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FEATURES OF FORMATION AND DEVELOPMENT OF UKRAINIAN FINANCIAL SYSTEM : LEGAL ASPECT

A retrospective analysis of the formation of the financial system of Ukraine from the times of the emergence of Kievan Rus is made. It was disclosed the features of formation and development of financial system, basic financial models to match the stages of historical development of Ukraine as a state. In a chronological sequence, the complex analysis of the financial policy pursued by certain authorities is done.

Keywords: *budget, financial relations, financial policy, financial system, financial resources.*

The formation and development of Ukrainian financial system is complex and contradictory process. As of today in Ukraine the process of its formation is still continuing. Ukrainian financial system began to develop as national only after 1990, videlicet, - after declaration of independence of Ukraine. So, it is shaped the modern system of European orientation, which has actually evolutionary character. It is necessary to note that stages of the development of defined financial system models are measured up to stages of the Ukrainian nationhood development.

The issues of financial system and its functioning were the subjects at hand of nation scientists of economic cycle. But analysis of scientific results testifies that in native science it is a drachm of basic scientific researches which are dedicated to the issues of financial system in legal aspect. Last years the retrospective analysis of Ukrainian financial system was the subject at hand of such scientists as : E. D. Sokolova, A. T. Kovalchuk, O. A. Lukashev, A. S. Nesterenko, D. V. Polozenko, V. Ya. Revehuk, A. M. Sereda and N. V. Stukalo. In their researches the main attention was focused only on defined historical periods of its formation. Thus, A. M. Sereda envisaged the issue of formation and development of financial system at a time of Central Council [1] and V. Ya. Revehuk placed greater focus on

1917-1920 years [2]. In such a manner, there is no a complex analysis of the formation process of Ukrainian financial system as the years go by Kievan Russia and for today.

The definition “financial system of Ukraine” means defined complex of financial relations, which are regulated by financial rules of law and financial authorities and institutes, whereby Ukraine forms, distributes and immediately uses cash flows which are secured against financial machinery.

Financial system always springs up with the appearance of any state and is intimately connected with its functioning, such as it is a reflection of forms and methods of appropriation of financial resources. I. A. Kancir notes that the history of Ukrainian financial system formation and development goes back to the Kievan Russia. In the days of feudalistic relations which formed at that times, instead of money were used livestock, coined money of another countries and revenue of the state formed from taxes in kind. But, fiscal operations were spasmodic, unscheduled and without results reflection, which negatively affected on financial condition of the state [3, 223].

After signature of peace treaty by Knyazh Oleh and Byzantian government, latter had to pay for Ruses a great contribution and granted preferences for Russian tradespeople and ambassadors, which weren't in any country. Thus, Oleh formed a viable mechanism of securing of state financial needs by means of external financing revenue. But there was no regulation of fiscal rules of law and terms, which complicated the development of financial system of the time.

At first such attempt made the Princess Olha who regularized state financial system by means of reform implementation in 946-947. Olha forced into application “stanovyshcha” and “uroky”. At modern state it means payment of state tax. So, this attempt was the first in the reformation of tax and financial system. It should also be noted that during the reign of Princess Olga such financial relationships which through several centuries financiers would call rent-seeking appeared.

About the reign of Vladimir the Great, significant development financial system has not succumbed during this period, because priority directions and objectives of the Prince were administrative and judicial reforms, as well as the introduction of Christianity in Kievan Rus. Although, in turn, it must be emphasized that in the period

of his reign example and sample of guaranteed expenditures from the budget on related needs were occurred, namely - for the maintenance of the church. During his reign “Ustav zemelnyi” and “Zakon ruskyi” were enacted, which improved current financial system of the state.

The prosperity of Kievan Rus was on the reign of Yaroslav the Wise. Exactly during his reign a turning point in the development of the state and the formation of legal system became, as the appearance and issue of the first written source of law – "Russian truth" dates from those years. For the first time at the legislative level it has been fixed the process of paying indirect taxes, which were an important source of princely income in the form of trade and court fees (duties) [4, 113].

The next stage in the development of Ukraine in general and the financial system, in particular, was the period of its elaboration, namely, XVI–XVII century. At that time, the financial system of the state subjects to significant changes in connection with the division: it has acquired the characteristic features of states, which included the Ukrainian lands, in particular: the Lithuanian and the Polish Kingdom, Polish-Lithuanian Commonwealth and the Austro-Hungarian Empire.

Another important historical stage of financial system development is the period of the existence of Zaporizhzhya Sich. This is because at the time, financial and tax systems became autonomous, namely: it was introduced the state treasure, or as noted, war treasure; there were certain principles of its content and using. Thus, the treasure became the prototype of the state treasure service of Ukraine and directly fulfill its function.

One of the first normative documents, which provided the definition of the "public treasure" and described the duties of the General Treasurer, became "the Constitution of Pylyp Orlyk". Thus, financial system of that time experienced prosperity and final formation as the independent system.

The next stage of the development of financial system was due to the fact that of entering Ukrainian territories to the Russian empire from 1721 to 1917. It should be noted that in this period the breakdown of financial system took place, as the treasure of Ukraine was eliminated, and outflow of financial resources to Russia became, and

in 1764 financial system of Ukraine was connected to the financial system of Russian empire [5, 114].

During next years attempts of Ukrainian state revival, so the attempts to restore financial system of Ukraine. In 1917 Central Council came to power and its priority task was the formation of legislative base, including in the sphere of finances. So it was made the first attempt to create own financial system [1, 24]. Exactly in this period many legal acts came into force, which regulated the sphere of financial relations.

Financial condition and financial system of Ukrainian lands improved with the reign of P. Skoropadskoho. It was created an authority, the task of which became inflation overcoming and speculation with food – Financial council. It identified the financial policy of Ukraine.

The next stage of the Ukrainian financial system was the period of lands occurrence to the Union of Soviet socialist republics. Financial system conformed to the typical standards of all republics. The essence of financial system of that period was to formation of rational structure of social production, increasing of efficiency of use of labour, material and money resources and natural wealth to accelerate the pace of building communism, the growth of people's welfare and strengthen the country's defense. Thus, financial system of Ukraine as certain administrative unit of USSR was only de jure, as the questions were solved by the government of USSR and it became a gradual outflow of financial resources from Ukraine.

The next stage in the evolution of the financial system of Ukraine was the period after the Declaration of the Supreme Rada of Ukraine's independence. The formation of independent national financial system of Ukraine was in critical conditions. For this stage of the development of financial system the important component was the aspect of legal regulation of financial relations, which occur while creating and using of financial resources funds, as the all set of state actions in the sphere of finance should base on normative and legal acts.

Legal norms which regulate financial relations are the system of financial law, which should base on Constitution of Ukraine. Thus, according to the Chapter 2 of the Constitution of Ukraine, article 67, it is determined that every person must pay taxes

and fees by order and sizes established by the law. So financial system becomes to develop as national system and has a clear normative and legal regulation, which testifies that it starts to function not only symbolic but also in fact.

So, the process of formation and development of financial system of Ukraine was and remains quite complicated. This is primarily due to the fact that its formation was influenced by legal norms, principles, and customs of other countries, which were included in one or another period of Ukrainian lands.

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Utkina M.S. Features of formation and development of Ukrainian financial system : legal aspect / M. S. Utkina // Economics, management, law: problems of establishing and transformation: Collection of scientific articles. - Al Ghurair Printing and Publishing LLC, Dubai, UAE, 2016. – pp.308-311.