

On the other hand credit resources of other international financial organizations were practically not used within the framework of the provided credit lines. A particular problem that arised in 2016 is the problem of identifying the source of VAT financing within projects funded under the EIB lending lines. According to the Ukrainian legislation, the VAT must be paid by the customer on goods or services, however, according to the requirements of the EIB for the provision of credit resources, the VAT must be paid by the recipient country of credit resources, but not with the received credit resources (State must provide additional credit source for VAT). At the same time, most of the investment project financing programs in Ukraine are transitional and the terms of use of funds within these programs allow the unused part of the planned financial resources to be transferred for subsequent years. So, it still possible to receive additional financial resources to invest into innovations.

Based on the above, for the effective use of credit resources of international financial organizations, Ukraine needs to take a number of steps, including the following:

- To empower the coordinators of projects during their preparation, implementation and at the completion stage;
- to develop a system of monthly monitoring of the implementation of joint projects with international financial organizations and to introduce an analysis of the effectiveness of each stage of the project;
- solve the problem of determining the funding source of VAT in the framework of joint projects with the EIB;
- implement currency regulation to optimize and simplify settlements with non-resident contractors in the currency of the contract;
- harmonize the current legislation with the requirements of the international financial organizations to increase access to available and additional credit resources and shorten the timing of joint projects.

REFERENCES

1. Report on the use of international financial organizations credits on December 31, 2016 // Ministry of Finance of Ukraine, 2017.
2. Report on the use of international financial organizations credits on June 1, 2016 // Ministry of Finance of Ukraine, 2016.

UDC336.76(045)

Ostapenko Viktoria Mykolaivna

*PhD, lecturer of the department of financial services management,
Simon Kuznets Kharkiv National University of Economics,
Kharkiv, Ukraine*

EUROPEAN INTEGRATION ASPECTS AND PERSPECTIVES FOR DEVELOPMENT OF THE FINANCIAL MARKET IN UKRAINE

In order to increasing the global competitiveness of the domestic financial market, it should be ensured its qualitative and quantitative development. There is a

necessity to improvement all indicators that characterize the financial market: the reliability of the banking system, the quality of regulation of the capital market, the level of availability of enterprises to financial resources.

Currently, there are prerequisites for a stable development of the Ukrainian economy, the transformation of the financial sector of Ukraine into a competitive environment with an investment climate. However, measures are required to ensure the sustainability and reliability of the financial sector in the long run, to bring the solvency and liquidity standards closer to the recommendations of the Basel Committee, the introduction of accumulative retirement benefits, the promotion of the insurance and other financial services market and the development of infrastructure and financial sector instruments, the creation of additional safeguards financial reliability in case of economic recession, increase of reliability systemically important improving the institutional capacity of regulators, which is embodied in the implementation of European legislation to the realities of the Ukrainian economy (Table 1).

Table 1

EU legislation on financial services regulation in comparison with Ukrainian legislation

Sphere	Legislation	
	EU	Ukraine
	Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate	On Financial Services and Government Regulation financial services markets [10]
	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments	
	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments	
	Council Directive 86/635 / EEC of 8 December 1986 Annual accounts of banks and other financial institutions	
	Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions	
Credit	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms	On banks and banking activity [2]
	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms	
Depository	Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes	
	Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes Text with EEA relevance	
Investment	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments	On State Regulation of the Securities Market in Ukraine [3]

Insurance	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)	On insurance[9]
	Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive	On financial and credit mechanisms and property management for housing and real estate transactions [11]
	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)	On Collective Investment Institutions [5] On Securities and the Stock Market [12]
	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers	On Financial Services and Government Regulation financial services markets [10]
	Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes	
Pension	Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision	On pensions [6]
Non-cash payments and payment systems	Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions	On Payment Systems and Money Transfers in Ukraine [7]
	Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems	
	Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market	
	Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds	
Supervision and control	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing	On prevention and Counteraction to Legalization of the Proceeds ... [4]

According to the EU standards and the Association Agreement between Ukraine and the European Union, the priority directions of the Ukraine's financial

sector reform are the following priority areas of the Ukraine 2020 Strategy [8] and the Program of activities of the Cabinet of Ministers of Ukraine [7]:

- reduction of the number of regulatory and supervisory bodies in the non-bank financial services markets by dividing the functions of the National Commission that carries out state regulation in the field of financial services markets among other bodies that carry out the state regulation of financial services markets by passing the powers of the National Commission that carries out state regulation in the field of financial services markets, in terms of regulation and supervision in the system of accumulative retirement provision, regulation and supervision of the functioning of financial and credit mechanisms and property management in housing construction and real estate to the National Commission on Securities and Stock Market;

- amendments to the consolidation of the functions of state regulation of financial services markets to the Law on Licensing of Business Activities and the Law of Ukraine "On the Basis of the State Regulatory Policy in the Field of Economic Activity" in order to unify the principles and procedure for implementation by the National Bank of Ukraine and the National Commission for Securities and Stock Market Licensing and Regulatory Activity respectively;

- in order to eliminate excessive regulation, it is necessary to repeal the Law of Ukraine "On Mortgage Lending, Operations with Consolidated Mortgage Debt and Mortgage Certificates" and the Decree of the Cabinet of Ministers of Ukraine "On Trusted Societies";

- amendments to the Law on the National Bank of Ukraine regarding the provision and disclosure by the National Bank of information on the activities of financial institutions whose state regulation is carried out in the markets of non-banking financial services within the limits specified by the Law on Financial Services and State Regulation of Financial Services Markets;

- exemption from the Tax Code of Ukraine provisions on taxation of transactions with mortgage certificates with fixed income in connection with the elimination of the mechanism by which such certificates were introduced;

- settlement of the issue of taxation of insurers, insurance payments to individuals in connection with the change of the regulator of financial services and, accordingly, the implementation of insurance activities, taking into account the guidance material of the National Bank of Ukraine.

Within the framework of the implementation of the "Comprehensive Program for the Development of the Financial Sector of Ukraine until 2020" developed by the representatives of the regulators of the financial and banking markets [1], two draft laws urgent for consideration and adoption by the Parliament are:

Draft Law No. 2413 "On Amendments to Certain Legislative Acts of Ukraine Concerning the Consolidation of Functions of State Regulation of Financial Services Markets" [8];

Draft Law No. 2414 "On Amendments to the Tax Code of Ukraine regarding the consolidation of the functions of state regulation of financial services markets regarding the consolidation of the functions of regulating and supervising financial services markets".

REFERENCES

1. Комплексна програма розвитку фінансового сектору України до 2020 року [Електронний ресурс]: Постанова Правління Національного банку України від 18.06. 2015 року № 391. – Режим доступу: <https://bank.gov.ua/doccatalog/document?id=18563297>
2. Про банки і банківську діяльність [Електронний ресурс]: Закон України від 07.12.2000 № 2121-III. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/2121-14>
3. Про державне регулювання ринку цінних паперів в Україні [Електронний ресурс]: Закон України від 30.10.1996 № 448/96-ВР. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/448/96-вр>
4. Про запобігання та протидію легалізації (відмиванню) доходів, одержаних злочинним шляхом, фінансуванню тероризму та фінансуванню розповсюдження зброї масового знищення [Електронний ресурс]: Закон України 14.10.2014 № 1702-VII. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/1702-18>
5. Про інститути спільного інвестування [Електронний ресурс]: Закон України від 05.07.2012 № 5080-VI. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/5080-17>
6. Про пенсійне забезпечення [Електронний ресурс]: Закон України від 05.11.1991 № 1788-XII. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/1788-12>
7. Про платіжні системи та переказ коштів в Україні [Електронний ресурс]: Закон України від 05.04.2001 № 2346-III. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/2346-14>
8. Про Програму діяльності Кабінету Міністрів України [Електронний ресурс]: Постанова Верховної Ради України від 14.04.2016 № 1099-VIII. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/1099-19>
9. Про страхування [Електронний ресурс]: Закон України від 07.03.1996 № 85/96-ВР. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/85/96-вр>
10. Про фінансові послуги та державне регулювання ринків фінансових послуг [Електронний ресурс]: Закон України від 12.07.2001 № 2664-III. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/2664-14>
11. Про фінансово-кредитні механізми і управління майном при будівництві житла та операціях з нерухомістю [Електронний ресурс]: Закон України від 19.06.2003 № 978-IV. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/978-15>
12. Про цінні папери та фондовий ринок [Електронний ресурс]: Закон України від 23.02.2006 № 3480-IV – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/3480-15>