

JEL Classification: G20

STRATEGIC DIRECTIONS OF FINANCIAL SERVICES MARKET DEVELOPMENT IN UKRAINE

GRYNCHYSHYN Yaroslav

PhD in Economics, Associate Professor

Associate Professor of the Department of Financial Management

Ivan Franko National University of Lviv

ORCID ID: <https://orcid.org/0000-0003-0628-4545>

Abstract. *The concepts of "financial market" and "financial sector" used in the formation of strategic directions for the development of the financial services market have been clarified. An analysis of the implementation of the "Strategy of Ukrainian Financial Sector Development until 2025" was carried out, focusing on the financial services market and the impact of the war on it. The goals, results of the updated "Strategy of Ukrainian Financial Sector Development" and the peculiarities of the formation of modern financial services are revealed.*

Key words: *financial services market, financial sector, strategy, war.*

The war had a tangible impact on the development of the financial services market, as a part of the financial market, which caused the adjustment of the development strategy of these markets in conditions of uncertainty. The problems related to the impact of the war on the change in the strategic directions of the development of the financial services market require an in-depth analysis. Therefore, the purpose of the study is to reveal the strategic directions of the development of the financial services market in the conditions of war and post-war recovery.

The concepts of "financial market" and "financial sector", which are used in the formation of strategic directions for the development of the financial services market, have been clarified. An analysis of the implementation of the "Strategy for the Development of the Financial Sector of Ukraine until 2025" was carried out,

with an emphasis on the financial services market and the impact of full-scale russian aggression on it.

Before the full-scale invasion, the financial services market played a secondary role in the real growth of the domestic economy. The financial sector of Ukraine was relatively underdeveloped and mainly focused on banks. The impact of a full-scale war on the financial sector was manifested in an increase in losses from the operational activities of service providers, a decrease in the demand for financial services, a strengthening of the role of state banks, and a decrease in investment activity. on the market, changing the priority of the financial services market from development to survival and increasing the relevance of remote customer service.

Given the increased risks and uncertainties caused by the war, financial regulators are forced to review the "Strategy for the Development of the Financial Sector of Ukraine until 2025" and update it in 2023. In

the conditions of growing relevance of remote customer service during martial law, the priority task of the financial services market is the accelerated development of digital technologies. Therefore, in the updated strategy, the strategic goal "Modern financial services" is separately highlighted, the measures for

the implementation of which are grouped into five strategic initiatives: development of the infrastructure of digital financial services; automation and paperless technologies for providing financial services; regulation of virtual assets; digital protection of the financial sector; restoration of financial infrastructure in the de-occupied territories

Reference

1. Law of Ukraine on Financial Services and Finance Companies № 1953-IX. (2021, December 14). Retrieved from: <http://zakon1.rada.gov.ua/laws/show/1315-18> [in Ukrainian]
2. Yurii, S. I. & Lutsyshyn, O. O. (2010). Rynok finansovykh posluh yak instytutsiyna osnova rynkovoï ekonomiky [The financial services market as the institutional basis of the market economy]. *Finansy Ukrayiny - Finances of Ukraine*, 11, 48-59 [In Ukrainian].
3. Shkol'nyk, I. O. & Semenoh, A. Yu. (2013). Finansovyi sektor Ukrainy: teoretychnyi analiz ekonomichnoi definitsii [Financial sector of Ukraine: theoretical analysis of the economic definition]. *Visnyk Ukrayins'koyi akademiyi bankivs'koyi spravy - Herald of the Ukrainian Academy of Banking*, 1 (34), 31-36 [In Ukrainian].
4. Financial Sector Development Strategy until 2015 project. (2008). Retrieved from: <https://ufin.com.ua/koncepcia/002.doc> [in Ukrainian].
5. Strategy of Ukrainian Financial Sector Development until 2025. (2020). Retrieved from: <https://bank.gov.ua/ua/files/vCtfACbXokFnRhX> [in Ukrainian].
6. Korchyns'kyi, I. O., Shevchuk, Ya. V., Pikhots'ka, O. M. & Banera, N. P. (2023). Problemy funktsionuvannia rynku finansovykh posluh Ukrainy v umovakh viyny [Problems of functioning of the Ukraine financial services market in the war conditions]. *Naukovi zapysky L'vivs'koho universytetu biznesu ta prava. Seriya ekonomichna. Seriya yurydychna. - Scientific Notes of Lviv University of Business and Law. Economic series. Juridical series*, 36, 301-308 [in Ukrainian].
7. Ukraina posidaie 120 mistse z rozvytku finansovoho rynku – holova Natskomisii z tsinnykh paperiv [Ukraine ranks 120th in the development of the financial market - the head of the National Securities Commission]. *Ekonomichna pravda - The economic truth*. Retrieved from: <https://www.epravda.com.ua/news/2021/01/22/670268/> [in Ukrainian].
8. Strategy of Ukrainian Financial Sector Development until 2025. 2022 Progress Report. (2023, August 29). Retrieved from: https://bank.gov.ua/admin_uploads/article/Strategy_finsector2025_zvit_2022.pdf?v=7 [in Ukrainian].
9. Kravchuk, N. Ya. & Lutsyshyn, O. O. (2022) Finansovyy rynek Ukrainy pid chas viyny: realii funktsionuvannia [Ukrainian financial market during the war: realities of functioning]. *Svit finansiv - World of Finance*, 4 (73), 112-128 [in Ukrainian].
10. Strategy of Ukrainian Financial Sector Development. (2023, August 29). Retrieved from: https://bank.gov.ua/admin_uploads/article/Strategy_finsector_NBU.pdf?v=5 [in Ukrainian].
11. Hryhorenko, Ye. & Shnitser, M. (2022). Biznes-seredovyshe [Business environment] – Vidbudova Ukrainy: pryntsyipy ta polityka [Reconstruction of Ukraine:

principles and policy]. Paris Report 1; under the editorship Yuriy Horodnichenko, Ilona Sologub, Beatrice Veder di Mauro. SEPR PR, 107-130 (in Ukraine)

12. Movchan, V. & Rohoff, K. (2022). Mizhnarodna torhivlia ta priami inozemni investytsii [International trade and foreign direct investment] Vidbudova Ukrayiny: pryntsyipy ta polityka [Reconstruction of Ukraine: principles and policy]. Paris Report 1; under the editorship Yuriy Horodnichenko, Ilona Sologub, Beatrice Veder di Mauro. SEPR PR, 131-180 (in Ukraine)

13. Huzenko, O. P. (2022). Okremi pytannia rol'ovoho ta ponyatiynoho zmistu rynku finansovykh posluh [Separate issues of the role and conceptual content of the financial services market]. Pravove rehulyuvannya finansovykh posluh: natsional'nyy, yevropeys'kyy, hlobalizatsiynyy vymiry : materialy Naukovo-praktychnoho kruhloho stolu - Materials of the Scientific and Practical Round Table: Legal regulation of financial services: national, european, globalization dimensions. (pp. 18-20). Sumy : Sums'kyy derzhavnyy universytet [in Ukrainian].

14. Hnydiuk, I. V. & Skladaniuk, M. S. (2022). Rozvytok digital-tekhnologiy na rynku finansovykh posluh Ukrainy v umovakh voyennoho stanu [The development of digital technologies in the Ukrainian financial services market in the period of martial law]. Ekonomika ta suspil'stvo - Economy and Society, 42. Retrieved from: <https://economyandsociety.in.ua/index.php/journal/article/view/1642/1579> [in Ukrainian].

15. Danylyshyn, V. I. & Synytsia, S. M. (2023). Didzhitalizatsiia na rynku finansovykh posluh: sutnist' ta znachennia dlia ekonomiky Ukrainy v umovakh s'ohodennia [Digitalization in the financial services market: essence and significance for the economy of Ukraine in today's conditions]. Transformatsiyna ekonomika - Transformation Economy, 3 (03), 16-20 [in Ukrainian].

16. Shkarlet, S., Prokopenko, V. & Dubyna, M. (2018). Directions of development of the financial services market of Ukraine. Baltic Journal of Economic Studies, 4, 5, 412-420.