

Тези та доповіді за матеріалами круглого столу «Цифрові трансформації України 2020: виклики та реалії»

Bukharin Glib Olehovych

*PhD student, Department of Administrative and Commercial Law
Zaporizhzhia National University
ORCID: 0000-0003-3797-4274*

UKRAINE MOVES FORWARD IMPROVING THE FINTECH REGULATORY ENVIRONMENT

The thesis is devoted to the study of financial technologies, which are rapidly developing both in Ukraine and in foreign countries, today are an integral part of public life and are actively being introduced into all spheres of state functioning. Despite the fact of the dynamic development of the FinTech industry in Ukraine, a comprehensive system of its legal regulation has not been created yet, which can be explained by the economic and informational specifics of the industry itself and its ramified areas.

Keywords: FinTech, Strategy, the National Bank of Ukraine, FinTech facilitators, sandbox.

Бухарін Гліб Олегович

*аспірант кафедри адміністративного та господарського права
Запорізький національний університет
ORCID: 0000-0003-3797-4274*

ПОКРАЩЕННЯ РЕГУЛЯТОРНОГО СЕРЕДОВИЩА ФІНТЕХ ГАЛУЗІ В УКРАЇНІ

Присвячена дослідженню питання фінансових технологій, що активно розвиваються як в світі, так і в Україні, які повністю інтегровані в суспільні відносини та є невід'ємною часткою багатьох сфер публічного функціонування. Проте, не зважаючи на стрімкий розвиток фінтех галузі в Україні, правове регулювання цієї сфери потребує подальшого формування, враховуючи її економічну й інформаційну специфіку та розгалужену мережу взаємозв'язків.

Ключові слова: фінтех, стратегія, Національний банк України, фінтех фасилітатори, пісочниця.

Regulators around the world are responding quickly to the rapidly evolving financial technology, or fintech, landscape [1].

In July 2020, the National Bank of Ukraine (the “NBU”) has released its plans to establish the fully-fledged “regulatory sandbox” (the “sandbox”). The Concept of the NBU’s Innovative Financial Decisions Platform describes the current state and issues of the innovation facilitators in Ukraine and a general review of the first sandbox [2].

The current FinTech market in Ukraine is imbalanced with dominating majority of online payment services and pay-day loans. Creation of flourishing ecosystem facilitating development of other sector niches is among top priorities stipulated by the NBU in “Ukrainian Fintech Development Strategy by 2025” adopted on 16 July 2020 (the “Strategy”). Among other instruments which will help to achieve this, the NBU outlines incorporation of the sandbox.

According to the Strategy, the indicators of successful realisation of the sandbox are:

- launch of the effectively operating sandbox supervised by the NBU with up to 16-20 tested products per year; and
- accession of the NBU to the Global Financial Innovation Network (GFIN).

As of today, there is no full-fledged sandbox in Ukraine. The NBU has attempted to create innovation facilitator in Spring 2019, which resulted in the pilot project with incorporation of the Expert Advisory Board on Communications with Innovation Companies (the “Expert Board”). Starting from 8 May 2019, FinTech companies have an opportunity to get the NBU’s feedback on the FinTech products and advise on specifics of the applicable legal regulation within 30 business days after submission of the application.

In practice, the platform has not become an effective facilitator as FinTech companies aiming to cooperate with the NBU should meet numerous requirements and criteria. During the whole period of the Expert Board operation, only nine applications have been reviewed.

According to the NBU, development of FinTech facilitators in Ukraine is adversely affected by:

- demanding regulatory environment, which negatively impacts time-to-market process of the innovative products;
- harsh cooperation requirements for the FinTech companies;
- inability to examine business model in safe regulatory environment; and
- slow effectivity of cooperation in the fast-changing area of business.

Also, several regulatory restraints are limiting the NBU's ability to create a full-fledged sandbox. For example, the NBU's activity is regulated by the Law of Ukraine "On the National Bank of Ukraine" dated 20 May 1993 (the "NBU Law") and according to the current regulation it has no powers to create, determine and ensure functioning of special regulatory platforms and test environment for approbation of FinTech products. The NBU plans to lobby respective amendments to the NBU Law and to ensure that respective concept will be reflected in other FinTech associated laws.

According to the concept the first fully-fledged sandbox shall include the following instruments:

- of regulations by the FinTech companies.

According to preliminary estimations, the fully-fledged Sandbox should be launched in 2021. We believe that it will be a great achievement for the Ukrainian FinTech, which will fasten the growth of the market in multiple sector niches. Though negotiation and adoption of the regulatory amendments may take some time, the NBU has a substantial amount of preparatory work to perform within its doors to meet the goal in time.

ЛІТЕРАТУРА

1. Міжнародний посібник рекомендацій запровадження регуляторного інструменту фінтех пісочниці. URL: https://www.bakermckenzie.com/-/media/files/insight/publications/2020/05/a_guide_to_regulatory_fintech_sandboxes_internationally_8734.pdf?la=en (дата звернення: 17.08.2020).
2. Національний банк України. URL: <https://bank.gov.ua/> (дата звернення: 17.08.2020).

REFERENCES

1. Mizhnarodnyi posibnyk rekomendatsii zaprovadzhennia rehuliatornoho instrumentu fintekh pisochnytsi. URL: https://www.bakermckenzie.com/-/media/files/insight/publications/2020/05/a_guide_to_regulatory_fintech_sandboxes_internationally_8734.pdf?la=en [in Ukrainian].
2. Natsionalnyi bank Ukrainy. URL: <https://bank.gov.ua/> [in Ukrainian].