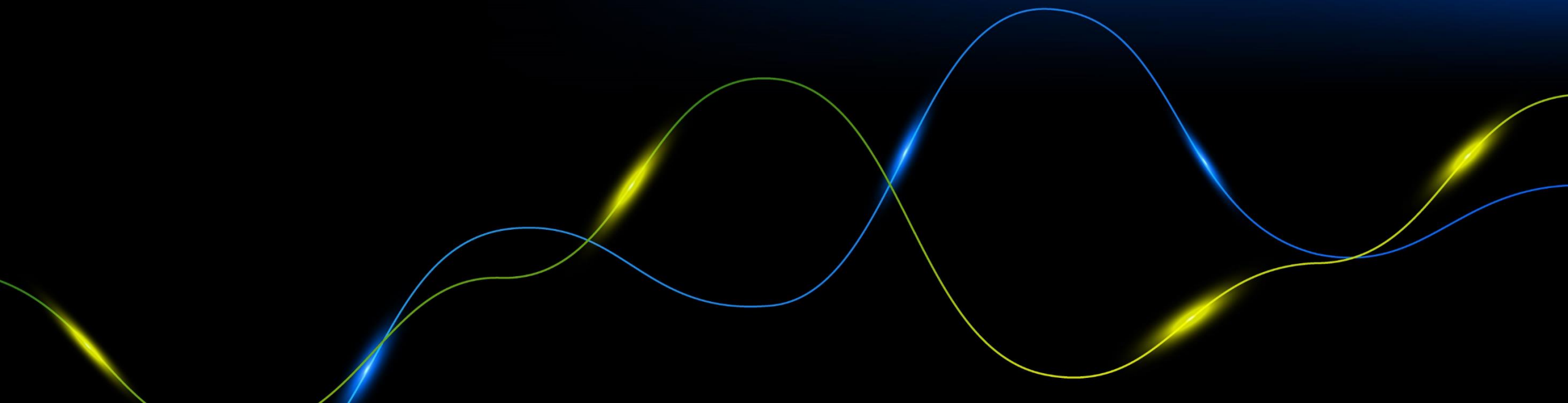


# **STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**



---

I. Current State of the Ukrainian Financial Sector.....8

II. Future Perspective: Vision and Mission of Ukraine’s Financial Sector.....22

III. Strategic Goals, Expected Outcomes, and Specifics of the Strategy of Ukrainian Financial Sector Development .....40

IV. Decomposition of Goals of the Strategy of Ukrainian Financial Sector Development .....47

**ABBREVIATION**

The following abbreviations are used in this Strategy of Ukrainian Financial Sector Development (Strategy):

API	– Application programming interface
BDF	– Business Development Fund
BEPS Action Plan	– An action plan to counteract base erosion and profit shifting
BIS	– Bank for International Settlements
CIPS	– Comprehensive Information Protection System
CMU	– Cabinet of Ministers of Ukraine
Committee	– Working Group (Committee) on Financial Development at the Financial Stability Council
CRR / CRD	– Capital Requirements Regulation / Capital Requirements Directive
CRS	– Common Standard on Reporting and Due Diligence for Financial Account Information; common reporting standard developed by OECD
DAC 7	– Directive on Administrative Co-operation in the field of Taxation
DGF, or the Fund	– Deposit Guarantee Fund

**ABBREVIATION**

ECA	– Export Credit Agency PrJSC
ECB	– European Central Bank
EEPO	– Entrepreneurship and Export Promotion Office
EFF	– Extended Fund Facility
ERA	– Ukraine Loan Cooperation Mechanism – ULCM Extraordinary Revenue Acceleration Loans for Ukraine
ERP	– Enterprise Resource Planning
ESG	– Environmental, social, and governance principles
EU	– European Union
EU-Ukraine Association Agreement	– The association agreement between Ukraine, on the one side, and the European Union, the European Atomic Energy Community, and their member states, on the other side
FATF	– Financial Action Task Force on Money Laundering
FSC	– Financial Stability Council
Government	– The government of Ukraine
IAIS	– International Association of Insurance Supervisors
IDD	– Insurance Distribution Directive

**ABBREVIATION**

IFRS	– International Financial Reporting Standards
IMF	– International Monetary Fund
IOPS	– International Organisation of Pension Supervisors
IOSCO	– International Organization of Securities Commissions
ISDA	– International Swaps and Derivatives Association
MAD	– Market Abuse Directive
MAR	– Market Abuse Regulation
MCAA CbC	– Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports
MiCA	– Markets in Crypto-Assets Regulation
MID	– Motor Insurance Directive
MiFIR	– Markets in Financial Instruments Regulation
MoDT	– Ministry of Digital Transformation of Ukraine
MoEdu	– Ministry of Education and Science of Ukraine
MoEn	– Ministry of Energy of Ukraine
MoEc	– Ministry of Economy of Ukraine
MoF	– Ministry of Finance of Ukraine
MoJ	– Ministry of Justice of Ukraine

**ABBREVIATION**

MONEYVAL	– Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MoSP	– Ministry of Social Policy, Family and Unity of Ukraine
MoY&S	– Ministry of Youth and Sport
NBFI	– Non-bank financial institution
NBU	– National Bank of Ukraine
NDU	– National Depository of Ukraine
NPL	– non-performing loans
NSDC	– National Security and Defense Council of Ukraine
NSSMC	– National Securities and Stock Market Commission
OECD	– Organisation for Economic Cooperation and Development
OLAF	– The European anti-fraud office
PEACE	– World Bank's Public Expenditures for Administrative Capacity Endurance Project
PFMI	– Principles for financial market infrastructures
PFU	– Pension Fund of Ukraine

**ABBREVIATION**

PIM	– Public investment management
russia	– the russian federation
SAS	– State Audit Service of Ukraine
SCMU	– Secretariat of the Cabinet of Ministers of Ukraine
SEP	– System of Electronic Payments of the National Bank of Ukraine
SEPA	– Single Euro Payments Area
SFMSU	- State Financial Monitoring Service of Ukraine
SME	– Small and medium enterprises
Solvency	– The EU's comprehensive regulatory approach to ensuring solvency of insurance companies
SPFU	– State Property Fund of Ukraine
SSoSC	– State Service of Special Communications and Information Protection of Ukraine
State Treasury	– State Treasury Service of Ukraine
STS	– State Tax Service of Ukraine
UCDF	– Ukraine Capacity Development Fund
USAID SOERA	– USAID State-Owned Enterprise Reform Activity Project
VRU	– Verkhovna Rada of Ukraine



# **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

---



## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

1. The full-scale invasion started by Russia in February 2022 led to the occupation of Ukrainian territory, destruction of infrastructure, disruptions of supply chains, massive migration, and a deep economic and financial crisis, and will have long-term adverse consequences for the financial sector. Despite all forecasts, Ukraine has maintained its financial stability and continues to demonstrate resilience for more than 1,000 days of war. In this context, the support of international partners has been and remains crucial. The waves of Russia's attacks on the energy infrastructure, an increase in migration, and labor shortages are slowing the economic recovery. Risks to macrofinancial stability remain significant due to the widening current account deficit and rising public debt relative to GDP. Significant international financial support mitigates these risks, while strong fiscal stimuli, rising household incomes, increased crop production, and robust external demand, are supporting further growth in the Ukrainian economy.

2. In 2024, the risks of a shortage of international financing subsided on the back of the progress made in implementing the Ukraine Loan Cooperation Mechanism (ULCM), which provides a non-repayable form of macrofinancial assistance, and also thanks to the allocation of funds under the ERA program, as well as due to a non-repayable loan of up to USD 50 billion secured by proceeds from immobilized Russian assets.

In March 2025, Ukraine passed the seventh review under the Extended Fund Facility (EFF) for the first time over the entire period of cooperation with the IMF. Under the EU's EUR 50 billion Ukraine Facility for 2024–2027, Ukraine has successfully met the required indicators of the Ukraine Plan, which was approved by Ordinance of the Cabinet of Ministers of Ukraine No. 244 dated 18 March 2024, and received all disbursements planned for 2024 to the total amount of more than EUR 16 billion. For 2025, the Ukraine Facility envisages about EUR 12.5 billion of financial support to Ukraine. The continued external support, together with sufficient volumes of borrowing from the domestic market, will enable the government to keep covering the large budget deficit without using the monetary financing mechanism. In order to ensure accountability and transparency in the use of international assistance, a number of instruments have been implemented, such as monitoring of direct budget support from the U.S. government (USAID SOERA) under the World Bank's PEACE project, etc. A systematic exchange of necessary data was also introduced, including reports on the use of funds and areas of allocation of international assistance, including from the EU.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

Under the EU's Ukraine Facility instrument for 2024–2027, an Audit Council has been established to continuously monitor and control the use of EU funding to prevent abuse. In order to organize cooperation with the European Anti-Fraud Office (OLAF), the State Audit Service is being reformed by transforming it into the Anti-Fraud Coordination Service. In addition, the government has presented an analytical tool, the Reform Matrix, which includes measures aimed at implementing the recommendations of international partners and the terms of financial support programs. This tool promotes the effective implementation and monitoring of all planned reform measures and ensures transparency and accountability in the implementation of the policy agreed with partners.

3. Since the onset of the full-scale invasion, external budget support has amounted to more than USD 133 billion, while the Ministry of Finance has attracted more than 28% of its total amount to the state budget in the form of grants, which are non-repayable. Ukraine has also carried out several debt restructuring transactions, reaching an agreement with the Committee of Holders of Ukraine's Eurobonds on a comprehensive restructuring of its external public debt, which resulted in a decrease in Ukraine's public and publicly guaranteed debt by almost USD 9 billion. To implement the debt policy more effectively, a medium-term public debt management strategy for 2024–2026 was approved.

4. Thanks to the support of its partners and the activation of the domestic debt market, Ukraine is managing to do without monetary financing to cover its budget deficit, which remains significant during the full-scale russian invasion of Ukraine due to large defense needs. At the same time, the budget deficit is gradually decreasing: from 31.7% of GDP in 2022 (Law of Ukraine On the State Budget of Ukraine for 2022) down to the forecast level of 19.4% of GDP in 2025 (Law of Ukraine On the State Budget of Ukraine for 2025). In addition to international assistance, a significant part of the budget deficit was covered by domestic borrowing. For this purpose, the Ministry of Finance authorized switch transactions – asset-side transactions to manage public debt by holding auctions for the placement of government bonds with a simultaneous exchange for bonds of another issue in circulation.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**5.** Despite martial law, inflationary processes in Ukraine remain controlled, with inflation projected to slow to its target of 5% in 2025–2026. At this juncture, the NBU is applying a flexible inflation targeting regime to maintain price stability. Under this regime, monetary policy aims to bring inflation, as measured by the year-on-year change in the CPI, to its target of 5% within a policy horizon of no more than three years. The flexibility of the current monetary regime allows moderate and relatively short-term deviations of inflation from its quantitative target due to domestic and external factors. On the one hand, such an approach helps the Ukrainian economy adapt to shocks and supports its recovery, and, on the other hand, allows keeping inflation expectations under control. To maintain price stability, the NBU uses a consistent combination of interest-rate and exchange-rate policy tools, FX restrictions, and other monetary instruments where necessary. Specifically, with the rise in inflation risks, the NBU halted the easing of interest-rate policy in July 2024, and switched to tightening it in December, gradually raising the key policy rate from 13% to 15.5% in March 2025. These decisions, along with maintaining the sustainability of the FX market, will keep inflation expectations in check and bring inflation back to the trajectory of a sustained slowdown leading to the 5% target within the appropriate policy horizon.

**6.** FX market conditions are sustainable and controlled. In accordance with the [Monetary Policy Guidelines for the Medium Term](#), as well as the [Strategy for Easing FX Restrictions, Transitioning to Greater Flexibility of the Exchange Rate, and Returning to Inflation Targeting](#), the NBU adheres to the principles of managed flexibility of the exchange rate as a transitional regime on the path toward returning to a floating exchange rate. Since managed flexibility of the exchange rate was introduced, the NBU has been able to triple the FX market's depth and minimize the spread between the official rate and the cash FX market rate. As a result, the link between the cash and interbank markets has become significantly stronger. The flexibility of the exchange rate reinforces its role as an adjustment mechanism for Ukraine's economy in order to increase its ability to adjust to changes in domestic and external conditions and in order to reduce the risk of FX imbalances piling up. Aware of the urgent need to minimize FX market distortions, improve the conditions for doing business in Ukraine and for entry of domestic businesses into new markets, support the economy's recovery, and promote new investment inflows into the country, the NBU is also gradually easing the FX restrictions as appropriate prerequisites are met.



## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

7. Ukraine is facing a challenge to implement a range of reforms required to join the EU, including reinforcing the rule of law and fighting corruption and money laundering. In June 2023, Ukraine started the process of joining the OECD. Ukraine has taken an important step toward increasing the transparency of financial transactions and combating tax evasion, and has also successfully implemented its first international automatic exchange of information under the Common Reporting Standard (CRS). Necessary steps have been taken for the entry into force of the Multilateral Competent Authority Agreement on the Automatic Exchange of Country-by-Country Reports (MCAA CbC) (the first international exchange of CbC reports is planned for 2026). Ukraine is taking measures to implement into its national tax legislation the OECD's Model Rules for Reporting by Platform Operators and Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC7 Directive) to accede to the Multilateral Competent Authority Agreement on Automatic Exchange of Information on Income Derived through Digital Platforms (DPI MCAA).

8. Ukraine is stepping up work with international partners and international organizations. Cooperation is especially important for development of the mechanisms and the strategy for Ukraine's reconstruction, and should be based on the principles of accountability and transparency. Ukraine's commitments to its partners require an increase in anti-corruption efforts. On 4 December 2024, the Draft Law of Ukraine *On Amendments to the Tax Code of Ukraine and Certain Laws of Ukraine to Take into Account the Provisions of the Recommendations of the Council of the Organization for Economic Cooperation and Development Regarding Tax Measures to Further Combat Bribery of Foreign Officials in International Business Transactions* passed a second-reading vote and an in-principle vote at the Verkhovna Rada. The Ministry of Finance also approved the Procedure for Compiling and Publishing a List of Taxpayers with a High Level of Voluntary Compliance with Tax Legislation, including those who meet a number of requirements and criteria subject to the taxation system (in particular the requirements for the level of tax payments, the level of payroll, and more). The National Securities and Stock Market Commission of Ukraine (NSSMC) and the German Federal Financial Supervisory Authority (BaFin) signed a Memorandum that provides for the exchange of information and mutual assistance in conducting investigations.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

9. At the end of 2023, the government approved the National Revenue Strategy until 2030 to ensure macroeconomic and financial stability during martial law and after its termination, improve tax and customs administration processes, and adapt Ukraine's national tax and customs legislation to EU laws. As part of the public-finance management system reform, medium-term budget planning was resumed. Together with IMF experts, a legislative framework was provided for the implementation of a comprehensive fiscal-risk management system, and a reform of public investment management (PIM) was launched. To coordinate the strategic priorities of such investments, the Strategic Investment Council was created. It approved a unified public-investment project portfolio based on the results of assessing more than 750 public-investment project concepts worth UAH 2.36 trillion.

10. Pursuant to the decision of the National Security and Defense Council *On Forcible Seizure of Objects of Property Rights of the russian federation and its Residents* and a respective order of the Cabinet of Ministers, the DGF in 2022 began selling the assets of russian state-owned banks through the Prozorro.Sales system. Those assets belonged to MR Bank JSC (formerly Sberbank) and Prominvestbank PJSC. Over two years, the system successfully completed 415 online auctions to sell more than UAH 5.2 billion of those banks' assets. In February 2024, the State Sanctions Register started operating in Ukraine, providing free public access to up-to-date and reliable information about sanctioned entities. The register contains 17,202 individuals and legal persons deemed to be under sanctions.

11. Ukraine's financial sector reform, which was actively supported by international financial institutions, contributed to macrofinancial stabilization and strengthened the ability of regulators and financial market participants to withstand the effects of crises. The reforms specified by the Comprehensive Program for the Development of Ukraine's Financial Sector until 2020 and the Strategy of Ukrainian Financial Sector Development until 2025, which were implemented by financial sector regulators, were aimed at overcoming systemic problems in the financial sector and building a fully functional, market-driven competitive environment in line with EU standards. Specifically, to promote the financial stability and resilience of the Ukrainian banking system, the NBU and its international partners have in recent years been working to develop and implement new laws and regulations on capital and liquidity that comply with EU CRD/CRR legislation.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**12.** A November 2024 survey of financial institutions once again showed their positive assessments of the financial sector's current standing and sustainability: almost half of respondents assessed the current situation in the financial sector as positive. Although the financial sector's overall risk remains high, it has been gradually declining, respondents said. The war with Russia remains the source of the highest risk, they said. For the second straight time, respondents cited the risk of human-capital quality as being among the top five of the financial sector's most important risks.

**13.** The banks took significant losses from Russia's full-scale invasion of Ukraine. By the end of 2022, they had incurred UAH 750 million in losses due to the destruction of real estate. By NBU estimates, the banks' losses from the war may climb to 20% of the pre-war operating portfolio. The banks will have to use their capital to cover these losses. Before the start of the full-scale invasion, the banks' capital cushions significantly exceeded the minimum required levels, leaving the banks with a solid margin of safety.

**14.** Despite the losses, the banking system is successfully meeting the challenges of martial law thanks to the strong safety margin, the NBU's timely response, and yearslong joint efforts to reform the banking sector. The banks are providing services without interruption, maintaining their networks, and increasing their capital, while also preserving their operational efficiency and profitability. The banks have retained the people's trust, best evidenced by the growth in the total amount of retail deposits (including those of sole proprietors). The banks have been receiving sizeable and stable inflows of client deposits, primarily hryvnia-denominated ones, and need no funding from other sources. The banking sector's NPL ratio stands at 30.3% as of 1 January 2025. The conducted resilience assessment, which included an AQR and an assessment of the performance indicators of the 20 largest banks, under a baseline scenario with the determination of required levels of capital adequacy ratios, showed that most banks in Ukraine had sufficient capital and that the banking system as a whole had a high margin of safety. Some of the banks have since been implementing capitalization/restructuring programs greenlighted by the NBU. Taken together and coupled with a high capital cushion, these factors enabled the banks to successfully switch to the three-tier capital structure and new capital adequacy ratios. The imposition of an increased tax on bank profits slowed the buildup of capital to strengthen their resilience and keep lending to the economy going forward.



## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**15.** The role of state-owned banks has strengthened while under martial law. Amid high war risks and considerable uncertainty, state-owned banks continue to make loans, including to state-owned enterprises, maintain accounts for government payments, and provide access to banking services through the widest of the branch networks. Together with the state taking possession of a stake in Sense Bank JSC's capital, this leads to a sizeable increase in state-owned banks' share of all of the banking system's key indicators. Such growth is justified in times of deep crisis, but it poses high risks to competition in the banking market during the recovery period. Therefore, going forward, state-owned banks' strategies need to be updated to identify key weaknesses in their operations and prepare most of these banks for privatization after the end of martial law.

**16.** In the face of missile attacks, blackouts, and hostilities, the deposit guarantee system has been able to demonstrate its resilience and effectiveness. According to 1 November 2024 data, the DGF has paid out over 95% of guaranteed compensation to all depositors of banks that entered liquidation proceedings after 24 February 2022. Pursuant to an FSC recommendation, the DGF Administrative Board approved the DGF Executive Board's decision<sup>1</sup> to set the DGF's target indicator at 3.5%, with 1 January 2028 being the deadline. This will pave the way for ensuring that the deposit guarantee system enjoys sufficient financing from participating banks and for minimizing the risks of the state's participation in financing the guaranteed repayments to retail depositors.

<sup>1</sup> The necessary level of the deposit guarantee system's funds to ensure that the DGF performs its functions and powers, sufficient to cover the DGF's expected future expenses, taking into account the risk of emergencies, relative to the amount of funds the DGF guarantees to depositors of participating banks within the amount of compensation for the relevant period. Until 2022, legislation stipulated that the DGF should accumulate in its accounts 2.5% of the total amount of the banking system's guaranteed deposits



## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**17.** Loan demand from households and businesses has weakened significantly while under martial law, but is recovering as the economy revives: lending conditions for businesses and the public have been improving since macroeconomic stability was ensured. In particular, interest rates on loans have been declining. At the same time, demand for loans is segmented, and a number of industries and regions face severe war risks that make it difficult for them to access necessary financing. During 2024, net hryvnia loans to businesses and households increased. The growth in the loan portfolio was driven by lower loan rates and the use of loan guarantees, in particular from IFIs. Loans to small and medium-sized businesses are growing the fastest. Unsubsidized lending is becoming increasingly important. To meet wartime challenges, the FSC at its 6 June 2024 meeting approved the Lending Development Strategy, which reflects a comprehensive vision of the key principles of lending development in Ukraine and the actions necessary for their implementation, which will contribute to a sustainable recovery of the country's economy.

**18.** The Business Development Fund is a non-bank, non-profit financial institution that supports financing of small and medium-sized enterprises in Ukraine. The BDF's primary instruments are loan, guarantee, and grant programs that it implements as a second-tier financial institution, providing financial services to businesses through partner banks. The state subsidized-lending program Affordable Loans 5–7–9%, implemented by the BDF, played an important role in supporting clients during the most critical periods, in particular in 2022, after the start of the full-scale russian invasion. While under martial law, 80,193 loans worth a total of UAH 310 billion were issued in Ukraine under the Affordable Loans 5–7–9% program (including 58,736 loans worth UAH 155.7 billion by public sector banks)<sup>2</sup>. As part of supporting micro, small, and medium-sized enterprises in Ukraine, portfolio-based state guarantee instruments are also becoming increasingly popular: during martial law, 36,045 loan agreements for a total of UAH 121 billion have been concluded<sup>3</sup>.

<sup>2</sup> As of 19 May 2025

<sup>3</sup> As of 22 November 2024

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**19.** The full-scale Russian invasion caused a significant deterioration of Ukraine's real-estate market. The pace of its recovery is slow, primarily due to high security risks. Given the need to provide housing for forcibly displaced persons, as well as the needs of post-war reconstruction, the issue of stimulating the residential real estate market, in particular through mortgage lending, is becoming increasingly relevant. During 2023–2024, with uncertainty running high, mortgage lending in Ukraine was carried out exclusively at the expense of state support. However, should war risks ease, it will be possible to resume mortgage lending on a market-driven basis, involving a wide range of banks and clients. Another necessary tool for further incentivizing the real estate market is the securitization of assets and the issuance of secured bonds (covered bonds), whereby the securitized asset is usually a mortgage. The NBFIs sector was slowly developing at the end of 2024: finance companies, pawnshops, and insurers saw their assets growing. Gross non-life insurance premiums had been rising for two straight quarters, and the increase in insurance claims paid had continued since early 2023. Life insurance premiums and claims paid also resumed growing. Non-bank lending and financial leasing were slowly rising, and most finance companies remained profitable.

**20.** For over five years now, Export Credit Agency PrJSC (ECA) has been promoting a large-scale expansion of exports of Ukrainian goods and services to external markets. ECA's two major products are bank loan insurance on an individual and portfolio basis. ECA also insures export contracts against non-payment by foreign buyers. Since the full-scale invasion, ECA has participated in the UNITY Affordable Ship Insurance Program, which facilitated the launch of maritime shipments of grain and other non-military cargo from Ukrainian ports. The volume of ECA-supported export contracts has exceeded UAH 23 billion during the full-scale war. In addition, amendments to the Law of Ukraine *On Financial Mechanisms for Stimulating Exports* enabled ECA to insure investments into the development of processing and export of goods, as well as investment loans, against war risks and political risks. The ECA Strategic Development Plan for 2025–2029, developed jointly with World Bank experts while taking into account the Strategy of Ukrainian Financial Sector Development and approved to meet Ukraine's commitments to the IMF, started being implemented in 2025. Because of martial-law challenges, there is a need to scale up ECA's activities as per the Strategic Development Plan. To this end, in the coming years, it is planned to improve the composition of capital and consider increasing its volume and legislating FX controls for ECA-insured contracts. Based on global experience, the government will consider providing state guarantees to ECA under insurance and reinsurance contracts.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

The measures taken will allow ECA to scale up its activities and bring them closer to global best practices. The company itself will take up its niche in the insurance market and properly assess and incorporate risks into pricing without posing competition to other insurers. The ECA Supervisory Board should exercise its power to pay special attention to issues of operational efficiency and planning, while taking into account the ownership policy reflected in the owner's letter of expectations.

**21.** The further development of the nonbank financial market requires legislative changes that will harmonize the regulatory environment with international standards. In 2021, the parliament passed the Law of Ukraine *On Financial Services and Financial Companies*, which significantly updated the legislation in the area of regulating the financial services markets, and the Law of Ukraine *On Insurance*, which systemically changed the approach to regulation and supervision of the insurance market and facilitated its recovery and further development. The comprehensive regulation of market relations involves the implementation of the IAIS, IOPS, and IOSCO international standards, as well as the requirements of EU acquis, including Solvency II, MiFID II and MiFIR, EMIR and SFTR, and IDD and Motor Insurance Directive.

**22.** Thanks to the coordinated actions of the NBU, banks, and NBFIs, it was possible to maintain the sustainability of the payment infrastructure, which still functions effectively today, ensuring timely payments, settlements, and unhindered access of users to payment services and their funds and savings. Despite the full-scale invasion, payments were made without interruptions, which prevented high demand for cash and preserved the banks' liquidity. The volume of cashless transactions is increasing, and the range of financial transactions carried out remotely is expanding. The enactment of the Law of Ukraine *On Payment Services* in 2022 marked a major event in oversight development in terms of modernizing and innovating the payment market. The migration of the NBU's system of electronic payments (SEP) to its next generation, which is based on ISO 20022, and to operating on a 24/7 basis, has also become an important technological prerequisite for the further development of Ukraine's payment infrastructure. And the SEP's new version – SEP 4.1 – was launched on 1 December 2024. It has the instant credit transfers functionality, which credits funds to recipients' accounts in real time. Such payment transactions are enshrined in the Law of Ukraine *On Payment Services*, which came into effect on



## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

8 November 2024. In light of Ukraine's EU candidacy status, the NBU is also moving forward with efforts to make it possible for Ukraine to join the Single Euro Payments Area (SEPA). This will ensure the harmonization of our payment standards with EU rules, while also opening up additional opportunities for households and businesses.

**23.** During martial law, the infrastructure of capital markets and organized commodity markets still needs changes. On 1 July 2021, Law of Ukraine No. 738–IX *On Amendments to Certain Laws of Ukraine to Simplify Investment Attraction and Introduce New Financial Instruments* dated 19 June 2020 took effect. It is intended to improve the operation of Ukrainian capital markets and to outline the state policy for harmonizing the Ukrainian legal framework with the international regulation of investment. The NSSMC simplified the process of issuing and trading corporate bonds. In addition, it established the requirements for issuing green and infrastructure bonds. The NSSMC approved a new version of the Licensing Conditions to Conduct Professional Activities in Organized Commodity Markets and published new licensing conditions for the activities of investment firms. The legal framework to launch agrarian notes, starting 1 January 2025, was also standardized. And the possibility of concluding and netting over-the-counter transactions with financial instruments through the Central Counterparty on delivery-versus-payment terms was implemented. To make it easier for foreign investors to access Ukrainian capital market instruments, a regulatory framework was developed that will expand the existing “link” with a foreign depository so that this link includes debt instruments issued to finance the country's reconstruction. On 27 April 2024, Law of Ukraine No. 3585–IX *On Amendments to the Law of Ukraine On State Regulation of Capital Markets and Organized Commodity Markets and Certain Other Laws of Ukraine on Improving State Regulation and Supervision of Capital Markets and Organized Commodity Markets* (hereinafter referred to as “Law No. 3585–IX”) took effect. Law No. 3585–IX enables the implementation of mechanisms for proper state regulation and supervision of capital markets and organized commodity markets in line with the Principles of the International Organization of Securities Commissions (IOSCO) and relevant EU standards. However, it still is necessary to launch and develop the market for financial derivatives. This should be preceded by the adoption of the necessary amendments to the Tax Code of Ukraine, the establishment and operation of a trade repository, the development of a fully functional central counterparty in both capital markets and organized commodity markets, as well as the resolution of clearing and netting issues (concerned with the finality of settlements). The need to implement a target model for capital markets infrastructure also remains in focus.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

**24.** Development of new technologies improves access to financial services in the banking and nonbank segments of the financial market. The development of technologies to reflect the changing preferences of financial service consumers, the spread of virtual servicing channels, personalized financial services, mobile solutions, the development of open banking, and the expansion of cooperation between conventional financial institutions and FinTech companies will help meet customer needs in a better way and will incentivize regulators to take a more flexible and proactive approach to regulating and supervising a wider range of financial market participants. In early 2024, a shareholder meeting was successfully held in electronic format through an electronic system – the first-ever meeting of shareholders in Ukraine’s history to take place electronically. The NDU successfully carried out the first operation to make changes to the accounting system for stakes of limited liability companies, a step that expands the range of depository services and enhances protections against raiding and “black notaries.” On its official website, the NSSMC launched a test run of a functionality that accepts applications to receive administrative services through an integrated information system. Another example of how financial market participants develop innovations is by connecting to the NBU BankID System, which enables 99% of individuals with an account in a Ukrainian bank to transfer their identification data to over 110 different institutions that provide services. Users of the NBU BankID System can remotely open bank accounts, use the services of insurance companies, obtain consumer loans online, etc.

**25.** Financial literacy. In mid-2024, Ukraine adopted the National Strategy for Financial Literacy Development until 2030, which will help increase the financial awareness of Ukrainians. The Financial Competence Framework for Children and Youth of Ukraine was also developed. The NSSMC unveiled its revised Contribution project aimed at spreading financial education and providing timely information about fraudulent schemes. The updated project contains useful information for Ukrainian investors and individuals interested in making investments, as well as for market participants.

## **I. CURRENT STATE OF THE UKRAINIAN FINANCIAL SECTOR**

---

**26.** Institutional capacity. The Verkhovna Rada passed Law No. 3585–IX, which is intended to enhance the NSSMC’s institutional capacity and guarantees of independence. The DGF and the Higher School of Public Administration started cooperating to design training programs for public servants, in particular in the fields of public finance, Ukraine’s deposit guarantee system, and personal financial security.

**27.** Digital transformation. The Cabinet of Ministers of Ukraine adopted the Strategy for the Implementation of Digital Development, Digital Transformations, and Digitalization of the Public Finance Management System until 2025 (hereinafter referred to as the “MoF’s IT Strategy”). The main approach defined by the MoF’s IT Strategy is the IT consolidation of the information resources and IT functions of the MoF and central authorities whose activities are directed and coordinated by the CMU through the MoF, with priority use of cloud technologies, establishment of a single data repository, and gradual transition to a new level of service-oriented systems by ensuring the availability of public services in online mode. The development started of a new information system to plan the state budget and monitor its implementation. The system consists of two subsystems in the IT system *State Budget – Ministry of Finance* and of an automated information system for online interactions with state-budget managers. The MoF also drew up and published an analytical tool on the remuneration and number of staff employed by state authorities, local state administrations, and judicial authorities, based on automated and comprehensive data analysis.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

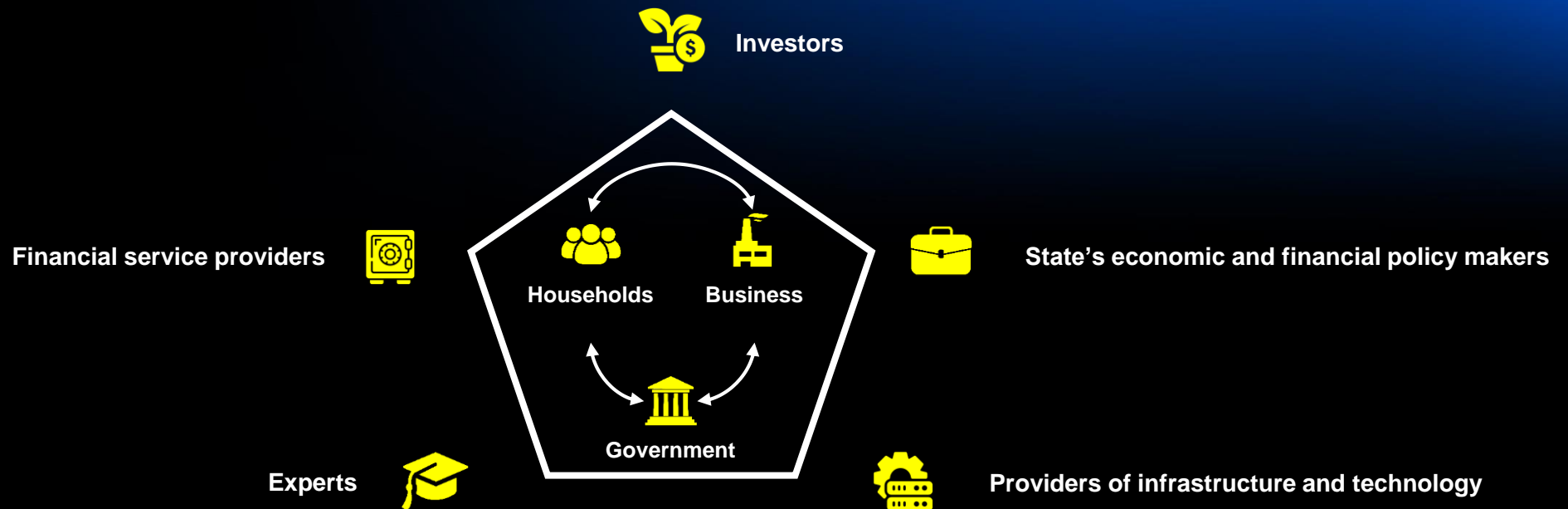
The purpose of financial ecosystem participants is to meet the needs of customers (households, businesses, and the state). As they perform their activities and pursue their goals, customers require the use of various financial services. The consumers of financial services are precisely the focus of all participants in the financial ecosystem, as creating conditions for its efficient operation is the main task of the entire financial sector. In pursuit of that goal, financial ecosystem participants interact with each other and create up-to-date services and products for consumers. The success of the entire financial ecosystem depends on the coordinated and mutually beneficial work of the participants that is based on openness and respect for each other's interests.

Financial ecosystem participants fall into six major groups:

- (1)** financial service providers – banks and NBFIs that provide access to financial services
- (2)** financial service users – clients of financial institutions (households, businesses, and the state)
- (3)** investors – foreign and national investors in the domestic financial sector and economy
- (4)** infrastructure and technology providers – companies and government institutions that render services, products, and solutions to financial service providers and other financial sector participants to enhance their value propositions to customers (payment systems, payment service technology operators, cash collection/processing/storage services, electronic communication service providers, merchants, telecommunications operators, central depositories, central counterparty and clearing institutions, organized market operators, clearing participants, depository institutions, trade repository, FinTech companies, distributed ledger technology (DLT) providers)
- (5)** policymakers in charge of economic and financial policy – representatives of legislative, executive, and judicial branches of government and other authorities that make up an effective legal framework for all financial market participants

## II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR

(6) experts – market participants and government institutions that, through their services and decisions, create the basis for the professional development of ecosystem participants (international financial institutions, diplomatic corps, central banks, financial regulators and supervisors of other countries' financial institutions, professional associations of the financial sector, academics and researchers, educational institutions, rating agencies, journalists with expert media outlets, opinion leaders and influencers, industry associations, business associations, and consulting companies).



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

The Strategy addresses the present and future needs of the representatives of all financial ecosystem groups – both financial service consumers and key players involved in the creation of these services – and contributes to the fulfillment of the Ukrainian financial sector's mission and its perfect standing in the future.

### **VISION OF THE UKRAINIAN FINANCIAL SECTOR**

*The financial sector of Ukraine is stable, efficient, competitive, integrated into the global environment, and capable of meeting challenges, developing, and contributing to the recovery of the Ukrainian economy*

The mission outlines the path toward achieving the vision of Ukraine's financial sector.

### **MISSION OF THE FINANCIAL SECTOR OF UKRAINE**

*The regulation of the financial sector ensures the accumulation, distribution, and circulation of financial resources on the basis of financial stability, inclusion, cybersecurity, and the spread of cutting-edge technology to promote the recovery of Ukraine's economy and support the well-being of its people*

## II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR

The Strategy includes five goals: macroeconomic stability; financial stability; the financial system operates for the country's recovery and integrates into the EU; modern financial services; and the institutional capacity of regulators and the DGF. Each goal comes with strategic initiatives and measures designed to achieve it.



The implementation of the Strategy and the achievement of specified strategic goals will open the door to strengthening Ukraine's potential as it fights its way toward victory and EU accession, contribute to the recovery of the economy from the consequences of the full-scale invasion, ensure macroeconomic and financial stability, and lay the groundwork for the sustainable and dynamic development of the country's financial sector and its competitiveness amid progress towards EU accession and integration into global finance.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

This in turn will ensure that:

- clients' needs for affordable, quality financial services are met
- clients have seamless access to their funds and savings
- credit financing for the economy comes at lower costs and with longer maturities
- overall competitiveness of the Ukrainian economy rises

This Strategy's vision and mission will be achieved through the implementation of a number of interrelated initiatives and measures aimed at promoting the comprehensive development of Ukraine's financial sector.

The efforts envisaged by this Strategy correspond to the following basic principles:

- **Coordination** – Regulatory decisions must be coordinated and take into account the actions of other regulators to prevent regulatory arbitrage and financial sector imbalances. There is a single center for coordination and monitoring of this Strategy's implementation.
- **Consistency** – This Strategy outlines a coordinated set of activities that create synergies to achieve the goals of the state and the financial sector.
- **Flexibility** – The implementation of this Strategy's actions is carried out taking into account changes in the external environment that may lead to the revision of individual initiatives or measures defined in this Strategy.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

- Efficiency – Proposed solutions are implemented in the shortest possible timeframe with reasonable use of necessary resources.
- Transparency and accountability – The implementation of this Strategy is accompanied by public reporting.
- Stability – This Strategy's measures are aimed at strengthening the financial sector's capacity to operate effectively amid domestic and external shocks.
- Adaptability – Initiatives are implemented taking into account the need to strengthen the performance of all channels that transmit regulatory decisions.
- The rule of law, the fight against corruption, and efforts to prevent and combat the financing of terrorism and the laundering of proceeds from crime.



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

### **FEATURES OF FUTURE UKRAINIAN FINANCIAL SECTOR**

The vision of the financial sector is presented below, as are the regulatory steps taken to implement the vision of this Strategy.

#### **MACROECONOMIC STABILITY**

Safeguarding monetary stability and reducing economic uncertainty will continue to be the NBU's primary contribution to ensuring macroeconomic stability.

To this end, the NBU:

- aims its monetary policy at bringing inflation, as measured by the year-on-year change in the CPI, to its target of 5% over a relevant policy horizon that does not exceed three years. Predictability of inflation and its reduced volatility will help anchor inflation expectations, reduce the inflation risk component of market interest rates, and stabilize them at low levels;
- ensures a stable and controlled situation on the FX market by using managed flexibility of the exchange rate as a transitional regime on the way back to a floating exchange rate. This helps maintain the manageability of inflation expectations and support the exchange rate's role as an adjustment mechanism for Ukraine's economy in order to increase its capacity to adapt to changes in domestic and external conditions, and promotes the gradual de-dollarization of economic relations;
- makes efforts to strengthen the effectiveness of monetary transmission channels and to continue to revive the key policy rate's performance as the core monetary instrument;



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

- seeks to keep real interest rates on hryvnia term instruments at sufficiently high levels to protect households' hryvnia savings from being eroded away by inflation and maintain confidence in the hryvnia, banks, and other financial institutions;
- facilitates the activation of the domestic debt market in order to avoid the monetary financing of the budget deficit;
- continues to ease FX restrictions as appropriate prerequisites are met, a tactic that – provided that price stability, a sustainable and controlled situation in the FX market, and an adequate level of international reserves are maintained – will expand the capacity of banks and other financial intermediaries to effectively redistribute financial resources, increase lending, and make long-term investments in the national economy;
- preserves the consistency, predictability, and forward-looking nature of monetary policy decision-making, while recognizing the high level of uncertainty and being prepared to respond to significant deviations in the actual dynamics of macroeconomic indicators from their forecast trajectories, as well as to significant changes in the balance of risks to inflation developments and the FX market's controllability and sustainability.

The implementation of the Lending Development Strategy, approved by the Financial Stability Council on 6 June 2024, will contribute to maintaining loan demand and channeling loan supply toward Ukraine's priorities in order to ensure a sustainable recovery of the country's competitive economy. The key vector of this development remains directed at restoring energy independence and strengthening the country's defense capabilities.

Effective and reliable operation of the government and the market for municipal bonds ensures higher demand and overall confidence in domestic financial instruments among investors.

Fulfillment of budget needs is ensured through the increase in tax revenues as the economy grows, businesses come out of the shadow, and the cost of servicing loans declines.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

An updated medium-term strategy of public debt management and a restructuring of wartime debts are being implemented, as is the National Revenue Strategy until 2030.

The second level of the funded pension system has been initiated in Ukraine. Its introduction, combined with levels I and III of this pension system, has provided social guarantees and financial stability to Ukraine's pension system, contributed to the development of the Ukrainian capital markets, and provided the economy with long-term financial resources.

Thanks to a higher level of financial awareness, long-term savings are becoming increasingly popular among Ukrainians. Consequently, long-term reserves are formed in the economy for investing into the future.

Macroeconomic resilience has been preserved while under martial law. After it ends, the financing of full-scale rebuilding programs begins.

### **FINANCIAL STABILITY**

The financial sector's regulators and the DGF coordinate their efforts, applying the approaches based on uniform principles to conduct the effective individual and consolidated oversight of financial sector participants, exert a regulatory impact, conduct proportionate regulation, ensure transparency, promote competition, and control concentration in the financial market. An action plan to remove regulatory arbitrage is being implemented. The most important issues for financial stability that require joint efforts are considered at the meetings of the FSC, a platform for discussions and approval of arrangements on further actions.

Financial stability is primarily ensured through a comprehensive analysis of systemic risks to financial stability and through macroprudential policy measures to deal with such risks. Special focus is placed on early identification of problems in financial institutions and early intervention, supervision of financial groups, assessment of risks in accordance with the supervisory audit and assessment process and prudential standards that are in line with the requirements of EU acquis, including CRD/CRR. The reform of the requirements for bank capital has been completed.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

Independent asset quality review (AQR) has run its course. Regular assessments of banks' and the banking system's resilience are conducted. The interdepartmental action plan to resolve non-performing loans is being implemented.

The supervision of activities of insurance market participants and credit unions has been tightened. The insurance market is becoming more transparent and competitive due to the NBU's monitoring of insurers' ownership structure and improving their corporate governance and compliance with prudential requirements set by law, in particular those related to ensuring financial resilience and capital adequacy.

The regulation of the financial sector has been brought in compliance with EU standards for licensing, supervision, application of enforcement measures, restoring the operation of financial institutions, and their insolvency settlement.

The financial sustainability of the DGF and the deposit guarantee system has been ensured, as has their replenishment to target levels. It allowed for gradually increasing the amount of guaranteed reimbursement and its approximation to European standards.

The corporate governance of Ukrainian companies, in particular those in which the state holds a significant stake, has been brought into compliance with the standards of good corporate governance. The assessment of collective suitability of the banks' supervisory boards (including those of state-owned banks) has been held on a regular basis, and so has the efficiency assessment of the corporate governance system in banks.

The vision of the strategies of state-owned banks during and after martial law has been updated, with a focus on the gradual reduction of the state's share in such banks, and the strategies of specialized state-owned NBFIs have been coordinated. Corporate governance in those institutions is transparent and based on the international standards of corporate governance. Being the owner of a major share of bank assets, the state has launched the privatization of state-owned banks.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

NBFIs' corporate governance and internal control systems have been established in compliance with the NBU's requirements using a risk-based approach and the proportionality principle.

A system for combating and preventing capital market offenses has been established in accordance with EU directives, MAR and MAD in particular. The system effectively prevents and stops capital market fraud.

To mitigate risks in financial markets and protect the rights of investors at the legislative level, regulation of the activities of rating agencies and benchmark administrators has been brought into line with EU standards.

In capital markets, the mechanism of sanation and resolution of investment firms and other professional participants of capital markets has been introduced in line with the BRRD and other EU acquis. The market has been clearing itself of dormant joint-stock companies. The problem of shareholders failing to fulfil their obligations has been being resolved.

Regulation and supervision in the field of preventing and counteracting the legalization (laundering) of the proceeds of crime, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction are carried out in accordance with international standards on AML, including FATF, IMF, MONEYVAL recommendations, and EU laws. The requirements and procedure for efficient application of sanctions (restrictive) laws have been unified and legally formalized.

The OECD's BEPS Action Plan has been implemented under its Enhanced Cooperation Program with Ukraine.

Transparency of trusts, corporations, and other legal persons has been ensured. A draft law to create a Unified Register of Accounts of Individuals and Legal Persons has been developed and passed. The effectiveness of the list of risky countries has been enhanced.



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

FINANCIAL SYSTEM OPERATES FOR THE COUNTRY'S RECOVERY AND IS INTEGRATING INTO THE EU

Insurance against war risks and political risks has been put in place. A new Lending Recovery Strategy is being implemented. Trade-finance options for businesses are expanding. Legal amendments have been adopted to foster the development of electronic crop receipts, documents of title, including warehouse receipts, and more.

The implementation of measures outlined in the ECA Strategic Development Plan for 2025–2029, especially by amending CMU and NBU regulations that govern the provision of state guarantees under insurance contracts, the imposition of FX controls over ECA-insured export contracts, the revision of NBU requirements regarding ECA's liabilities-to-equity ratio, and the potential increase in the size and improvement in the composition of ECA capital, will lead to scaling up support for exporters. ECA will constantly monitor the environment and, if necessary upon taking into account the strategic program documents of the authorities, revise the ECA Strategic Development Plan for 2025–2029, responding to the challenges of the time.

Instruments for funding the military-industrial complex are undergoing development.

The legislation on credit bureau services has been updated to strengthen mechanisms for protecting borrowers' rights, expand the practice of using data from credit bureaus when lending to SMEs, and increase the relevance of information provided by credit bureaus by ensuring the continuity of provision of data on loans after they are reassigned.

Public confidence in the financial sector has been strengthened. Financial literacy has been increased. To improve their wellbeing, individuals are actively and consciously using modern financial instruments.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

The White Paper has been prepared on Environmental, Social, and Governance (ESG) Risk Management in the Financial Sector. Other aspects of ESG policy for the financial sector are being implemented. The NSSMC has developed a Sustainable Finance Roadmap for 2025–2030, which aims to promote the development of sustainable finance to support Ukraine's national sustainable development policy:

Safeguards for bondholders' rights have been enhanced and procedures for registering bond issues improved.

State concessional financing programs are intended to fund the development of diversified SMEs, business programs for veterans, startups, transport and energy infrastructure, as well as the gradual rebuilding of housing.

The Mortgage Lending Development Strategy has been introduced in Ukraine, outlining the further direction of development for the real-estate market and the niche that mortgages should occupy in the evolution of this market both while under martial law and during post-war recovery. This Strategy also clarifies the place that the model of optimal state support is to occupy in the real-estate market. Such a model would coexist in harmony with unsubsidized, market-based products for a wider category of consumers. This Strategy improves mechanisms for resolving bad mortgages, strengthens the rights of creditors in this area, and aligns relevant legislation with EU requirements.

Financial sector participants and borrowers are finalizing debt settlement and restructuring efforts. Business entities are open to new projects and development based on the expert-oriented model.

As a result, the growth of income in the economy contributes to a sustainable balance of payments, increases budget revenues, and allows Ukraine to meet its recovery needs without relying on direct international aid.

A positive legal opinion has been issued on conformity of Ukrainian legal framework with the GMRA & ISDA terms and conditions.

The NBU has ensured full compliance of Ukrainian laws governing the operation of clearing, settlement, and depository systems with the provisions of EU acquis.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

The procedure for issuing SME securities has been simplified, as has the process of issuing unlisted securities.

The securitization mechanism for financial and other assets has been introduced. Collective investment activities are carried out in line with European operating standards. Also, conventional investment funds – UCITS, money market funds, venture capital funds, and hedge funds – have been introduced. The regulation of crowdfunding has been introduced. Financial instruments have emerged that are designated for Islamic investors into the domestic capital markets.

Ukraine has signed the IOSCO Memorandum, facilitating the integration of the Ukrainian market into global financial markets, making it possible to use international assistance to combat capital markets abuse, and reducing investor and state losses from cross-border offenses.

Taxation of capital markets and organized commodity markets has been streamlined and now facilitates people's engagement in investment (in particular, through the introduction of a special regime for investment accounts).

Infrastructure to restore the financial sector has been established. A transparent procedure has been developed to facilitate the payment of reparations/contributions by Russia to a designated state authority or fund to make up for damage inflicted by Russia to the financial sector of Ukraine.

A roadmap to resume financial and payment services in the de-occupied territories is in progress.

The infrastructure established for the financial sector's recovery facilitates effective and transparent use of international assistance to finance projects that restore communities, businesses, and groups in distress.



## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

Financial regulators and the DGF have participated in the European Commission's official screening of national legislation's compliance with EU law, in particular in financial services. Based on this, proposals have been prepared for the National Program to Align Ukrainian Legislation with EU Acquis in terms of financial services and company law.

Proper communication with the European Commission has been ensured to conduct annual evaluations of Ukraine's progress within the EU Enlargement Package in terms of the negotiation chapters concerned with the financial sector.

To achieve a full internal market regime in the financial services sector between Ukraine and the EU, the implementation of EU acquis has been ensured both as a result of the Association Agreement between Ukraine and the EU and thanks to the fulfillment of European Commission recommendations and prerequisites for Ukraine's accession to the EU.

Regulatory approximation has resulted in the financial sector adjusting to EU rules and integrating into the EU single market for financial services, operating in accordance with international and European standards, and being sufficiently competitive for full-fledged operation in the EU market. New opportunities have been unlocked to develop the financial sector and do business, liberalize financial services, improve their quality, and increase their diversity for consumers.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

### **MODERN FINANCIAL SERVICES**

All segments of the financial market have been cleared of problematic institutions. Customer confidence in market participants has been restored. Ukraine has joined SEPA. Open-banking standards have been implemented.

Remote-identification technologies for providing financial services continue to improve. The NBU BankID system provides bank customers with access to a wide range of remote services. The introduction of open banking will contribute to better customer experience and financial inclusion. Platforms for innovative financial solutions (Regulatory Sandbox) are also developing.

Control of cyber defenses and early counteraction to cyber attacks have been introduced in the financial sector. Steps have been taken to ensure zero tolerance for russian and belarusian software in the financial market. Measures have been implemented to ensure the resilience of critical infrastructure and the digital operational sustainability of financial institutions, capital market participants, and organized commodity markets. The development of digital tools in the financial market will provide reliability and convenience for the investor. Further transition to electronic document workflow between market participants, state authorities, and the DGF continues. Unified databases, information protection rules, and the procedure for exchanging information between databases, including via APIs, have been developed and implemented. The use of artificial intelligence tools has been legislated. Open and consolidated registers that combine information from alternative sources are up and running, as is a unified platform for regulators and the DGF to share data collected in the course of regulation, supervision, and control of financial institutions. The practice of corporate management bodies operating in electronic mode is being introduced.

## **II. FUTURE PERSPECTIVE: VISION AND MISSION OF UKRAINE'S FINANCIAL SECTOR**

---

### **INSTITUTIONAL CAPACITY OF REGULATORS AND THE DGF**

Financial market regulators and the DGF have created and are updating organizational resilience plans (continuity of key business processes), ensuring resilience of critical infrastructure, holding training and testing of critical infrastructure's resilience against vulnerabilities, sharing information on cyber incidents internally and with other elements of critical infrastructure, implementing project management methodologies, continuously upgrading processes, and developing staff competencies on an ongoing basis.

Institutional cooperation between regulators and international partners has been established, in particular with central banks and financial regulators of other countries.

A unified information and communication system has been introduced in the public finance management system, which is built on the interoperability of electronic information resources with simultaneous comprehensive information protection, adherence to technological independence, and real-time exchange of information.

---

# **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---



### **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---

The implementation of reforms in the financial sector will contribute to enhancing Ukraine's capacity on its way to victory, supporting Ukrainian defenders, and laying the groundwork for post-war recovery and sustainable development of the national economy. The Strategy focuses on ensuring the reliable and stable operation of Ukraine's financial system at all times and integrating Ukraine's financial sector with the European one.

The strategy will contribute to further enhancing regulation and supervision in the financial sector, as well as convergence of the national law with the EU acquis. Provided that macroeconomic conditions are favorable and stable, a gradual liberalization of financial markets and a return of monetary policy to the inflation targeting regime with a floating exchange rate are expected. The NBU also intends to unwind, in a gradual, coordinated, and safe manner, the emergency prudential measures introduced in the financial sector at the outset of Russia's large-scale invasion of Ukraine, and to use special contingency plans to respond to potential future shocks in the financial sector.

The Strategy aims to ensure macrofinancial stability, promote sustainable economic growth in Ukraine, make the financial system more reliable and technologically advanced, achieve EU standards on the financial market, build up trust in the financial market, implement the EU-Ukraine Association Agreement and Ukraine's other international agreements and commitments, and take action to ensure the country's accession to the EU. It is important to ensure the integrity of the financial system of Ukraine, a sufficient level of international reserves, the sustainability of the FX market, adequate liquidity and resilience of financial institutions, and balanced protection of the rights of creditors, consumers, and investors.

### **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---

The Strategy aims at implementing five strategic goals:

- Macroeconomic stability
- Financial stability
- The financial system operating for the country's recovery and integrating into the EU
- Modern financial services
- Institutional capacity of regulators and the Deposit Guarantee Fund

Each goal includes three to six strategic initiatives.

### III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

GOAL I. Macroeconomic stability	GOAL II. Financial stability	GOAL III. Financial system operating for the country's recovery and integrating into the EU	GOAL IV. Modern financial services	GOAL V. Institutional capacity of regulators and the Deposit Guarantee Fund
1.1. Sustainable hryvnia	2.1. Harmonization of regulatory approaches	3.1. Support and development the economy	4.1. Development of infrastructure for digital financial services	5.1. Ensuring uninterrupted operation of regulators and the DGF
1.2. Sustainable public finances	2.2. Balanced regulation and supervision oriented on development of financial institutions	3.2. Development of sustainable financing	4.2. Automation and paperless technologies in provision financial services	5.2. International cooperation
1.3. Reinforcing the long-term sustainability of the pension system	2.3. Balanced regulation and supervision oriented on development of capital markets	3.3. Developed capital markets infrastructure	4.3. Regulation of virtual assets	5.3. Improving the operational efficiency of regulators and the DGF
	2.4. Sustainable and capable capital markets	3.4. Introduction of new financial instruments and improvement of existing ones	4.4. Digital defense of the financial sector	5.4. Integral and comprehensive IT infrastructure for public authorities
	2.5. Development of state-owned financial institutions	3.5. A responsible and inclusive financial market	4.5. Financial infrastructure recovery	5.5. Increasing the institutional capacity and financial independence of regulators and the DGF
	2.6. Creation of a comprehensive system for recovery and resolution of failed participants	3.6. Recovery of the financial sector		
	2.7. Enhancing sustainability and efficiency of guarantee schemes for deposit and investment	3.7. European integration of the financial sector		

**Table Goals and Strategy's initiatives**

### **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

With elevated uncertainty and increased risks, the establishment of indicators of the achievement of long-term strategic goals is not viable, as such achievement is contingent on relevant macroeconomic and other preconditions, the timeline of which cannot be reliably forecasted. To this end, for the duration of martial law, the Strategy includes a list of key indicators that are important in the short run. When the appropriate preconditions of the external environment are in place, the list of indicators of the Strategy implementation and their target levels will be modified with the next update of the document.

**Indicators of the Strategy implementation in the short term during Ukraine's resistance to russian aggression are as follows:**

- (1)** the Consumer Price Ratio moving toward 5% over an acceptable policy horizon;
- (2)** publication of results of the resilience assessment of the largest banks in the banking system (by assets), including the asset quality review by independent auditors and stress testing under a baseline and adverse scenarios;
- (3)** high-quality and prompt support for the draft law on the war risk insurance system to ensure its adoption by the Ukrainian parliament;
- (4)** availability of new NPL resolution instruments;
- (5)** retaining the spread between hryvnia-to-dollar cash and official exchange rates at less than 3%;
- (6)** a roadmap for the restoration of financial services provision in liberated areas drafted as part of the plan to liberate Ukrainian territory;



### **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---

- (7) legal framework created for the virtual assets market;
- (8) financial and institutional capacity ensured for the National Securities and Stock Market Commission;
- (9) legislative regulation of investment accounts introduced;
- (10) the legal framework for rating agencies brought into line with EU requirements;
- (11) access ensured to remote financial and state (public) services through the NBU's BankID system;
- (12) legislative regulation introduced for investment funds (UCITS, AIFs) in line with the EU acquis;
- (13) the system of voluntary contribution pension provisioning improved;
- (12) the link with foreign depository expanded for reconstruction and recovery instruments.

The specifics of the Strategy's methodology is determined by the conditions of uncertainty in which it has been developed. In this regard, flexibility is one of the main principles of strategic planning and subsequent implementation of measures. The Strategy is designed to remain valid indefinitely, until planned measures are completed. It will be revised in the event of significant changes in external factors. In addition to direct measures that will be provided for in the Strategy, it may also contain references to measures envisaged by other strategic documents (reference measures).

### **III. STRATEGIC GOALS, EXPECTED OUTCOMES, AND SPECIFICS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---

The Strategy takes into account the challenges that arise in two areas: resistance to russian aggression, and Ukraine's reconstruction. With this in mind, the measures envisaged by the Strategy are roughly divided into focuses:

- Focus 1: the “resistance focus” contains short-term measures aimed at ensuring stability and preventing a deterioration of the situation in the financial system and the economy in general.
- Focus 2: the “recovery focus” envisages medium-term measures aimed at implementing changes that will form the basis for future reconstruction and growth of the economy, such as reducing bureaucratic barriers, enhancing transparency and competitiveness of the environment, attracting investments, and so on.
- Focus 1 and Focus 2 are medium-term comprehensive measures to ensure stability and further recovery and development. Some of the key deliverables will be implemented in the short term.

The Committee is the monitoring and controlling body for the Strategy implementation. Deputy heads of the financial sector regulators, the MoEc, and the DGF will participate in the Committee. The First Deputy Governor of the NBU will coordinate the Committee. In accordance with a protocol decision of the FSC, the Committee's functions were updated in May 2023. The unified center for monitoring and control over the implementation of the Strategy allows coordinating the activity of members, determining joint areas of implementation of projects, and applying a transparent decision-making mechanism and uniform standards of project management. Committee meetings will be held on a regular basis.

---

## **IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT**

---

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

To implement the vision and attain the Strategy's goals, the responsible institutions are to implement initiatives and measures. In order to achieve the macroeconomic stability in Ukraine, both in the times of resistance to the russian aggression and during the consequent reconstruction of the country, the following measures will be implemented:

Initiatives	Measures	Responsible parties	Focus
1.1. Sustainable hryvnia	1.1.1. Implementing the Strategy for Easing FX Restrictions, Transitioning to Greater Flexibility of the Exchange Rate, and Returning to Inflation Targeting	NBU	Both focuses
1.2. Sustainable public finances	1.2.1. Developing a medium-term strategy of public debt management and ensuring its implementation	MoF	Focus 1
	1.2.2. Ensuring the development of municipal bonds, including green and social bonds	NSSMC, MoF	Both Focuses
1.3. Enhancing long-term sustainability of the pension system	1.3.1. Ensuring full-fledged operation of the compulsory defined contribution pension insurance in Ukraine (pillar 2 pension system)	NSSMC, MoSP, PFU, NBU, DGF	Both Focuses
	1.3.2. Improving the defined contribution pension insurance (pillar 3 pension system)	NSSMC, NBU, DGF	Both Focuses
	1.3.3. Professional defined contribution pension insurance	MoSP, NSSMC, DGF	Both Focuses

**Table *Initiatives and Measures on Attainment of Goal I***



## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

To ensure the financial stability, the government authorities responsible for the implementation of the Strategy's goals are to take the following strategic measures:

Initiatives	Measures	Responsible parties	Focus
1	2	3	4
2.1. Harmonization of regulatory approaches	2.1.1. Improving supervisory functions, synchronizing and preventing regulatory arbitrage (harmonizing macro and micro regulation and supervisory procedures)	NBU, NSSMC, STS, MoF, SFMSU, DGF	Focus 1
2.2. Balanced regulation and supervision aimed at development of financial institutions	2.2.1. Updated regulation and supervision of banks	NBU	Focus 1
	2.2.2. Regulation and supervision aimed at development of non-bank financial institutions	NBU, NSSMC, DGF	Focus 1
	2.2.3. Resolving the problem of bad assets	NBU, MoF, DGF	Focus 1
	2.2.4. Ensuring efficient mechanisms of information disclosure based on IFRS XBRL taxonomy	NSSMC, MoF, NBU	Both Focuses
2.3. Balanced regulation and supervision aimed at development of capital markets	2.3.1. Building the effective system of supervision (monitoring) of activities of capital market participants	NSSMC, NBU	Both Focuses
	2.3.2. Introducing the requirements for reporting by financial institutions to regulators in line with EU standards	NSSMC	Both Focuses

Table *Initiatives and Measures on Attainment of Goal II*

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
2.3. Balanced regulation and supervision aimed at development of capital markets	2.3.3. Corporate governance and reform of regulation of capital market participants	NSSMC, NBU	Both Focuses
	2.3.4. Clearing dormant participants from the market	NSSMC	Both Focuses
2.4. Sustainable and capable capital markets	2.4.1. Harmonizing the taxation system of capital markets	NSSMC	Focus 1
	2.4.2. Introducing special long-term and medium-term investment accounts	NSSMC, MoF, NBU	Focus 1
	2.4.3. Improving activities in joint investments	NSSMC	Both Focuses
	2.4.4. Improving the legal framework for efficiency and functionality of ratings agencies	NSSMC	Both Focuses
	2.4.5. Ensuring the functioning of an effective system of combatting capital market fraud, including offenses related to manipulation and Ponzi schemes	NSSMC	Both Focuses
	2.4.6. Improving the system of prudential ratios and capital requirements for professional capital market participants in line with EU requirements	NSSMC	Both Focuses
2.5. Development of state-owned financial institutions	2.5.1. Updating the development strategy for state-owned banks to ensure the macrofinancial stability and reduction of the state's share. Updating individual state-owned banks' strategies	MoF , NBU	Focus 1

Table *Initiatives and Measures on Attainment of Goal II*

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
2.5. Development of state-owned financial institutions	2.5.2. Enlargement of mechanisms for the financial support of institutions	DGF, NBU	Both Focuses
	2.5.3. Ensuring the financial resilience of state-owned banks, including by conducting independent AQRs	NBU, MoF	Focus 1
	2.5.4. Updating the strategies of Ukrfinzhytlo PrJSC to take into account the interests of the state and the needs for rapid reconstruction, economic development, and harmonious development of market-based lending	MoEc, NBU	Focus 1
	2.5.5. Establishing the legislative framework for the operation of the BDF to strengthen its institutional capacity by drafting a law on the BDF	MoF	Both Focuses
	2.5.6. Developing the internal control system of the BDF, which is needed to raise EU funding and apply for an EU pillar assessment	MoF	Both Focuses
2.6. Creation of a comprehensive system for rehabilitation and resolution of failed participants	2.6.1. Implementing into the national legislation of the provisions of EU laws on rehabilitation and resolution of financial institutions	NBU, DGF, MoF, NSSMC, MoDT, MoJ, other authorities concerned	Both Focuses
	2.6.2. Creating the system of rehabilitation and resolution of investment firms and other professional market participants	NSSMC	Both Focuses
2.7. Enhancing sustainability and efficiency of guarantee schemes for deposits and investments	2.7.1. Implementing into the national legislation of the provisions of EU laws on introducing the mechanisms of investments conversion into securities	NSSMC	Both Focuses
	2.7.2. Developing a system to guarantee deposits of credit union members and premiums paid under life insurance contracts and approving a model to guarantee contributions of pension scheme participants	DGF, NBU	Focus 2
	2.7.3. Introducing a guarantee system for defined contribution pension insurance	NSSMC, DGF, NBU	Focus 2
	2.7.4. Guarantee system sustainability	DGF, NBU, CMU, MoJ, MoF, other authorities concerned	Both Focuses

Table *Initiatives and Measures on Attainment of Goal II*

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

The financial system should become a driver for the post-war economic recovery and provides for the following strategic initiatives and measures:

Initiatives	Measures	Responsible parties	Focus
1	2	3	4
3.1. Supporting and developing the economy	3.1.1. Introducing insurance against war and political risks	MoEc, NBU, MoEn	Both Focuses
	3.1.2. Loan programs to support businesses and create conditions for upgrading production and logistical infrastructure	MoF, MoEc, NBU	Focus 1
	3.1.3. Assistance and development of priority sectors of the economy and exporters	MoEc, MoF, NBU	Focus 1
	3.1.4. Creating instruments to finance the military industry	NSSMC	Both Focuses
	3.1.5. Optimizing the issuing of securities	NSSMC	Both Focuses
	3.1.6. Developing the strategy for mortgage lending development	NBU, MoEc, NSSMC	Focus 1
	3.1.7. Recovery and development of the real estate market	MoEc, NBU, MoDT, MoF / STS, NSSMC	Both Focuses
	3.1.8. Protection of creditors' and investors' rights	NSSMC, NBU, MoJ, DGF, SPFU	Both Focuses
	3.1.9. Establishing the National Investment Fund for state-owned enterprises	NSSMC	Both Focuses
	3.1.10. Developing and agreeing with key stakeholders and the market on a concept for reforming the system of compulsory state social insurance against accidents at work and occupational diseases resulting in loss of working capacity by transferring functions to the insurance market	MoSP, NBU, PFU	Both Focuses

**Table Initiatives and Measures on Attainment of Goal III**



## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
3.2. Development of sustainable finance	3.2.1. Updating the Sustainable Finance Development Policy	NBU	Both Focuses
	3.2.2. Developing tools to counter greenwashing	NSSMC	Both Focuses
	3.2.3. Introducing social bonds and sustainable development bonds	NSSMC, MoF	Both Focuses
	3.2.4. Introducing ESG disclosure frameworks	NSSMC	Both Focuses
	3.2.5. Introducing an ESG rating system	NSSMC	Both Focuses
3.3. Developed capital market infrastructure	3.3.1. Agreeing the target capital markets infrastructure model with stakeholders, including issues of accounting infrastructure consolidation and attracting foreign investors	NBU, NSSMC, MoF	Focus 1
	3.3.2. Developing a roadmap to implement an agreed target model for capital markets infrastructure	NBU, NSSMC, MoF	Focus 1
	3.3.3. Implementing an agreed target model for capital markets infrastructure	NBU, NSSMC, MoF	Both Focuses
	3.3.4. Improving the efficiency of capital markets infrastructure in line with EU requirements	NBU, NSSMC	Both Focuses
	3.3.5. Implementing the IOSCO Principles for Financial Market Infrastructures (PFMI)	NSSMC, NBU	Both Focuses
	3.3.6. Implementing the provisions of EU laws to introduce benchmarks into the national legislation	NSSMC	Both Focuses
	3.3.7. Expanding the use of alternative mechanisms for raising households' funds for venture capital investment and financing	NSSMC	Both Focuses

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
3.4. Introducing new financial instruments and improvement of existing ones	3.4.1. Introducing covered bonds	NSSMC	Both Focuses
	3.4.2. Creating securitization mechanisms in Ukraine	NSSMC, NBU	Both Focuses
	3.4.3. Introducing electronic agricultural receipts as nonissue securities	NSSMC	Both Focuses
	3.4.4. Introducing documents of title, including warehouse receipts	NSSMC	Both Focuses
	3.4.5. Improving legal support for transactions related to derivative contracts	NSSMC, NBU	Both Focuses
	3.4.6. Recovery of the corporate bond market	NSSMC	Focus 1
	3.4.7. Introducing Islamic financial instruments	NSSMC	Focus 2
	3.4.8. Ensuring the expansion of interactions between Ukrainian depositories and foreign ones	NBU, NSSMC	Both Focuses
3.5. A responsible and inclusive financial market	3.5.1. Ensuring a barrier-free and inclusive financial sector	NBU, NSSMC, DGF	Both Focuses
	3.5.2. Developing regulation and supervision of market conduct of financial services market participants	NBU, NSSMC	Both Focuses
	3.5.3. Introducing regular disclosure of information on ties to the aggressor state and its satellites	NSSMC	Focus 1
	3.5.4. Simplifying remote customer engagement and servicing by professional capital market participants	NSSMC	Focus 1
	3.5.5. Reliable digital services	NBU, NSSMC, DGF	Both Focuses
	3.5.6. Improving information disclosure based on electronic reporting standards	NBU	Both Focuses

**Table *Initiatives and Measures on Attainment of Goal III***

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
3.5. A responsible and inclusive financial market	3.5.7. Raising the financial literacy of households and entrepreneurs	NBU, DGF, NSSMC, central executive authorities, EEPO, banks	Both Focuses
3.6. Recovery of the financial sector	3.6.1. Jointly with the MoJ, developing a mechanism for market participants to work with the register of losses caused by russia	NBU, NSSMC, DGF, MoF, MoJ	Both Focuses
3.7. European integration of the financial sector	3.7.1. Deepening the level of cooperation and interaction with EU institutions (European Commission, EBA, EIOPA, ESMA, AMLA, and ECB)	NBU, NSSMC, DGF	Both Focuses
	3.7.2. Implementing program documents in the field of European integration (in the financial sector)	NBU, NSSMC, DGF, MoF, MoEc, central executive authorities	Both Focuses
	3.7.3. Ensuring participation in Ukraine's EU accession negotiations	NBU, NSSMC, DGF, MoF, MoEc, central executive authorities	Both Focuses
	3.7.4. Drafting a roadmap to implement EU acquis into national legislation in a way that incorporates the European Commission's reports and recommendations based on screening results	NBU, NSSMC, DGF, MoF, MoEc, central executive authorities	Focus 1

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

Despite Russia's full-scale invasion of Ukraine, the technological development of financial services continues as it is a prerequisite for financial inclusion and cybersecurity:

Initiatives	Measures	Responsible parties	Focus
1	2	3	4
4.1. Development of infrastructure for digital financial services	4.1.1. Developing e-economy	NBU, NSSMC, DGF, MoEc, MoF, MoDT, specialized associations	Focus 2
	4.1.2. Developing financial infrastructure	NBU, MoDT, NSSMC, DGF	Both Focuses
	4.1.3. Promoting the development of mobile apps for financial transactions	NSSMC, DGF, MoDT, NBU	Focus 1
	4.1.4. Introducing electronic operation practices for businesses' governance bodies	NSSMC	Both Focuses
4.2. Automation and paperless technologies in provision of financial services	4.2.1. Developing the cashless economy and the open architecture of the financial market	NBU, DGF, MoDT, MoF, MoJ	Focus 2
	4.2.2. Spreading the use of paperless technologies	NBU, DGF, MoDT, NSSMC, CMU, MoJ	Both Focuses

Table *Initiatives and Measures on Attainment of Goal IV*

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
4.3. Regulation of virtual assets	4.3.1. Introducing regulation and supervision of the virtual assets market	NBU, NSSMC, MoDT	Both Focuses
4.4. Digital defense of the financial sector	4.4.1. Organizing collective (integrated) cybersecurity of the financial sector	NBU, DGF, NSSMC, MoF, MoEc, MoDT, State Treasury, SSoSC	Both Focuses
	4.4.2. Improving the reliability of financial services	NBU, NSSMC, DGF	Both Focuses
	4.4.3. Increasing the critical infrastructure's resilience and the financial sector's digital operational resilience	NBU, NSSMC, DGF	Focus 1
4.5. Financial infrastructure recovery	4.5.1. Financial services in liberated territories	NBU, MoF, MoSP	Both Focuses



## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

In order to attain the above four goals, special attention should be paid to improving the resilience, efficiency, and development of financial sector regulators and the DGF:

Initiatives	Measures	Responsible parties	Focus
1	2	3	4
5.1. Ensuring uninterrupted operation of regulators and the DGF	5.1.1. Developing plans to ensure organizational resilience (continuity of key business processes) of regulators and the DGF	NBU, NSSMC, DGF, MoF	Focus 1
	5.1.2. Implementing practices to ensure organizational resilience (continuity of core business processes) based on international standards	NBU, NSSMC	Focus 1
	5.1.3. Implementing measures to enhance the cyber resilience of information resources of regulators and the DGF	NBU, NSSMC, DGF, MoF	Both Focuses
	5.1.4. Organizing training of personnel involved in the implementation of measures to ensure organizational resilience (continuity of key business processes) of regulators and the DGF, conducting tests on risks and emergency situations response	NBU, NSSMC, DGF, MoF	Focus 1
	5.1.5. Establishing effective cooperation and coordination between regulators and supervised entities in responding to risks and emergency situations	NBU, NSSMC, DGF, MoF	Focus 1
5.2. International cooperation	5.2.1. Ensuring Ukraine's accession to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information	NSSMC	Both Focuses

*Table Initiatives and Measures on Attainment of Goal V*

## IV. DECOMPOSITION OF GOALS OF THE STRATEGY OF UKRAINIAN FINANCIAL SECTOR DEVELOPMENT

1	2	3	4
5.2. International cooperation	5.2.2. Developing the NBU's relations with international partners	NBU	Both Focuses
5.3. Improving the operational efficiency of regulators and the DGF	5.3.1. Developing project management	NSSMC	Both Focuses
	5.3.2. Developing competences of regulators and the DGF	NBU, NSSMC, DGF, MoF	Both Focuses
5.4. Integral and comprehensive IT infrastructure for public authorities	5.4.1. Conducting digital transformation of the NBU	NBU	Focus 2
	5.4.2. Implementing the comprehensive information protection system (CIPS) in NSSMC telecommunications systems	NSSMC	Both Focuses
	5.4.3. Upgrading the subsystems for real-time collection and monitoring of information in capital markets	NSSMC	Both Focuses
	5.4.4. Developing and implementing real-time data exchange software (operation and analysis modules)	NSSMC	Both Focuses
	5.4.5. Introducing data analysis software tools	NSSMC	Both Focuses
	5.4.6. Introducing the automation subsystem (ERP system) of NSSMC internal business processes	NSSMC	Both Focuses
	5.4.7. Implementing and maintaining the operation of the NSSMC Comprehensive Information System (CIS) and its subsystems	NSSMC	Both Focuses
5.5. Increasing the institutional capacity and financial independence of regulators and the DGF	5.5.1. Ensuring financial independence of NSSMC in line with IOSCO principles	NSSMC, MoF	Both Focuses
	5.5.2. Increasing the institutional capacity and independence of the DGF	DGF, NBU, MoF	Both Focuses

*Table Initiatives and Measures on Attainment of Goal V*