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## **THE BANKING SYSTEM OF UKRAINE**

The aim of this study is to do research on the banking system of Ukraine, including NBU and the system of electronic payments (SEP).

The banking system is a network of various interrelated types of banks and other credit institutions, which exists in a country in a certain historical period and functions as a single financial entity; component part of the credit system. [1, ст.13]



The banking system of Ukraine consists of the National bank of Ukraine and other banks, and also branches of foreign banks that are created and operate on the territory of Ukraine in accordance with the laws and regulations of Ukraine.

The banking system has some characteristic features. For example:

- combining many elements of the same type. Such elements are banks, the primary objective of which is obtaining profit;
- self-regulation, i.e. if one of the banks went bankrupt, then other banks occupy its place;
- availability of infrastructure, that provides effective functioning of banks and their cooperation. [2, ст. 17]

The system of electronic payments (SEP) which operates in 24/7 mode was established in August 2020. It enables banks operating in Ukraine to make payments to the recipients 24 hours a day.

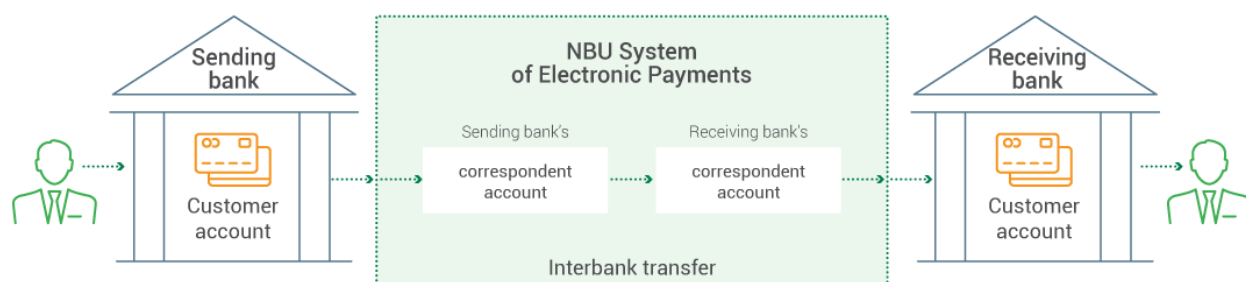
The National Bank of Ukraine has established a national electronic payment to ensure settlements of banks and their clients in Hryvna within Ukraine. The NBU is the payment institution and the settlement bank for the SEP. The SEP ensures secure and reliable transfers of funds between banks.

The SEP services 96% of interbank payments in Ukraine, which makes it an essential payment system.

The SEP is a real-time gross settlement system (RTGS) and it allows payments on a “real-time” and on a “gross” basis.

In a “real-time” mode, funds are credited to a receiving bank’s account instantly, whereas “gross settlement”, the transaction from a remitting bank to a receiving bank may take an average 10 to 20 minutes. The NBU, Ukrainian banks, and the State Treasury Service of Ukraine are participants of the SEP.

The SEP processes 1.5 million daily payments on average at a value of UAH 173 billion. However, its capacity is much higher: the system is capable of processing almost 10 times more transactions. [3]



The National Bank of Ukraine (NBU) is helping develop payment infrastructure as part of Ukraine's broader efforts to promote cashless payments. Cashless payments are a quick, convenient, and secure way of paying for goods and services. Increasing the number of cashless payments makes payments more transparent and fosters economic growth.

The NBU seeks to achieve:

- a cashless economy
- well-developed payment infrastructure
- transparent, secure, and reliable payments
- the use of innovative means of payment

The NBU regulates cashless payments and ensures their security and reliability. Individuals and companies can make cashless payments using:

- payment cards
- mobile payment instruments
- e-money
- payment documents
- trade finance transactions and tools

## REFERENCES

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