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INNOVATIVE CHANGES IN FINANCIAL AND TAX SYSTEMS IN THE CONDITIONS OF DIGITAL TRANSFORMATION

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Abstract. *The purpose of the research* is to present the features of innovative changes in financial and tax systems in terms of digital transformation as a foundation to build a new quality of economic system in terms of virtual mobility and financial technologies that change business in the direction of its electronic direction. *The object of the scientific research* is the process of digitizing innovative changes in financial and tax systems in terms of virtual mobility, which has every chance to become a decisive step in implementing digital development strategy of Ukraine through the development of digital financial instruments, digitized financial development institutions, smart services and efficient defining a new quality of management of financial and tax systems. *Methodology*. By relying on comparative-retrospective analysis, synthesis, and system method, the digitalization of innovative changes of financial and tax systems is investigated. It determines the new quality and format of work of financial development institutions in the times of deepening virtual mobility. Comparative analysis was used to study the content of regulatory and supervisory financial technologies, namely: RegTech, SupTech; the functions of financial system that reveal its role are indicated. *The result of the article.* Factors contributing to the development of financial system are presented; the authors give their vision of the content of non-financial companies that provide traditional financial services in virtual reality. The content of some innovative and digital changes in the Ukrainian tax system has been identi-fied and disclosed. *Practical implications*. It is argued that key innovative changes that need to be addressed in the context of reforming and digital transformation of financial system have been revealed. Factors contributing to the development of financial system are presented. The peculiarities of digital initiatives that take place in the taxation system are indicated. *Value/originality*. In order to timely inform taxpayers in the media and on the web portal of the tax service, it is proposed to systematically covers main issues regarding the procedure for filing tax returns, categories of taxpayers required to file reports, deadlines for such reporting, list of costs included as part of tax rebate. Payer Service Center should implement this awareness. Author's vision of the content of practical work of non-financial companies providing traditional financial services in the conditions of virtual mobility is presented and thoroughly revealed.

Key words: innovative changes, digital financial technologies, financial system, digital transformation, digitalization of tax system.

JEL Classification: E44, E62, O31, O38

1. Introduction

The main task of the financial system as a whole is to ensure the controlled implementation of economic processes important for the maintenance of life and development of society. This is due to the fact that all economic resources are limited, and therefore, the financial system should promote their rational use. Institutions of the financial system, on the one hand, create a restrictive framework for the functioning of economic entities in terms of

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financial management and, on the other hand – participate in the allocation of resources, influencing their efficiency and intensity (Pochenchuk, 2015a).

Current trends in financial development – financialization, dissemination of digital technologies, virtualization of financial resources, development of financial innovations – cause and necessitate institutional changes in financial system. The Fourth Industrial Revolution has several major consequences for all areas, including financial: changing consumer expectations and behavior; product quality improves as data and asset productivity increases; new partnerships are formed as companies become aware of new forms of cooperation; operating models are transformed into digital models. Institutional transformations of the financial system of Ukraine concern changes at the level of formal and informal institutions at the micro and macro levels: improvement of regulatory and legal support for the functioning of financial system taking into account new development trends; re-forming the system of state regulation of financial system; formation of a new quality of the country's tax system; development of a new infrastructure of the financial system, comprehensive implementation of innovative solutions (Pochenchuk, 2016). In the conditions of innovation of the economy of Ukraine, there is a significant but unequal tax burden on business entities, which leads to disproportion at the stage of formation of digital economy. That is whythe development of the tax system of Ukraine in the conditions of formation of digital economy plays an important role in the formation and distribution of financial resources of the state. The digital taxation system has the most effective influence on the functioning and business activity of digital business structures.

The development of financial technologies causes the emergence of new financial infrastructure; affects the competition of financial institutions; causes the blurring of the boundaries of spheres of economic activity, the emergence of new markets and new forms of their functioning; promotes the introduction of new business models (marketplaces, ecosystems), new forms in which financial products are offered and sold; allows you to create new channels of interaction with customers and new models of accelerated transformation of customer experience (digital customer experience); provides new regulatory tools and ways to comply with financial institutions and companies. Thus, changes due to the introduction of innovations in the collaboration of technology-finance-institutions cover the entire reproduction process and create opportunities for all countries with timely and adequate response.

2. Literature review

Modern understanding of the processes of formation and development of financial institutions was strongly influenced by the works of V. Bilotserkivets, S. Golubka, O. Zavgorodnya, T. Yefimenko. Names of G. Bortis, G. Pochenchuk (Pochenchuk, 2016), O. Bilorus, V. Geits, K. Klaus, P. Leonenko, D. North, B. Paton, S. Stepanenko, O. Stryzhak, V. Tarasevych, A. Tkach and O. Yaremenko, which study institutional aspects of the formation of financial institutions. The works of these scientists, based on the application of an interdisciplinary approach, deal with the scientific search for historical, financial and economic, moral and psychological, political and cultural factors of institutional transformations of Ukraine's economy.

Theoretical and practical studies of tax planning of business entities were covered in the contributions of domestic and foreign scientists: E. Vylkov, A. Yelisyeev, A. Zagorodnyi, O. Kirsh, A. Podderogin, M. Pidluzhnyi, V. Chernenko, etc. Issues of tax policy and tax burden were dealt with by Z. Varnaliy (Varnaliy, 2017), L. Dikan, A. Kizyma, D. Melnyk, Y. Prokopenko, etc.

The consideration of general problems and ways to improve the system of direct taxation in Ukraine and the conceptual foundations of tax planning of enterprises in the context of the Fourth Industrial Revolution was conducted by V. Isaacson (Isaacson, 2017), A. Ariyenchuk and M. Sadovenko (Sadovenko & Ariyenchuk 2019), N. Andrusiak (Andrusiak & Kraus, 2020), Ya. Glushchenko, T. Moiseyenko, O. Korogodova and N. Chernenko (Glushchenko & Korogodova, 2021), Yu. Mosolova, N. Loboda, O. Chabanyuk (Loboda & Chabanyuk, 2021), K. Kaverina (Kaverina & Sholom, 2021), O. Kryvoruchko (Kryvoruchko & Kraus, 2018), N. Kraus (Kraus, 2018), K. Kraus (Kraus & Kraus, 2019), M. Odnorog, V. Osetskyi, and others. However, a significant number of questions, such as: What innovative changes did the financial system undergo? What are the trends in the digitization of the tax system? In addition, there is a need to study new features of financial system and clarify the innovative tools of its development to have an idea of the peculiarities of working within the existing national financial and tax systems.

The purpose of the publication is to present the features of innovative changes in financial and tax systems in the new virtual reality, which has every chance to be a decisive step in implementing digital development strategy of Ukraine through the development of digital instruments, digitized financial development institutions, implementation of smart services and their effective work, which determines the new quality of financial system management.

Among the tasks set in the article are: reveal key innovative changes that need to be addressed in the context of reform and digital transformation of financial system; present the factors that contribute to the development of financial system; provide an author's vision of the content of non-financial companies that provide traditional financial services in virtual reality; to reveal the content of regulatory and supervisory financial technologies, namely: RegTech, SupTech; indicate the functions of financial system that reveal its role; identify and disclose the content of some innovation and digital changes in Ukrainian tax system; indicate the features of digital initiatives that take place in tax system.

3. Conditions and factors of the development of financial and tax systems

Given the understanding of the financial system and development, financial development can be defined as a multidimensional process of qualitative and quantitative changes in the financial system characterized by increasing its complexity, dynamics of functions, status, structure, organizational forms and tools.

Key advantage of the digital economy over the traditional one is the implementation of the ability to automatically manage the entire tax system (or individual components), as well as its virtually unlimited scaling without loss of efficiency, which allows significantly increasing the efficiency of tax management of the economy (economic activity and resources of the country in various industries) at the micro and macro levels (Markevych, 2021). We are convinced that the economic effect of the digitalization of industry can be multifaceted: digitalization of technological processes, ways of organizing production; digitization of means of labor (equipment, devices, machines) with the best quality characteristics. But it will be high quality and effective if there is a reasonable transformation of tax policy in digital age.

Taxation is the collection in favor of the state of a fixed part of the income of economic entities and is designed to perform two main functions – fiscal and incentive. In the latter case, the state by changing tax rates and providing (cancellation) of tax benefits creates favorable or unfavorable conditions for producers, stimulating or limiting their activities. The tax system performs an incentive function in the case when the total amount of all tax payments does not exceed the threshold value of profit incentives for enterprises and organizations, equal to 35%.

The current system in Ukraine is quite cumbersome. Great importance is attached to the implementation of fiscal function, the essence of which is to form the revenue side of the state budget at all levels. The imperfection of the current tax system, which delays the formation of civilized industrial entrepreneurship and promotes the growth of shadow sector of the economy, should include the irrational ratio of direct and indirect taxes. The allocation of two subsystems in the tax system (direct and indirect taxes) helps to achieve a relative balance between two different functions of taxes: fiscal and regulatory.

The development of the financial sector is important not only to stimulate economic growth but also to reduce its volatility. Financial systems can ease liquidity constraints for firms and facilitate long-term investment, which ultimately reduces investment volatility and growth (Aghion & George-Marios, 2010). In addition, well-developed financial markets and institutions can help mitigate the negative impact of volatility on the exchange rate and thus investment potential (Aghion & Ranciere, 2009). It should be noted that the difference between financial and real shocks is important, as a result of which the latter can be strengthened by financial systems with significant financial depth. Financial development also increases the effectiveness of monetary policy, expands the space of fiscal policy and provides a wider choice of exchange rate regimes (Board Paper, 2012). The rapid development of financial systems is due to several factors, which are presented in Figure 1.

4. Transformational changes in taxation in the context of digitalization

Transformational changes in tax policy in the conditions of virtual reality and digitization of economic relations are evidenced by the large-scale reform of the international tax system, which ended on August 10, 2021 OECP. It is expected that from 2023, multinational companies will be taxed at the minimum corporate tax rate, which is 15%. According to Yevgen Kurilov, Chief State Auditor-Inspector at the Controlled Operations Monitoring Division of the Transfer Pricing Department of Tax Audit Department of State Tax Service of Ukraine, "the agreement was concluded between 136 countries and jurisdictions multinationals to countries around the world, ensuring that these firms pay a fair share of taxes wherever they operate and make a profit. Ukraine has also joined the Statement on the Establishment of a New Basis for the Implementation of Inter-national Tax Reform on a Two-Component Solution to Tax Problems Arising in Digitization of the Economy" (Kurilov, 2021). Table 1 presents some innovative and digital changes that are already taking place in Ukrainian tax system today.

At present, national legislation does not clearly define e-commerce, Internet commerce, and other relevant definitions, although the terms themselves are widely used in official documents, including

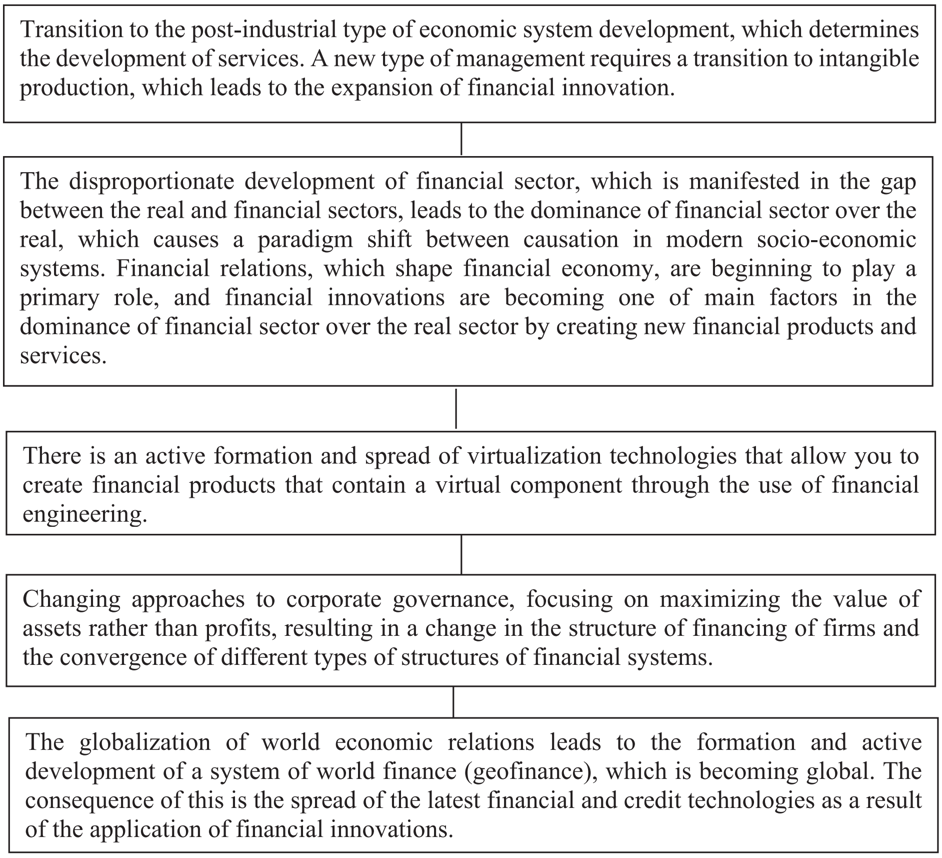

Figure 1. Factors determining the rapid development of the financial system in the context of digital transformation

Sources: author's development

the Concept. There is no classification of digital products in the legislation, i.e., it is not defined to refer them to goods or services. In order to regulate the taxation of digital goods, it is necessary to amend the relevant articles of Tax Code, which concern the objects of taxation in general and the objects of VAT collection in particular. E-commerce is difficult to control – the identity and location of the buyer can now be established only by bank card, and if payment is made through an electronic payment system such as Web-money, it is impossible. The problem of the inability of tax authorities to trace

Table 1
Innovative and digital changes in Ukrainian taxation system

Digital initiatives in tax system	Characteristic features	Changes
Payer service center	Created at each state tax inspection on the ground. Main task of the CPC is to organize the provision of administrative services and additional services during the performance of taxpayers' obligations to the state. In their activities, CPCs use foreign experience of "service supermarkets" and "single offices", aimed at maximizing the use of modern information technology, including elec-tronic queue management system, the formation of unified databases, remote access to tax information.	In order to timely inform taxpayers in the media and on the web portal of the tax service on the Internet, main issues of the procedure for filing tax returns, categories of taxpayers required to file reports, deadlines for such reporting, the list of costs included in the composition are constantly covered. tax rebate.
Service "Electronic office of the taxpayer of the State Fiscal Service"	Since 2015, electronic administration of value added tax has been introduced at all levels. Citizens can submit a tax return on property and income to the SFS of Ukraine in electronic form.	Submission of electronic reporting significantly simplifies the work and has many benefits for taxpayers, including savings in working time, financial costs, efficiency of processing and confidentiality of information, notification of existing budget and tax arrears.

Sources: summarized by the authors based on sources (State Fiscal Service of Ukraine, 2022; Bodrov, 2018) electronic transactions in this case remains unresolved for all states. Lack of proper technology creates a situation where the possibilities for tax evasion seem endless. Therefore, without the development of new technologies that would allow tax authorities to identify and track transactions in cyberspace, cannot do (Bodrov, 2018).

5. Problematic aspects of financial and tax policy in Ukraine

The tax system's imperfection is complemented by shortcomings of the mechanism for implementing tax reforms, which is manifested in the imperfect system of control over taxpayers, reinforcing the repressive nature of tax legislation. Therefore, we believe that the interaction between the payer and the tax authorities should be carried out according to the following rules:

– Firstly, all differences in the texts of tax laws are interpreted only in favor of the payer;
– Secondly, equal responsibility of the state and the payer in their financial and tax interactions.

The role of the financial system is revealed in its functions:

– Consolidation of capital, transfer of financial resources from those who save, to those who need them, which allows to expand the economic opportunities of the real sector;
– Selection of effective projects in the economy;
– Corporate control;
– Risk management, pooling and diversification, which encourages investment in more profitable projects;
– Reduction of circulation costs (Pochenchuk, 2015b).

However, if institutions of the financial sector perform their functions poorly, they tend to hamper economic growth, reduce economic opportunities, and destabilize the economy. The financial system is a reflection of socio-economic processes in the state. It should ensure their positive dynamics and demonstrate the ability to reduce the impact of numerous challenges and risks that are exacerbated at the stage of transformational changes (Varnalii, 2017).

Public confidence in financial institutions depends on the functioning (economic potential, stability, quality of corporate governance) and regulation (control of compliance, prevention of abuse, prudential supervision) of financial corporation's sector. The level of savings is determined by general macroeconomic dynamics and propensity to save. Thus, the development of financial system and the efficiency of its functioning should take into account both the characteristics of demand (the availability of effective demand for financial services) and the characteristics of supply.

Virtualization of value and change of essential characteristics of capital. In terms of financing there is a radical shift from real to virtual value. Inertial finance and traditional financing based on own and borrowed sources with investments in classic assets mean in practice relatively slow growth.

Irrationality and subjectivity in the actions of economic agents underlie financial pyramids and financial bubbles, which show that value can be generated even at the stage of future ruin. Financial pyramids and financial bubbles are the result of speculative logic, which is able to create virtual value in the short term (Chernykova, 2009). Also, the virtual value is formed on the stock market in the form of the exchange rate value of securities. This confirms the dependence of quotations on political statements, loud declarations, dubious rumors, economic disagreements, litigation and other non-economic relations, which in the meantime often provoke not only adjustments in the share price of individual issuers but also the market as a whole.

Developing in non-financial areas, financial institutions not only invade other segments of the economy but also implement their "rules of the game". As a result, the real economy becomes a participant in stock speculation, transforming productive and trade capital into financial, and producers (sellers), who are not banking organizations, traditionally take over banking functions and lend to customers in B2C (consumer business) and B2B (business to business). In addition, due to the rapid development of technological and financial innovations, non-financial companies are emerging that provide traditional financial services – industry "FinTech" (short for financial technology, i.e., "financial technology"). In a broad sense, this concept means the sphere of financial system of the economy, which unites companies that use the latest developments to provide better financial services (Pochenchuk, 2018). In a narrower sense, FinTech is the name of the companies that belong to this industry.

6. FinTech- decisions in the financial sector

The founder and permanent president of the World Economic Forum K. Schwab, in his book "The Fourth Industrial Revolution" notes: "We are at the very origins of the Fourth Industrial Revolution, and the perception of its full significance requires the existence of fundamentally new economic and organizational structures… the rules of competition in the economy of the Fourth Industrial Revolution are different from those of previous periods. To be competitive, companies and countries must innovate in all their forms, which means that strategies, mainly aimed at reducing costs, will be less effective than strategies based on more innovative ways of offering products and services" (Shvab, 2017).

In Ukraine, FinTech is developing electronic payments and payment systems, alternative financing – crowdfunding (sometimes translated into Ukrainian as a common cost) and direct P2P lending.

Analysis of the current state and prospects of the FinTech sector showed that in Ukraine, as well as around the world, the evolution of FinTech took place first in response to the banking crisis of 2008–2009, and then as a result of the crisis of 2013–2014. FinTech is in its infancy: there are about 80 companies with varying degrees of maturity, most of which appeared in 2015–2017. The regulatory operation of many new financial services remains unregulated. In Ukraine, there are virtually no neo-banks (with the exception of Monobank) within which FinTech solutions could exist. All non-banking institutions are forced to open accounts that does not give financial companies autonomy from banks.

Financial development through innovation necessitates changes in the regulatory infrastructure of financial markets and types of economic activity, due to the emergence of new activities, complicating economic relations, the emergence of financial instability and crises. An effective accelerator of institutional change is the collapse and recession in financial sphere, when the government must pursue policies aimed at easing economic cycles.

Financial innovations involve the creation and dissemination of new financial products, services, processes, methods and organizational forms. From the standpoint of institutional theory, financial innovation is a process of change, change in the type and variety of available financial products, changes in financial intermediaries (types, activities), as well as markets in general. That is, financial innovation is main force in the transformation of not only financial system but also the economic structure. As in many economic processes, the process of creating and implementing financial innovations is characterized by dualism: on the one hand, financial innovations are created to reduce uncertainty and reduce its negative effects, and on the other hand the functioning of financial innovation causes or deepens uncertainty (Pochenchuk, 2013).

The study of the fintech sector of Ukraine conducted in the framework of the USAID Financial Sector Transformation Project provided an opportunity to notice the following trends:

– 40% of FinTech companies that participated in the study were founded by 2015, while 60% appeared in the last three years. About 84% of FinTech companies have already started offering products and services; funding is a major issue. 45% of FinTech companies use equity to finance operating activities (without attracting foreign investment);

– 49% of companies have financing from outside investors or are looking for it; the investment needs of Ukrainian FinTech sector are estimated by market players at $ 40-75 million USA;

– Areas of specialization of Ukrainian FinTech companies are payments and remittances (31.6% of all companies), investment in technology and infrastructure (19.3%), lending (14%), marketing (7%), other (5.3%), digital banks (Data.unit.city, 2018).

The development of the FinTech industry as a global trend in financial sector necessitates the cooperation of financial regulators with financial companies and traditional financial institutions. In Ukraine, in 2017, with the support of National Bank of Ukraine, FINTECH MASTER program was launched – an incubation program for technology startups to develop financial and socio-economic innovation services based on open data from financial institutions, including available NBU data and Mastercard technology solutions. FinTech startups around the world are creating a digital future. They offer different approaches to improve user choice and experience. Working with these startups helps to combine new technology with reliable, secure financial networks and processes to create an even more productive and seamless shopping experience.

Financial innovations, on the one hand, improve the risk management of financial market participants, contribute to the redistribution of risks from issuers or investors to other parties who have the opportunity and 193 willingness to accept them; creation of new sources of financing, reduction of cost of financing; reduction of transaction costs; reducing the tax burden, on the other hand, contribute to the redistribution of business in favor of speculative financial transactions, the creation of "financial bubbles", little related to real production. The use of innovations by financial institutions for rapid growth of profits through speculative activities gives grounds to classify them as innovations in rent-seeking procedures. Innovations destabilize the economic system, intensify competition, change the structure of financial flows and the economy. Financial innovation can cause financial instability.

7. Use of information technologies in the field of finance: RegTech, SupTech

A separate area of use of financial technologies is the emergence of specialized regulatory and supervisory technologies – RegTech, SupTech. RegTech technologies are information technologies in the field of finance, as they ensure compliance with regulatory requirements for financial market participants. Such technologies help financial institutions meet the requirements of regulatory authorities by providing verification and protection of data, automation of reporting, risk management, customer identification. RegTech companies help customers meet standards, ensure proper management of risk protocols and implement controls that actively mitigate risks. The emergence of RegTech is due to: post-crisis changes in regulation that require mass disclosure; development of technological solutions in the field of informatics, which allow structuring unstructured data; economic incentives for participants to minimize rapidly growing compliance costs; the efforts of regulators to increase the effectiveness of supervisory instruments to increase competition and maintain financial stability (both macro and micro) and market integrity. RegTech technology helps meet regulatory requirements by bringing together all fiscal, financial and trade regulations. In fact, these technologies are a mechanism for informing the formal institutions of financial system.

Advantages of using RegTech technology: control of payments (financial institutions receive and process huge amounts of payments every day, control of these transactions will help to obtain information that will reduce costs, strengthen fight against money laundering and terrorist financing); systematization of risk data (financial institutions are constantly dealing with increasing requirements for reporting, capital, liquidity, including stress test scenarios, and RegTech may offer solutions to integrate internal reporting systems, clean data collection from incompatible and/or outdated systems); identification and implementation of new requirements (RegTech can offer tools to assess the consequences of changes in regulatory requirements, compare the applied control measures, analyze data requirements and identify areas of increased risk); modeling, forecasting and analysis of specific scenarios (the use of risk management methods requires modeling and detailed risk analysis – RegTech offers a wider choice of tools for analyzing scenarios, risks and projected changes); KYC (know your client); cybersecurity (multi-factor customer identification, data transfer control, analysis of employee behavior, test-driven cyber-attacks).

SupTech Supervisory Technologies are technologies for financial regulators, they automate and optimize administrative and operational procedures, digitize data and working tools, improve data analytics, especially in real time, improve the reliability and quality of reporting information, and improve the system decision support. Technological change is forcing regulators to reconsider their supervisory approach to avoid falling behind those they oversee and the approach to creating and implementing regulatory frameworks, as regulation must be flexible, innovative, and collaborative.

Further development of financial technologies can potentially affect insurance, payments, investment, capital raising, deposits and lending. Already today, InsurTech (insurance technology) has ceased to be just part of FinTech and stood out in an independent direction. InsurTech is a segment of FinTech that provides tools and mechanisms to solve existing problems and implement new insurance opportunities. Social and technological trends that shift customer needs and expectations are a source of opportunity for technology-savvy insurers. Those market participants who make decisions and adapt their proposals to change customer requirements will be able to maintain their position in the market. InsurTech has a key influence on responding to the challenges of matching new insurance companies' offerings to changing service needs and expectations. Technological solutions in insurance provide an opportunity to identify new needs and expectations of consumers and develop appropriate product offerings, develop businesses with complex operational capabilities; provide new approaches to risk prevention and loss forecasting, increase interactions and build lifelong relationships; contribute through the introduction of new insurance practices to expand the insurance market and increase the number of insured. Thus, the potential of InsurTech can be realized in such forms as reviewing the categories and management of insurance products, rethinking and transforming a holistic model of insurance business. There are platforms aimed directly at the development of technology in insurance: Startupbootcamp in London, Global Insurance Accelerator in the USA and Mundi Lab in Madrid. Venture investment in InsurTech has exceeded $2.5 billion in 2015, in 2014 – only $700 million. USA. Thus, main areas of insurance optimization include: automation of administration, new channels and methods of sales, reducing the risk of underwriting through the use of big data and machine learning (Finvizor.com, 2021).

Ukraine has a sectoral, three-tier model of financial sector regulation – three main institutions regulate: 1) National Bank of Ukraine – the functions of banking regulation and supervision; 2) National Commission on Securities and Stock Market – controls and regulates the activities of stock market participants; 3) National Commission for Regulation of Financial Services Markets – Regulation and Supervision of Non-Bank Financial Institutions.

8. Conclusions

In conclusion, it is worth noting that financial development can increase the benefits and reduce the cost of ensuring the quality of property institutions and thus stimulate demand for these institutions: there are significant fixed costs in establishing property rights and institutions and developing mechanisms for their implementation. The level of financial development can provide a turning point in which the benefits only outweigh these fixed costs.

In the context of the digital transformation of economic systems, relevant technological advances implemented by the rapid leaps in the financial sector, modifying the composition, structure and principles of financial institutions, and through changes in financial system affect structural components of the economic system as a whole. Amidst global challenges, digitalization dictates new challeng-es and opportunities for fiscalization and, at the same time, aggressively generates risks and potential threats. Summing up the research, we see that in the very the context of new opportunities for the development of the theory of optimal taxation and improvement of existing tax systems, the issue of digitization of fiscal policy and space arises.

Digitization facilitates the work of fiscal institutions in terms of systematization of available information in different parts of the tax system and hence better detection of tax evasion and avoidance. In this context, digitalization can be seen as an improvement in tax regulation and control technologies. The digitalization of tax system forms the technological basis, lays the groundwork for the legislative introduction of a new quality tax policy. In addition, we are convinced that the reform of the fiscal space in the framework of innovative tax planning will contribute to the stable filling of local and state budgets, increase the efficiency of funds in enterprises and focus on the priorities of financial stabilization and economic growth of Ukraine.

A stable financial system can limit and eliminate imbalances through self-adjustment mechanisms before they lead to a crisis. This is clearly due to supervision, as financial innovation is somewhat opportunistic. They are part of a more open financial system, which gives possibly greater instability and allows more immediate opportunities to take advantage of the results. Accordingly, it is necessary to learn to adapt to instability, taking into account the latest trends, and it is the institutional structure that must adapt to this new reality.

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