

Legal regulation of banks with foreign capital in certain EU countries

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Abstract. In the current environment, financial sustainability remains one of the most important long-term goals for any country. That is why finding opportunities to achieve it remains relevant. The purpose of this study was to provide recommendations for regulating banks with foreign capital in Ukraine based on data from the European Union countries. The main scientific methods were analysis, descriptive, comparison, and special legal research methods. As part of the study, it was shown that the countries of the European Union are actively taking actions to improve the financial stability of the banking sector. For this purpose, separate directives were formed, such as the Capital Requirements Directive, Capital Requirements Regulation, and the Basel III standards. In addition, some other directives were considered that affect the specifics of taxation in the region, the principles of reporting, the level of reliability of banks, and the transparency of accounting. It was shown that the banking sector of the European Union still faces problems, in particular, low profitability and problems in cooperation between banks and government agencies. The paper also provided separate recommendations for Ukraine, aimed primarily at bringing its banking legislation in line with international standards. However, it is important to understand that adaptation should also consider the specific features of the Ukrainian situation and correspond to local characteristics. The conclusions drawn in the framework of the study can be used to form a long-term state policy in the field of financial sector management

Keywords: financial stability; legal regulations; risks; international relations; economic growth

Introduction

In general, the legal regulation of banks with foreign capital in countries plays an important role, providing a regulatory framework for any relations between various entities within the country. There are many reasons for this: for example, the presence of foreign capital in the banking system can have both a positive and negative impact on the country's economy, and clear rules allow protecting national interests, ensuring that foreign investment contributes to economic development, and does not create risks to financial stability. In addition, clear rules help prevent financial crises, manage banks' liquidity, credit risks, and corporate governance standards. Effective regulation also helps to combat money laundering and terrorist financing by providing the necessary level of transparency and control over financial transactions (Mishchenko *et al.*, 2022). Thus, although the attraction of foreign capital to the country as a whole is expected to get positive results, however, there is a possibility of deterioration of the situation in the context of economic development due to the withdrawal of profits abroad (and not their reinvestment), increasing the country's vulnerability to financial crises, influence on credit policy, etc. (Dziamulych, 2023). That is why the study of foreign experience in this context remains relevant.

Many researchers have studied the features of legal regulation of financial markets in Ukraine. Thus, D.S. Trofymenko and O.P. Sush (2022) considered problematic aspects of derivatives regulation in Ukraine. Researchers described the specifics of defining the concept of derivative instruments and noted the problems that exist in the context of their regulation, but did not provide recommendations on how to improve the situation. State regulation and analysis of the main performance indicators of banks in Ukraine were carried out by S.M. Ganzhyuk and T.D. Kadyrus (2019). Researchers noted that the change in the principles of banking supervision in Ukraine was quite significant, since initially it was based only on individual instructions (principles for each individual bank), while now it is based on unified rules, which is certainly a positive trend. L.O. Vasylieva (2020), in turn, also assessed the current features of regulating the activities of banking institutions in Ukraine. The researcher described various sources of influence that influenced the development of banking regulation features in Ukraine, including in Soviet times. However, no attention was paid to assessing the negative and positive components currently observed in this area. A. Kostruba (2024), in turn, generally considered the specifics of managing a business with foreign capital during

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the war. The researcher described the difficulties faced by foreign entrepreneurs who did business in Ukraine, and how they were affected by the beginning of a full-scale invasion of Russia. In addition, attention was drawn to the e-Residency initiative, which has the opportunity to facilitate business opportunities for foreign entrepreneurs by accessing enterprise management and public services remotely. P. Pylypshyn *et al.* (2022), in turn, analysed the legal regulation of financial and economic security of Ukraine. They stressed the urgent need to improve the level of financial stability in the country, primarily through effective legal regulation. The researchers also proposed their own strategy, which would have a broader focus than the one that was relevant in 2022. Within the framework of modern Ukrainian economic literature, quite a significant amount of attention is paid to both the regulation of the financial sector and banks with foreign capital in particular. Nevertheless, there is a lack of comparisons of the principles that exist in Ukraine with other countries. Therefore, the purpose of this study was to analyse the specific features of legal regulation of the component of foreign capital in the banking sector in the EU and Ukraine.

Materials and methods

The study analysed a significant amount of legislative provisions of the European Union. In particular, information from Directive of the European Parliament and of the Council 2013/36/EU (2013), or simply Capital Requirements Directive (CRV V), Regulation (EU) 2019/876 (2019) and Basel III regulatory framework (Bank for International Settlements, 2010). Information was also used from Directive of Council of the European Communities No. 69/335/EEC (1969), Directive No. 86/635/EEC (1986), No. 89/646/EEC (1989), No. 93/76/EEC (1993), No. 2001/24/EC (2001) and some other directives. The Ukrainian legislative framework was also used, in particular, Law of Ukraine No. 2121-III “On Banks and Banking Activities” (2001). Separate statistical data were also used to characterise the situation with banks with foreign capital in European countries. For this information, we used data from the materials of the 31st annual meeting of the Board of Governors of the European Bank for Reconstruction and Development on the share of foreign banks in the structure of individual EU countries. All the above information helped to conduct a detailed analysis of the differences in banking sector regulation in Ukraine and the European Union. All calculations and constructions were made within the framework of Microsoft Excel.

The study used a comparison method to assess the specifics of regulation of banks with foreign capital in the European Union and Ukraine. Abstraction, in turn, was used to evaluate only certain indicators that most affect the functioning of banks with foreign capital in Ukraine. The descriptive method characterised the main features of regulation of banks with foreign capital in the country. The analysis was used to evaluate various types of data, including statistical data, that characterise the features of banking sector regulation in the European Union. Special legal research methods were also used. Thus, using the formal legal method, the logic of legal regulation of banks with foreign capital in the EU countries was evaluated. A more detailed assessment of the legislative framework was carried out, among other things, using the legal and dogmatic method. The comparative legal method was used to assess approaches to regulating the banking sector in different countries.

Results

The legal framework governing foreign-capital banks in the European Union (EU) is detailed and multifaceted, ensuring the stability of the financial sector while enabling it to support diverse end-users (Sabir *et al.*, 2019; Hartley *et al.*, 2020). This structure is designed to increase the resilience of banks, allowing them to withstand liquidity shocks and compensate for losses, and finance economic activity and growth. One of the key aspects of the EU banking regulatory framework is the prudential requirements introduced after the 2007-2008 crisis. These requirements, which are part of a single set of EU rules and include Directive No. 2013/36/EU (2013) and Regulation No. (EU) 2019/876 (2019) which implement Basel III international standards in EU legislation (Bank for International Settlements, 2010). This approach applies the Basel standards to all EU banks, not just “internationally active” ones, to promote a strong single banking market in the EU. This concept, which has received approval from the G20 and plays a key role in EU banking legislation, is aimed at strengthening regulation, supervision and risk management in the banking sector. The main principles of these standards include increased requirements for minimum capital levels, an assessment using leverage parameters, a liquidity assessment, and a net stable financing ratio. These standards are aimed at reducing the profitability of banks, while ensuring a higher level of their stability. However, this does not prevent sector institutions from making significant profits, nor does it solve all financial sustainability problems. An example of this is the bankruptcy in 2023 of Silicon Valley Bank (Vinokurov, 2023).

Council Directive No. 69/335/EEC (1969). According to it, capital taxation in the European Union applies to enterprises and organisations that carry out profitable activities and operate with capital or assets in exchange transactions. This taxation is carried out in the EU member state, where the company’s management centre is actually located. If the control centre is located outside the European Union, taxation is carried out through the office or branch of a company registered in an EU member state. Council Directive No. 89/117/EEC (1989) sets out requirements for structural branches of credit and financial institutions established in one EU member state but headquartered in another member state, according to which they must publish their annual financial statements. This directive primarily aims to synchronise the disclosure of various financial documents, such as annual and summary reports, for these entities operating outside the EU.

In 1989, the European Union introduced Second Council Directive No. 89/646/EEC (1989). It was established on three main principles: mutual recognition, harmonisation, regulation and control at the country level. This principle of mutual recognition, known as the “single passport” principle, gives banks from any member state the opportunity to operate freely and open branches in other EU countries. Mandatory harmonisation provides that a product or service that meets the standards of one country can be placed throughout the European Union. Within the framework of European Union legislation, certain thresholds for initial capital for investment companies are set at EUR 730,000. However, companies that do not have special permits (for example, to own securities or assume financial obligations) may be allowed to reduce the capital requirement by EUR 50,000. This regulation aims to strengthen risk management in the financial sector, improve oversight practices,

and ensure reliable reporting and management mechanisms. Directive No. 2001/24/EC (2001) in turn, it defined pan-European procedures for restructuring and curtailing credit institutions. It treats the credit institution and its branches in the EU as the only organisation for regulatory oversight, ensuring that a license issued in one member state is recognised throughout the EU. This contributed to operational unity in situations of reorganisation or liquidation, optimisation of cross-border transactions, while adhering to common legal standards and protecting the integrity of the financial system. In the event of reorganisation or liquidation, banks are required to notify the regulatory authorities of any country where they have branches. This obligation also applies to banks whose headquarters are located outside the EU, but have branches in it. If a branch located in the EU requires reorganisation, the competent authorities must immediately notify the other countries where the bank's branches are located of any administrative or judicial measures taken. Directive of the European Parliament and of the Council No. 2006/48/EC (2006), in turn, describes the issue of mandatory audit of annual and consolidated reports. This directive repeals Eighth Council Directive No. 84/253/EEC (1984), which aims to improve the quality and effectiveness of mandatory audits in EU member states. The main purpose of this directive is to establish requirements for the use of a single set of international audit standards, strengthen cooperation between EU countries and other states, and increase confidence in mandatory audits. Despite the tight regulatory framework, the EU banking sector faces difficulties, including generating income below the cost of capital compared to its counterparts in the United States. This can be explained by the lower growth rate in the euro area by the negative effects of geopolitical instability (Russia's full-scale invasion of Ukraine). Structural obstacles to bank consolidation also remain, which does not allow banks to realise synergy between markets.

Overall, Basel III has several features. Thus, it primarily aims to improve banks' ability to cope with financial stress, increase transparency, and strengthen overall banking risk management practices (Nguyen, 2020; Zhang *et al.*, 2020). In order to improve the regulatory framework, separate indicators for evaluation were also developed (Matuszak *et al.*, 2019). For example, Basel III raised the minimum capital requirements for banks, setting the total minimum equity requirement at 4.5% of risk-weighted assets, and introducing an additional capital retention buffer of 2.5%, creating an overall minimum requirement of 7%. There was also a limit on the leverage ratio, which should be more than 3%. Basel III has introduced ratios such as the liquidity coverage ratio (LCR) and the net stable financing ratio (NSFR) to ensure that banks have sufficient high-quality liquid assets in the event of a 30-day crisis scenario (Grundke and Kuhn, 2020; Rehman *et al.*, 2022; Thomas *et al.*, 2023). However, the need to comply with Basel III conditions creates problems for the banks themselves, in particular, in terms of the availability of their confidential data (Kim & Katchova, 2020; Jutasompakorn *et al.*, 2021). This requires improving the quality and speed of risk data collection and reporting.

It is also worth considering the specifics of regulating the banking sector and, in particular, banks with foreign capital in individual countries. In Poland, such a body is the Polish Financial Supervision Authority (KNF). This body oversees many components of the financial sector, including

the stock market, insurance, capital market, rating agencies, banks, etc. Control over the activities of such institutions is established through diverse legislative acts; as for the management of foreign banks, it is described in the Act Bank Law (1997). Article 40 of this Law describes the process and requirements for opening a branch of a foreign bank in Poland. In particular, for further activities, the Polish KNF issues the necessary permit based on an application submitted by a foreign bank. The application must contain information about the bank, types of banking activities for the branch, allocated funds, information about personnel and compliance with the terms of the guarantee scheme, if any. Once approved, the branch operates in accordance with the rules issued by a foreign bank, and any changes to these rules require KNF approval. The branch must use the name of the foreign bank together with "branch in Poland", maintain a separate accounting department, adhere to the approved rules and keep records in the branch. In addition, branches that are not covered by the guarantee scheme must inform beneficiaries and stakeholders about their financial condition, participation in the guarantee system (if applicable), and details of non-guaranteed claims.

To open representative offices by foreign banks and credit institutions in Poland, organisations must obtain a KNF permit, which is issued based on an application submitted by the interested bank or credit institution. The application contains information about the company, the location and scope of the representative office, and information about the candidate for the position of Representative. The scope of representation of a foreign bank or credit institution is limited to such activities as advertising and promotion of a foreign bank or credit institution within the permitted scope. The KNF maintains a list of permits issued, and any changes or termination of activities must be reported to the Financial Supervision Commission; the organisation may also revoke the permit if a foreign bank or credit institution violates Polish law.

Considering the specifics of the Czech Republic, the local main regulator of banking and financial services is the Czech National Bank. However, the main legislative act in this area in the country is the Act on Banks (1992), which also describes the specifics of regulating banks with foreign capital. A foreign bank wishing to open a branch in the Czech Republic must apply for a license. The application must contain an opinion of the banking supervisory authority in the bank's country of origin confirming that the branch is subject to banking supervision. However, certain conditions for obtaining a license must be met, in particular, the funds must have a transparent origin, and their amount must also be equal to CZK 500 million. In addition, the bank itself must be reliable and financially stable; the bank's business programme must be based on adequate economic calculations. The head of the bank may request to receive statements about the criminal records of the bank's senior staff. The National Bank of the Czech Republic is obliged to constantly monitor the activities of such entities in the country, and cooperate with other local authorities for this purpose.

In Germany, banking and financial services are regulated by two main bodies: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and Deutsche Bundesbank. The former is responsible for authorising and overseeing credit institutions, financial services institutions, and investment companies in accordance with the Banking Act (Kreditwesengesetz, KWG) (2009) and Wertpapierhandelsgesetz. WpIG (2019).

Deutsche Bundesbank, in turn, helps with oversight by analysing their reports, assessing capital adequacy, and monitoring risk management. In France, such a body is the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR), which regulates the banking and insurance sectors, ensuring the stability of the financial system and protecting its own customers. In Belgium, there are two autonomous bodies that regulate the financial sector, namely the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA). In all three of the above-mentioned countries, there are no special legislative acts regulating the activities of banks or banks with foreign capital: and in most cases, local legislation duplicates European norms and directives.

It is also worth considering the features that exist in the Scandinavian countries on the example of Sweden. In IT, services are regulated by the Swedish Financial Supervisory Authority (SFS), which oversees the authorisation and supervision of banks, insurance companies and other financial institutions. SFS plays a crucial role in ensuring compliance with regulatory standards and ensuring the stability of the financial sector. The Swedish Central Bank, in turn, works under the Swedish parliament and focuses on monetary policy. Its main goal is to maintain a low and stable level of inflation by influencing interest rates, and overseeing the operation of the payment system and managing Sweden's gold and foreign exchange reserves. The country's banking system is also closely linked to the supervisory authorities of the European Union, and although the country is not part of the euro area, its branches of its subsidiaries – yes, and therefore fall under the supervision of the European Central Bank. As for regulatory laws, they are mainly developed based on EU directives and regulations, and local Swedish legislation implements these pan-European legal requirements. Thus, the main legislative act in this area can be considered the Banking and Financing Business Act (2004:297) Act of Ministry of Finance of Sweden No. 2004:297 (2004), which is a key legislative act regulating the activities of banks and financial institutions operating in the country.

In Ukraine, the main document regulating the development of the banking system, including foreign banks, is the Law of Ukraine “On Banks and Banking Activities” (2001). Its article 24 describes in detail the process of opening a presence of foreign banks in Ukraine through branches and representative offices. According to the latest version, as of January 1, 2024, foreign banks can open their branches in Ukraine if certain requirements are met. In particular, the country of origin of a foreign bank must comply with international standards on countering money laundering and terrorist financing, and have banking supervision consistent with the principles of the Basel Committee, subject to effective consolidated supervision (Sabir *et al.*, 2019). In addition, the legislation of the country of origin of a foreign bank should not prevent cooperation between the National Bank of Ukraine (NBU) and foreign supervisory authorities. The process of accreditation of branches is carried out by the National Bank, which includes checking the necessary documentation and entering branches in the State Register of banks for banking activities.

Foreign banks must submit various documents for accreditation, including: registration documents of a foreign bank, the decision to open a branch, industry regulations, financial statements of a foreign bank for the last three years, obligations to fulfil obligations in Ukraine, documents

confirming the contribution of the necessary capital, internal rules of banking services and risk management, details of the business plan and organisational structure. However, the NBU may refuse if the documents turned out to be incomplete and inaccurate, banking equipment and premises do not meet the standards, there are problems with personnel, the branch does not have the necessary personnel or organisational structure, the bank's management or financial condition does not meet the requirements, and the bank's ownership structure lacks transparency (Burkowska & Koval, 2023).

Since February 2022, the NBU has taken significant steps to adapt the country's financial system to the new conditions of martial law. These changes were multifaceted and concerned various aspects of banking operations, currency regulation and non-bank financial institutions to ensure the stability and support of the Ukrainian economy and its citizens. To meet the urgent liquidity needs of banks, the NBU introduced blank refinancing loans without restrictions on the amount for one year, with the possibility of extending for another year, and fixed the UAH exchange rate against foreign currencies, stopping the calculation of the reference UAH exchange rate to USD (Prymostka & Kysil, 2023). These steps were part of a broader package of measures to ensure currency stability, which also included lifting banks' restrictions on exchange rates for cash and payment card transactions.

Considering the experience of the European Union countries, several recommendations for Ukraine can be formed. Thus, it is necessary to introduce bringing banking legislation in line with international standards, in particular, the standards of the Basel Committee on banking supervision, including the requirements of Basel III. This will improve the resilience of banks with foreign capital to financial crises, increase transparency, and strengthen overall risk management practices. In addition, it is important to implement and enforce strict prudential requirements such as CRD V and CRR II in order to ensure adequate capital and liquidity reserves among local banks. Indicators for banks should be set independently, based on the actual situation in the country, but as an example, you can use data from EU countries, including those described in the study. Improving supervisory practices to ensure effective supervision of banks with foreign capital is also an important tool for ensuring the goals of the highest possible quality functioning of the banking sector, along with ensuring transparency of the banking system and detailed disclosure of financial condition information. Thus, additional deeper management of banks with foreign capital and compliance with the described recommendations will allow for a more sustainable level of development of the banking sector in the country.

Discussion

The main recommendations on how to regulate banks with foreign capital in Ukraine, considering foreign experience, were noted above. However, this is possible only in the conditions after the end of the war, since now the state authorities have more pressing issues that must be resolved related to the situation at the front and ensuring other components of financial stability. Investment projects for foreign banks in Ukraine are currently unattractive due to the increased risks associated with the war. Nevertheless, after its completion, seeing prospects for growth in the country, foreign capital can flow to Ukraine at a particularly rapid pace. At this point, the creation of more effective mechanisms for

managing them and regulating them is very important, since it can become the main characteristic of financial stability in the country as a whole. In addition, the state's activities on the other side will also be important: in particular, creating favourable conditions for investors, providing tax benefits or simplifying certain bureaucratic procedures. If investors are interested in direct investment, it is still important to provide cheap loans and recommendations on doing business in the country (Rats & Alfimova, 2023). On the other hand, given the possibility that the conflict will continue for quite a long time, the introduction of some such initiatives should take place now.

The importance of foreign direct investment for the country is actually shown in the paper by Y.S. Chen *et al.* (2023). They showed that there is a link between the availability of financing (based on East Asian countries) and the volume of foreign direct investment. The results show a positive and significant impact of financial investment on FDI in both the short and long term, especially in high-income countries. The current study did not focus on the effectiveness of introducing foreign direct investment into the country, but proving the existence of such a positive effect may indicate that the investigation of this phenomenon really remains important.

The role of increased banking sector regulation in managing volatile capital flows was considered by K.C. Neanidis (2019). Researchers have noted that international capital flows can affect a country's economic development in different ways. Although they are more likely to contribute to the country's economic development, they can also be dangerous, and therefore, the development of policies aimed at regulating them is important. The findings suggest that effective regulatory policies can indeed reduce the negative effects of volatile capital flows, which, in turn, helps increase the sustainability of the financial system. This effect is observed in different types of capital flows and regulatory instruments, although it is more pronounced in middle-income countries and less in countries with open and developed financial systems that face macroeconomic instability. The conclusion highlights the importance of regulatory policies in managing systemic risks, especially for countries that are sensitive to volatile financial flows. However, the researcher also warns that such policies may limit the availability of high-risk financial projects, potentially affecting economic activity and efficient resource allocation. However, in the long run, competent regulatory policies can have a significant positive impact on the country's long-term growth. As part of the current study, it was also noted that attracting foreign investment to Ukraine is an important component of its long-term development, especially in the conditions after the war. Nevertheless, the country will indeed need an updated legal framework in this context, as otherwise it may risk all the negative effects of attracting too much foreign capital from banks, as also described in this paper.

F.J. Contractor *et al.* (2020) investigated how a country's legislation and business environment affect the inflow of foreign direct investment. The findings of the study showed that the regulation of international trade and the development of institutions are significant factors for attracting foreign direct investment. In addition, multinational companies are willing to compromise on one institutional variable if the other offers greater benefits: for example, companies may adopt less effective entry and exit rules in

exchange for stricter contract execution. Thus, the paper concludes that a high-quality policy is being formed in the context of attracting foreign direct investment, which does not necessarily have to be aimed at simplifying processes and reducing supervision of this activity in the country. The current study also drew attention to the importance of developing high-quality legislation in the country and ensuring its compliance in order to have better long-term results in the context of economic development.

T.N.L. Le *et al.* (2023) assessed capital requirements and bank efficiency under Basel III based on data from Austrian and British banks. They noted that stricter conditions for banks' activities increased operating revenue, but did not increase the level of their profitability, that is, the efficiency of business functioning. This raises doubts about the effectiveness of tax policies in the banks based on which the study was conducted. The researchers also proposed a variant of the optimal capital structure in the company to work most effectively under the restrictions of Basel III, and also assessed the differences in the impact of certain macroeconomic indicators, such as the level of inflation, on the functioning of banks in Austrian and British banks. Based on these data, researchers concluded that each state should have a clearly defined strategy for the development of the financial sector for the long term, according to which to form a regulatory system, understanding the specifics of the local functioning of the banking system and business in general. It is worth agreeing that the development of any legal norms in the country should converge with its long-term goals. The state authorities should understand how much certain legislative assets can increase the economic efficiency of the country, or increase its financial stability (in this context). Often, the adoption of the same laws has a double effect (for example, reducing investment attractiveness, but increasing financial stability) (Horodnichenko & Kucherenko, 2022). In such cases, it is necessary to understand which effect is more influential and important for the country. The current study noted that in Ukraine, the introduction of such regulations as Basel III can really be effective, but so far such implementation is unlikely due to the war in the country. Research on the impact of Basel III on macroeconomic sustainability was also conducted by J. Fidrmuc and R. Lind (2020). Researchers noted that in general, such changes reduce the risk of banks defaulting, but their compliance is difficult, especially during periods of increased tension. Thus, they believe that the cost-effectiveness of Basel III is still not fully proven and remains ambiguous. The current study did not assess the effectiveness of this reform, although it mentioned what results it should bring to the country from a theoretical standpoint. Nevertheless, given the significant instability in the modern world as a whole, the introduction of such reforms is necessary, since financial instability can significantly negatively affect the development of the country.

Conclusions

The study assessed the regulation of foreign banks in the European Union. It was shown that the association seeks to ensure the stability and sustainability of its financial sector through detailed legal regulations, which is primarily due to changes after 2007-2008 and events during the COVID-19 pandemic. The inclusion of prudential requirements, including the Capital Requirements Directive and Capital

Requirements Regulation, indicates a unified approach to strengthening the stability of the financial sector. An important role in this context was also played by Basel III, which also tightened the standards for regulating the banking sector and managing risks in this area. These standards focus on increased capital structure requirements, leverage, and liquidity estimates, and aim to reduce fluctuations in bank earnings while improving stability. Despite these strict standards, there are also problems with instability in the banking sector, as evidenced by the collapse of Silicon Valley Bank in 2023.

The study also evaluated the European Union's regulations governing taxation of the banking sector, the submission of annual and consolidated financial statements of financial institutions, increased transparency, and the harmonisation of the banking sector as a whole. In particular, the principle of a "single passport" was highlighted, which facilitates the work of bank branches in the countries of the association. Despite the strengthened regulatory framework, the EU banking sector faces challenges such as profitability, market fragmentation and structural obstacles to bank consolidation. These challenges highlight the need for continu-

ous adaptation and improvement of regulatory practices to promote a more sustainable and competitive banking sector. Based on the EU's regulatory landscape, the conclusions in the paper helped to develop recommendations that emphasise the importance of bringing its banking legislation in line with international standards, in particular those established under Basel III. Improving risk management practices, ensuring adequate capital reserves, and promoting transparency and accountability are key. Now the NBU plays a crucial role in ensuring compliance with banking legislation, supervising banks with foreign capital, and implementing measures to promote financial stability, especially in the context of war and its consequences. A deeper assessment of the legislation of the European Union countries and finding opportunities to use local experience in Ukraine is relevant for further research.

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Conflict of interest

None.

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Правове регулювання банків з іноземним капіталом в окремих країнах ЄС

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Анотація. В сучасних умовах фінансова стійкість залишається однією із найбільш важливих довгострокових цілей для будь-якої країни. Саме тому знаходження можливостей для її досягнення залишається актуальним. Ціллю даного дослідження стало надати рекомендації для регулювання банків з іноземним капіталом в Україні на основі даних з країн Європейського Союзу. Основними науковими методами стали аналіз, описовий, порівняння, а також спеціально-юридичні методи дослідження. В рамках дослідження було показано, що країни Європейського Союзу ведуть активні дії в напрямленні підвищення фінансової стійкості банківського сектору. З цією ціллю було сформовано окремі директиви, такі як Capital Requirements Directive та Capital Requirements Regulation, так само, як і стандарти Basel III. Крім того, розглядалися і деякі інші директиви, що впливають на особливості оподаткування в регіоні, принципи подання звітності, рівень надійності банків та прозорість ведення бухгалтерського обліку. Було показано, що банківський сектор Європейського Союзу досі стикається з проблемами, зокрема низькою прибутковістю та проблемами у питаннях співпраці між банками та державними органами. В роботі було також надано окремі рекомендації для України, направлені в першу чергу на приведення її банківського законодавства у відповідність до міжнародних стандартів. Проте важливо розуміти, що адаптація повинна враховувати також особливості української ситуації та відповідати місцевим особливостям. Висновки, зроблені в рамках дослідження, можуть бути використані для формування довгострокової політики держави в сфері управління фінансовим сектором

Ключові слова: фінансова стабільність; законодавчі норми; ризики; міжнародні відносини; економічне зростання