повністю запровадили вимоги Базеля І, а як зазначалося вище, впровадження вимог Базеля ІІ в Україні передбачалося лише до 2016 року, з огляду на досить значні витрати, що повинні були понести. Стосовно запровадження вимог Базеля ІІІ в національній банківській системі, то цілком очевидно, що це питання досить складне, хоча, враховуючи частку банків, що контролюються іноземним материнськими банками, які змушені будуть виконувати нові вимоги, поява таких банків в Україні є реальною.

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BASEL COMMITTEE REFORMS AND ECONOMIC PERFORMANCE OF UKRAINE AND EGYPT

The inefficacy of Basel Accord II to safeguard banking sectors in many nations has tempted monetary regulators round the world to introduce copious reforms. In response to the global financial crisis (GFC), an international integrated collaboration between central bankers and top supervisors on the key calibrations of a package of banking reforms emerged throughout 2009–2010. The Basel Committee for Banking Supervision (BCBS) engaged scores of bankers, academics and regulators through inviting their comments on a set of consultative documents to augment the June 2006 accord. The impending regulatory framework is dubbed Basel III.

The most serious banking problems emanate from lax credit standards and reckless portfolio risk management, which may inherently lead to the eruption of the so-called “twin crisis” engulfing a financial calamity and an economic downturn. For this reason, the Basel Committee initiated amendments, the most important being the introduction of new measures of capital adequacy, liquidity and leverage requirements and requisites for corporate governance. However, due to the vast disparity in the levels of skills and governance among emerging market regulators the final outcome is expected to vary from one economy to the other.

In view of the substantial episodes of financial crises and bank failures since the turn of the century, serious attempts were undertaken by central banks of most transition and emerging economies to impose stringent capital adequacy requirements and consolidate the banking sector. However, the National Bank of Ukraine (NBU) failed to reduce the number of banks, which increased from 181 banks in 2005 to 194 as at August 2010. On the other hand, the Central Bank of Egypt (CBE) forced banks into voluntary and involuntary mergers and acquisitions, hence reducing the number of

Egyptian banks from 82 in 1991to 39 in 2010. However, unlike the 19 % foreign ownership in the Egyptian banking sector, it reached 45 % in Ukraine in 2010. While foreign ownership transfers banking knowhow and grants domestic branches access to ample liquidity from their foreign subsidiaries, it exposes the banking system to foreign shocks and crises.

The events of the global financial crisis overtook Basel II as the BCBS persisted to provide bankers and regulators with guidelines for safe banking practices and corporate governance development. Three documents were issued in 2010: "Strengthening the Resilience of Banking System", "International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Principles for Enhancing Corporate Governance".

Using a small-scale DSGE model for Egypt and Ukraine, the effects of the three proposed reforms of Basel III were forecasted: capital requirements, liquidity ratios and corporate governance practices on real GDP growth, employment, inflation and interest rates.

The results reveal that the collective impacts of meeting capital adequacy and liquidity requirements are better weathered by the Egyptian economy. Ukrainian GDP shows a slowdown throughout the period 2013–2018, after which recovery is realized. This is a very important result that shows that the vigilance of Egyptian supervisory agents was a pertinent source of enhancing and sustaining macroeconomic performance.

Also, the costs of the proposed regulatory reforms will be quite detrimental for Ukraine, but are forecasted to be better sustained by the Egyptian economy, implying that emerging nations that were well geared up through meeting Basel II requirements will show more resilience to the costliness of future reforms. One of the recommendations is to enhance the resilience of the Ukrainian banking sector is to expedite bank regulatory reforms and complement them with proper corporate governance practices.

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