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CURRENT CHALLENGES OF THE CURRENCY REGULATION

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Annotation. *This paper is devoted to the research of the current challenges of the currency regulation in the context of the approved Project of Law of Ukraine “On Currency”. The author described the main principals that currency regulation is to be based. Also the objects, forms and instruments of the currency regulation are determined in this article.*

Key words: *currency legislation, currency regulation, exchange rate.*

This paper is devoted to the research of the current challenges of the currency regulation. Should be mentioned that currency regulation is an administrative instrument for the monetary policy realization and it is aimed at the improvement of the national currency system, overcoming the financial crisis etc. The author describes new conception of the currency regulation based on the Project of Law of Ukraine “On Currency”. The main reasons of the great importance of this Law are: the liberalization of the currency operations; forming of the complex state policy in the sphere of currency operations in Ukraine, concentrated in one bill.

We reckon that the principals of the currency regulation must reflect national restrictions as well as norms of international legislation. It is important to emphasize on such principals:

- independence of the monetary policy;
- flexible exchange rate;
- independence of the National Bank of Ukraine in the sphere of forming and implementation of the currency policy;
- the priority of the market instruments of the currency regulation on the administrative;
- liberalization of the currency operations;

– realization of the state policy in currency regulation and currency supervision for the ensuring stability of financial system and balance of payments of Ukraine.

We determine the objects, forms and instruments of the currency regulation. So, the main objects of the currency regulation are: exchange rate and different financial instruments denominated in foreign currency. The choose of the objects’ list for the currency regulation depends on the economic situation in a country that explains in what cases central bank is oriented on one or some objects simultaneously.

We also describe the basic instruments of the currency regulation and their regulative functions are determined.

We are convinced that the approving of the above mentioned Law of Ukraine “On Currency” will stimulate the currency regulation become clear and easily understandable by society, business and banks.

At the same time, it will help National Bank of Ukraine to be more efficient in its preventive measures concerning the state of the balance of payments and market conditions.

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