

DOI: [https://doi.org/10.18371/fp.4\(40\).2020.221690](https://doi.org/10.18371/fp.4(40).2020.221690)

JEL Classification E44, G21, G23, L13

COMPETITION IN THE FINANCIAL SERVICES MARKET OF UKRAINE IN TERMS OF REGULATORY MODEL'S TRANSFORMATION

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Abstract. *It is studied the main approaches to estimating competition's intensity, it is substantiated its methodological disadvantages and prospects for use. It is analyzed dynamic changes in the structure of Ukrainian financial services market on the eve of reforming the mechanisms of regulation and supervision. It is presented NBU's promising regulatory model for non-bank financial institutions, it is characterized the principles of its functioning.*

Key words: *bank, competition, financial services, regulation.*

The paper is devoted to the study of the current state and prospects for the further development of competition in the financial services market of Ukraine under the influence of changes in the regulations system of non-bank financial institutions activity, associated with the introduction of a mega-regulator by imposing supervision and control functions on NBU (so-called "SPLIT"). It is generalized the results of foreign studies on the influence of competition on the riskiness of financial intermediaries' activity, financial system stability, the effectiveness of its state regulation, and the effectiveness of the transmission mechanism of the central bank's monetary policy. It is established that rational competition con-

tributes to the development of the financial system, reduces systemic risks, and increases the effectiveness of regulatory measures.

It is investigated the main approaches to assessing the intensity of competition: Concentration Rate, Herfindahl–Hirschman, Lerner, Boone indices, Panzar–Rosse H-statistics; substantiated their methodological disadvantages and prospects for use. It is analyzed structural shifts in the financial services market of Ukraine, substantiated the dominant role of banks in it. It is found that the largest share among non-bank financial institutions is currently held by financial companies, which is explained by weak requirements and the absence of fundamen-

tal restrictions on their activity in the most risky segments during previous period.

It is emphasized the possibility of insurance and other industries' degradation in connection with the reform of supervisory mechanisms and the introduction of new requirements for non-banking institutions. It is considered the regulatory model proposed by the National Bank, presented the main innovations and international standards on which it is

based. It is noted the danger of the conflict of interest between the banking and para-banking systems, the solution of which will depend on the further development of the entire financial services market.

It is determined that the main benchmark of competition should be improving the quality and lowering prices for financial services, as well as strengthening the institutional impact on the effectiveness of regulation as a whole.

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