

It should be noted that Ukraine has a powerful talented human capital, and therefore many innovative projects start their development here. However, they very quickly go abroad. The practice of buying startups beginning to develop is spreading. The most famous is the well-known Google company according to CrunchBase it has joined 227 projects since 2001. For comparison, Apple has swallowed 98 startups since 1988, and Microsoft since 1987 has bought 210 startups.

According to the report, there are about 400 digital-startups annually in Ukraine. Market experts believe that about half of them are promising projects. One third of them find financing in Ukraine - from venture companies, business angels or from friends and family. Another 10% are looking for funding abroad. Of the 60 Ukrainian startups that remain in the country, about a third are becoming stable companies and only one or two are turning into "star" companies - successful emerging businesses.

The low level of state interest in modern innovation projects forces young Ukrainian companies to collaborate with a variety of foreign investors to help them implement their projects and become competitive.

For today in Ukraine the state is not involved in investing in startup projects. A state support for innovative start-up projects can be provided through grants, soft loan programs, financing for research and innovation projects. The development of startups is an important part of increasing the country's investment attractiveness, developing innovation and supporting small and medium-sized businesses, which can give an impetus to the development of our economy to the world level.

To summarize, Ukraine has a significant innovative potential of startups, including highly skilled engineering resources, an appropriate infrastructure and an ecosystem for startups. As a result, there is a growing number of startups that are recognized on the international scene and are receiving funding from foreign investors.

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SPECIAL FEATURES OF THE NATIONAL BANK OF UKRAINE AND TA OF NATIONAL COMMODITY FUND OF THE FUND FOR INVESTMENT AND FINANCE OF UKRAINE

Introduction

The problems of changing the powers of certain control and regulation bodies in the financial market are extremely relevant in the context of modern globalization processes and the manifestations of crisis phenomena. Considering the innovations carried out by Ukraine and the National Bank of Ukraine (the NBU), there is the task of analyzing contemporary changes in the legislative and regulatory framework to understand further development of Ukraine financial market. Bringing the legislative framework of Ukraine, in relation to the regulation of financial market, to international standards creates the ignorance of business entities with their rights and responsibilities regarding their participation in the financial market.

The goal of the research is to identify the impact of changes in the legislative framework on financial market regulation and the allocation of functions between different participants in control, supervision and regulation.

Legal background

The conducted scientific analysis of literary sources shows that the creation of an effective mechanism of state regulation of financial market is important for ensuring the development of financial market as a determining sector of the economics and the protection of its participants. The construction of a system of interconnections between financial institutions in the process of implementing their functions, which determines the effectiveness of the functioning of the financial market, is of particular importance [1].

The mechanism of the state financial market is constructed on the basis of a sector model, i.e. the system of regulation is three-level: the regulation of bank activity is carried out by the National Bank of Ukraine; the regulator of the market of securities is National Commission of Securities and Stock Market (NCSM); the activities of other financial intermediaries and financial companies (insurance companies, credit unions, non-state pension funds, etc.) are regulated by the National Commission which carries out state regulation in the field of financial service markets (NCSRFM). The NBU as a regulator is independent of the government and economically independent; and the activities of the other two are coordinated by the Cabinet of Ministers of Ukraine.

Therefore, there was a need to reorganize such a system of nonlinear subordination of state regulation of financial markets.

The initiator of the changes in the structure of supervising the market of financial services is the NBU since insurance companies, credit unions, leasing companies, investment companies and other financial companies usually make all payments through bank accounts. However, the reporting of these financial institutions is scattered and submitted to other regulating bodies.

This approach is proposed in the draft of Comprehensive Program for the Development of the Ukraine Bank System for 2015-2020 (hereinafter referred to as the Program) [5]. According to this program, the NBU will perform the part of mega-regulator and exercise the prudential supervision on key financial markets of the country. The consolidated supervision of domestic financial markets is believed to enable timely and more efficient diagnosing of high risks and thus to prevent crisis processes in the financial system; and the high level of independence and accountability of the central bank will increase confidence in regulatory measures.

Creating the only mega-regulator of the financial bank based on the Department of bank supervision of the Ukraine National Bank and the National Commission performing state regulation in the sphere of financial service markets is also initiated according to the introduction of norms and principles of the Comprehensive Program for the Development of the Ukraine Bank System till 2020 approved by the Resolution of the Board of the Ukraine National Bank dated by June 18, 2015, No. 391 [4].

Systematic analysis of the law

Considering the current trends in the domestic financial market and globalization processes in the economics, we believe that in order to develop and improve functioning of financial market, the mechanism of its state regulation needs to be improved.

The changes were significantly extended to the Law of Ukraine "On the National Bank of Ukraine", which expanded and extended the powers of the authority to regulate financial markets.

It is necessary to draw attention to the fact that the method of standards and codes has recently had greater influence on functioning of national financial markets and their integration into the global financial markets.

In this context, it is necessary to highlight firstly the method of standards and codes, which regulates the functioning of the financial market.

The mentioned method was called "soft law" in practice that is the regulation, which is based not on legal norms and rules defined by the legislation and state regulation bodies, but on voluntarily accepted norms and rules; failure of which will lead to loss of reputation and non-recognition by the society. In this case, the elements of "soft" legislation can be successfully combined with the rules and regulations, established by law.

We can conclude that the financial market in its development entered a new strategic stage, as there have been changes in many legislative acts regulating the activities of both financial institutions and the state, in the person of the bodies of state regulation of financial markets.

Analytical data

With the change of legislation, changes should be made in the process of fund allocation for the activities of financial market regulators. Therefore, there is a need for a more in-depth analysis of budget expenditures in order to identify the main areas of funding (Table 1).

Table 1

BUDGET EXPENDITURES FOR FINANCING THE MAIN REGULATORS OF FINANCIAL SERVICE MARKET FOR 2015-2018

(UAH million)

Authorities	2015	2016	2017	Plan 2018	Deviation 2016-2015	Deviation 2017-2016	Deviation 2018-2017
National Commission of Securities and Stock Market	42.0	53.4	86.9	126.0	10.4	33.5	39.1
National Commission for the regulation of financial service markets	25.9	27.4	52.2	80.0	1.5	24.8	27.8

compiled by the author on the basis of [9, 10, 11]

Table 1 shows that expenditures from the budget for the financing of the NCSSM and the National Commission of Financial Services considerably increased for the analyzed period. The expenditures for the maintenance of state regulators in 2016 did not significantly increase, and in 2017-2018, there is a rapid growth, namely:

- In 2016, the National Commission of Securities and Stock Market received expenditures by 19.43% more than in 2015, in 2017 - by 38.58% than in 2016, and in 2018, an increase of expenditures is planned by 30.97% more than in 2017.

- The National Commission for State Regulation of Financial Services markets received financing from the budget by 5.37% more in 2016 than in 2015, increased by 47.67% in 2107, and in 2018, it is planned to increase expenditures by 34, 71% than in 2017.

The analysis of the expenditure distribution for 2015-2017 and the plan for 2018, show that budget expenditures significantly increased while transferring the functions from the National Financial Service Commission to the NBU and the NCSSM. In our opinion, such a division is not effective in terms of using budget funds.

Thus, the NBU, from the financial and economic point of view, is the most promising body for assuming the primary responsibility for regulating the financial services market.

Conclusions

The emergence of a number of problems during the implementation of modern reforms is largely due to the lack of an integrated, systematic and planned approach to their practical implementation. The revealed discrepancies should not be an obstacle to the full functioning of the state financial market authorities, but should be taken into account and eliminated, in order to increase the efficiency of the activity.

Bringing the Ukraine legislation to the international standards concerning the function distribution of the financial service market between the NBU and the NCSSM will improve the efficiency of the supervision system of financial market objects, will ensure bringing the function to the universal standards on all segments of control by the state authorities.

Positive moments of the proposed reform can be made by reducing the number of control bodies in the financial service market, which, in its turn, will result in a corresponding reduction in the number of regulatory acts, better coordination of the regulator within a single body. However, we get more negative effect - instead of realizing the chance of a real reform of non-bank financial sector, they offer the usual mechanical transfer of the Commission's powers to the NBU.

In addition, an incomplete "reform" can even lead to increasing the number of officials and the cost of maintaining the body. The termination of the National Commission of Financial Services activity and the transfer of its powers to another body, the NBU, will not significantly affect the financial market, as the law does not specify how exactly the National Bank will pursue its regulation policy for non-bank financial institutions.

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STATE LIQUIDITY IN THE CONTEXT OF ENSURING DEBT STABILITY

In the conditions of transformation of social and economic relations, galloping integration of financial and economic markets, transition economies are characterized by the tendency of insufficiency of coverage of needs for financial resources from their own sources. Borrowed funds are a source of financial stabilization and a source of economic growth. Ukraine's active build-up of sovereign debt along with inefficient management raises the problem of ensuring the financial liquidity of the state, which is associated with an increase in the cost of servicing and repayment of debt obligations.