

СЕКЦІЯ 5

ПРОБЛЕМИ РОЗВИТКУ ФІНАНСОВОЇ СИСТЕМИ УКРАЇНИ В УМОВАХ ВІЙНИ ТА ПОДОЛАННЯ НАСЛІДКІВ ВІЙСЬКОВОЇ АГРЕСІЇ

UDC 336.74

LEMISHKO O. O.,

Doctor of Economic Sciences, Associate Professor,

Department of Finance

National University of Life and Environmental Sciences of Ukraine

SHEVCHENKO A. M.,

Doctor of Agricultural Sciences, Professor,

Academician of National academy of agrarian sciences of Ukraine

Department of Landscaping Services and Environment

Luhansk Taras Shevchenko National University,

THE MAIN DIRECTIONS OF MONETARY POLICY FOR THE PERIOD OF MARTIAL LAW IN UKRAINE

Russia's full-scale war against Ukraine continues. The Ukrainian financial system is responding to real tragic events and challenges. The priority is to ensure the reliable and stable functioning of the banking and financial system of the country. This will be a factor influencing the defense needs of Ukraine, the smooth operation of public finances and critical infrastructure [1]. The main direction of monetary policy for the period of martial law has already been reformatted. Thus, The Council of the National Bank of Ukraine approved the Basic Principles of Monetary Policy for Martial Law, developed in accordance with the Constitution of Ukraine, the Law of Ukraine "On the National Bank of Ukraine", the Decree of the President of

Ukraine No 64/2022 "On the imposition of martial law in Ukraine" of February 24, 2022, and the Law of Ukraine "On Currency and Currency Transactions" [1].

In the modern dimension, the state uses financial means of restrictive financial policy, which takes into account the objective reduction of the effectiveness of market instruments. As a result, capital controls became important: investments and repatriations of companies and businesses abroad were prohibited. Operationally, at the beginning of the war, the use of financial instruments was adjusted, including the discount rate as the main instrument of monetary policy. So, to avoid a significant devaluation of the hryvnia, the exchange rate was fixed, foreign currency could be purchased only to pay for critical imports, restrictions were imposed on payment cards and withdrawals abroad.

It should be noticed that in addition to the burden on public finances and public debt management during martial law, there may be many additional shocks in the economy. Administrative restrictions on the foreign exchange market and restrictions on the movement of capital have become a means of significantly narrowing the use of marketable monetary instruments by the National Bank. That is why in the conditions of martial law it is necessary to adhere to the principle of flexibility in relation to the financial system. We consider flexibility from the standpoint of the financial system's ability to adapt its potential realizing in the form of financial opportunities to ensure sustainable economic development in terms of saving money and time [2, p. 75].

Based on this, we consider it is advisable to update the efficiency of transfer channels by removing restrictions on the cash rate of purchase and sale of foreign currency by Ukrainian banks. In order to eliminate speculation and keep international reserves, on May 20, 2022, the National Bank lifted the 10 % limit on the cash exchange rate and officially allowed to set any market rate when selling cash dollars, euros and other currencies [3].

At the same time, in order to prevent the outflow of capital from Ukraine, control over its movement has been strengthened. Therefore, banks are prohibited from restructuring debt under credit agreements concluded by them with borrowing clients (except banks) by changing the currency of fulfillment of bank loan obligations from foreign currency to hryvnia; it is prohibited to provide loans in national currency for the purpose of repayment by the borrower of bank loans in foreign currency (including interest and other payments under the loan agreement in foreign currency) [3].

The application of flexibility principle in the functioning of the financial system in Ukraine in this difficult time will be the basis for stabilizing export earnings, activating financial market tools, which will avoid measures and tools that weaken confidence in monetary policy, imbalance expectations and strengthening fiscal dominance.

References

1. The Council of the National Bank of Ukraine adopted the Basic Principles of Monetary Policy for the Period of Martial Law [Rada Natsionalnoho banku Ukrainy ukhvalyla Osnovni zasady hroshovo-kredytnoi polityky na period voiennoho stanu]. URL: <https://bank.gov.ua/ua/news/all/rada-natsionalnogo-banku-ukrayini-uhvalila-osnovni-zasadi-groshovo-kreditnoyi-politiki-na-period-voyennogo-stanu>
2. Laktionova O. A.. Flexibility of the financial system: methodology, valuation and vectors [Hnuchkist finansovoi systemy: metodolohiia, otsinka ta vektory zabezpechennia]: monograph. Vinnytsia. 2016. 400 p.
3. On amendments to the resolution of the Board of the National Bank of Ukraine of February 24, 2022 [Pro vnesennia zmin do postanovy Pravlinnia Natsionalnoho banku Ukrainy vid 24.02.2022] No 18. Resolution of the National Bank of Ukraine of May 20, 2022 [Postanova NBU vid 20.05.2022] No 102. URL: https://bank.gov.ua/ua/legislation/Resolution_20052022_102