of foreign and domestic authors: Bogachova O.S., Kysiev Z.E., Nekhaychuk Y.S., Nekhaychuk D.V., Tokayeva S.K., Yangirov A.V., Nechiporuk A.A. and others.

The financial system of the state ensures the creation and flow of financial resources that allow the state to produce public goods, services, goods, and also promotes the accumulation and use of financial resources in order to implement the activities of the authorities. The financial system mediates the relationship between the state, organizations, and citizens, which take place continuously with the help of modern communication technologies not only within the country, but also abroad.

An important condition for building an effectively functioning financial system of the state, as well as its improvement, is the study of foreign experience, including the need to compare theoretical approaches to the definition of the financial system, its structure, which is carried out by modern financial policy in order to assess the possibility of using the best practice for the implementation of the financial policy of states.

The purpose of the study is to theoretically substantiate and practically consider the features of the process of formation and development of financial systems of foreign countries.

According to the outlined goal, the following range of tasks was formulated:

- to conduct a theoretical study of the concept of finance and financial system at the present stage of development of the world financial and economic system;
- to define the content and concept of finance as an integral economic category and to consider the principles of formation and development of finance;

- to explore modern views on the concept of the financial system and its composition;
- to classify national financial systems;
- to conduct an analytical study of the development and modern functioning of foreign financial systems;
- to consider the history of the development and functioning of the financial system of Ukraine;
- to find out the peculiarities of the functioning of the financial system of the countries of the European Union, the features of the American financial system and the financial system of Islamic countries;
- to consider the main promising directions of development of the world financial system;
- to study the world experience of forming local budgets as an element of the financial system.

The object of research is finance and the financial system as a set of spheres and links of financial relations.

The subject of the research is the peculiarities of the process of formation and development of financial systems of foreign countries.

In the process of preparing the study, modern methods of conducting scientific research, systematic and integrated approaches, and the method of comparative analysis were used.

The informative and legal base of the research is the legislative and non-normative acts, as well as the official statistic, methodological and analytic materials, the data of the Internet.

The main scientific research is the scientific research of domestic and foreign scientists on the formation and development of financial systems of foreign countries.

International economic relations and Sustainable development: materials of the V International Scientific and Practical Conference, Sumy, May 23, 2024 / by general ed. Yu.M. Petrushenko, M.D. Domashenko - Sumy: Sumy State University, 2024.

CHAPTER 1. THEORETICAL BASES OF THE STUDY OF THE CONCEPT OF FINANCE AND FINANCIAL SYSTEM AT THE PRESENT STAGE OF DEVELOPMENT OF THE WORLD FINANCIAL AND ECONOMIC SYSTEM

1.1 The content and concept of finance as an integral economic category. Principles of formation and development of finance

The term "finansia" means "monetary payment" in Latin. The activity of the state, which uses the mechanism of finance to perform a certain range of tasks, along with commodity-money relations, determine the existence of finance.

Finance is an economic monetary relationship regarding the formation, distribution and use of monetary funds and revenues of the state, its territorial divisions, as well as enterprises, organizations and institutions to ensure expanded reproduction and social needs, in the process of implementation of which the distribution and redistribution of the public product and control of meeting the needs of society take place.

Among the features of finance that determine their most important properties, the following are distinguished [17]:

1. The main feature is that finance acts as monetary relations that arise in the process of formation, distribution, use, redistribution and accumulation of funds.
2. Also, monetary relations have a distributive feature, which is associated with the movement of real money.
3. As a rule, the movement of funds is characterized by the one-sided (in other words, unidirectional) nature of relations.
4. As a monetary relationship, finance can take the form of both centralized and decentralized funds.
5. Another important feature is that finance, through taxation and public financing, acts as a necessary mechanism of the reproduction process for the economy.

6. Also, along with the above-mentioned features, it should be noted that finance is one of the most important management tools that ensures the fulfillment of the functions and tasks of the state.

Being a set of economic relations that arise during the formation, distribution and use of funds, finance develops according to certain principles. The presence of certain principles of development is a prerequisite for the existence of any multifunctional system.

Thus, the first principle of finance is the unity of the regulatory and legislative framework, along with the unity of the monetary system with the systems of lending and taxation, as well as the unification of forms of financial documentation and reporting, and the uniform procedure for calculating and reflecting financial transactions in accounting, as well as compliance with the general procedure for the formation of expenses, financial results and sanctions for violation of payment and settlement, financial and tax disciplines.

The second principle of financial relations is the principle of balance of costs and incomes of each subject of economic relations. This means that in the relationship, on the one hand, there are monetary obligations to the other party – accounts payable. And within a certain period of time, the debtor party repays these obligations to the creditor at the expense of its sources.

Such fundraising requires recoupment of costs and comparison of interest rates. The principle of balance applies to both enterprises and the state, since there is a need to balance the budget and state extra-budgetary funds. That is, the amount of income generated from various payments and borrowed funds should correspond to the amount of estimated expenses. And government borrowings should not exceed the capacity of the budget and extra-budgetary funds to repay public debt.

Also, balance means timely and full fulfillment of financial obligations - that is, repayment of debt. Otherwise, the growth of overdue debts may turn into bankruptcy [21].

An equally important principle for the development of financial relations is the target orientation. Increasing the profitability of production, ensuring a stable position in the market, sufficiency of material, labor and financial resources, and most importantly - making a profit are the goals of the commercial activity of enterprises. And the goals of state financial relations are to attract funds (in the form of tax fees and non-tax revenues), redistribute them for the development of the social sphere, state and municipal sectors of the economy, along with the fulfillment of monetary obligations for borrowing [10].

The next principle of finance development is the diversification of sources of financing and areas of investment. This suggests that each participant in a financial relationship should be a lender for several borrowers, not just one. And in the same way, borrow funds from several lenders, not from one. This is due to the fact that you should not bet on one source of funds (no matter how large and reliable it is). Equally, it is not worth investing in only one direction, no matter how high profits it brings today. Diversification, increasing stability and thereby competitiveness, allows you to reduce entrepreneurial risk. But, in turn, diversification requires high maneuverability and use of resources. The most convenient way to diversify financial activities is to invest in securities with the formation of a portfolio of securities of different issuers.

Another principle of financial activity is its organization in time. Compliance with this principle is manifested in focusing both on the current tasks of financial relations and on the medium and long term. This is due to the fact that in some situations it is necessary to sacrifice current benefits for the sake of a greater benefit in the future.

Finance always appears in the form of money, but monetary relations are not limited to finance, they are in different planes. Finance does not cover all monetary relations (e.g., monetary relations arising in connection with the purchase and sale, remuneration, etc.), which are mainly of an equivalent nature).

The content of financial relations is those with the help of which the funds of the state, its territorial divisions, enterprises, organizations, and institutions are formed.

Summing up, it can be said that the essence of finance as an economic category is revealed not in their quantitative side, but in the content of those social relations that arise during their functioning (that is, in the process of creation, distribution (redistribution) and use of funds of funds, which in turn are due to the process of distribution and redistribution of the value of the aggregate social product and part of the national income of the state) [22].

1.2 Modern views on the concept of the financial system and its composition

Until now, many issues related to the essence and structure of the financial system in domestic and foreign science remain debatable. This problem is becoming especially relevant now, when the issues of ensuring the security and stability of the financial system of Ukraine are raised.

Before considering the interaction of the subjects of the financial system, it is necessary to determine the interpretation of the concept of "financial system". This concept is quite often found in the economic literature, but in the opinion of some scientists, it has not received a proper scientific definition and needs to be clarified.

Finance as an integral economic category with common properties has its own structure, which includes interrelated links (institutions), each of which is characterized by features. The totality of financial links (institutions) that are part of finance, and their interconnection forms the financial system of the country.

The very concept of "financial system" is relatively dynamic. Its content was changed and clarified in connection with changes in the world financial and economic structure of countries, as well as with the development of financial science.

In the modern dictionary of financial and economic terms, the following definition is given: FINANCIAL SYSTEM is a set of interdependent spheres and links of financial relations [17].

The concept of "financial system" is quite common and is mentioned in regulatory legal acts, scientific and applied research, court decisions, and the media. At the same time, it is characteristic that the instrumental base in legislative documents is still not established and fully formed [15].

Therefore, it is necessary to note the fact that the vagueness of the content of the category of "financial system" complicates its practical application due to the possibility of its wide and different interpretation.

The formulation and consolidation of the definition of the analyzed category in the legislation of Ukraine will bring clarity and precision to the regulation of financial and economic relations [20].

However, in the economic, scientific and educational literature, there are different points of view on the definition of the concept and composition of the financial system of the state.

The following approaches to understanding the essence of the financial system are distinguished:

- material;
- functional (cost-effective);
- institutional;
- legal.

The material approach involves an expansive interpretation of the financial system as a set of elements that have the form of funds and similar to it in the organization of financial links. In general, the material understanding is characterized by the interweaving of functions that reflect the interconnections and interdependence of the financial and monetary systems of the state.

Thus, V.V. Asaul believes that the financial system is a set of financial organizations and financial markets that provide the formation and use of funds of the state, organizations, and the population with the help of various financial instruments. At the same time, financial institutions (markets and financial organizations) redistribute limited financial resources from one economic entity to another. Redistribution is carried out with the help of financial instruments [1].

According to P.V. Krush, the financial system is a set of links and elements of financial relations, through which the distribution of the social product, the formation, distribution and use of funds, monetary income and savings of the state, economic entities and the population are carried out [23].

V. M. Zayernyuk understands the financial system as a system of economic relations, as well as institutions related to the redistribution of monetary savings and temporarily free funds between economic entities that have them at a given time and economic entities that are in need of funds at this time [19].

N.P. Molchanova believes that centralized and decentralized funds of financial resources make up the financial system of public reproduction, and includes the following links in the financial system: finances of economic entities, state and municipal finances, finances of the population [29].

According to N.L. Poltorak, the financial system is a set of various spheres of financial relations, in the process of which funds are formed and used. In other words, the financial system is a system of forms and methods of formation, distribution and use of funds of the state and enterprises [36]. The professor includes the following links of financial relations in the financial system of Ukraine: the state budget system, state credit, extra-budgetary special funds, property and personal insurance funds, finances of enterprises of various forms of ownership.

A similar interpretation is presented by N.N. Nazarov: "the financial system is a set of various spheres and links of financial relations, in the process of which funds are formed and used" [30].

According to L.L. Ignatenko, the financial system is a set of interrelated monetary relations of a distributive nature, determined by the economic structure of society, differentiated depending on the sources and methods of formation of financial resources, as well as the directions and purposes of their use [20].

The team of authors under the guidance of Professor V. M. Fedosov and S. I. Yuri believes that the financial system is a set of different spheres (links) of financial relations, each of which is characterized by the peculiarities of the formation and use of funds, a different role in social reproduction. All financial relations can be divided into two subsystems: national finances, which meet the needs of expanded reproduction at the macro level, and finances of economic entities, which are used to ensure the reproduction process with monetary resources at the micro level [39].

V.M. Oparin has a similar opinion: the system of finance as a whole is a set of different spheres of financial relations, in the process of which different monetary funds are formed and used. In general, the financial system of Ukraine consists of two enlarged subsystems: state and local finance; Finances of Business Entities [32].

In the textbook for university students studying in economic specialties, edited by Academician V.D. Bazylevych, the term "financial system" is interpreted as a set of financial relations that act in the form of interrelated and interacting categories, links, spheres that distribute and use funds of economic entities, households, the state, as well as special financial institutions [4]. The presented interpretation does not take into account credit institutions, insurance organizations, investment companies, as well as stock intermediaries and exchanges in the financial system.

OD. Vasylyk proposes to understand the financial system in the economic aspect as the internal structure of finance, the totality of interconnected links (institutions) in them, each of which represents a specific group of financial relations. The material expression of the links (institutions) of the financial system consists of financial funds corresponding to their specifics – budgetary, extra-budgetary, etc [15].

L.M. Shevchenko believes that the financial system is a set of the main financial and legal institutions of the country that serve the economy and perform either the functions of the relevant monetary funds or the functions of methods that contribute, on the one hand, to the mobilization of funds to the relevant budgets, on the other hand, to the legal and rational spending of funds from them for the benefit of society and the state. The components of the financial system include: the monetary system; budget system; tax system; banking system; system of state and municipal credit (debt); property and personal insurance; finances of business entities; Population Finances [41].

A similar wording is presented in the textbook by S. Astion: "The financial system is a set of financial relations in connection with the formation, redistribution and use of funds of the state, business entities, households.

The financial system of Ukraine is understood as:

1. A set of financial institutions, each of which contributes to the formation and use of appropriate monetary funds.

2. A set of state bodies and institutions that carry out financial activities within their competence [2].

According to many authors, the national scientific literature is dominated by the structural-functional (economic) approach, according to which the financial system is considered as a set of interrelated spheres and links of financial relations, which are part of social relations.

Thus, A. G. Gryaznov [31], E. V. Markin [33], M. V. Kangro [10] perceive the financial system as a set of interdependent spheres and links of financial relations. The main areas include business entity finance and state and municipal finance.

According to E. D. Sokolova, "taking into account the changes that have taken place in the economic life of the country, it can be assumed that the financial system is a combination of three main links: public finance, local finance, private finance"[27].
A similar idea is expressed in the textbook by N. V. Milyakov: the financial system is a certain ordered set of financial relations. The links of the financial system can be grouped into three large blocks, each of which also has an internal structure: centralized finance; decentralized finance; Household Finance [14].

N.M. Nazarov and M.I. Kankulova distinguish the financial apparatus, financial funds and finance as part of the financial system (as a set of relations on the formation and use of budgets, extra-budgetary and insurance funds). In addition, they distinguish the fourth link in the financial system – financial policy, including its management principles, financial forecasting, financial planning, financial regulation, financial control, financial legislation and financial analysis [16].

In her article, Pyatkovska Y. V. gives two variants of interpretation of the structure of the financial system as a set of spheres and links of financial relations. In the first case, each of the financial institutions considers in its narrow sense: budgetary relations; finances of business entities; credit relations (state, regional, bank loan); insurance relations. In the second case, in the structure of the financial system, the author distinguishes a set of the following financial institutions, taking into account their broad interpretation: finances of centralized funds as a set of financial relations regarding the formation, distribution and use of centralized funds (funds of the budget system of Ukraine), including relations related to the collection of revenues of the budget system; finances of decentralized funds (finances of economic entities).

The institutional approach is an understanding of the financial system as a set of elements in the form of certain bodies of state power and local self-government involved in financial activities, as well as other bodies, organizations, enterprises and institutions, including those endowed with private finances.

In the textbook edited by E. Y. Gracheva, the financial system is understood as a set of financial institutions, each of which contributes to the formation and use of appropriate monetary funds, as well as a set of state bodies and institutions that carry out financial activities within their competence. According to the authors, the financial system consists of the following funds and their corresponding legal institutions: public finances, finances of economic entities, local finances, insurance funds, credit (state and banking)) .

In the textbook by N. Y. Isakov, E. G. Knyazev and others, the financial system is considered as a set of specific financial bodies and institutions designed to implement the state financial policy in practice.

The structure of the financial system includes the totality of financial institutions of the state, starting from the top leadership of the country to the financial departments of enterprises [8]. The difference lies only in the aspect of implementing the state financial policy. Thus, it can be concluded that the authors associate the financial system exclusively with the performance of state functions, without taking into account the interests of other economic entities.

Also, in the textbook, the authors separate the concept of "financial system" from the concept of "financial system", by which they understand "a set of various financial relations united by general principles within the category of "finance", but have their own specific features in the formation and use of monetary funds and play their specific role in the economy, which includes three links: national finance, local and finances of state-owned enterprises and organizations [9].

The issue of differentiation of concepts is also supported by M. L. Poltoradneva in her article: "financial system" and "financial system" are different categories, where "financial system" is a set of finances of participants in the economic system [19].

R. V. Cherska believes that the financial system is a term used to designate concepts that are different in their essence:

а) a set of spheres and links of financial relations that are interconnected with each other. In this sense, the country's financial system includes three large areas: finances of enterprises, institutions, organizations; insurance; public finances. Each of them consists of links.

б) the totality of financial institutions of the state [37].

Legal approach to understanding the financial system. There is a set of characteristics of the financial system established by regulatory legal acts, which have the form of regulatory requirements for the mode of functioning of the financial system (financial legislation, means and methods of stabilization of the financial system provided for in the norms, financial policy in its legal forms, functions, as well as methods of activity within the financial system, which are implemented in the actions of specific authorized entities).

O. Kyrylenko defines the financial system of the state as a single complex of financial institutions and their corresponding legal relations, authorized subjects, procedures for carrying out financial activities, the functioning of which is regulated by the norms of law that establish legal means of formation, distribution and organization of the use of public monetary funds [21].

Pihul N.G., Boyarko I.M. believe that in a broad sense, the financial system of the state should be understood as a set of financial institutions of the state (public authorities representing the mechanism of financial management), budgetary and extra-budgetary funds, credit institutions of the state and regional formations, as well as legal norms that fix the legal status of subjects of financial relations and cash flows of the state, its subjects and regional formations [34].

In the specialized literature, there are also often definitions of the financial system, which represent a certain synthesis of the previously mentioned criteria for structuring the financial system, the so-called integral (combined, mixed) approach.

Thus, N.P. Krush refers to the links of the financial system state and local finances, finances of business entities, insurance, credit and banking system (which he defines as a set of banks and other credit institutions of the country), and even the system of state financial bodies [23].

V.D. Bazylevych considers the composition of the financial system from two positions: as a set of certain links of financial relations and as a set of financial and credit institutions [16].

A.I. Bondarenko considers the financial system as a set of various branches and links of financial relations organized in the country, each of which is characterized by peculiarities in the formation, distribution and use of funds, different roles in social reproduction, and state and corporate financial management bodies. In her opinion, the financial system is a set of spheres and links of financial relations, in the process of which funds are formed and used, but also the system of financial institutions, that is, the institutional financial system. A set of financial institutions (departments) is the apparatus for managing the financial system [12].

I.G. Blagun notes in his scientific article that the financial system, which is understood in the narrow sense of the word, is a set of financial relations that form spheres and links. The structure of the country's financial system in its broad sense should include:

1) the totality of financial relations from which the distribution of the social product is carried out;

2) a set of monetary funds with the help of which funds, monetary incomes and savings of the state and local self-government bodies, economic entities and households are formed, distributed and used;

3) system of financial management bodies [11].

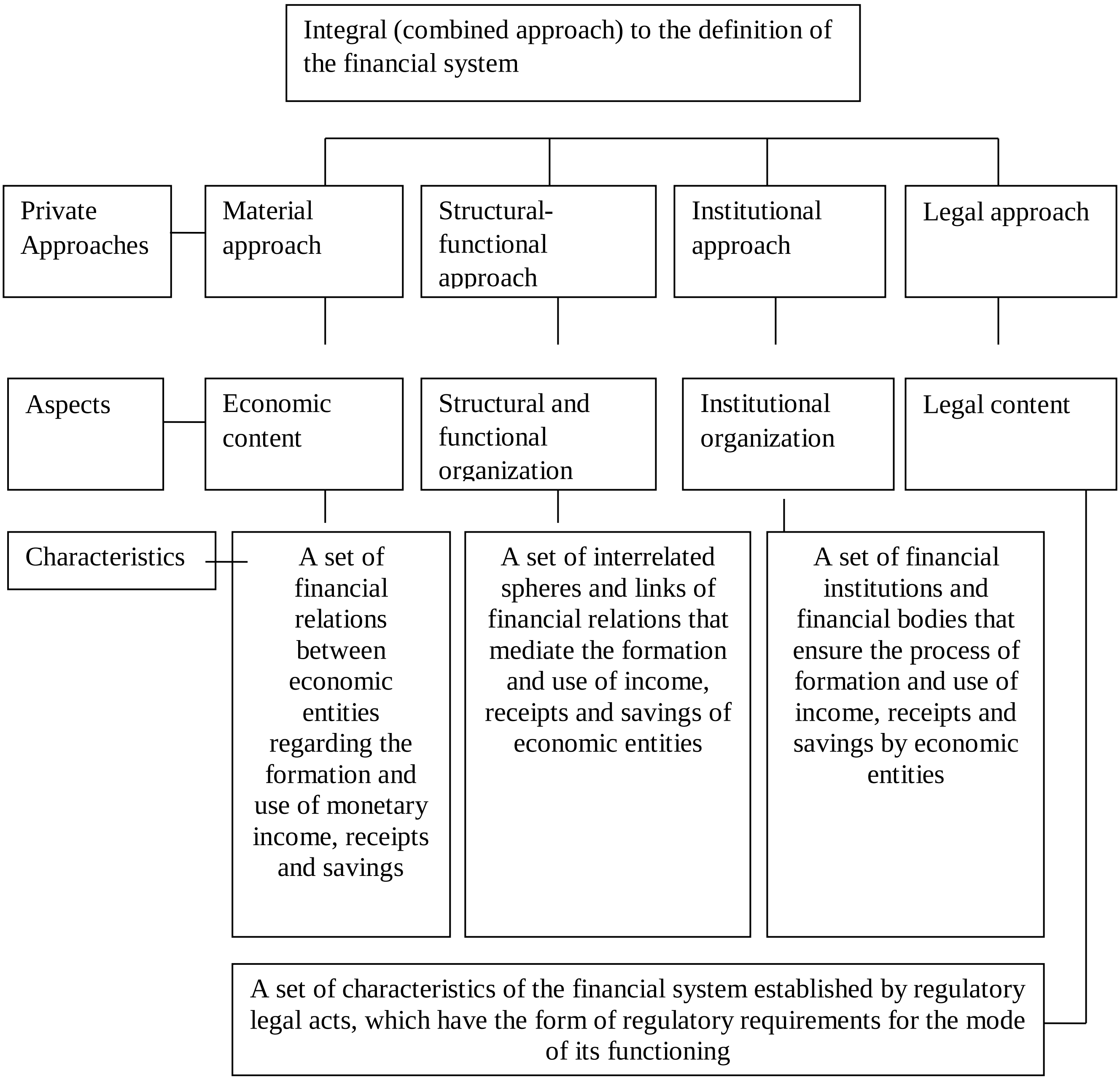
I.P. Belozerova, having considered various approaches of modern authors, which have developed within the framework of different economic schools and directions, summing up, expresses the essence of the financial system from the standpoint of the integral approach as a set of financial relations regarding the formation and use of income, receipts and savings of economic entities in the process of social reproduction, their interrelated functional spheres and links, as well as financial institutions that ensure the implementation of these relations [7].

In the article by L. M. Shevchenko, the modern financial system is defined as a set of relatively independent and interrelated spheres and links of financial relations, which reflects the structure of the country's finances and performs the functions of accumulation, distribution and financial intermediation [41]. The considered interpretation reflects the structural-functional and institutional approaches, however, in contrast to the traditional view of the essence of the financial system, L. M. Shevchenko expands the functional composition with the function of financial intermediation. In his article, this author simultaneously touches upon such a category as the "financial market", understanding it as a combination of the currency, credit and securities markets.

Thus, it should be said that with the transition to a market economy, new structural elements of the financial system appear – financial intermediaries, including exchanges and professional participants (brokers, dealers, management companies, depositories, registrars, etc).

Y.B. Bazhenova gives the author's definition of the category of "financial system". The financial system is a form of organization of interaction between economic agents with the help of money and financial instruments, which is in continuous evolutionary development. According to the author, the national financial system can be represented by a set of elements of the financial system: subsystems, markets, instruments, subjects and science. The subsystems include a combination of monetary, including payment systems, currency, budget, including tax, credit, including banking and non-banking, and insurance subsystems. Financial markets contain a combination of money, currency, credit, insurance, derivatives and securities markets. Financial instruments include money, currency, taxes, loans, securities, insurance products, and derivatives. The subjects of the financial system include participants of the financial system, which are represented by regulatory bodies that perform control functions in the field of finance. Financial science is an integral part of the financial system, taking into account the fact that the development of the economy stimulates the creation and "improvement of the efficiency of practical application" of innovative financial products and tools that allow solving more complex financial problems of both subjects of the economic and financial systems [3].

Thus, recognizing the possibility of the existence of different points of view, it is obvious that the most complete picture of the financial system, which is a complex set of elements, can be compiled on the basis of a multidimensional approach (Figure 1.1) [7].



Rice. 1.1 – Scheme of an integral approach to the definition of the concept and composition of the financial system

On the basis of the above, we will try to give our own formulation of the concept of "financial system": The financial system is a system of interaction between economic entities in the form of financial instruments, and even legal norms that are in continuous evolutionary development, taking into account changes in the external environment, tasks and goals of the financial policy of the state and economic entities.

1.3 Classification of national financial systems

When considering national financial systems from a theoretical point of view, issues related to the construction of their scientifically grounded classification are extremely important. In a general sense, the allocation of certain types of national financial systems (in fact, the construction of their groupings) is one of the main fairly simple and effective methods used in conducting theoretical analysis. It should be noted that, on the one hand, grouping can be considered as an independent method of analysis, with the help of which the selected object is described, and on the other hand, it is often used as a kind of basis for the application of other methods of analysis (primarily quantitative mathematical and statistical methods). With respect to a single national financial system, the method of groupings, as a rule, is used to obtain its objective substantive characteristics on a specific basis, and multiple sequential application of this method allows to build their classification [13].

It is very important to note that the issues of classification of national financial systems in foreign and domestic financial literature are still practically undeveloped. The overwhelming majority of researchers do not attempt to build a more or less holistic classification of them, limiting themselves to one or two logical groupings, and in many works this problem is not considered at all. The main reason why the issue of grouping and classification of national financial systems is given very little attention in the specialized literature is the presence of many different approaches to its interpretation, understanding of the economic essence, allocation of individual structural elements (links) and functions. Such a multiplicity of scientific views objectively hinders the application of the method of grouping (and, consequently, the construction of a classification of national financial systems), since it provides for the unambiguous definition of the population under study, that is, the same or, at least, quite close, in fact, understanding of the national financial system, its structure and functions. Nevertheless, certain groups of national financial systems have become relatively widespread.

In particular, according to O.V. Kyzyl, depending on the economic policy implemented by the state, the following types of the national financial system can be distinguished:

- The financial system of this type, represented in most European countries, is characterized by the fact that credit and banking structures, concentrating a significant part of the free financial resources of legal entities and individuals, who distribute them on their own behalf using lending or direct investment mechanisms);
– market financial system (a similar role in the redistribution of national income is played by the stock market, this type of financial system is characteristic primarily of the United States and Canada);
– The financial system of this type is used by Ukraine, Sweden, China and is characterized by a fairly high level of taxation and a significant share of state property in the economy).

This classification of national financial systems is practically unchanged in the works of some other authors (for example, in the works of T.K. Miroshnikov). Nevertheless, some well-known researchers, using the same classification feature, propose a slightly different grouping of national financial systems. Зокрема, Б.Б. Rubtsov distinguishes two types of national financial systems:

– the banking financial system (it, in his opinion, "emphasizes the positive role of banks in mobilizing capital, identifying the best investment projects, controlling corporate managers and managing risk");

– market financial system ("on the contrary, is that it highlights primarily the positive role of the securities market in economic development").

Thus, B.B. Rubtsov does not single out the budget financial system as a separate type, and when considering the banking and market financial systems, he mostly analyzes them not from the macroeconomic point of view, but from the standpoint of the possibilities of financing economic entities, formulating the conclusion that "in countries with a weak legal system, bank financing is not only preferable, but also the only possible one". The first variant of the classification of national financial systems is more justified, since it allows to take into account the specifics of the economic policy pursued at the national level as fully as possible. In addition, the allocation of the fiscal financial system, as reflected in the global economic trend, which has been quite evident in recent years after the global financial crisis of 2008 and consists in an increase in the share of the public sector in the world economy.

Another classification of national financial systems, which can be found in the economic and financial literature, is based on the nature of interaction with the external environment. It implies the allocation of two types of systems:

– open national financial systems (such systems regularly and freely interact with the external environment with varying degrees of intensity);

– closed national financial systems (do not interact with the external environment).

It is also expedient to distinguish partially (or limitedly) open financial systems, the interaction of which with the external environment is characterized by the presence of certain restrictions (as a rule, such restrictions are protectionist in nature). The need for such a modification is due to the fact that in many countries there are various restrictions, including those related to the redistribution of financial resources with the help of specialized financial intermediaries.

It should be noted that in the context of globalization of the world economy, the very understanding of open and closed national financial systems has been transformed. It is obvious that there are no completely open systems in which there are no restrictions on interaction with the external environment at all, and absolutely closed systems that do not interact with it in principle.

However, there are financial systems that interact with it with minimal restrictions (for example, national financial systems in the United States, Great Britain, Japan, Singapore), and those that largely ignore its impact (in particular, the Democratic People's Republic of Korea is characterized by an extremely high level of closure of the national financial system).

Consider the following classification of financial systems:

– open financial systems (free interaction with the external environment; the presence of minimal restrictions);

– partially open financial systems (moderate interaction with the external environment; the presence of restrictions that reduce the intensity of its interaction);

– closed financial systems (weak interaction with the external environment; the presence of serious restrictions aimed at minimizing it).

Another classification, proposed by V.M. Oparin, provides for the allocation of two types of systems depending on the nature of the formation of financial resources:

– pure financial systems (in such systems there is a "formation, movement and use" of exclusively "net financial funds", i.e. "monetary funds formed as a result of a certain entrepreneurial activity");

– real financial systems (in financial systems of this type, not only "net monetary funds" are formed and used, but also "quasi-net monetary funds" formed by issuing securities, as well as "fiscal (tax) monetary funds" formed on the basis of tax revenues.

Such a classification is characterized by an extremely high level of abstraction, since all modern national financial systems will belong to real financial systems (at least due to the simultaneous presence of "net monetary funds" and "fiscal monetary funds"). The attribution of all national financial systems to one type and, most importantly, the impossibility of the existence of "pure financial systems" actually allows us to conclude that the practical application of this group is incorrect. It should be noted that the classification of national financial systems in its modern interpretation is essentially limited to the classifications described above. In this form, it does not allow a meaningful description of the national financial system, and therefore scientists propose to supplement this classification of financial systems, using approaches that are currently successfully used within the framework of the general theory of systems.

The general theory of systems is "a special scientific and logical-methodical conception of the study of objects that are systems," and in a broad sense it "acts as the basic science that embraces the totality of problems related to the study and design of systems." Taking into account the fact that the national financial system has all the basic properties of systems (integrity, divisibility, interconnectedness of system elements, organization and synergy) and considers it as a specific system associated with the redistribution of financial resources, it is considered possible to use grouping methods characteristic of the general theory of systems in the field of finance. Not all classification approaches used within the framework of the general theory of systems can be applied in the process of studying national financial systems. In particular, according to the degree of predictability, all systems are divided into deterministic and stochastic [10]. The key feature of deterministic systems is their predictability, that is, having information about the nature of the impact on such a system, it is always possible to accurately predict its outcome.

Predictability is not inherent in a stochastic system, that is, having information about the nature of the impact on such a system, it is impossible to predict its outcome with absolute accuracy (in this regard, deterministic systems are often called predictable, and stochastic systems are called probabilistic). All national financial systems are stochastic in nature (under different conditions, the same influence can lead to completely different results), that is, the existence of deterministic financial systems is possible only in theory.

Taking into account the fact that in some classifications that have found their application in the general theory of systems, all existing national financial systems belong to one group (for example, any national system is a socio-economic system by its nature, artificial by its origin, continuous by its functioning in time, dynamic by the possibility of change, concrete by the degree of abstractness, heterogeneous (heterogeneous) by the level of homogeneity, and by the nature of management – combined, according to the parameters used to describe it – mixed, etc).

According to the level of complexity, the following national financial systems can be distinguished:

– simple financial systems (such systems are relatively easy to describe and are characterized by the obviousness and simplicity of the relationships between their individual elements);

complex financial systems (such systems are more difficult to describe, are distinguished by the presence of a large number of various relationships between the elements);

– very complex financial systems (the description of this type of systems is very complex, since they are characterized by the presence of a huge number of elements, and the links between them themselves are quite complex in nature).

Another classification that is applied to financial systems, on, is the distribution according to the number of elements that make up the system. It should be borne in mind that the number of elements that make up a single national financial system directly depends on the total number and standard of living of the population in the country. In accordance with it, it is possible to distinguish:

– ultra-small financial systems (include up to 100 elements and operate in states characterized by a small population);

– small financial systems (from 100 to 1000 elements);

– medium-sized financial systems (from 1000 to 10,000 elements);

– large financial systems (from 10,000 to 100,000 elements);

– ultra-large financial systems (more than 100,000 elements).

According to the strength of the reaction of external influences, national financial systems can be divided as follows:

– soft financial systems (have a very high level of sensitivity to any external influences, i.e. external influence in most cases leads to certain changes in the financial system, and the higher its intensity, the more significant and long-term the changes will be);

– conditionally rigid financial systems (differ in an average level of sensitivity to external influences: weak influences do not affect the financial system, and stronger ones change it, but at the same time the degree of change in the system is weaker than the degree of external influences on it);

– rigid financial systems (extremely weak in response to external influences, and changes in such systems can only be provoked by extremely strong influences).

According to the nature (mode) of functioning, the following national financial systems can be distinguished:

– Established (formed) financial systems – such national financial systems function stably, the structure of the system does not undergo fundamental changes within short periods of time, the relationships between its individual elements are quite constant);

– transitional (emerging) financial systems – such systems are characterized by instability of functioning, abrupt (often cardinal) changes in structure, inconsistency of relationships between elements.

As another classification feature, the level of centralization of financial systems can be used, according to which it is possible to distinguish:

– centralized financial systems (the peculiarity of such systems is that all types of interaction between individual elements of the system are carried out with the help of one (central) element);

– Dispersed (decentralized) financial systems – in them, individual elements directly interact with each other.

According to the level of manageability of national financial systems, the following types can be distinguished:

managed financial systems – their characteristic feature is the relative ease of management, i.e. purposeful change of their individual parameters as a result of the use of incentive and disincentive measures, for example, by the state;

– limited managed financial systems – in these systems, the impact of incentive and disincentive measures is very limited, and the change in individual parameters of the system under their influence can be estimated only approximately;

– unmanaged financial systems – such systems are characterized by a very low significance of stimulating and destimulating influences, respectively, the change in parameters depends minimally on them.

Finally, according to the level of stability of national financial systems, we can distinguish:

– Extremely resilient financial systems – the properties and structure of such financial systems remain virtually unchanged even under prolonged and strong external influences, while they continue to perform their functions in a timely manner and in full);

– Stable financial systems – with long-term and intensive influences, most of their properties are preserved, while their structure may undergo some changes that are not fundamental in nature, and the functions will be performed in full, but possibly with a small time lag;

– Limited financial systems are resilient – strong influences can provoke noticeable structural changes, but the national financial system itself will retain most of its properties and continue to perform its functions (not in full and with a more significant time lag);

– unstable financial systems – such systems are distinguished by the fact that significant external influences can greatly change their structure, and they will lose a significant part of their properties and will be able to perform only certain functions, the simplest functions);

– extremely unstable financial systems – they are characterized by a radical change in structure due to strong influences, as well as the loss of most of their properties and the inability to perform their functions).

A significant addition to the classification features used to allocate types of national financial systems is necessary in order to obtain their simple and at the same time meaningful characteristic, which is especially important in the context of globalization of the world economy and contributes to the complication of relationships between individual national financial systems.

CHAPTER 2. ANALYTICAL STUDY OF THE DEVELOPMENT AND MODERN FUNCTIONING OF NON-PROFIT FINANCIAL SYSTEMS

2.1 History of the development and functioning of the financial system of Ukraine

The financial system of Ukraine consists of a set of financial institutions that are interdependent and interacting. The financial system of Ukraine can be characterized in two aspects [11]:

а) It is a set of financial institutions that mediate the formation and use of monetary funds;

б) It is a set of state bodies and institutions that carry out financial activities

The essence of the financial system can be disclosed through the system of financial institutions.

The financial system of Ukraine includes a set of links [21] :

– Budget system;
– Credit system;
– Compulsory State Insurance;
– Enterprise Finance.

The budget system of Ukraine includes:

– State Budget;
– Local budgets.

The content, structure of budgets, their ratio are determined by the administrative-territorial structure of the state. Budgets accumulate mainly all monetary funds of a public nature. With the adoption of the Budget Code of Ukraine in 2001, a ban on the formation of extra-budgetary funds was enshrined.

The credit system includes:

– Government lending;
– Bank lending.

Public credit is a sphere of public regulation, where the borrower of funds is the state and these funds are taken for certain purposes and in a specific form.

The financial and legal aspect of bank lending concerns only those relations that cover and regulate the movement of public funds, not including the discretionary, civil law aspects of bank lending.

Compulsory state insurance, which is associated with the distribution and redistribution of a part of the aggregate social product, the allocation of funds for the payment of pensions, etc. State insurance is a form of formation and use of targeted monetary funds intended for social, preventive and other purposes.

Enterprise finance is a separate monetary fund that is associated with the formation, distribution and use of enterprise funds. Enterprise finance forms the backbone of decentralized finance. Finances of state-owned enterprises are part of the financial system, have public content and regulation. Finances of non-state enterprises are included to the extent that they are related to the implementation of imperative obligations for the formation of state monetary funds (for example, funds of enterprises at the expense of which taxes are paid).

Ukraine is not one of those countries that were lucky enough to inherit from previous state formations, and not one of those that exist on bank interest or rent from resources. We have inherited a difficult legacy, but we have been fighting for our independence for 32 years. And then, in 1991, Ukrainian financial independence began. At first, it was difficult – rubles, coupons, rubles, but in 5 years our monetary system completely separated from the Soviet past, introducing the hryvnia into circulation. Ukrainian independence would not have been possible without its own currency and the formation of the financial industry. Moreover, we have something to offer the world, because Ukrainian fintech has long been an organic part of the global financial space. Let's consider the most important achievements and innovations in the Ukrainian financial and banking systems.

1991: Establishment of the National Bank of Ukraine and the emergence of an independent banking system of Ukraine.

The creation of an independent banking system of Ukraine and the National Bank became possible after the proclamation of state sovereignty of Ukraine on July 16, 1990. On March 20, 1991, the Verkhovna Rada adopted the Law "On Banks and Banking", thanks to which the National Bank of Ukraine with the status of the central issuing bank of the state appeared instead of the Ukrainian Republican Office of the State Bank of the USSR. This day is considered to be the date of the foundation of the NBU and the emergence of an independent banking system.

1993: Launch of the NBU electronic payment system.

The first payments in the electronic payment system (SEP) took place on January 5, 1993. And since January 1, 1994, paper and telegraph advice (notifications of money recalculations) in interbank settlements have been completely abolished in Ukraine. All these years, the SEP has been operating uninterruptedly, and even in 2022, despite the full-scale war with Russia, the SEP conducted 363 mln. payments in the amount of UAH 133 trillion, that is, almost one million transactions every day.

1996: Introduction of the hryvnia.

On September 2–16, 1996, a monetary reform took place in Ukraine, which introduced a new national currency, the hryvnia. The first one-hryvnia banknote depicted Prince Volodymyr of Kyiv. This was to emphasize that the history of the hryvnia as a monetary unit is very ancient and dates back at least a thousand years. By the way, the NBU logo is a stylized image of the hryvnia of the 10th century, which is a weight bar in the shape of a rhombus with two truncated corners.

2014: Foundation of Fondy.

On November 10, 2014, Fondy was founded, Ukrainian payment provider, which in a few years has become a powerful international player that connects and serves merchants in 40 countries around the world.

2015: transition to a floating exchange rate.

On February 5, 2015, the NBU abandoned the fixed exchange rate that had been used since the introduction of the hryvnia and switched to market exchange rate mechanisms. Since then, the exchange rate of the hryvnia against the dollar, euro and other currencies has been determined by the interbank foreign exchange market. However, after the start of a full-scale war with Russia, the NBU temporarily returned to a fixed exchange rate.

2017: The appearance of Android Pay in Ukraine.

On November 2, 2017, Google launched the Android Pay payment system in Ukraine. Our country has become the 15th in the list of expansion of this electronic wallet. In February 2018, the service was renamed Google Pay, and in July last year, the company replaced it with Wallet.

2018: Launch of Apple Pay in Ukraine.

On May 17, 2018, Apple's payment service became available to Ukrainians. Ukraine became the 28th country in the world where Apple Pay was launched. And only 2 years later, Ukraine entered the top 10 countries in terms of the popularity of this mobile payment system, and today you can even pay for public transport using Apple Pay (and the previously introduced Google Pay). To date, the service is available in 78 countries.

2019: Split Law.

On September 12, 2019, the Verkhovna Rada of Ukraine adopted a law on the so-called split – the distribution of powers to regulate the financial market between the National Bank and the National Securities and Stock Market Commission. The law expands the NBU's ability to ensure financial stability and will help the country obtain a financial system that meets international standards.

2021: creating conditions for open banking.

On June 30, 2021, Ukraine adopted the Law "On Payment Services", aimed at modernizing and further developing the Ukrainian payment services market. The new law takes into account the norms of European regulations, in particular the second Payment Services Directive (PSD2) and the Electronic Money Directive (EMD). Thus, it creates conditions for the introduction of the concept of open banking in Ukraine (read more about Open Banking in our article at the link), which will increase competition in the financial market and contribute to its innovative development.

2023: Launch of a new generation of SEP.

On 1 April 2023, the National Bank of Ukraine (NBU) launched a new generation of electronic payment system (SEP) based on the international standard ISO 20022, which allows interbank payments to be made around the clock, 7 days a week. The transition to ISO 20022, together with the introduction of IBAN, creates a technological basis for Ukraine's accession to the Single Euro Payments Area (SEPA) and the implementation of an instant payment service in the country [18].

2.2 The financial system of the European Union countries

The European Union is a union of economic and political union of 28 European states aimed at regional integration. The Union was legally enshrined in the Maastricht Treaty in 1992 (which entered into force on 1 November 1993) on the basis of the European Communities.

Through a standardized system of laws in force in all countries of the union, a common market has been created to guarantee the free movement of people, goods, capital and services, including the abolition of passport controls within the Schengen area, which includes both member states and other European states. The Union adopts laws (directives, legislative acts and rulings) in the field of justice and home affairs, and develops common policies in the field of trade, agriculture, fisheries and regional development.

The financial system of the European Union is built on several institutions.

1. European Central Bank. On January 1, 1999, the European Central Bank (ERU) became responsible for conducting monetary policy for the eurozone, the largest economy in the world after the United States.

The legal basis of the ECB's single monetary policy was the Agreement on the Functioning of the European Union, the Statute of the European System of Central Banks and the European Central Bank. The ECB was founded as the core of the Eurosystem and the European Central Banks (ESCB). The ECB and national central banks work together to carry out the tasks they have been entrusted with. The ECB is a legal entity under public international law.

2. The European System of Central Banks (ESCB) includes the ECB and the national central banks of the 28 member states of the European Union (NCBs) of all EU member states, regardless of whether they have adopted the euro or not.

3. The Eurosystem includes the ECB and the national central banks of the 19 EU member states of the Eurozone. The Eurozone is made up of EU member states that have adopted the euro.

The main functions of the ECB / Eurosystem / ESCB are as follows:

- Monetary policy;
- Financial Stability / Banking Supervision;
- facilitating the smooth operation of payment systems.

The ECB regulates the distribution of the money supply between financial institutions, the state and companies. For this purpose, traditional instruments are used: open market operations, daily loans and deposits, and the minimum required reserve ratio. The difference from national financial systems is that the entire monetary policy of the ECB is carried out on a decentralized basis. The ECB makes decisions and sets the rules for their implementation. Practical actions are carried out by national securities in strict accordance with the instructions of the ECB.

The European Central Bank (ECB) requires credit institutions to hold mandatory reserves in the accounts of national central banks. The amounts of minimum reserves are based on its resource base. At the moment, the mandatory reservation is made at the rate of 0.05%.

Three EU institutions are officially responsible for budgeting:

- The Council of the European Union, which includes ministers from each member state;
- The European Commission, which represents the executive branch of the union;
- the European Parliament directly elected by the people.

In fact, budget negotiations are more determined by the interests of the member states. This is especially evident in the Rada, where unanimous approval of the budget is required.

Currently, the concept of own resources includes three categories:

- Traditional Own Resources;
- VAT revenues;
- income derived from the share of GNP of EU member states.

Traditional own resources include customs duties, agricultural duties, which are levied on economic transactions collected by member states on behalf of the EU. Traditional own resources are considered to be "natural" own resources, since they are collected within the framework of Community policy, and are revenues derived from the contributions of the Member States.

Own VAT resources are formed on the basis of setting the VAT interest rate for each EU member state in accordance with the harmonization rules.

Currently, the specific rate of the share deducted from the GNI of the member countries is determined for each budget year and depends on the difference between the planned budget expenditures and revenues from other sources. Deductions from the GNP of the participating countries are levied only if it is impossible to cover the costs at the expense of other budget revenues. There are no restrictions on the rate of interest for GNP-based incomes, other than limits on the rate of own resources, which determine the amount of all own resources at a level not exceeding 1.24% of the EU GNP.

Other sources of budget revenues include contributions from third countries to Community programmes, refunds of funds allocated as Community grants that have not been used for their intended purpose, profits from overdue payments, as well as balances of previous years, deductions from the remuneration of employees of EU institutions.

The collection of own resources shall be carried out by the executive authorities of the Member States acting on behalf of the Community, which does not have its own tax and customs authorities to carry out these tasks. The resources collected shall be made available to the Commission through accounts opened with the Treasuries of the countries in its name. To cover the costs of collecting traditional own resources, member countries deduct 25% from the collected base.

The diversified system of financial revenues of the EU provides an opportunity to ensure stable budget revenues while maintaining a balanced flow of traditional and other types of income.

The expenditure part of the budget of the European Union consists of the following payments:

- subsidies and other agricultural expenditures;
- subsidies for the implementation of regional policies, i.e. the provision of financial support to less developed regions;
- expenditures on subsidizing research and development, financed funds allocated to energy, industry and transport;
- economic Assistance to Developing Countries;
- administrative expenses;
- other Expenses.

The EU tax policy is formed in accordance with the European Commission's agreement of May 23, 2001 on "EU Tax Policy – Priorities for Future Years". In its information message, the European Commission reiterated that there is no need to harmonize the national tax systems of the EU Member States. The right to choose an acceptable tax system is reserved to EU member states, provided that they respect and comply with EU law. In addition, any proposals of the EU authorities in the field of taxation must be submitted in accordance with the principles of subsidiarity and proportionality. The supranational bodies of the EU carry out their activities in tax matters only if the EU member state cannot effectively solve the problems that have arisen. In fact, the problems arise from the lack of an adequate level of coordination between the tax policies of the EU member states.

Despite the integration processes taking place in Europe in recent decades after the signing of the Maastricht Treaty in 1992 (Treaty on European Union), the adoption of various EU directives that unify EU legislation, tax regimes and tax payment procedures in different EU countries can still differ significantly [34].

2.3 Features of the American financial system

The U.S. financial system is complex and diverse. It carries out both domestic and international operations. This financial system is an important part of global financial systems.

In the overall structure of the US financial system, the main role is played by the state budget. In the plans of large corporations and banks, it acts as a strong indicator. This role is quite obvious due to the significant size of government spending, since these expenditures have a strong impact on the state of the economy and finances. Banks also play an increased role in the system, they are divided into commercial and investment in accordance with the Segal Voice Law.

The U.S. Federal Reserve System primarily includes the country's Central Bank, the next most important bank for bankers, and sums up the entire bank of the American government.

Banks are controlled by the Federal Reserve System (Fed), which is only formally subordinate to the US government. In particular, the Board of Governors of the Federal Reserve sets the main direction of policy regarding the balance of payments. In implementing its policy, the Fed relies on the Federal Reserve System, which consists of 12 regional Federal Reserve banks. The Fed performs several important functions [23]:

- The Central Bank of the State;
- Bank for bankers;
- Bank for the U.S. Government.

The Fed is the bank of banks. All commercial financial institutions hold their savings in the form of deposits with the Fed.

The methods of the state's influence on the financial market are direct and indirect. Methods of indirect state regulation are carried out by: the Board of Governors of the Federal Reserve System, the Ministry of Finance and the above-mentioned commissions.

Commercial banks play an important role in the financial and economic system of the country. New York City is a major financial center. They play this value because of the number of financial assets, which account for more than 40%. They also occupy a significant place in the short-term capital market. In turn, investment banks provide business agents with credit resources for investment activities. The power of investment banks is used to influence the American economic situation and in the implementation of large international financial transactions.

The U.S. capital markets are divided into [32]:

- Long-term;
- Short-term.

The government securities market, the mortgage market, the industrial markets, foreign and government bonds, and consumer credit are part of the long-term loan capital market.

So, the short-term capital market includes monetary, currency, financial by maturity, futures, swap.

The U.S. has the largest capital market in the world. Its activity is determined by the fact that financial institutions distribute new bond issues at a lower price compared to other foreign markets, which is beneficial for buyers, and this stimulates sales. The issuance of bonds is more important in the primary market because of the volumes, but in the secondary market due to the high volume of turnover, stock trading is important.

Then there is the mortgage market, or secondary mortgage market, which accounted for more than 70% of GNP in the late 1990s. It is very important that it was the activities of the first two sectors of the market that led to the mortgage crisis, and then to the financial crisis. The third borrower is the U.S. Treasury, whose role is played by the U.S. Treasury Department. Second only to U.S. government agencies are foreign government bondholders. The value of the U.S. dollar in general and the stock and bond markets are affected by domestic public debt.

The U.S. domestic money market, accounting for more than 40% of GNP, is the largest in the world. The New York money market is used by major banks, corporations, and other organizations to increase liquidity in short-term transactions.

Due to the prevailing scale of the economy and the level of its development, the world's largest scientific and technical potential, a high degree of maturity and dynamism in the development of market institutions and mechanisms, the scope and effectiveness of state regulation of the economy, and, finally, on the basis of all these factors influencing the world economic processes, the United States occupies a leading position in the world economy.

It is worth noting that if we look at it from the standpoint of traditional ideas, we can see that the obvious advantage of the United States in the financial situation was formed on the basis of a significant deviation from the accepted criteria of equilibrium.

For several decades, the United States has been part of developed countries and is one of the main generators of the forces of economic rapprochement, leading to the globalization of the world economy. Sufficient influence is also clearly manifested in all spheres of international economic life, but a distinct influence is manifested in the world financial system.

The financial and economic crisis of 2008-2009, as well as the COVID-19 pandemic, became a rather serious test for the economic leadership of the United States. Later years showed that the United States can be both a generator of economic development and a place for the spread of crises.

At the same time, the experience of overcoming the crisis in the United States has shown that the national anti-crisis policy, having a powerful potential and being able to drown out the forces of the crisis, as a result of the country's world leadership, inevitably acquires global significance and has a strong impact on the world economy. Later, new crisis processes that unfolded in a number of European countries, which became an obstacle to the growth of the EU economy, challenged the group's unified financial policy and called into question the prospects of the euro area. The events of this period have shown that there is currently no alternative in the world economy to the United States as the main "locomotive" of world economic growth, focused on scientific and technological development, and the main world financial center.

2.4 Features of the financial system of Islamic countries

Islamic economics and finance were previously little studied, but in modern conditions, the features associated with them are of great interest to economists from around the world.

This is due to the fact that the Islamic finance industry is one of the fastest growing in the world, with an annual growth rate of assets over the past 10 years of 15-20%.

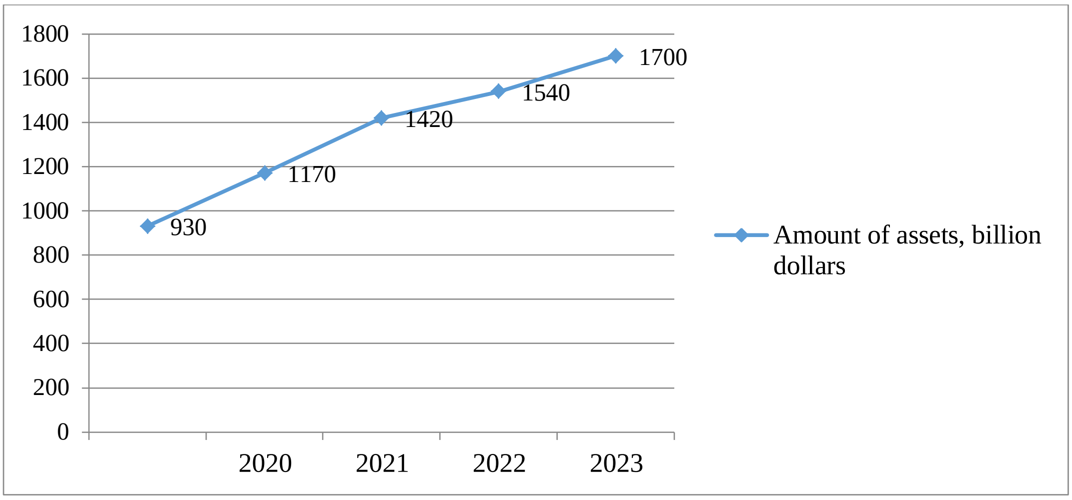


Fig.2.1 – Dynamics of the value of assets of Islamic banks for five years

According to Standard & Poor's, the volume of Islamic financial assets in 2023 amounted to about $1.7 trillion, and at the beginning of 2024 it crossed the threshold of $2 trillion. Today, there are about 300 Islamic banks in 75 countries. At the same time, their further growth is predicted.

The main thesis of Islamic finance is the prohibition of usury. In practice, this means that banks and other financial institutions are required to comply with Sharia rules and completely refuse to charge borrowed interest. Bonds, fixed-income deposits, as well as all loans issued at interest are prohibited.

In addition, high-risk transactions, in which there is a lot of uncertainty about the subject of the contract, are condemned. Islamic law does not allow transactions with derivative financial instruments (options, forwards, futures and other securities), as well as traditional insurance. How Sharia rules are observed in a financial institution is monitored by the Sharia Expert Council, which can be external and internal. The emergence of new products and the resolution of disputes in the Islamic financial system is possible only with the consent of experts in Islamic law.

Also, the features of Islamic finance include [28]:

- prohibition of certain "unuseful" activities from the point of view of Sharia, such as the production and sale of alcohol, tobacco, pork, etc.
- The basis of the transaction is assets or the transaction must be secured by assets.
- When making a transaction, both parties share both profits and losses (risks).

Islamic finance unites a financial institution and its customers around shared values, which ensures their mutual loyalty.

But with these features, the Islamic capital market is certainly not "free" as it might seem. It is an integral part of the sources of financing and works according to the general laws of value, supply and demand.

It is also worth noting that the Islamic financial system is based on the real economy, not on interest-bearing loans and derivatives.

Making a profit under such severe restrictions, however, it is possible that a different model of interaction with customers has been built for this, unusual for a Western person. The main maneuver of Islamic banks is a fundamentally different interpretation of key concepts:

- The depositor turns into a co-investor in the bank;

The depositor's funds act as investments and are directed by the bank to a certain investment project;

- The profit or loss received from the investment is distributed between the bank and the depositor in accordance with the preliminary agreement. This type of relationship is called "mudaraba" – "partnership".

Islamic banks do not provide a fixed interest rate on the deposit and do not guarantee investors a certain profit. When working with clients, they rely on a forecast value based on the historical rate of return.

When financing consumer needs, a slightly different principle is used. The usual "consumer credit" is interpreted in the Islamic financial system as the purchase and resale of goods to the client with a markup and payment by installments.

At the same time, the transparency of the transaction is observed: the client has full information about the initial cost of the purchased asset, the size of the margin, the exact payment schedule, and even possible sanctions. It is worth noting that fines and penalties are prohibited. But because of this, clients undergo a more rigorous check before receiving financing.

Also, one of the best forms of Islamic finance around the world is considered to be venture capital and private equity. Representatives of the largest Islamic financial organizations say that the next stage of their development will be to increase the share of direct and venture capital investments in the overall structure of assets. In terms of their operating model, private equity and venture capital funds are most in line with the equity financing schemes endorsed by Islam.

Islamic banking is gradually becoming more widespread in non-Muslim countries and is increasingly acquiring a clientele from among representatives of other faiths and even atheists. In 2020, countries such as the United Kingdom, Luxembourg, Hong Kong, and South Africa were involved in the Islamic finance industry.

The Eastern financial model, based on the complete prohibition of usury (and hence loan interest) and Sharia norms, turned out to be more resistant to crises than the traditional Western one.

However, researchers from the IMF have expressed concerns about the further development of Islamic banking. According to experts, the growth of Islamic finance has very little affected individuals and entrepreneurs who currently do not have bank accounts, according to the IMF working paper.

Islamic banks need to focus on working with small and medium-sized businesses, as well as engaging in private capital and venture capital initiatives.

The study reveals some of the challenges facing the Islamic financial sector. The largest banks, such as DubaiIslamicBank, Standard Chartered and Abu DhabiIslamicBank, are targeting Muslim-majority countries such as Kenya and Iraq, where a very small proportion of the population deals with bank accounts, but in order for Islamic banks to continue to attract depositors, they need to improve their operating models.

"If added value is created in the real economy, then the industry will flourish, develop and increase its assets," said Muhammad Damak, head of Islamic finance at Standard & Poor's. "If no economic value is created, Islamic banks will stagnate.".

The Islamic financial system is one of the most dynamic and developing financial systems in the world. Despite the prohibition of usury, high-risk transactions, as well as "non-useful" activities from the point of view of Sharia, such as the production and sale of alcohol and tobacco, Islamic financial assets at the beginning of 2024 crossed the threshold of 2 trillion. USD.

Islamic banking is gradually becoming more widespread in non-Muslim countries such as the United Kingdom, Luxembourg, and Hong Kong.[28]

CHAPTER 3. PROMISING DIRECTIONS FOR THE DEVELOPMENT OF THE WORLD FINANCIAL SYSTEM

3.1 Prospects for the development of the world financial system in modern conditions and for the future

The bloc of developed countries (USA, Great Britain, Germany, France, etc.) play the most important role in the global economic and geopolitical space, and this is possible due to many factors, one of which is [14]:

- open, market, high-tech and knowledge-intensive economy;
- high standard of living of the population;
- stable political situation.

Despite the economic superiority of these states, the world is changing faster and faster every day. New geopolitical associations and opportunities for the economic development of countries are being created, the climate is changing throughout the planet, which provides new opportunities for the development of underdeveloped northern regions, but exacerbates the food crisis in arid areas. Developing countries are becoming an important part of the modern world, which becomes possible due to the following factors:

- Growing share of countries in the global economy;
- increase in the number of citizens of these countries in the total share of the world's population (mainly due to natural increase);
- the rapid growth of their political importance on the world stage.

In the late 20th and early 21st centuries, various experts talked about the creation of a single world currency in the coming decades, but at the moment it is difficult to imagine. But due to the growing influence of developing countries and the constant expansion of various conflicts involving the states of Old Europe and the United States, international settlement may avoid paying for goods and services in US dollars. World leaders may think about this in order to protect their countries from various risks, including sanctions, but this will not be a quick process.

At the moment, that is, for 2024, the share of the US dollar in international settlements is more than 40%. One of the most important indicators for the global financial system is the structure of international reserves of the countries of the world, and they are also dominated by the US dollar. According to the International Monetary Fund, the share of the US dollar in international reserves for 2023 was just under 59%. Although this is the lowest figure since 1995, the US currency has a solid advantage in relation to its closest pursuer, namely the European currency, since the dollar outperforms it in global reserves by almost three times, because the euro occupies only about 20% of the world's reserves. Reserves. It should also be noted that over the past 20 years, the countries of the world have begun to prefer to store their reserves in other currencies and gold, according to data for 2023, almost 20% of the world's reserves are stored in them. Thanks to the growth of the Chinese economy over the past 30 years (from 1990 to 2020) by almost 50 times, and the transformation into an economic giant, the countries of the world began to store part of their gold and foreign exchange reserves in Chinese currency.

If there is such a global change in the global financial system as the de-dollarization of the world economy, it will not happen quickly. After all, the rejection of the world currency, which preceded the US dollar, namely international settlements in British pounds sterling, was also not lightning fast, it took place throughout the first half of the 20th century. The American currency finally gained a foothold in the leading position only after the Second World War. But who can change the dollar? The growing importance of countries that have begun to develop rapidly in recent decades cannot affect the financial system of the whole world. Therefore, another currency may be considered, for example, the already mentioned – the Chinese yuan, or a radically different option – the transition to payments in cryptocurrency. This option also takes place, thanks to the digitalization of the global economy.

It should be noted the rapid digitalization of the economy, that is, the widespread and global introduction of digital technologies into the economy, these include: Big Data, the Internet of Things, blockchain, intelligent information technologies. This phenomenon is caused by the rapid development of information technology, microelectronics and communications in the vast majority of countries of the world.

In Ukraine, the Ministry of Finance, in a draft law affecting the regulation of the cryptocurrency market, allows legal entities and individual entrepreneurs to use cryptocurrency as a means of payment for foreign trade activities. Moreover, Ukrainian business is already using digital currencies for transactions.

Also, an important part of the financial system has already become the platform economy, which is an economic activity based on the use by businesses of platforms (online systems) and related created ecosystems that are not used by companies and are not managed by them, to carry out interconnection and commercial transactions between their users. Clear examples of the platform economy include Alibaba, Amazon, Uber, and others. According to research, in 2023, the volume of the platform economy in the world exceeded 450 billion US dollars. That is, the role of all instruments of the digital economy will only increase every year.

Despite their rapid spread, new technologies have not only a positive effect, but also a negative one, as new risks and threats appear. Huge problems for both business and citizens, as well as for the state, can be:

- a sharp increase in the level of cybercrime to cause material, reputational and other risks;
- insecurity in its entirety, i.e. a strong vulnerability of the world's digital infrastructure;
- software and professional retraining of personnel – for countries lagging behind in technological development, the threat of dependence on more developed countries is created.

If we consider alternative currencies to the dollar, then every developed country will want their national currency to become an international means of payment. Among world leaders and economic experts, options for creating a currency of the BRICS countries, the transition to the currencies of neutral countries (Switzerland), the transition to the Japanese yen or the Chinese yuan are being considered, but at the moment the most likely is an increase in the value of the currencies of regional leaders.

It can be assumed that the role of the Chinese currency in the Asian region, and the euro will strengthen even more in Europe, but it is unlikely that it will be possible to completely replace the US dollar in the coming years [38].

3.2 World Experience in the Formation of Local Budgets as an Element of the Financial System

When choosing countries for comparative analysis, it is important to take into account the level of socio-economic development of a particular state. For example, developed countries include Japan, which is a constitutional monarchy by its form of government, and is a unitary state by its state structure. The Japanese management system, including the budget system, is generally represented by two levels [12]:

- state;
- municipal, with the municipal level consisting of two independent sub-levels.

Self-governing administrative units at the local level are divided into:

- ordinary (prefectures and municipalities – cities, towns, villages);
- specialized (Tokyo Special Districts and Associations of Ordinary Self-Governing Local Administrative Units) Self-Governing Territorial Units.

Thus, in terms of the organization of the system of local self-government, Japan differs from Ukraine in that there is no so-called meso-level (regional level). At the same time, the fact that in Japan the local level of government includes sub-levels is to some extent also the case in Ukraine, since Ukrainian municipalities differ in types depending on the scale of the territory and the scope of competence for urban districts, municipal districts, urban and rural settlements and intra-city municipalities.

In this regard, it is advisable to consider the structure of municipal revenues in Japan. The revenues of Japanese municipalities mostly consist of local taxes (localtaxes), taxes of local distribution, which are established in order to prevent the imbalance of tax revenues of local budgets, necessary to guarantee the fulfillment of the priority obligations of local governments to the population (localallocationtaxes), financial resources directed by the central government in favor of local governments

(National treasury disbursements), which is a certain analogue interbudgetary transfers and revenues from the issuance of municipal bonds (localbonds). At the same time, revenues that can be used by local governments for any purpose, such as local taxes and local distribution taxes, are called main revenues (general revenue resources).

It is very important for local authorities to have sufficient amounts of basic revenues in order to carefully exercise the powers vested in them. In 2023, the main revenues of Japanese local budgets (including the prefecture) amounted to 56.1% (Figure 3.1) [16].

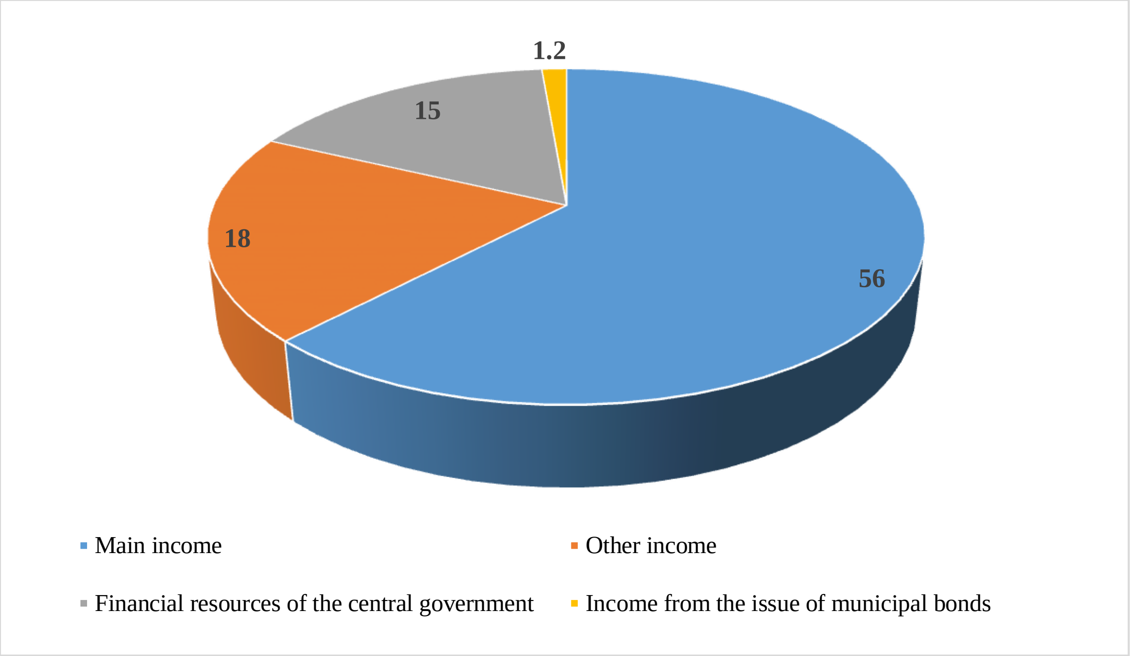


Fig.3.1 – Structure of local budget revenues in Japan [16]

In general, the main revenues can also be called tax revenues of Japanese local budgets, although in addition to the above-mentioned taxes, the main revenues also include specialized state grants (targeted resources), but their share is small (0,1%).

On the one hand, based on the fact that the previously mentioned list of incomes in Japan is called the main income, it can be assumed that these incomes are regarded in Japanese practice as own, since they are characterized by the regularity of receipts and thereby ensure the maximum implementation of the powers of local self-government bodies.

However, on the other hand, it should be noted that in Ukrainian practice, interbudgetary transfers, which in Japan include National Treasury disbursements and which occupy the third place in the structure of basic revenues, do not belong to own revenues.

In the structure of state revenues in Japan, a significant share (17.4%) is occupied by the category of other revenues. There is no detail in the official data of the composition of this group of revenues, but based on the general type of the structure of municipal revenues, it can be assumed that these are some non-tax revenues received as a result of the management of municipal property and (or) the implementation of other income activities within the framework of the legislation in force in Japan.

It is worth noting that the share of non-tax revenues in Japanese local budgets (17.4%) is much higher than in Ukraine (8.6% as of 2023). Moreover, if we take into account the fact that non-tax revenues in Japan can also include income from the issuance of municipal bonds, then the difference between the corresponding indicators in Japan and Ukraine will be even higher. It should also be noted that the share of the so-called interbudgetary transfers (National treasury disbursements) in the total revenues of local budgets in Japan (15.2%) is 4 times less than in Ukraine (63.7% as of 2023), which in turn indicates a greater orientation of local budgets of Japan to the formation of revenues with the help of their own resources than with the help of those attracted from the central budget [13].

For greater specification of the analysis, it is also necessary to consider the structure of budget revenues of Japanese municipalities proper. In general, the structure is similar to the previously considered structure of income in relation to the total population of municipalities in Japan (taking into account prefectures): the distribution of shares by revenue sources is the same, the differences are only in the level of their values. However, at the same time, a separate item of income appears in the structure of municipal revenues – the financial resources of prefectures (prefecturaldisbursements), which are directed to the budgets of municipalities (Fig. 3.2).

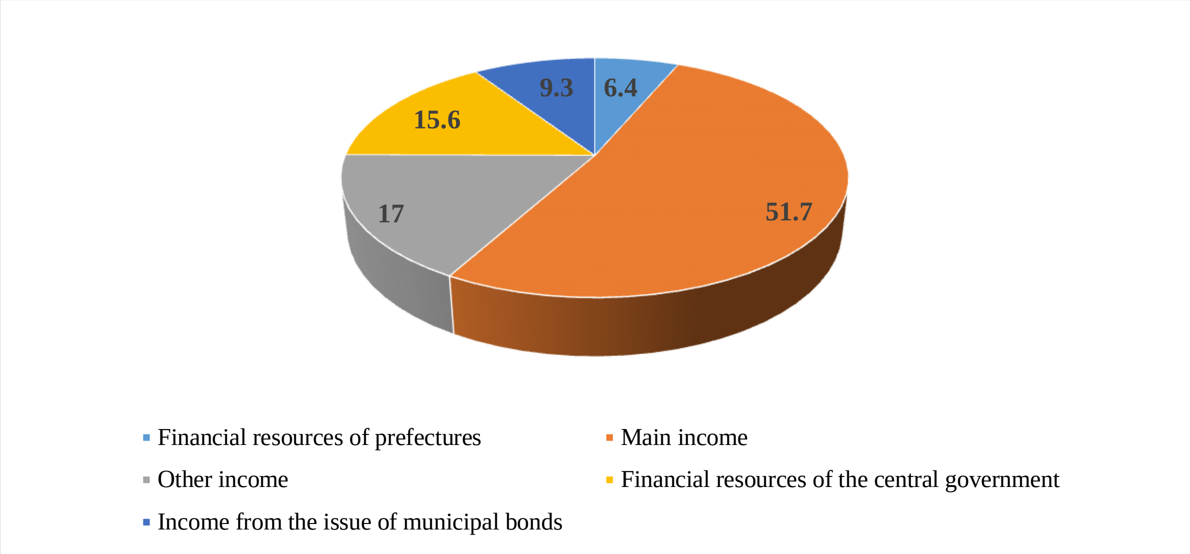


Fig. 3.2 – Structure of revenues of local budgets of municipalities in Japan in 2023 [3, p.14]

It is necessary to pay attention once again to the structure of the main revenues of the budgets of municipalities. It is noteworthy that they are dominated by revenues from local taxes (32.7%), followed by revenues from local distributed taxes (14.7%), other main revenues (3.5%) (probably fines, penalties for non-payment or incomplete, late payment of taxes and other mandatory payments), deductions from state taxes (localtransfertax) (0.7%) and specialized municipal grants (0.1%).

Continuing the comparative analysis, let's consider the structure of local taxes in Japan (Fig. 3.3).

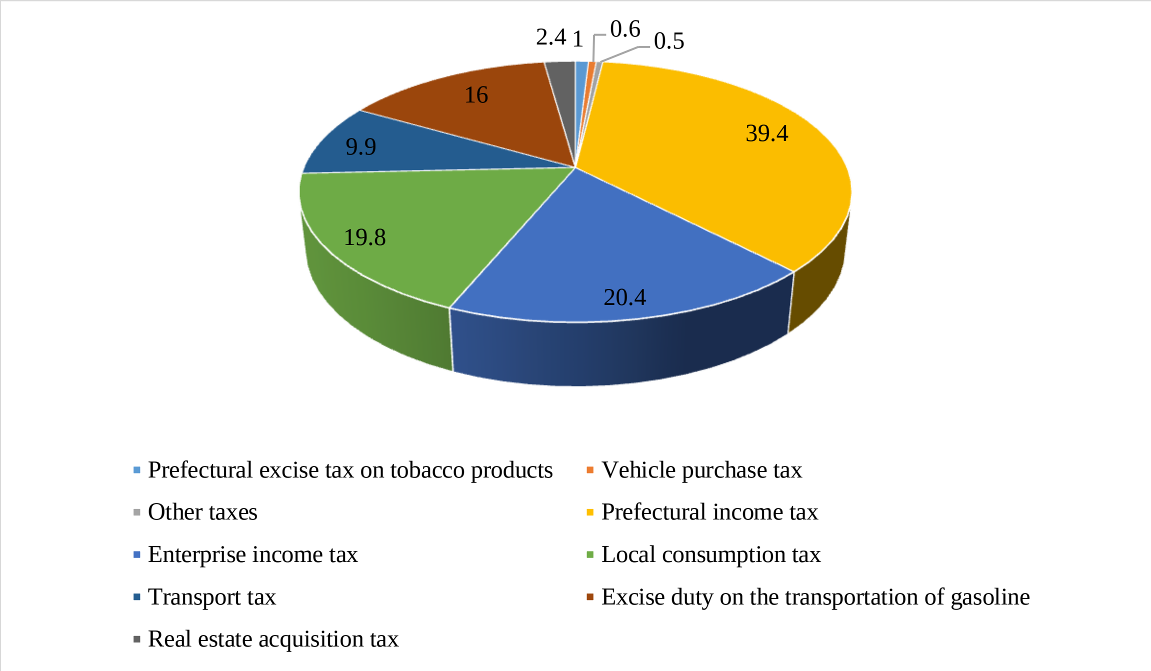


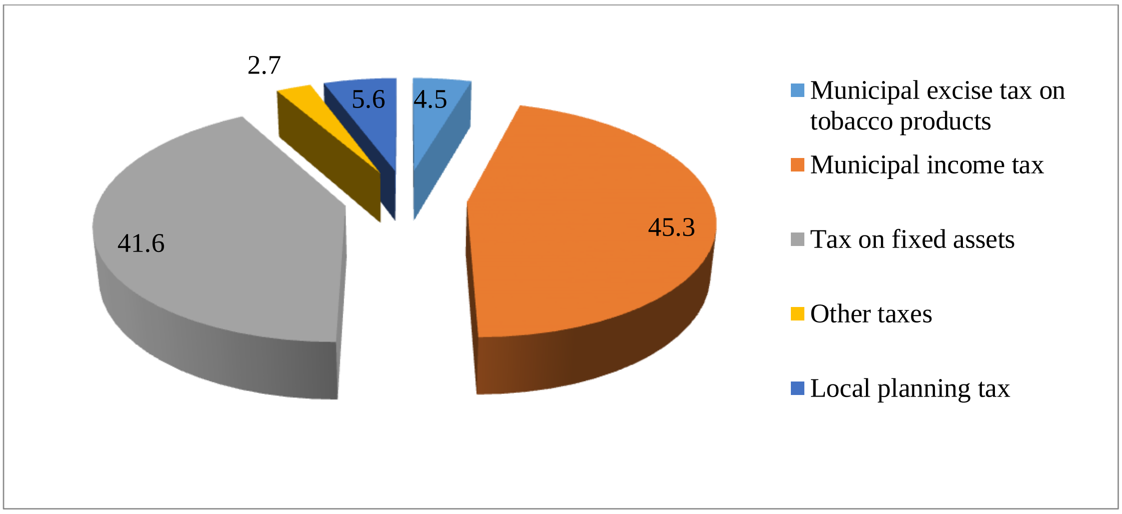
Fig. 3.3 – Prefectural Local Tax Structure in Japan [7]

As we can see, the largest share in the structure of local taxes at the prefectural level is made up of income taxes: personal income taxes (39.4%) and corporate income taxes (by analogy with Ukrainian practice – corporate income tax) (20.4%), as well as local consumption tax (19.8%) – tax on expenditures on the purchase of goods and services. The structure also includes a transport tax (9.9%), which provides for the payment of mandatory payments in connection with the ownership of a vehicle, as well as excise taxes related to transport.

The structure of local taxes in municipalities is slightly different than in prefectures (Figure 3.4).

However, the largest share here, as in the case of prefectures, is occupied by the personal income tax, which belongs to municipal taxes (45.3%). The next in terms of specific value is the tax on fixed assets (41.6%).

Canada and Switzerland, being federal states, have similar types of municipal revenues to Ukraine: tax and non-tax revenues and interbudgetary transfers. As for the structure of local budget revenues, Canada and Ukraine are similar in that their structures are dominated by interbudgetary transfers, but in Ukraine their value is 21.8 percentage points higher than in Canada.



Rice. 3.4 – Local Tax Structure of Municipalities in Japan [7]

The second largest budget-forming type of local budget revenues in Canada, as well as in Ukraine, is tax revenues. Non-tax revenues in both countries occupy the smallest share in local budgets, but in Canada their share is twice as high as in Ukraine.

In Switzerland, the situation is somewhat different than in Canada and Ukraine. This was the case in the structure of local budget revenues of this country, the largest share is occupied not by interbudgetary transfers, but by tax revenues (54.1%). The second largest revenue is non-tax revenue, accounting for 24.7%, which is 7.4 and 16.1 percentage points higher than in Canada and Ukraine, respectively. Interbudgetary transfers occupy the smallest share in the municipal revenues of this country (21.2%). Based on the above data, it can be seen that own revenues (tax and non-tax) of local budgets in Switzerland are 78.8%, in Canada – 58%, and in Ukraine – only 36.2%. This fact indicates that Swiss municipalities can be recognized as truly financially independent, Canadian municipalities – relatively financially secure, and Ukrainian municipalities – financially unsecured and non-independent.

It should be noted that Switzerland, a relatively small state with a relatively small total amount of municipal revenue, demonstrates an example of a federal country with a high level of financial stability of municipalities.

Let's also look at the structure of tax revenues in Switzerland and Canada. The Swiss tax revenue structure is similar to the Ukrainian structure in that the budget-forming tax in it is the personal income tax.

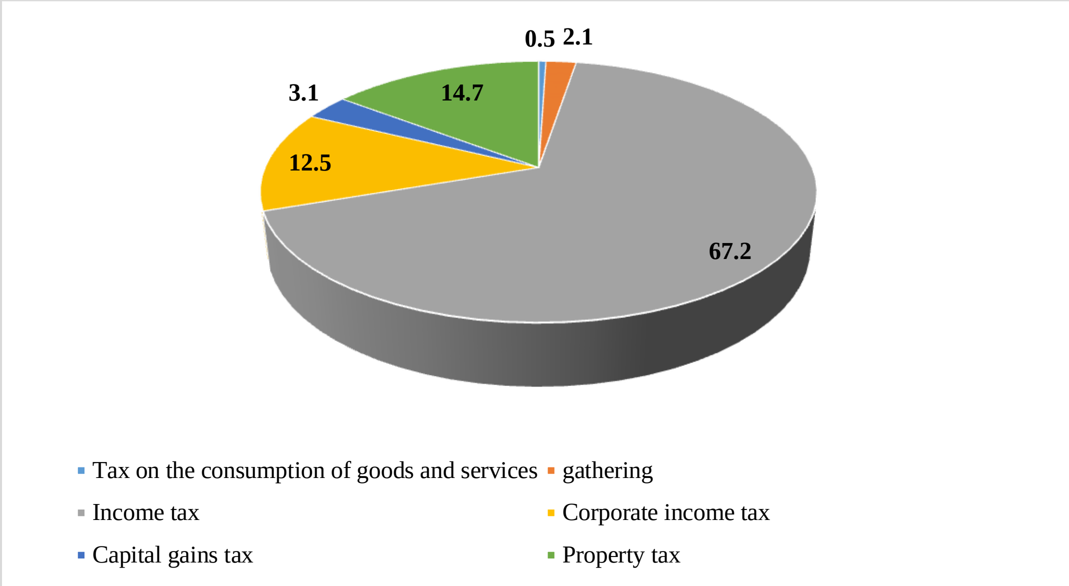


Fig.3.5 – Structure of tax revenues of local budgets of Switzerland in 2023.

However, it is worth noting that in the Swiss structure, a significant share is occupied by corporate income tax, which, although it is not a local tax, nevertheless to a relatively large extent completes the revenue part of local ones. Budgets. In Ukraine, corporate income tax is still an exclusively regional tax. However, it is subject to transfer to local budgets in the form of a certain percentage of deductions.

In Canada, the structure of tax revenues of local budgets includes a very meager list of types of revenue sources. It is represented by only three taxes, and this structure is very heterogeneous.

Almost the entire structure (Figure 3.6) is based on property tax (97.1%), which is a local tax.

Figure 3.6 – Structure of tax revenues of local budgets in Canada in 2023 [18]

It should be noted that such a linkage of the revenue side of the local budget to only one type of tax has its drawbacks, since it creates potential risks of insufficiency of budget revenues in the event of an unforeseen decrease in the volume of revenues of the dominant tax. Of course, this may lead to consequences if the shortfall in this tax is not compensated by an increase in the receipt of other taxes and fees. However, given the fact that other tax revenues, except for property tax, occupy a very small share in the budget, it is difficult to assume what exactly to compensate for profitable "failures" in the local budget.

Most likely, such a situation will require the infusion of financial resources from other budgets of the country's budget system. When analysing municipal revenues in foreign countries, it is also necessary to pay attention to the extent to which municipalities have sufficient sources of income to perform their functions [26].

CONCLUSIONS

Thus, on the basis of the study, it should be noted that the financial system of the state ensures the creation and flow of financial resources that allow the state to provide public goods, services, benefits, and also contributes to the accumulation and use of financial resources in order to implement the activities of the authorities. The financial system mediates the relationship between the state, organizations, and citizens, which take place continuously with the help of modern communication technologies not only within the country, but also within its borders.

An important condition for building an effectively functioning financial system of the state, as well as its improvement, is the study of foreign experience, including the need to compare theoretical approaches to the definition of the financial system, its structure, which is carried out by modern financial policy in order to assess the possibility of using the best practice for the implementation of the financial policy of the state.

The financial systems of the states may differ radically from each other, as well as not have a similar structure, but all of them must correspond to their main function – meeting the needs of the state, business entities and the population, and the subjects of the financial system contribute to its implementation.

After the research and elaboration of the material on the chosen topic, against the background of a large number of scientific papers, today there is no single definition of the financial system, but there is a significant number of theoretical approaches to the study of the financial system. On the basis of the works of domestic and foreign scientists, a generalizing analysis has been carried out, which has shown that the main approaches are institutional and functional.

In foreign literature, the institutional approach prevails. Thus, R. Goldsmith presents the financial system as a set of financial instruments, markets and institutions. Van Horn as a series of institutions and markets that provide their services to governments, firms, and citizens, N. G. Mancue as a set of economic institutions that help direct the resources of individuals who wish to make savings to those who need to borrow funds in the form of investment.

According to the domestic scientist S. V. Ryabtsev, the financial system within the framework of this approach is a set of individual financial institutions classified in a certain way and is descriptive, because it does not emphasize the economic functions of financial markets and intermediaries. In the domestic literature, within the framework of this approach, a scientific team of researchers led by M. V. Romanovsky and O. V. Vrublevskaya believe that the financial system can be presented in an institutional form as the infrastructure of various financial institutions that carry out financial transactions and at the same time are subjects and objects of financial management.

The institutional approach combines all types of financial activities into a single system consisting of financial institutions. This approach identifies financial institutions and groups them into classifications.

In domestic science, the most common is the functional approach, according to which S. V. Ryabtsev includes networks of financial markets, intermediaries and other financial institutions in the financial system, and also focuses on the functions of the financial system, allowing their comparability between different countries and relative stability [5].

From the point of view of the authors of the functional approach, M. V. Romanovsky together with a team of scientists, the financial system is a set of different spheres of financial relations in which various financial funds are formed and applied.

Foreign scientists R. Merton (one of the main creators of the functional approach) and Z. Bodie define the financial system as a set of markets, intermediaries, firms providing financial services and other institutions through which households, private companies and government organizations implement their financial decisions. Within the framework of this approach, the functions of the financial system are more stable than financial institutions, and the main function is the effective redistribution of financial resources [5].

Thus, the functional approach allocates the functions of the financial system, linking them with the spheres of financial relations and taking into account the functions of individual institutions.

Despite the large number of scientific opinions and approaches to the definition, the financial system is the main system in all spheres of society, in social and economic policies, as well as in the functioning of the state and the performance of its functions.

Finally, it is permissible to formulate a systemic-institutional approach, within the framework of which the financial system can be represented as a set of spheres and links that ensure the interaction of the state with all subjects of the financial system through the formation, distribution and redistribution of financial resources.

The systemic-institutional approach consists in the development of spheres and links through the transformation of financial institutions in accordance with the trends of socio-economic development.

This approach forms and integrates generally accepted domestic and foreign approaches.

Undoubtedly, institutions play a role in the development of the financial system. Thus, the American economist D. North characterized institutions as "rules of the game" in society, or man-made restrictive frameworks that organize relationships for people. He distinguished between formal institutions (established rules, the result of deliberate action) and informal (conditional norms, institutions formed in the process of historical progress).

Formal and informal institutions have a significant impact on the development of the financial system. Today, informal institutions are being formed and adjusted due to the new socio-economic conditions created by the COVID-19 pandemic. At the same time, regardless of the variety of approaches and new economic realities, the financial system acts as a mechanism for the formation of economic relations regarding the distribution and redistribution of funds between market entities.

The financial system of each country has an individual structure with its own peculiarities of construction and functioning. Differences and common features of the composition and classification of financial systems depend on the type of economy, the definition of finance, as well as the role of financial resources in social reproduction.

In the first section of the qualification work, theoretical studies of the concept of finance and the financial system at the present stage of development of the world financial and economic system were carried out. The content and concept of finance as an integral economic category have been defined, the basic principles of formation and development of finance have been considered, modern views on the concept of the financial system and its composition have been studied, and a classification of national financial systems has been carried out.

The second section contained an analytical study of the development and modern functioning of foreign financial systems. The history of development and functioning of the financial system of Ukraine is considered, as well as the features of the American financial system and the financial system of Islamic countries are determined.

The third section considered information on the content of the process of improving the formation of the world financial system in modern conditions and for the future, and also considered the world experience of forming local budgets as an element of the financial system.

REFERENCES:

1. Asaul, V. V. Finance, Money Circulation and Credit. KNEU : 2021. 322 p.
2. Astion S. Improvement of legal regulation of interbudgetary relations in Ukraine in modern conditions . National Law Journal: Theory and Practice. 2014. No2.C. 63-68.
3. Bazhenova, Y. B. Sustainable development of economic systems as a basis for macroeconomic stability. Formation of market relations in Ukraine. 2019. №1(92). P.77-82.
4. Bazylevych, V. D. Development of the financial market in modern conditions . Finance of Ukraine. 2019. № 12. P. 5-12.
5. Baldych, N. I. Conceptual Principles of the State Policy of Financial Equalization of Local Budgets. Bulletin of NAPA. 2015. №1. P. 153-158.
6. Beiko O.V. Good Local Governance: A Possible Agenda for Ukraine. Problems of Formation of Virtuous, Proper Local Government. materials and documents. Kyiv: Atika, 2018. pp. 250-257.
7. Belozerov, I. P. Debatable Issues on the Essence and Structure of the Financial System of the Eurasian Union of Scientists. 2021. № 11 (20). P. 69–72.
8. Beschastnyi, V.M. Local Self-Government in Ukraine: Problems and Prospects. Donetsk: Donetsk Law Institute at Donetsk National University. 2015. 579c.
9. Berdanova, O., and Vakulenko, V. Strategic planning of local development: a practical guide. Swiss-Ukrainian project "Decentralisation Support in Ukraine". DESPRO. Kyiv: Sofia-A LLC. 2020. 88c.
10. Bilinskyi, D. O. Local budgets as a component of the public financial system. University Research Notes. 2012. № 4 (44). pp. 305-308.
11. Blagun, I. G. Genesis and evolution of finance in the market economic environment. Scientific Bulletin of NLTU of Ukraine. 2013. Issue. 23.18. pp. 265-277.
12. Bondarenko, A. I. Influence of the State on the Formation of Local Budgets in European Countries. Theory and Practice of Public Administration. 2020. Issue. 4, p. 185-192.

Bondarenko, A. I. Influence of the State on the Formation of Local Budgets in European Countries. Theory and Practice of Public Administration. 2020. Issue. 4, pp. 185-192

13. Hutarina, S.O. Evolution of views on the interpretation of the concept of "local finance" Economics and management. 2008. № 4. P. 56 –61.

14. Vladimirov, K. M. Local Finances. Helps. Kherson: OLDI-PLUS, 2019 352c.

15. Vasylyk, O. D. Teoriia finansy [Theory of Finance]. Kyiv: NIOS, 2018. 355 p..

16. Bazylevych, V. D. Derzhavna finansy [State finances]. Kyiv: Ataka, 2021. p. 93.

17. Encyclopedia of Public Administration in 8 vols. Vol. 5 : Territorial Administration. Sci.-Ed. col. Amosov, O. Ignatenko (co-chairman) [et al.]. Kharkiv Regional Public Administration of the National Academy of Public Administration of Ukraine. Kh.: Publishing house of HarRIDU"Magister". 2011. 408 p.

18. Yevdokimova, M.O. Local Finances. manual. KhNAU them. V.V. Dokuchaeva, Kh.: 2020. 343 p

19. Zaiernyuk, V. M. Functions of the financial system and indicators of its development. Service plus. 2022. № 3. P. 92–100.

20. Ignatenko, L.L. Theoretical ideas about the essence of the financial system. Financial Analytics: Problems and Solutions. 2017. Volume 10, Issue 1. pp. 114–124.

21. Kyrylenko, O. Stages of development of local budgets of Ukraine. Finance of Ukraine. 2016. №4. P. 22-28. 122.

22. Kyrylenko, O. P. Local budgets of Ukraine (history, theory, practice). Kyiv: NIOS, 2020. P. 322

23. Krush, P. V. National Economy: Regional and Municipal Level. Kyiv: Tsentr uchb. L-ri, 2018. 320 p.

24. Kravchenko, O. O. Local Finances. 2019. 157 p.

25. Nikolayeva, O. M. Local Finances: Center for Educational Literature, 2013. 354 p.

26. Kyrylenko, O. P. Local Finances. : Aston, 2014. p. 36.

27. Kulchytsky, M. I. Evaluation of the effectiveness of local budget funds management in Ukraine. Business Inform. 2015. № 11. P. 132-137

28. Levchenko, N.A., Pokrovskaya, N.V. Peculiarities of Islamic taxation in the conditions of the modern financial system. Finance and Credit. 2021. №8. p. 18

29. Molchanova, N. P. Financial System in the National Economy of Ukraine: Formation and Development: Audit and Financial Analysis. 2016. № 1. p. 217–225.

30. Nazarov, N. N. Concepts of "Financial System" and "Budget System" in the Theory of Finance. Finance and Credit. 2021. № 19 (157). – p. 6–10.

31. Oparin, V.M. Public Finances: Genesis, Theoretical Collisions and Practical Conceptualization. Finance of Ukraine. 2017. № 2. p. 110-128.

32. Oparin, V.M. Financial System: Theoretical Foundations and Practical Aspects of Its Development in Ukraine. Finance of Ukraine. 2021. № 9. P. 32 –38

33. Pysmennyi, V.V. Local Taxation in the Context of Reforming the Tax System of Ukraine. Ternopil: Ekonomichna Dumka Publishing and Printing Center, 2021. 196 p. (in Russian).

34. Pihul, N.H., Boyarko, I.M., and Lyuta, O.V. European experience in the formation of local budget revenues. Bulletin of Khmelnytskyi National University. Economic Sciences. 2018. No 5 (192), т.2. P. 138- 142.

35. Pilkevych, V.L. Some Historical Aspects of the Formation of Local Self-Government Bodies. Bulletin of the State Academy of Managerial Personnel of Culture and Arts. Kyiv, 2021. №3. P. 167-171.

36. Poltorak, N. L. "Suchasna struktura natsionalnoi finansovyi sistema v konteksti finansovnoho bezpeky krainy" [Modern structure of the national financial system in the context of financial security of the country]. Finance and Credit. 2012. Vol. 25, No 3. pp. 580–595.

37. Treshchov, M. M. Local Finance and Local Budgets: Points of Contact and Differences in Concepts. Efficiency of Public Administration: Coll. Sciences. etc. 2017. Issue. 42, p. 187.

38. Theory of Finance: textbook / ed. Prof. V. M. Fedosov, S. I. Yuri. Kyiv: Center for Educational Literature, 2020. p. 22.

39. Chokaev B.V. Islamic finance as a direction of development of financial systems and economy in general. Securities market. 2020. № 10. p. 41.

40. Shevchenko, L. M. Debatable Issues of the Composition and Structure of the Modern Financial System. Bulletin of Sumy National Agrarian University. 2022. № 1 (40). pp. 150–153.