Financial Stability Council
Report on Activities

(August 2020 – July 2021)

Kyiv 2021

Foreword

Over the reporting period, the Financial Stability Council (Council hereinafter) traditionally discussed systemic risks and outstanding issues of the financial sector. On general, systemic risks in the financial sector are low and remain under control. At the same time, cooperation with the IMF will ensure mitigation of financial stability risks. Thus, Ukraine should resume the cooperation.

The Council considered further solvency recovery of the Deposit Guarantee Fund (DGF) and non-performing loan (NPL) reduction plans of state-owned banks. The Council approved:

restructuring of DGF debt obligations by converting them into contingent liabilities and outlined sources of repayments,

specific terms for Oschadbank accession to the retail deposit guarantee system,

and gradual increase of covered deposit amount to UAH 600,000 from 1 January 2023.

The Council noted a progress in implementation of the NPL reduction plans of state-owned banks. Given the nonperforming exposure ratio that was still high, the Council recommended the banks to proceed with restructuring of loan portfolios in 2021 and make a more active use of all available NPL resolution tools in order to bring NPL ratio below 20% by 2025.

Another major issue on the Council agenda was building a deposit guarantee system for deposits of credit unions' members and life insurance policyholders. The Council endorsed building the system on DGF platform and approved a roadmap for expanding the guarantee system.

CONTENT

Composition of the Financial Stability Council[1]

Co-chairpersons of the Council:

Sergii **Marchenko**	– Minister of Finance of Ukraine
Kyrylo **Shevchenko**	– Governor of the National Bank of Ukraine (NBU)

Members of the Council:

Yuriy **DRAGANCHUK**	– Deputy Minister of Finance of Ukraine for European Integration
Svitlana **Rekrut**	– Managing Director of the Individuals' Deposits Guarantee Fund (DGF)
Kateryna **Rozhkova**	– First Deputy Governor of the National Bank of Ukraine
Tymur **Khromaev** (*until 23 March 2021*) Ruslan **MAGOMEDOV**	– Head of the National Securities and Stock Market Commission (NSSMC)

[1] As of July 2021.

Key issues considered by the Financial Stability Council

The Council held two meetings between August 2020 and July 2021.

1. Overview of systemic risks

The National Bank of Ukraine presented an overview of current risks and their evolution at regular Council meetings (Table 1).

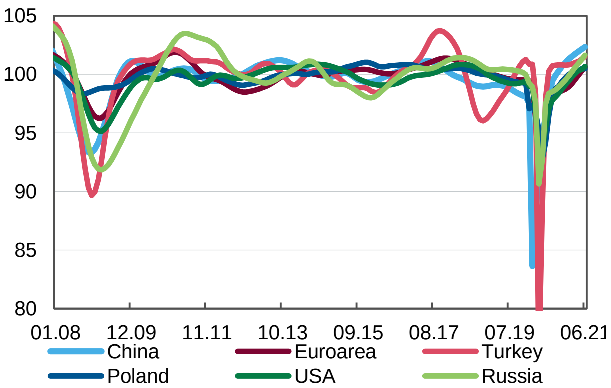
Table 1. Evolution of systemic risks

	2020		2021	
	Q3	Q4	Q1	Q2
Global economy	↘	→	→	↘
External demand	↘	→	↘	→
Economic conditions	→	↘	↗	↘
Public finance	↗	↘	→	→
FX market	↗	→	→	→
Geopolitics	→	↘	↘	↗

Note:
Evaluation of change of risks. Arrows up – higher risks; arrows down – lower risks.

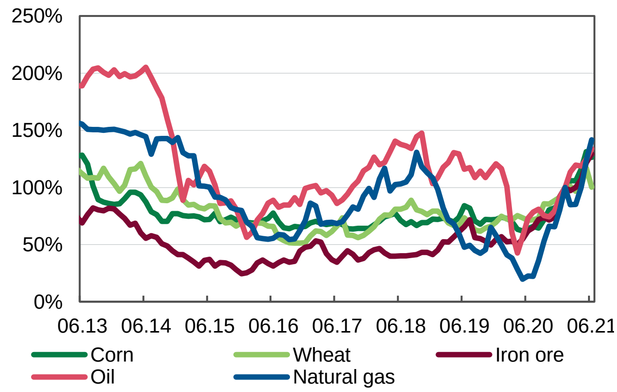
Global economy. Global economic recovery that had begun in H2 2020 continued in H1 2021 inter alia thanks to large-scale fiscal, monetary, and regulatory measures. Some of the measures are being unwound. The financial system has weathered through the crisis without material losses. World trade volumes are coming back to pre-crisis levels. International institutions expect GDPs of Ukraine's major trading partners to recover to pre-crisis levels already in 2021. Leading economic indicators point at the expected further economic recovery. However, the recovery is uneven because of varying strictness of quarantine restrictions and vaccination rollout. New waves and strains of COVID-19 and lockdowns remain a threat to global economy.

Figure 1. OECD's composite leading indicators (CLI)* for major trading partners of Ukraine



* CLIs are designed for early identification of turn of business cycle (six to nine months prior to the turn). Readings above 100 indicate expected growth, below 100 – economic contraction.
Source: OECD.

Figure 2. World commodity prices*, January 2021 = 100%



* Change in USD prices, not seasonally adjusted. Oil - crude Brent oil; Natural gas – price on EU hubs; Iron Ore - China import Iron Ore Fines; Wheat, Maize - FOB prices on US markets.
Source: Federal Reserve Bank of St. Louis.

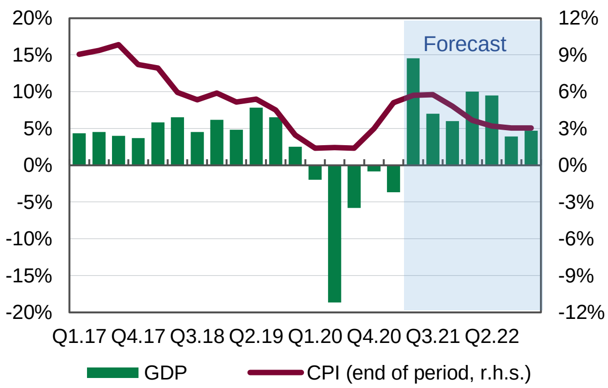
External demand. The gradual easing of quarantine restrictions promoted revival of economic activity therefore fueling demand for resources. Supply on many markets did not keep pace with the demand growth because of poorer harvests, export restrictions, natural disaster, and temporary issues (like on iron ore and natural gas markets). The outpacing rates of energy price growth is an adverse factor for Ukraine.

US treasuries yields, which are the key global risk-free asset, surged to pre-crisis level fueled by accelerating inflation and expected unwinding of the Fed stimuli programs. In April, growth in yields halted; later it partly reversed. However, risk of new increases remains. It may trigger a fall in investor appetite for risk assets and, thus, there is a risk of capital outflow from emerging economies.

Economic conditions. Favorable terms of trade and high domestic demand facilitate recovery of Ukrainian economy. In 2020, real GDP contracted by 4%, less than during previous crises episodes and at a comparable rate with other countries in the region. Although in H1 2021 the recovery was slower than expected, the NBU expects growth of 3.8% in 2021 as a whole. However, the GDP will stay under its potential level. In 2020, deficit of trade in goods narrowed substantially. Substantial external demand for foodstuff and IT services coupled with a surge in prices on global commodity prices underpinned Ukrainian exports. The last year, imports contracted materially due to a fall in energy prices, a drop in tourism, and pandemics-related decrease in domestic demand. In 2021, import is high, inter alia thanks to domestic demand. Remittances from Ukrainian labor migrants remain resilient. All this led to one of the highest of the current account surpluses (3.4% of GDP) in Ukrainian history. This, as well as capital inflow to public sector and IMF financing offset the capital outflow from private sector and took international reserves of Ukraine to an eight-year high.

During 2020, inflation mostly remained below the target range of 5% ± 1 pp thanks to a plummet in global energy prices and a decline in consumption. In late 2020, inflation accelerated, and have been in breach of the target range ceiling starting from January 2021 due to consumer demand recovery, growing prices for energy and some of foodstuffs. The NBU expects inflation to return into the target range in H2 2022 thanks to new harvest, global energy price correction, fading effect from low comparison base, as well as tighter monetary policy of the NBU.

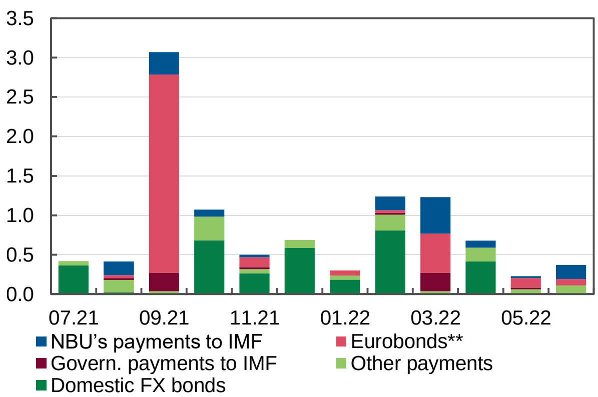
Figure 3. Change in GDP and consumer price index (CPI), % yoy



** NBU forecasts.*

Source: Inflation Report, the NBU, July 2021.

Figure 4. Public and publicly guaranteed FX debt repayments, USD billions equivalent*



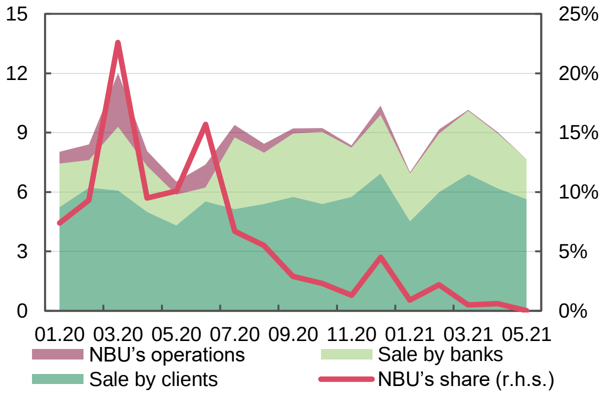
** Including interests, ** Including Eurobonds for 1 billion dollars guaranteed by the USA - repayment in September 2021.*

Source: Financial Stability Report, the NBU, June 2021.

Public finance. Budget deficit in 2020 was smaller than the one stipulated in the Law on State Budget. The liquidity buffers already built and regular placements of domestic debt securities ensured a certain resilience margin. A key short-term risk in 2021 is peak repayments on FX-denominated public debt in September. Over the next 12 months, the government and the NBU have to repay over USD 10 billion of public and state-guaranteed debt. In the hryvnia segment of the market, repayments of principal and interest of the public debt will exceed UAH 130 billion in H2 2021. Cooperation with the IMF ensures mitigation of the financial stability risks. Therefore, Ukraine should resume this cooperation.

In the first five months of 2021, situation with government's financial accounts liquidity has slightly improved. Amounts of public hryvnia balances were notably more sustainable. This is a sign of certain improvement in budget management.

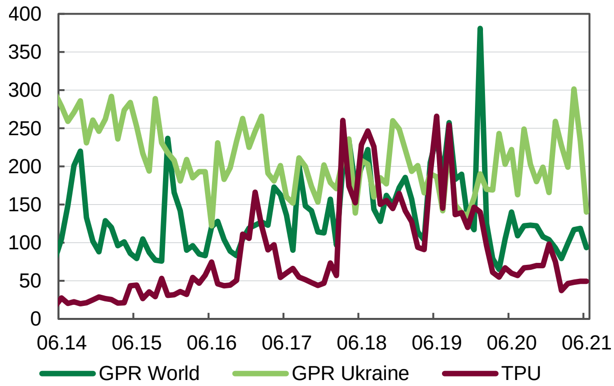
Figure 5. Sale of non-cash foreign currency on the Interbank foreign exchange market (USD billions equivalent)*.



** According to statistical reports provided by banks. Bank operations on the terms of "tod", "tom", "spot"; customer transactions on the terms of "tod", "tom", "spot" and "forward"; NBU operations - purchase and sale of FX currency; volumes of purchases / sales on the Interbank FX market do not include internal transactions of banks with customers.*

Source: Financial Stability Report, the NBU, June 2021.

Figure 6. Geopolitical Risk (GPR) Index and international Trade Policy Uncertainty (TPU) Index



https://matteoiacoviello.com/gpr.htm ;
https://www.matteoiacoviello.com/tpu.htm#data
Source: Dario Caldara and Matteo Iacoviello; Davis, Steven J.

FX market. Swift deployment of preventive measures by the NBU allowed stabilizing situation on the FX market during the acute phase of the crisis in spring and summer of 2020. Later on, favorable environment facilitated high supply of foreign currency (FX) by exporters. That compensated for higher demand for FX due to gradual import recovery and material budget expenditure in late 2020. Since the beginning of 2021, the NBU considerable limited its presence on FX market.

Geopolitics. Start of work of the new US president administration facilitated mitigation of a number of global risks. Trade policy uncertainty has subsided. However, conflict of strategic interests of the USA and China was not eliminated. In spring 2021, risks surged, because Russia pulled its troops to Ukrainian borders under the pretext of military exercises. After announcements about Russian troops withdrawal promoted by position of international partners of Ukraine, the situation deescalated; yet the threat remains apparent. Overall, there was no progress in settlement of conflict in the east of Ukraine: Russia intensively hands out its passports on occupied territories and forms new military units at its western borders. Another security as well as economic threat is the expected completion and launch of the Nord Stream-2 gas pipeline and functioning of other pipelines bypassing Ukraine.

Box. Risks and key recommendations of financial stability councils / committees around the world

The Council's Secretariat followed systemic risks identified by international and national financial stability committees / councils, as well as recommendations they made. Vaccination rollout and economic recovery have mitigated estimated COVID crisis risks. Therefore, unwinding of anticrisis measures emerged on agenda. However, this unwinding should not be too fast, as this in turn may pose a cliff effect risk for support for economy or certain sectors that would still need it.

Figure 7. Key decision and recommendations of financial stability committees / councils in response to COVID crisis

Studying consequences and responses to coronavirus crisis	• Evaluation and monitoring of vulnerabilities identified in the course of COVID crisis (FSB, FSOC, FPC) • Developing a policy to enhance financial system resilience (FSB) • Assessment of credit risks upon the COVID crisis and timely provisioning (ESRB, FSC NL)
Studying effect of climate risks for financial stability	• Exploration of climate risks in the course of a two-year stress test (FPC) • Studying impact of climate risks (FSB, FSOC, HCSF)
Preparing plans for / start of unwinding of anticrisis measures	• Gradual and flexible transition from extraordinary support measures to targeted support (FSB, ESRB) and reforms aimed at promotion of long-term financial stability (FSC NL) • Withdrawal of some borrower support measures (FSC PL) • Revision of recommendation on limiting profit distribution (ESRB)
Finalizing transition from LIBOR to alternative benchmark rates	• Aprroval of transition timeline (FSB, FSOC) • Making recommendations on employing alternative benchmarks (FSOC, FPC)
Tracking cyber-risks and their impact	• Monitoring of cyber-risks (FSB, FSOC, FSC PL) • Preparing a cyber-stress-test (FPC)

Note:
FSB – G20 Financial Stability Board; ESRB – European Systemic Risk Board; FSOC – Financial Stability Oversight Council (USA); FPC – Financial Policy Committee of the Bank of England; HCSF – High Council for Financial Stability (France); FSC PL – Financial Stability Committee (Poland), FSC NL – Financial Stability Committee (Netherlands).

Among other remarkable issues discussed in advanced economies was possible reforms and eliminating vulnerabilities identified at early stage of the COVID crisis in the segment of open market funds in order to enhance their resilience (FSOC, HCSF) as well as of the debt market (FPC, FSOC). Other notable point of discussion was recommendation of Polish Financial Stability Committee on cooperative banks and credit unions, including proportionate reporting requirements and applying liquidity requirements, expanding funding options, and consolidation.

2. Restoring DGF solvency. Enhancing responsibility of ex-owners of failed banks

In September 2020, the Council resumed discussion on DGF debt restructuring. As of now, the DGF capital is negative. The Fund accumulates funds enough only to repayments on its liabilities, but not to prepare for future crises.

The Council considered two possible scenarios for resolving the DGF debt. International experts helped to prepare both scenarios. After considering potential benefits and weaknesses, the Council chose scenario that provides for repaying of interest on bills of exchange with funds recovered by the Fund as compensation of expenses it incurred from sale of assets and recovery from related persons of failed banks; the outstanding value of the bills will be covered with future regular contributions of the banks. The Council approved an action plan based on this scenario.

Figure 8. Action plan for restructuring the DGF debt

Preparatory stage (*currently implemented*)

Approval of mechanism for restructring the DGF debt by the Financial Stability Council (*September 2020*)

Drafting amendments to laws on State Budget, on deposit guarantee system, on banks and banking, to Budget Code in order to:

- resolve the DGF debt in line with the approved scenario
- outline specific terms of Oschadbank accession to the deposit guarantee system
- increase of covered deposit amount

Restructuring

The DGF and the Ministry of Finance (Minfin) are to sign an agreement on conversion of bills of exchange into contigent liabilities

The Minfin is to return bills of exchange to the DGF

The DGF capital turns positive

Repayment of contigent liabilities

Funds recovered from related parties responsible for their banks' failure, are to be transfered to the Minfin as debt repayment

Funds recovered by the DGF from failed banks, are to be transfered to the Minfin as debt repayment

Funds accumulated by the DGF in excess of required target indicator are to be transfered to the Minfin as debt repayment

The Council also discussed and approved simultaneous increase of the covered deposit amount.

Figure 9. Consequences of restoring the DGF solvency

- The DGF capital turns positive, the Fund accumulates funds to manage future crises
- Ensuring responsibility of banks' owners and related parties for losses of the banks' creditors
- A well-capitalized deposit guarantee system is a positive signal for investors
- Fulfiling an item of the Financial Sector Development Strategy - the deposit guarantee system covers all deposits, including those at non-bank financial institutions
- Giving a basis for ongoing increase of covered retail deposit amount in line with the EU acquis

In February 2021, the Council reviewed the progress in implementation of the abovementioned restructuring plan. It also considered the issues arising in the course of the plan execution, ways to address them, and updating the plan. The outstanding issues were also later discussed at the working level with participation from experts from international financial institutions.

At the February meeting, the Council also reviewed the DGF's work on asset recovery from insolvent banks. As of early 2021, the Fund pressed criminal charges against related parties of failed banks for the total amount pf UAH 287.3 billion. Thirteen civil suits where the Fund claims recovery of around UAH 7 billion worth of losses already went to court. The Fund claims recovery of losses of around UAH 2 billion against two persons that were found guilty. The Fund also initiated commercial proceedings totaling to almost UAH 97 billion. International experience shows that recovery mostly happens thanks to out-of-court actions. The DGF suggested introducing mechanisms for voluntary settlement and incentives for debtors who recognize their debt and which to repay it. The Council backed the legal concept of introduction of mechanism for dispute settlement between ex-owners and the DGF, which the DGF had presented.

On 30 June 2020, the parliament adopted in the first reading a draft law No. 5542-1, which provides for:

- Reaching the required capitalization level of the retail deposit guarantee system
- Gradual accession of Oschadbank to the deposit guarantee system as a member
- A mechanism for settlement of liabilities under the bills of exchange issued by the DGF in 2015 and 2016 for domestic government debt securities
- Management of the target Fund level: defining real capitalization needs in order to minimize a potential need to turn to government for finance
- Increasing covered deposit amount to UAH 400,000 from the date the law takes effect and to UAH 600,000 from 1 January 2023.

On 30 June, the parliament also adopted a law on improvement of bank resolution mechanisms (No. 4546), which enhanced the DGF powers in this process. Among other things, the law introduced terms like "an agreement on voluntary settlement for damage (losses)" and "amicable agreement". These agreements are concluded between the DGF and bank's related parties and aim at compensation of losses to creditors and/or the bank.

Council's position. To approve restructuring of all DGF debt liabilities by converting them into contingent liabilities.

To define the sources for repayments on the Fund's contingent liabilities:

- in part of the DGF debt that corresponds to interest on bills of exchange – with funds recovered from related parties of failed banks and proceeds from liquidating banks that were declared insolvent in 2014-2017, as release III of the DGF
- in part of the DGF debt that corresponds to principal of bills of exchange – with funds eligible for repayments on contingent liabilities, given that the following conditions are met: the DGF has excessive funds; transfer of the excessive funds does not make DGF capital turn negative; transfer of the excessive funds will not cause deterioration of the Fund's financial standing in the future.

To approve specific terms of Oschadbank accession to the deposit guarantee system.

To back inclusion of the DGF's commitment to increase the covered deposit amount to UAH 600,000 after the restructuring – as a separate item of the legislation.

To approve the Action plan for restructuring the DGF debt.

To take note of the results of the Fund's work on losses recovery from related parties of failed banks; to endorse further DGF actions, also in foreign jurisdictions.

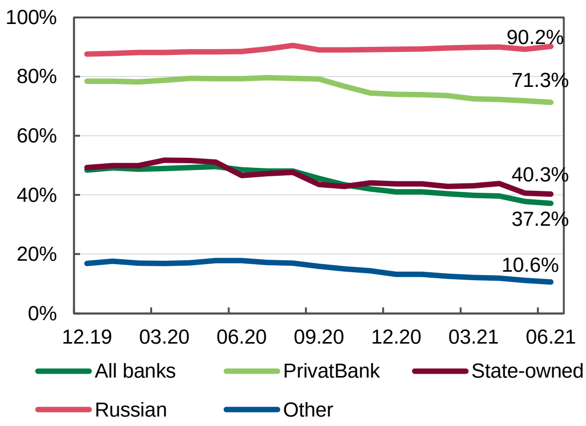
To endorse the concept of Law of Ukraine *On debt resolution / debt restructuring of a failed bank* safe for reservations concerning establishment of the size of liability of failed bank's ex-owners.

3. NPL reduction plans of state-owned banks

Over the reporting period, nonperforming loans (NPL) reduction by state-owned banks remained in the Council's focus, as well as in focal point of the Committee for NPL resolution at state-owned banks that the Council established.

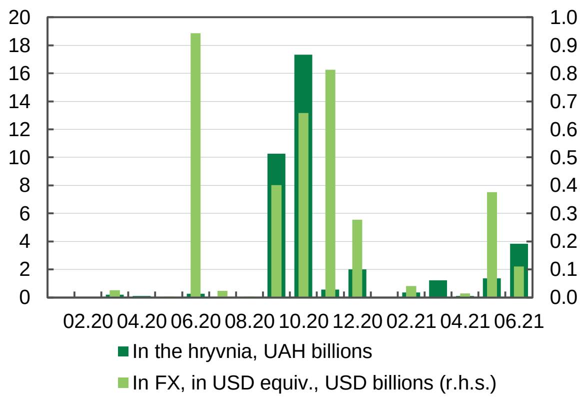
At the meeting in February 2021, the Council noted a progress that state-owned achieved in implementation of NPL reduction plans, which the Council approved in June 2020. The NBU and government regulations on NPL work-out facilitated the progress. This includes requirements on write-off of impaired financial exposures that the NBU approved in April 2020.

Figure 10. NPLs in loan portfolios by groups of banks



Source: NBU.

Figure 11. Monthly write-offs of NPLs by state-owned banks



Source: NBU.

Since June 2020, NPL ratio at the banks on general fell by 11.3 pp to 37.2% in June 2021. During this time span, PrivatBank showed a notable NPL reduction of 8.0 pp, other state-owned banks – a decrease of 6.3 pp.

Writing-off previously provisioned NPLs became the key instrument for clearing the banks' portfolios. In 12 months before 1 July 2021, the banks wrote off UAH 37.1 billion of hryvnia loans and USD 2.7 billion in FX loans (in US dollar equivalent). Since the beginning of 2020, the readings were UAH 37.6 billion and USD 3.7 billion respectively.

The banks continue to resolve NPLs through restructurings. In 2020, the banks restructured UAH 20 billion worth of debt under the Law of Ukraine *On Financial Restructuring*. As of early 2021, the banks held 41 restructuring worth UAH 65.2 billion. Thant is an equivalent of 16% of sector's NPLs. State-owned banks took an active part in the restructurings. As of early 2021, they accounted for 30 out of the abovementioned restructurings or 88% of the total worth.

Since the beginning of 2021, three more restructurings of UAH 5.8 billion worth were completed and four new ones totaling to UAH 7.0 billion were initiated, mostly with participation from state-owned banks.

Council's position. Considering the fact that the NPL volume is still high, to recommend state-owned banks to continue work on improving the quality of loan portfolios in 2021, and to employ more actively all available instruments for NPL resolution in order to bring the NPL ratio below 20% by 2025.

4. Building a deposit guarantee system for deposits of credit unions' members and payouts for life insurance policy holders

There is a legal basis available today for building a guarantee system for deposits of credit union members and a guarantee system for payounts on life insurance policies (guarantee system expansion hereinafter):

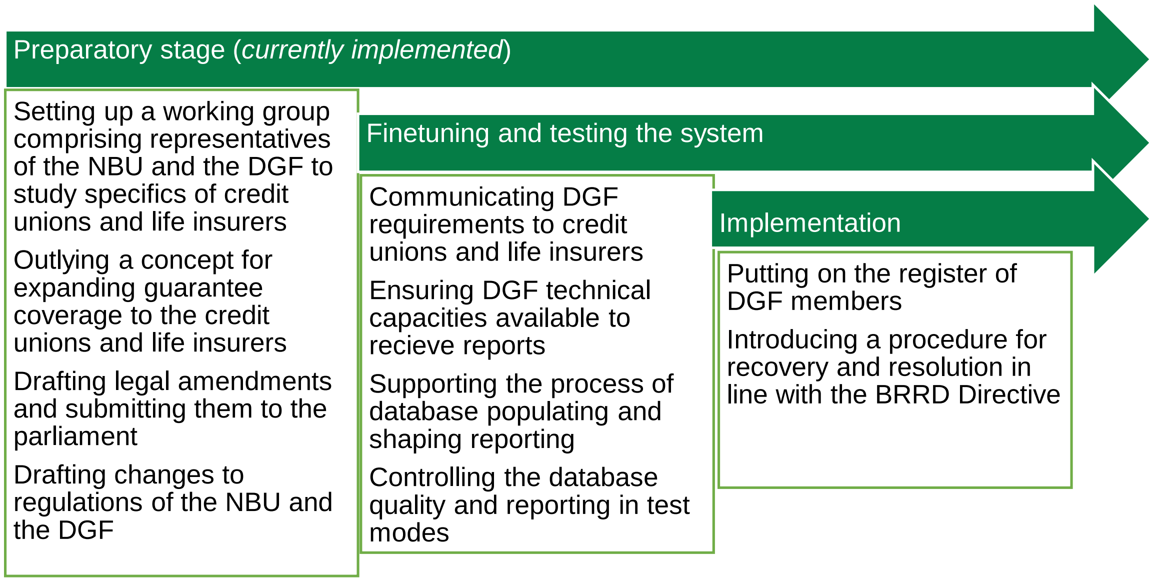
- Directive 2014/49/EU stipulating that every credit institution should be a member of a deposit guarantee scheme
- Strategy of Ukrainian Financial Sector Development until 2025 (item 1.1.5 on building on deposit guarantee system for credit union members and guarantee system for life insurance payouts)
- Resolution of the Cabinet of Ministers of Ukraine of 25 October 2017 No. 1106 and Decision of the NBU Board of 21 December 2020 No. 749-rsh providing for introduction of a compulsory membership of credit unions in the deposit guarantee system.

The Council considered several options for institutional setups for expanding the guarantee system. The Council found that building the deposit guarantee system for credit union members and a guarantee system for payouts under life insurance policies on the DGF platform is an optimal solution in terms of benefits and weaknesses balance. The Council agreed on the following conditions for expanding the guarantee system:

- ensuring efficient supervision over credit unions and life insurers (which the NBU has been introducing since 1 July 2021); that should prevent guaranteeing deposits at financially fragile financial institutions
- ensuring that the DGF has the necessary mandate for deposit guaranteeing and resolution of the financial institutions
- building an early intervention system (the NBU and the DGF are working on deployment thereof)
- accumulating by the system of funds necessary to provide guarantees – separately for the banks, the credit unions, and the life insurers
- ensuring irrevocability of contributions to the guarantee funds in order to mitigate risks of undermining their solvency.

The Council approved a roadmap for expanding the guarantee system.

Figure 12. Roadmap for building the guarantee system



The Council established a working group charged with the roadmap implementation and comprising NBU and DGF experts. Currently, the working group drafts legal amendments for building a deposit guarantee system for credit union members. It also discusses options for building a guarantee system for payouts on life insurance policies.

Council's position. To endorse the conceptual approach to establishing the deposit guarantee system for credit union members and a guarantee system for payouts under life insurance policies on the DGF platform.

To set up a working group comprising NBU and DGF experts. The group is charged with drafting legal amendments necessary to build the deposit guarantee system for credit union members and a guarantee system for payouts under life insurance policies. To hold consultations with market participants.

5. Cooperation with the IMF

The Council always paid close attention to cooperation with international financial institutions. Ukraine has reached a significant progress by now in implementation of its commitments to the IMF in the area of financial policy. That includes approval of NPL reduction plans of state-owned banks, progress in restoring solvency and enhancing institutional capacity of the DGF.

An important step that promoted implementation was adoption by the parliament of Ukraine on 30 June 2021 of the Law of Ukraine *On Certain Amendments to Ukrainian Legislation on Improvement of Corporate Governance Arrangements at the Banks and Other Issues of Banking System Functioning*. The Law made amendments to the Law of Ukraine *On Banks and Banking* on aspects like: capital requirements for banks; bank supervision; mandate of a bank's Board; system of internal risk management and risk control; requirements on acquiring a qualifying holding at a bank; bank related parties; establishing and licensing of banks; and procedures for opening branches and representative offices of foreign banks in Ukraine. The approval of the Law brings Ukrainian banking legislation closer to the EU acquis and introduces best international practices into the banking sector regulation. The Law enhances responsibility of bank management bodies for decisions they make, thus promoting stable functioning of the banking system and protection of interests of depositors and other bank creditors.

While considering risks and impediments for intensification of cooperation with international donors, the Council discussed contesting of provisions of laws *On Banks and Banking* and *On Retail Deposit Guarantee System* at the Constitutional Court of Ukraine. Amendments to the laws were adopted in line with agreements with international financial organizations. Recognition of these laws or certain provisions thereof unconstitutional would cause substantial legal uncertainty for financial sector and call for new legal resolution of a number of critical financial stability issues.

Resumption of intensive cooperation with the IMF mitigates risks to macroeconomic stability. Rising yields on long-term US treasuries in early 2021 made borrowing costlier for all issuers, including the Ukrainian government. New increases in inflation in USA or other advanced economies may provoke a new rise in long-term interest rates and complicate raising funds on external markets for Ukraine. While the impact of COVID-induced crisis for international financial markets is still unclear, it is vital for Ukraine to have access to official international financing. An IMF program for a country with a low rating is an insurance policy and a pledge that it will smoothly navigate through a period of peak repayments with minimum risks for macroeconomic and financial stability.

Council's position. The Council recommended holding systemic communications on impediments to intensification of cooperation with the IMF. Council members agreed on need to enhance work on mitigation of risks that hold back the resumption of intensive cooperation with international financial institutions.

6. Work of the Financial Development Committee

In the reporting period, the Financial Development Committee (working group), which was established under the Council in December 2019, worked further on implementation of Strategy of Ukrainian Financial Sector Development until 2025 (Strategy hereinafter). The Committee held its second meeting on 18 February 2021. In March 2021, financial regulators reported on Strategy implementation in 2020. The key achievements of Strategy implementation were:

- safeguarding financial stability in Ukraine in spite of COVID-19 pandemics
- profitability and efficiency of the banking sector over 2020
- successful transition of function of supervision over non-banking financial sector from the National Commission for Financial Services Regulation to the NBU and the NCSSM
- streamlined procedures for remote identification and verification of bank clients with an e-passport in "Diia" mobile application and giving an option to use it for cash transactions at banks
- developing NBU's BankID system and launching of commercial mode of its work (27 bank banks-identifiers were connected by the end of 2020)
- intensified lending to small and medium business
- reduced NPL ratio in banking system including state-owned banks
- an action plan developed for Oschadbank accession to the DGF as a member, prepared respective amendments to Ukrainian legislation
- positive growth trends in penetration rates of financial leasing and life insurance services
- sustainable growth in volume and value of cashless transactions with payment cards
- the NBU and the NCCSM joined the Sustainable Banking Network (SBN) to improve environmental, social, and corporate management
- improvement in eligible assets share in composition of insurers' total assets
- enhanced protection of rights of financial services consumers and a boost in financial literacy rate thanks to NBU's legal mandate for the new function since 2020
- adoption of Law of Ukraine *On Certain Amendments to Ukrainian Legislation On Facilitating Attraction of Investment and Introduction of New Financial Instruments* that provides for resolving the issue of infrastructure of organized markets including functioning of commodity and financial derivative markets
- adoption of Corporate Governance Code: key requirements and recommendations
- launching a Center for collection of financial reports "Financial Reporting System" for submission of financial reports in unified e-format iXBRL;
- development of new mechanism of shareholder rights protection through holding shareholder meetings.

In June 2021, the Committee continued to work within consultative platform. It discussed the following:

- Strategy implementation in view of the new Strategy of the National Bank of Ukraine until 2025
- Implementation of the National Economic Strategy for Ukraine until 2030 with a special focus on the financial sector.

Council's position. The Council approved the work of the Financial Development Committee as a working group on strategic development, planning and coordination on preparing and implementation of decisions concerning development of financial services market in Ukraine.