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**The essence and importance of financial monitoring in Ukraine**

Currently, Ukraine faces the challenge of establishing a comprehensive financial regulatory system that hinders the country's socio-economic development, budgetary system reforms, and social protection system for the population, while ensuring national security at the appropriate level. According to the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of Illegally Received Incomes, Financing of Terrorism and Proliferation of Weapons of Mass Destruction," financial monitoring is defined as a set of measures taken by financial monitoring entities in the prevention and counteraction field, encompassing state financial monitoring and primary financial monitoring [1].

In practice, there are two systems for combating the legalization of illegally obtained incomes: the European system and the American system. Europe adopts a more liberal approach, where banks are not required to report all transactions exceeding specified limits to specialized institutions, but only those transactions that appear suspicious to them. The American system is much stricter, as banks in the United States are obligated to report all transactions over $10,000 to financial intelligence [3].

The domestic financial regulatory system is a hybrid but operates in accordance with the American model. This is due to the fact that from the very beginning, Ukraine's requirements for combating money laundering were stricter than in other countries, and their implementation was only possible under the American model. This has had positive outcomes, as our country was relatively quickly removed from the FATF "blacklist," and to this day, the activities of the financial supervision system are positively evaluated by this international regulatory organization [2].

Unlike foreign counterparts, the Ukrainian financial regulatory system has acquired greater authority it not only receives information but also conducts financial investigations independently. Thus, its activities are aimed at safeguarding national interests and ensuring a conducive business environment within the legal framework while maintaining the confidentiality of financial information, which is crucial given the volume of data it possesses [4].

In Ukraine, the financial regulatory system covers nearly all providers of financial services and promotes close collaboration among various ministries. Each of these entities plays a specific, legislatively defined role within the unified system for countering terrorism and money laundering.

The financial monitoring system is defined as a combination of methods for analyzing, controlling, and forecasting aimed at achieving financial stability within the financial and credit sector of individual economic entities and the country as a whole [3]. The financial regulatory system consists of primary and state levels [1]. As a public law entity, the state oversees through specially authorized bodies and institutions.

In conclusion, the adoption of the Basic Law has contributed to the improvement of the financial regulatory system in line with international organizations' requirements. However, certain issues need to be addressed, including establishing closer cooperation between law enforcement agencies and financial monitoring authorities to prevent and counter new criminal manifestations. Additionally, clear legislative provisions should specify the specific transactions for which information must be disclosed in an open and transparent manner.

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