

REGULATION OF BANKS ACTIVITY: REGIONAL ASPECTS

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Economic crises that Ukraine has had since it gained independence, are indicators of inefficiency of state regulation. Banking system as its basic component suffers most from external and internal shocks. This fact, in our opinion, underscores the need of high-quality changes in the regulatory policy of Central Bank concerning banking activity both on national and, in particular, on regional levels. These issues have become even more relevant and pertinent after 2015, when in accordance with measures listed in Comprehensive Program of the Ukrainian Financial Sector Development Until 2020, the necessity of reforms was declared for the bank sector by means of strengthening of institutional possibility of regulatory bodies and creation of corresponding terms for effective supervision and influence [1]. As a result, the National Bank of Ukraine carried out an internal transformation that changed its institutional role as a subject of the bank adjusting in regions.

Banking regulation – is one of functions of the National Bank of Ukraine that consists in creation of the system of norms that regulate activity of banks, general principles of bank activity, order of realization of the bank supervision, determine responsibility for violation of bank laws [2]. Realization of this function takes place by application of forms, methods and instruments of the

bank adjusting on macro- and microlevels. Taking into account the fact that bank institutions operate in a wide range of activities in all areas, regulator must encourage institutions to obtain synergistic effect that will ensure the achievement and support of socio-economic stability of region and steady development of the bank sector. In all regions of Ukraine, regulation of bank institutions is important direction of the National Bank activity. However, it is worth noting, that before the reformation of central bank, branches (ROs) as structural subdivisions of management organ had imperious plenary powers in relation to bank institutions of region. Institutional role of NBU's ROs in providing of the banking system stability of region driven to article [3].

After introduction of the new model of functions centralization and ROs reformation, regulation of bank activity in regions is committed straight through the main office of NBU. The Office of NBU continues to function in regions. The functions may be distinguished into two categories: internal that are related to activity organization and representation of NBU, and external, which related to implementation of cash management functions and maintenance of “Single window”. The “Single window” is a subdivision responsible for providing administrative services of the National Bank of Ukraine,

Table 1.
Functions of Committee on Banking Supervision [4]

Function	Processes that are served by a committee	Questions that are examined by a committee
Registration and licensing	Licensing of banking and other activity	Consideration of questions of registration, licensing, concordance of substantial participation; Certification of public accountants, concordance of leaders.
Supervision of the banking system	Establishment of obligatory economic norms of the banking system, microprudential supervision on banks and analysis of the formal accounting with an accent on internal control and verifications	Realization of the bank adjusting and supervision, government control and supervision in the field of the financial monitoring; Providing of co-ordination of work of service of bank supervision; Analysis and conclusions on risks of separate institutes; Making decision on of active preventive actions at the potential risks/measures of influence/ sanctions to the banks, their separated subdivisions, branches of foreign banks/non-banking financial institutions (on the financial monitoring).
Supervision (Oversight) of the payment systems	Providing of the continuous functioning of the payment systems	Standards and requirements to the payment systems; Registration of the payment system ; Measures of influence on the payment system.

where citizens and legal entities have an opportunity to get a qualified help in executing documents, writing complaints, letters, inquiries, filling out certificates including currency and property declaration forms, staff administration, etc [4].

Thus, the Central Office of NBU fulfills the function of bank activity regulation and it is created by Committee on Banking Supervision and Regulation, Payment System Monitoring (Oversight) (or Committee on Banking Supervision). Functions of Committee on Banking Supervision are listed in table 1.

Thus, realization of function of bank activity regulation on national and regional levels is an important task of the National Bank of Ukraine; on the efficiency of its implementation depends the

stability of monetary sphere, banking system and national economy.

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