

NBU's Technical Cooperation in 2021: our main results and goals

Technical Cooperation Team

Office for European Integration And International
Programs

December 2021



Agenda

1. Our Strategic Development of Technical Assistance:

1.1 Strategic Development

1.2 Main Changes in Approaches to Technical Cooperation

2. Technical Cooperation of the NBU: Results and Priorities

2.1 Technical Cooperation of the NBU: Main Figures & Dynamics

2.2 Technical Assistance Products 2021 & Priorities 2022

3. Useful information and Contact List





1.1

Strategic Development

Strategic Documents of Ukrainian Financial System



6 Functional Strategies: scope of work on Technical Cooperation

- ✓ Coordination and Support of NBU Technical Assistance Requests in 6 Functional Strategies
- ✓ Own Goals for Improving of Technical Coordination in Developing Financial Ecosystem Strategy

ENSURING PRICE STABILITY

REGULATING FINANCIAL SERVICES MARKET

DEVELOPING CASH CIRCULATION AND PAYMENT SYSTEMS

DEVELOPING FINANCIAL ECOSYSTEM

ENSURING ORGANIZATIONAL DEVELOPMENT IN THE NBU



Functional Strategy on Development of Financial Ecosystem

Goals:

- ✓ Developing the capital markets' infrastructure.
- ✓ Improving the level of financial inclusion.
- ✓ Improving the operational efficiency of the NBU.
- ✓ **Partnership and communication with the NBU stakeholders.**

Products:

- ✓ Joint strategies and development programs.
- ✓ **Relations and communication with stakeholders.**
- ✓ Exchange of information and awareness.
- ✓ Ecosystem and infrastructure services.

Value for

External Clients:

1. Price stability;
2. Financial stability;
3. Cash and payments;
- 4. Development of the ecosystem.**

Internal Clients:

1. Organizational development;
2. Development of the infrastructure and corporate maintenance.



**Functional Strategy
on Development of Financial Ecosystem**

Our Goal and Product: In-Depth View

Goal 10. Partnership and Communication with the NBU Stakeholders

Functional Goals	Detailed Assignment	Criteria
10.3 Development of information hub for expert market	10.3.3.4. Creation of the donor training center at the NBU platform	Established by 31 December 2024
	10.3.3.8. Establishing and maintaining the hub with useful information from foreign sources	Established by 31 December 2024
10.4. Expanding relations with international partners	10.4.1.4. Raising international partners'/stakeholders' awareness of NBU policies in different areas, providing information on request	<ul style="list-style-type: none"> ✓ Information provided in full and timely ✓ More events where NBU representatives took part as speakers
	10.4.1.6. Expanding technical cooperation with international partners	<ul style="list-style-type: none"> ✓ ITEC and TA from NBU events increased ✓ NBU requests for TA processed



Product 9. Relations and Communication with the Stakeholders

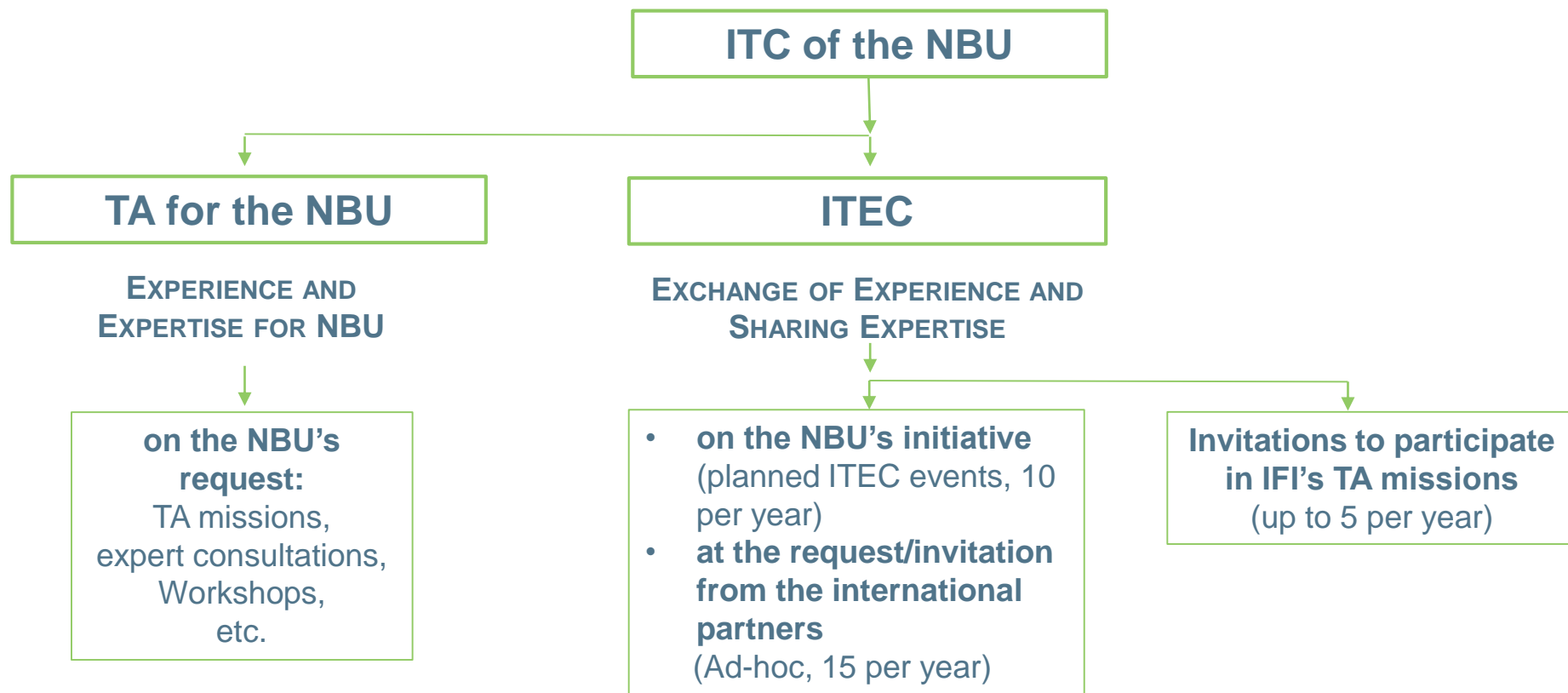
Product	Value	Criteria
9.3. International partnership	Professional development and access to quality information Transparent, open-to-feedback communication of the NBU Opportunity for exchanging views Joint platform for transformation	<ul style="list-style-type: none"> ✓ More high-level events with the NBU participation ✓ ITEC event held according to planned list/schedule ✓ Expanded list of NBU international partners ✓ Increased interest in requesting information from the NBU



1.2

Main Changes in Approaches to Technical Cooperation

International Technical Cooperation of the NBU: AS IS

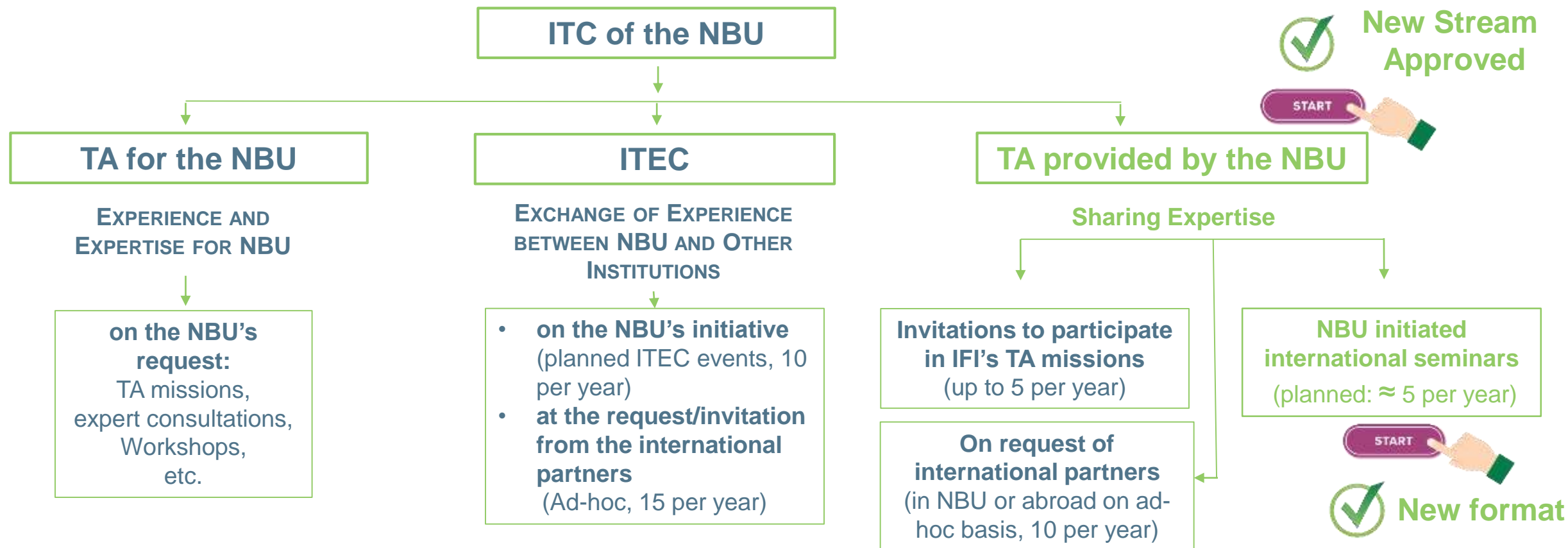


We witness increase in the number of requests for TA from NBU:

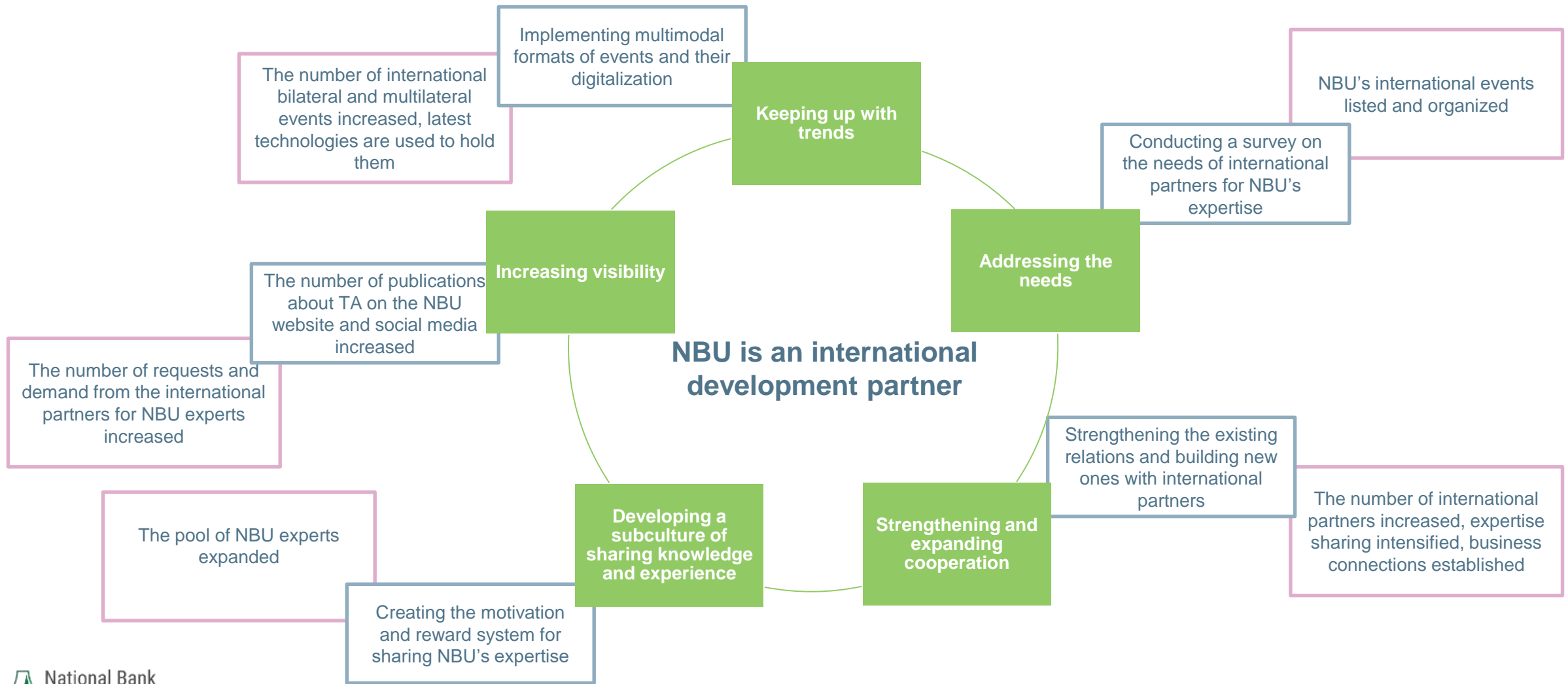
- ✓ 2019: 4
- ✓ 2020: 13
- ✓ 2021: 16



International Technical Cooperation of the NBU: TO BE in 2022



NBU is an international development partner: **DEVELOPMENT AREAS, ACTIONS** and **RESULTS**





2.1

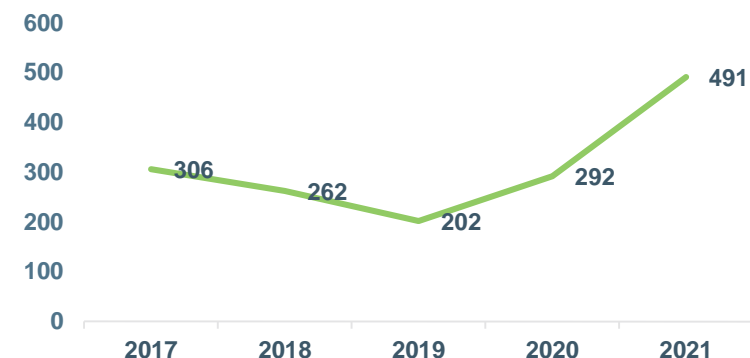
Technical Cooperation of the NBU: Main Figures & Dynamics

NBU Technical Cooperation Activities over the Years

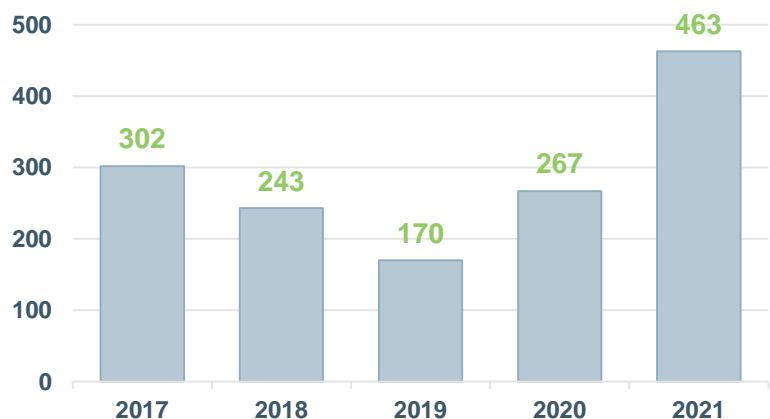
Since 2019 Quantity of:

- ✓ TC Events grew 2.4 times
- ✓ TA for NBU Events grew 2.7 times
- ✓ TA from NBU Events grew 4 times

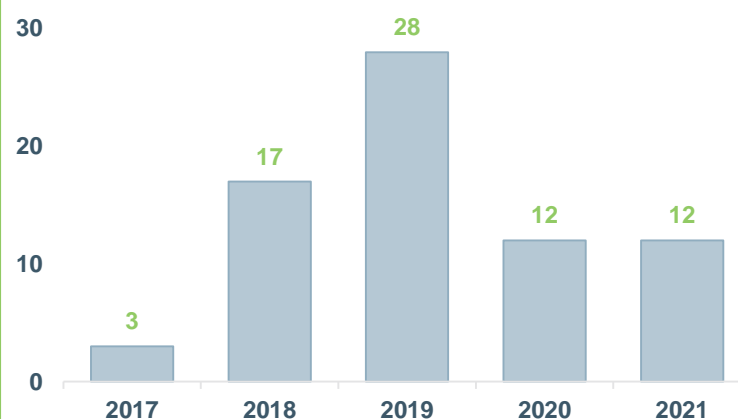
Technical Cooperation



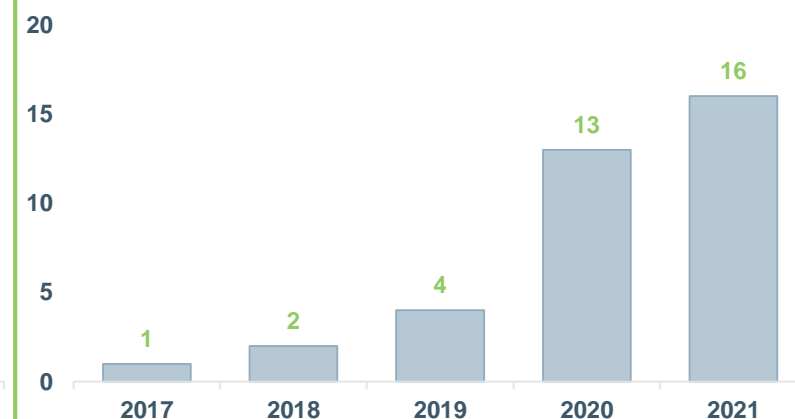
Technical Assistance for NBU



Experience Exchange

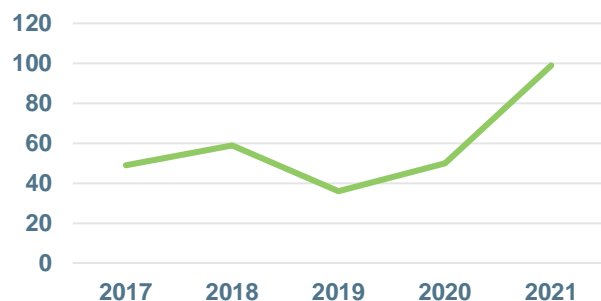


Technical Assistance from NBU

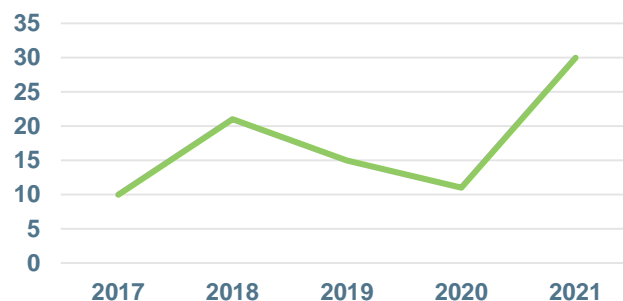


TA Events by Streams

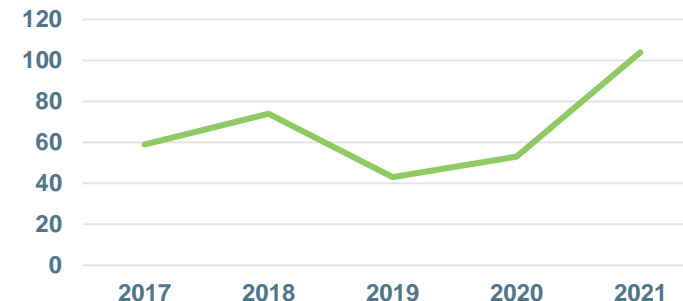
Monetary Policy



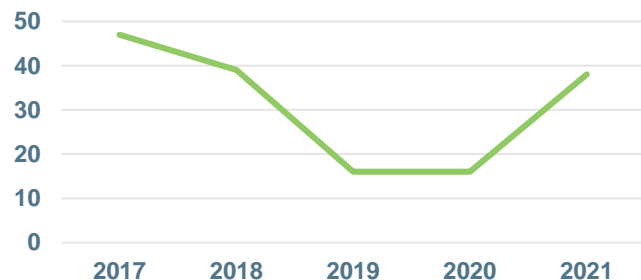
Market Transactions



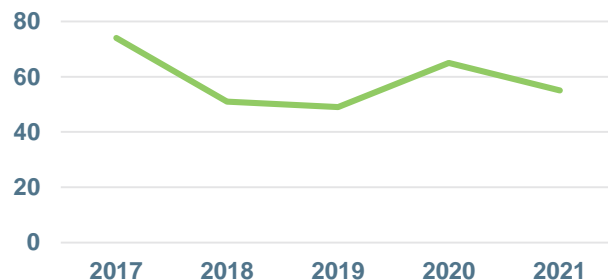
General Business Area



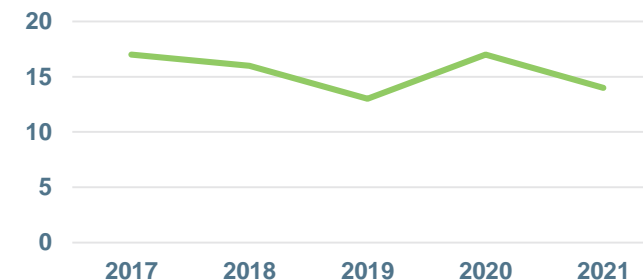
Payment System & Cash Circulation



Banking Supervision & Financial Stability



Financial & Administrative Operations

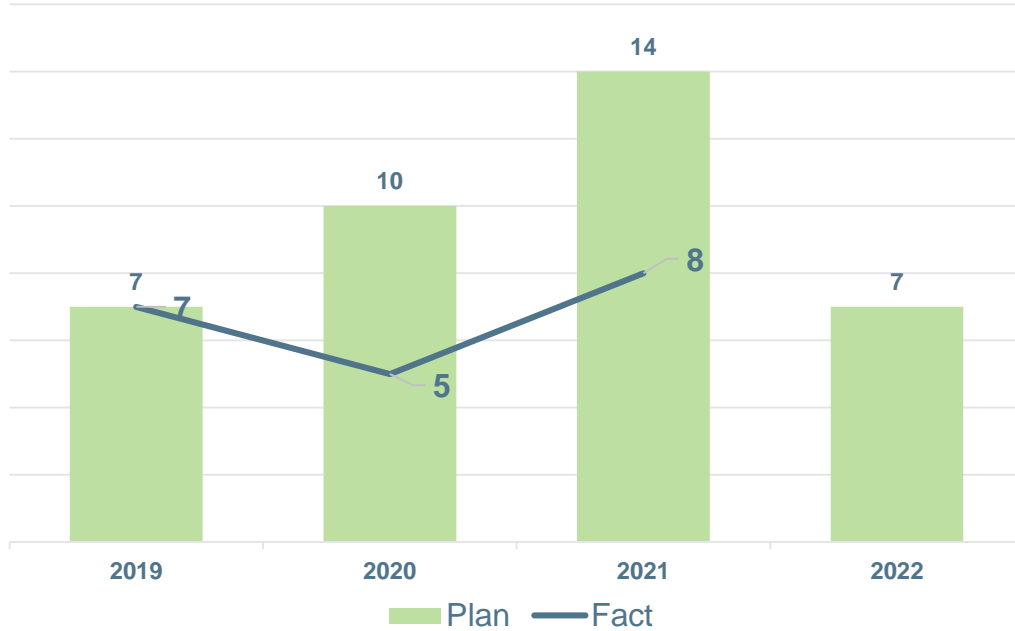


Practical Aspects of Experience Exchange System Development

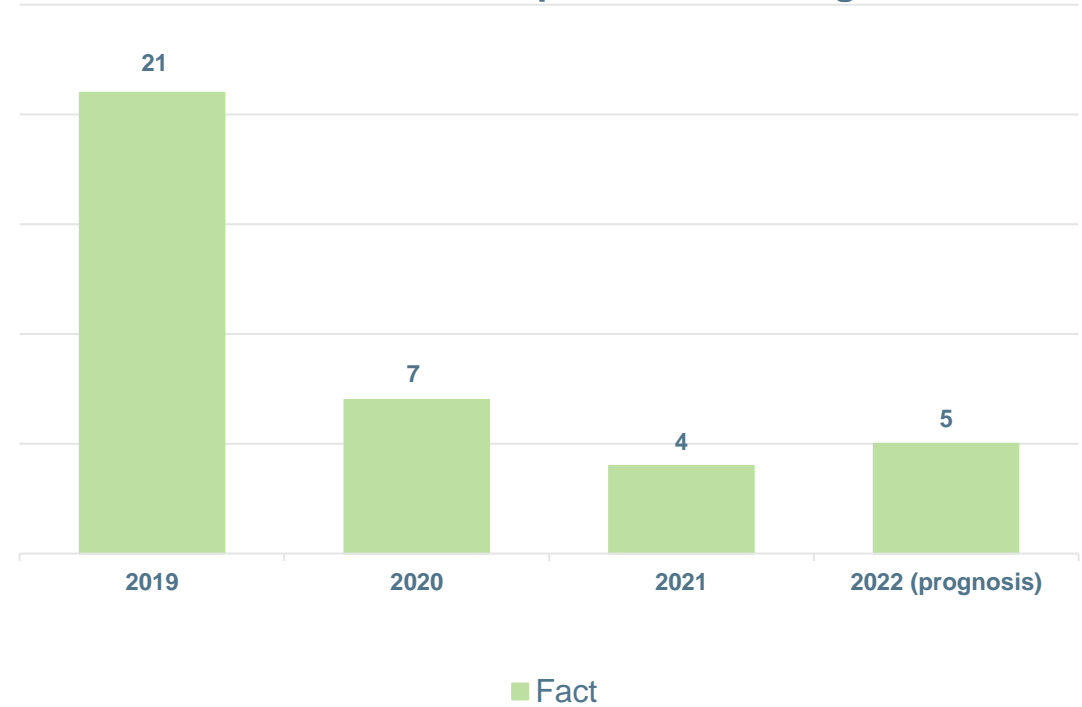
Since 2022 we hope to increase events with regards to:

- ✓ easing COVID-19 restrictions
- ✓ new motivation system

Pre-Planned Experience Exchange Activities



Ad-hoc Experience Exchange Activities



Practical Aspects of TA Activity

Since 2019 Quantity of:

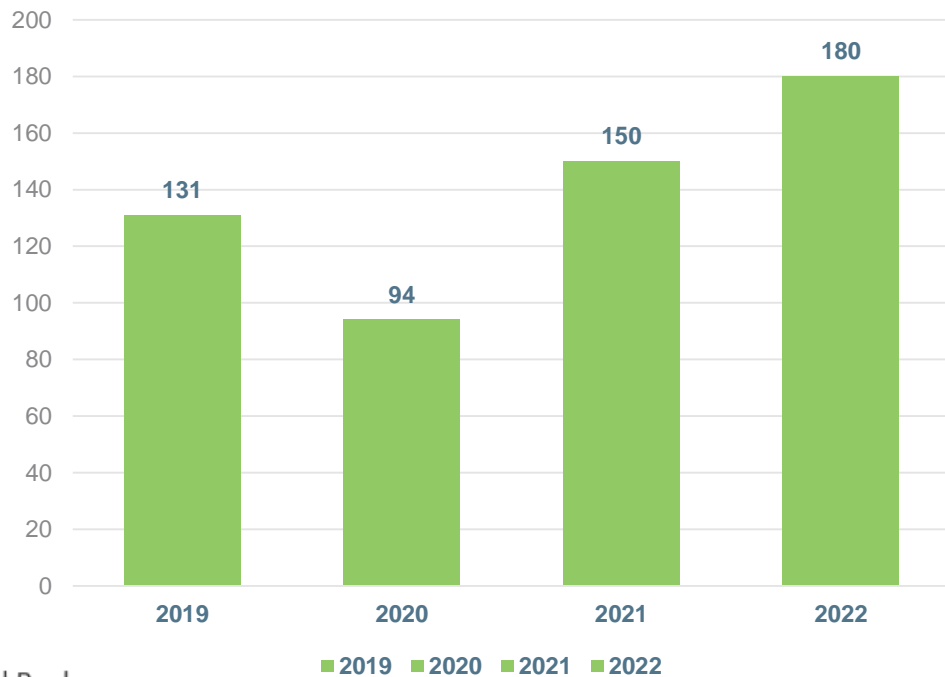


TC Events grew 2.4 times

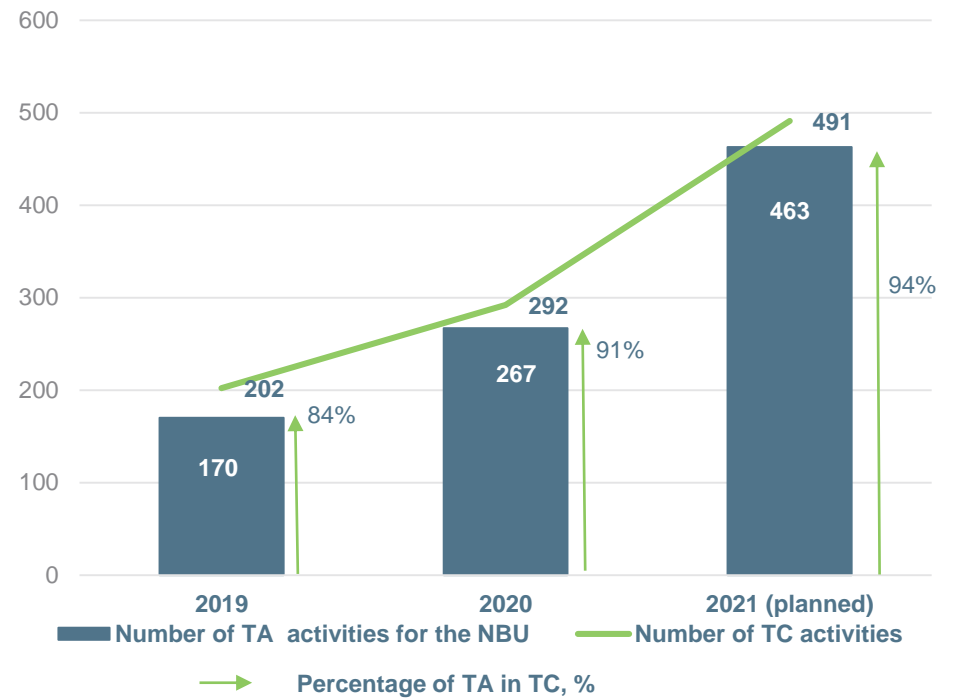


TA for NBU Events grew 2.7 times

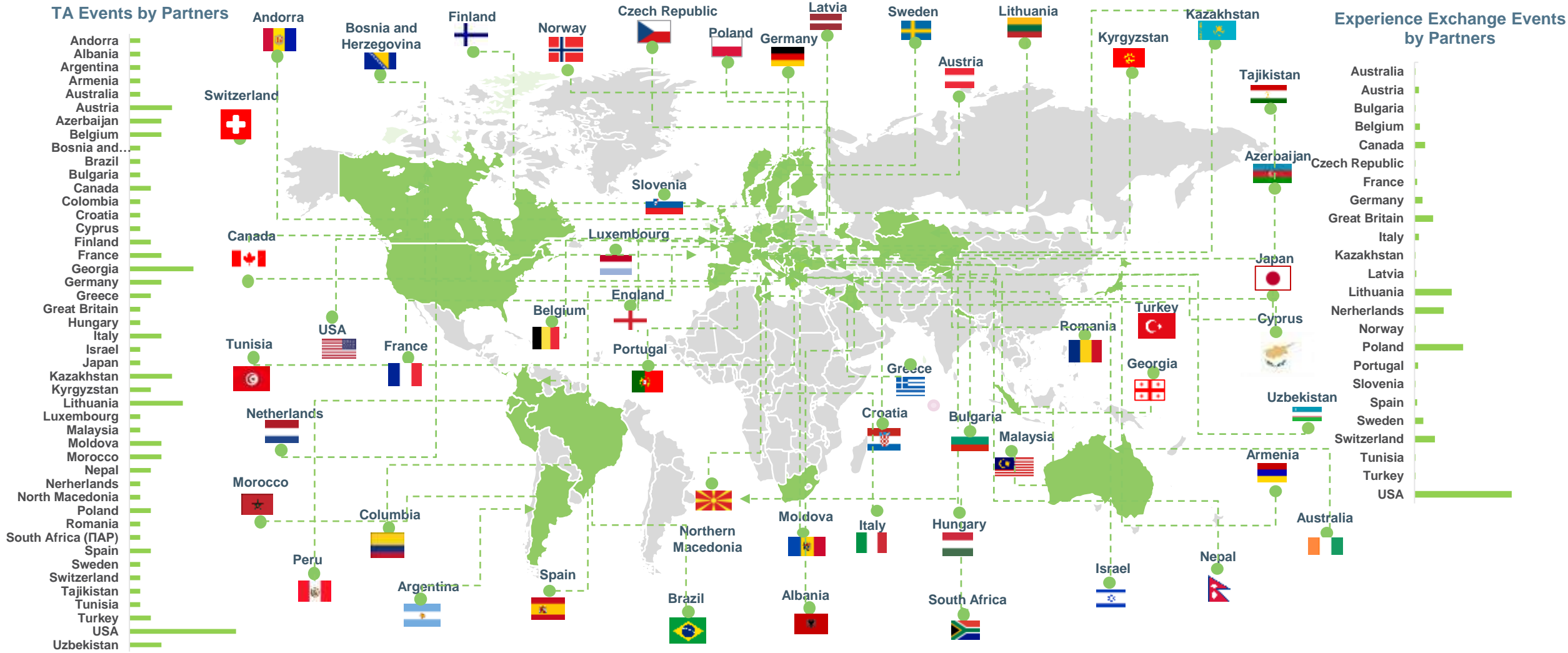
Requests



Activities

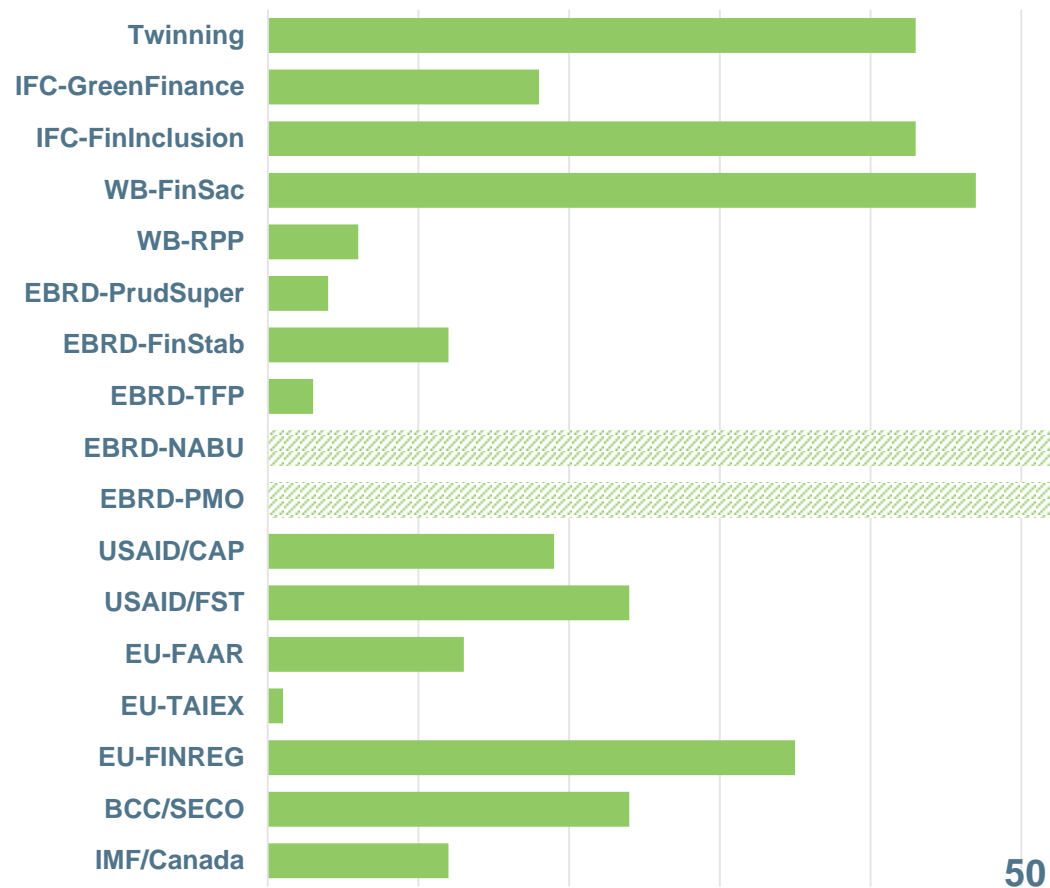


NBU Exchanged Experience with Partners from all over the World

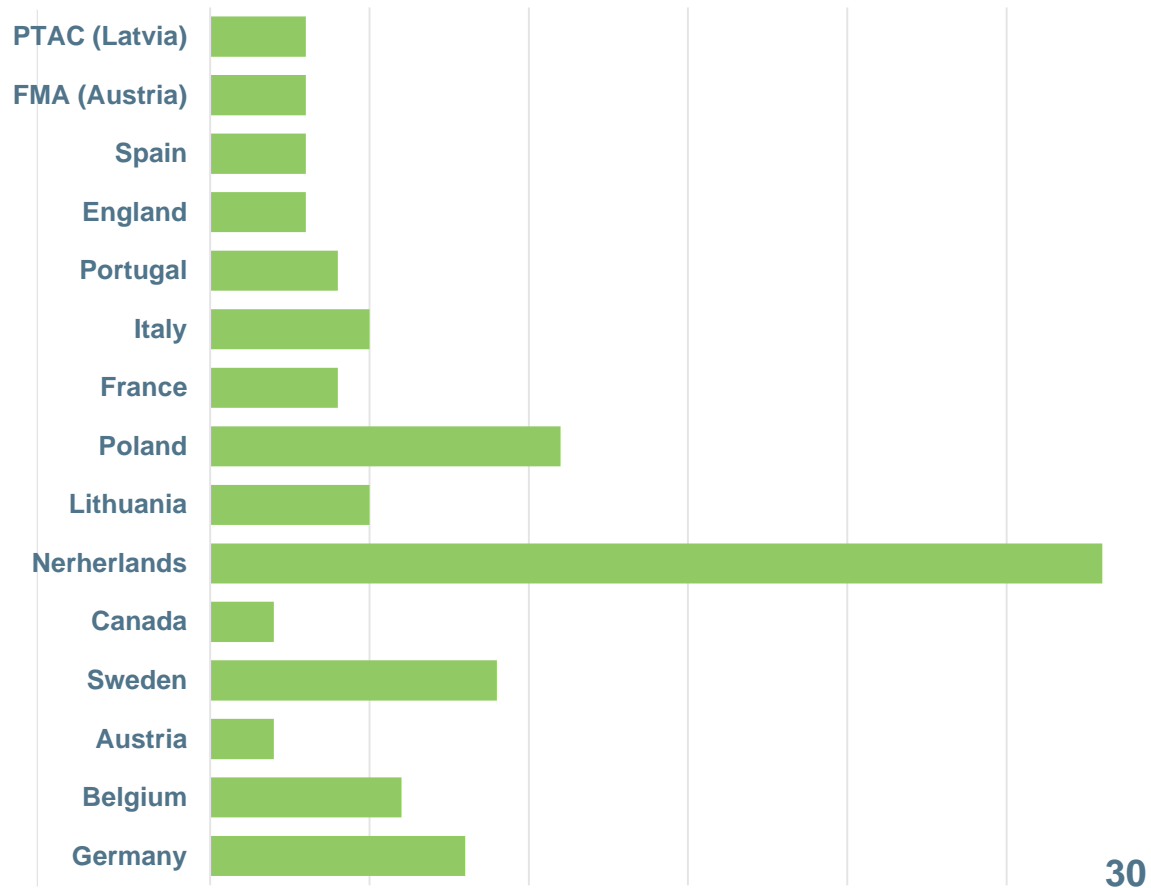


Main TA Events with Projects & CBs and Regulators in 2021

Quantity of TA Events by Projects



Quantity of TA Events by Central Banks



NBU Technical Cooperation: Main Figures

Quantity of TC Events in 2021 vs 2020 has increased by

59%

TC Events in 2021:

491

Experience Exchange Events

12

TA Events from NBU

16

TA Events for NBU

463

Quantity of International Partners in 2021 vs 2020 has increase by

16%

TC Events by CB & Regulators in 2021

99

TC Events by Projects in 2021

392

Quantity of TA Requests in 2022 vs 2021 has increase by

12%

TA Requests to CB & Regulators in 2022

96

TA Requests to Projects in 2022

89



2.2

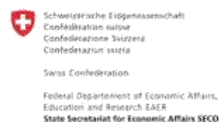
Main 2021 Products Produced Using TA & 2022 Priorities

Monetary Policy and Market Operations

Products 2021
TA Priorities 2022



Monetary Policy and Market Operations: PRODUCTS



Benchmarks in line with IOSCO principles (Order No. 774, Board Decisions No. 30, 294, 398)

ISDA Master Agreement (local version)

Improvement of functioning of the securities market and use of foreign currencies in settlements / payments

1. Investment Declaration of International Reserves
2. Introduction of NBU's investment benchmark for portfolio management of non-residence in US dollars

DSGE model to analyze sources of long-run growth and real convergence

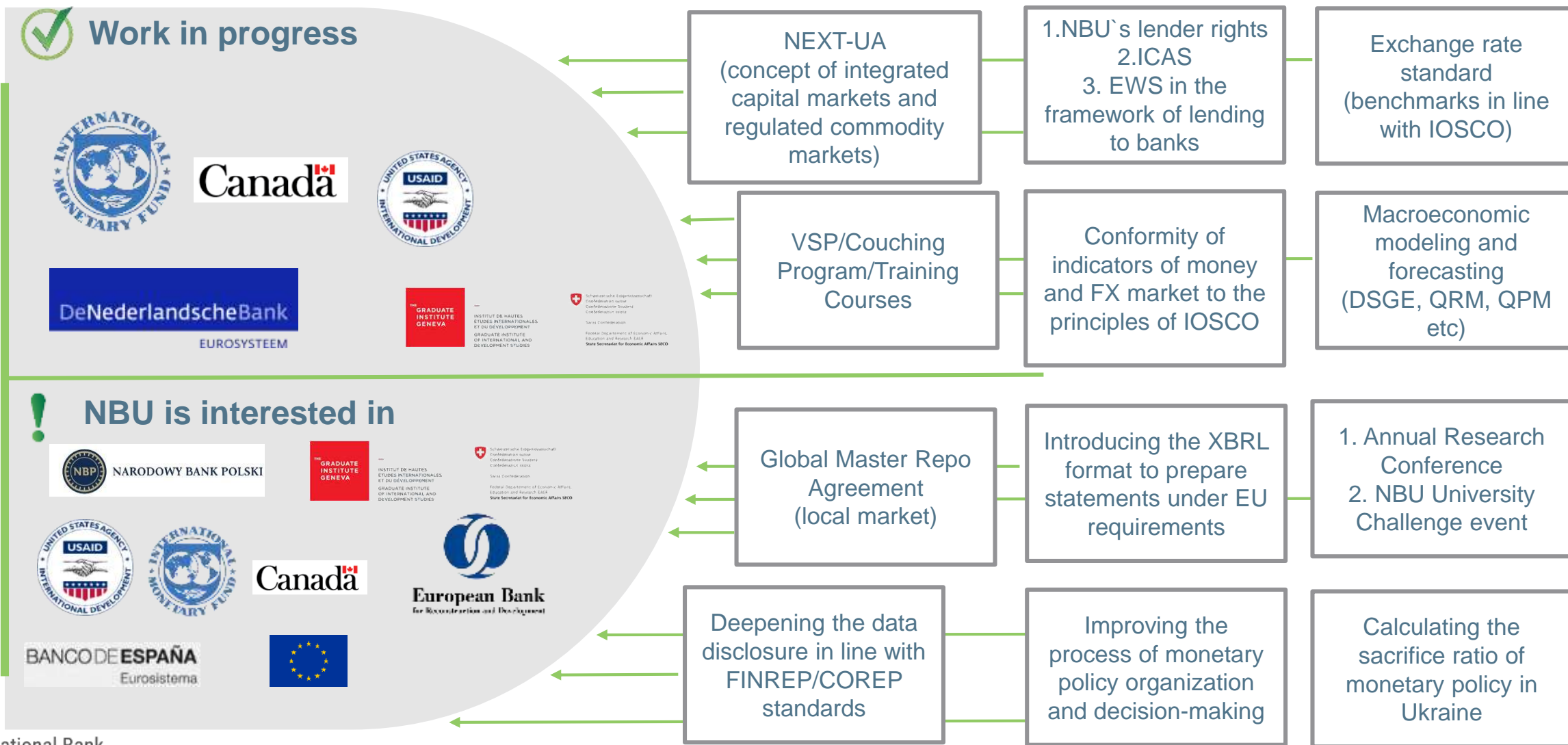
1. MatLab codes
2. Calculating the equilibrium exchange rate

Vector autoregressive macroeconomic model to forecast global wheat and corn prices

Methodology for Calculating of LCR and NSFR Indicators (Order No.378)

Reporting algorithm in analytical system "Report"

Monetary Policy and Market Operations: TA REQUESTS



General Business Area

Products 2021 TA Priorities 2022



General Business Area: PRODUCTS



1. Virtual tour to the NBU Money Museum
2. Financial Literacy Survey
3. 2 Video spots

1. Global Money Week
2. Financial Literacy web-site development
3. Information campaign #KnowYourRights

Transformation of the NBU Money Museum: thematic and exposition plan

Procedure for managing credit risk in transactions with Ukraine`s international reserves (Board Decision No.11)



Concept of amendments to the assessment of efficiency and effectiveness of processes at the NBU

Improvement of information security and cyber security systems in the NBU

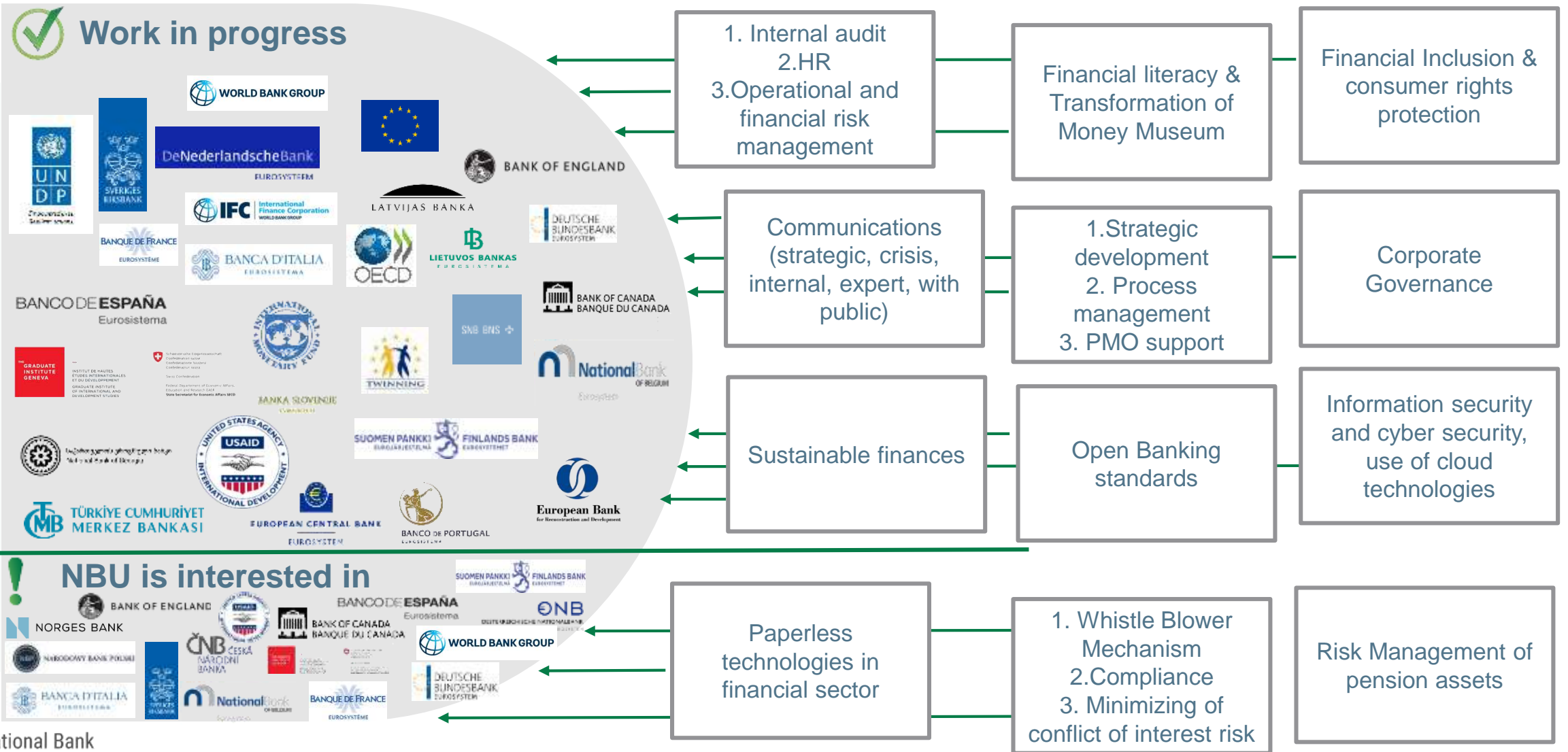
Improvement of the NBU strategic planning processes

Improved processes of internal audit

NBU Policy on Sustainable Finances Development until 2025

Regulation on Operational Risk Management Committee and Business Continuity (Board Decision No.78)

General Business Area: TA REQUESTS



Banking Supervision and Financial Stability

**Products 2021
TA Priorities 2022**



Banking Supervision and Financial Stability: PRODUCTS



Regulations on the procedure for assessing banks during the NBU's banking supervision (Decision No. 236)

Procedure for assessing the NBU's level of organization of corporate governance and internal control of banks (Decision No. 251)

Amendments to the Procedures for the analysis of the NBU business models of banks (Decision No. 334)



Changes to the NSFR calculation methodology (Decision No.74)

Draft Resolutions on liquidity and capital calculation on a consolidated basis

Draft amendments to Instruction No.368 regarding Large Exposure requirements



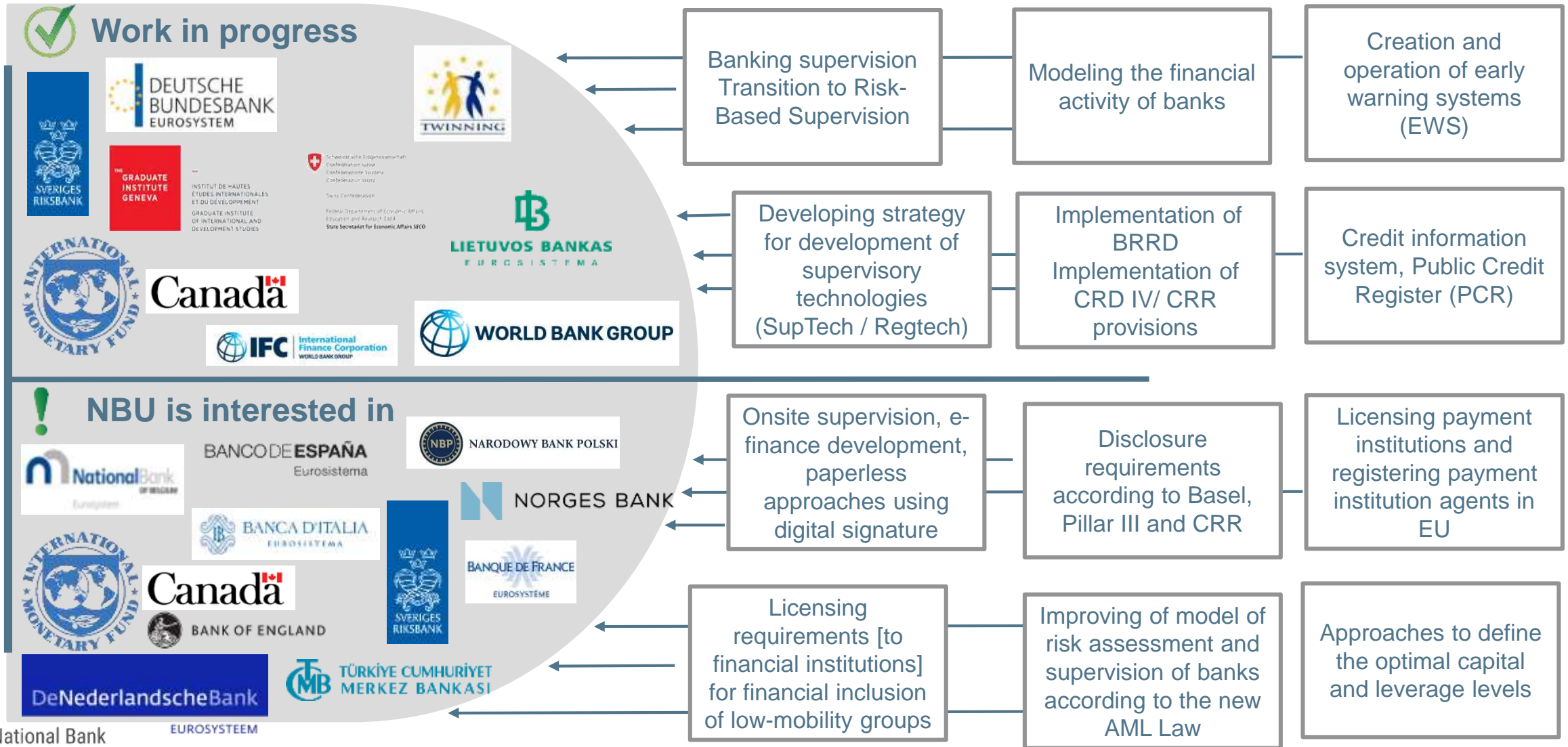
Certification of 5 NBU financial monitoring employees as anti-money laundering specialists (ACAMs)

Macromodel for the macroprudential policy (final stage)

1. Development of systemic risk indicators (including the Financial Stress Index)
2. Draft study to update the Financial Stress Index methodology



Banking Supervision and Financial Stability: TA REQUESTS



Payment System and Cash Circulation

**Products 2021
TA Priorities 2022**



Payment System and Cash Circulation: PRODUCTS



NARODOWY BANK POLSKI



Law of Ukraine On Payment Services No.1591, adopted on 30.06.2021

Draft Instant Payment System Concept

Introducing the international standard ISO 20022 in the payment infrastructure of Ukraine (Resolution No. 93)

Draft Concept of development of innovative SupTech and RegTech technologies

Draft Road Map of remote identification for providing financial services, incl. Bank ID

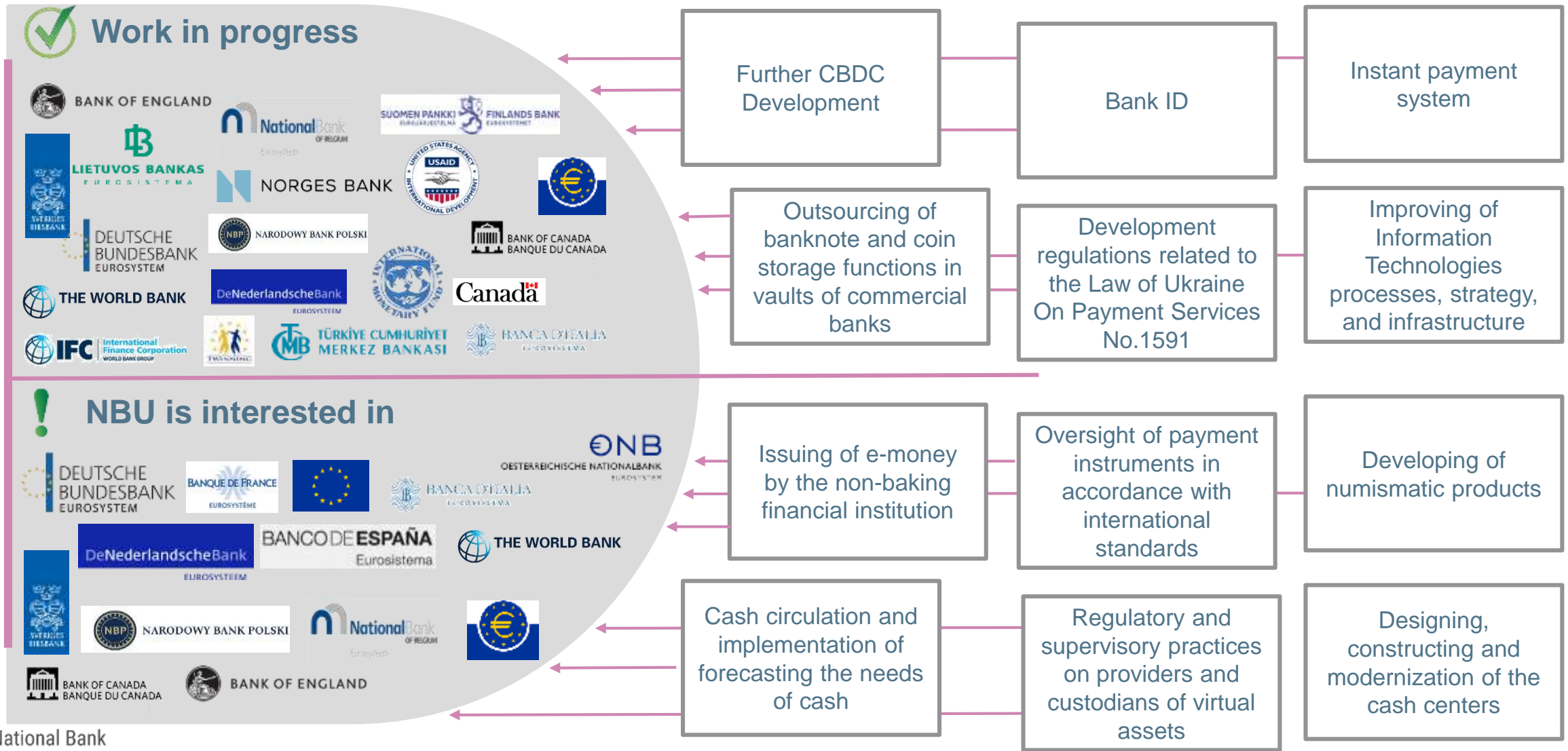
Electronic signatures in the financial sector

Legal Road Map on Digital Finance Services and FinTech development

Concept of Regulatory Sandbox Project "Platform for Innovative Financial Solutions (Regulatory Sandbox)"

Transforming the central cash center (initial phase of Project)

Payment System and Cash Circulation: TA REQUESTS



Non-Banking Financial Institutions Financial and Administrative Operations

Products 2021
TA Priorities 2022



Non-Bank Financial Institutions & Financial and Administrative Operations: **PRODUCTS**



1. Law of Ukraine On Insurance
 2. Law of Ukraine On Financial Services and Financial Companies
 3. Draft Law of Ukraine on Credit Union

Implementation of IFRS 17 Insurance contracts (in progress stage)

Regulations on:
 - insurance intermediaries
 - on technical provisions
 - supervision of non-bank financial groups on a consolidated basis



QIS of Insurance market

Improved processes of Procurement on-site supervision of non-banking financial

Market conduct self-assessment survey



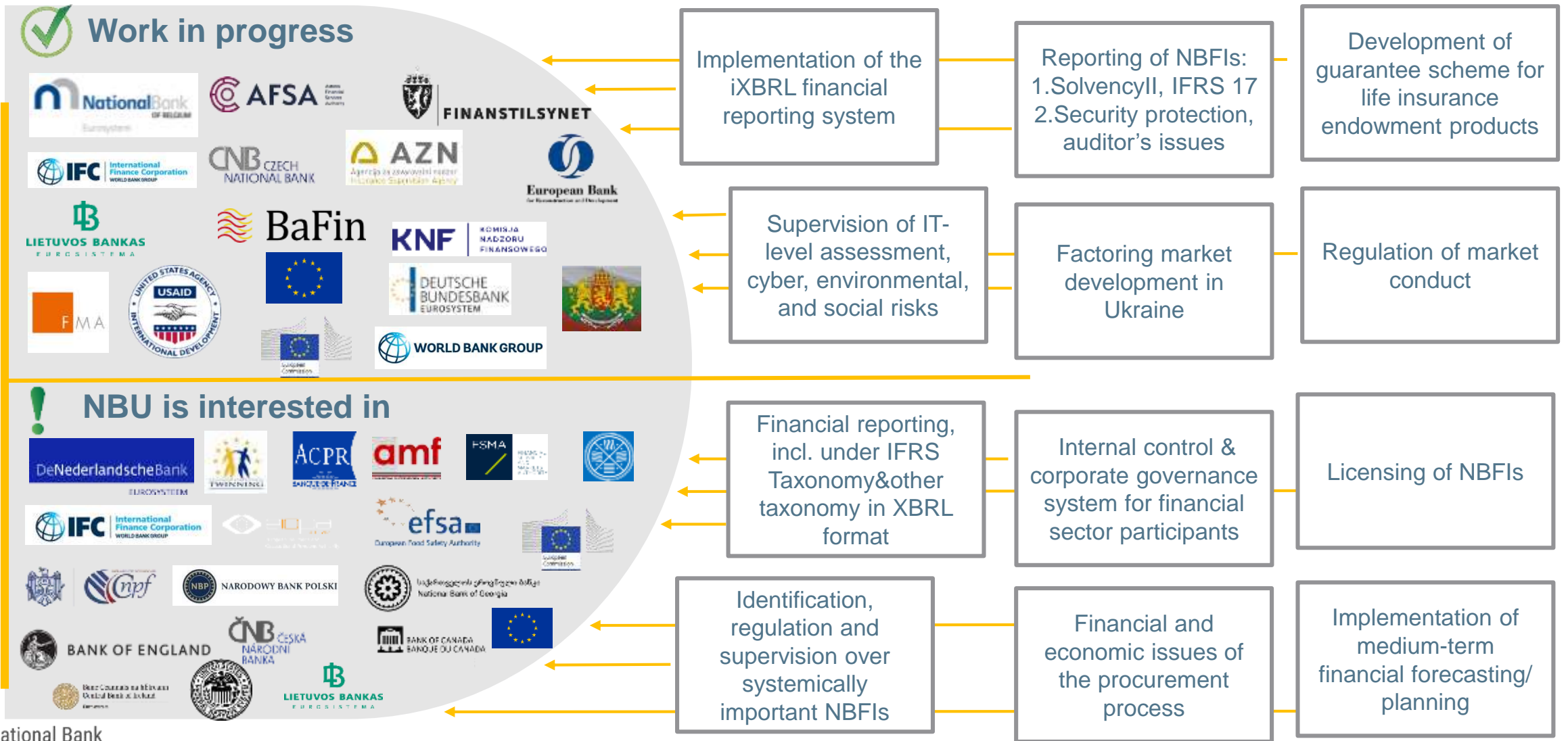
Drafts of reporting models for insurance companies (Solvency I)

“Nonbank financial services market participants reporting” project (financial companies and pawnshops)

1. Draft Amendments to Taxonomy 2021
 2. Guide - UA IFRS XBRL 2020 Taxonomy



Non-Bank Financial Institutions & Financial and Administrative Operations: TA REQUESTS





3

Useful Information & Contact List

Useful Information



National Bank of Ukraine > About > International Cooperation > International Technical Cooperation

International Technical Cooperation

International Technical Cooperation is a part of the NBU's international relations. The NBU attracts international technical assistance in the form of expertise, consultations, research, intellectual property rights, and shares its own experience and expertise from the most successful implemented projects of the NBU's internal transformation and from reforming the financial system of Ukraine.

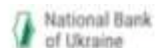
The aim of international technical cooperation is to support the efficient fulfilment of the regulator's functions and to strengthen its institutional capacities, to introduce up-to-date technologies and the best world standards, and to enhance the NBU's reputation in the global community.

About Us

[NBU Official Web-site](#)



link



NBU's Exchange and Sharing Experience (International Technical and Expert Cooperation)

In recent years, the NBU underwent a significant internal transformation and implemented reforms in the financial sector. The leading international institutions, central banks and regulators of other countries, as well as international financial system players, have recognized our achievements. In particular, the National Bank of Ukraine has for the first time in its history won the prestigious international Central Banking Award in the Transparency category from the Central Banking Journal, a specialized publication that covers the operation of central banks and financial regulators. Also, in October 2019 the Governor of the National Bank of Ukraine was recognized as the top central banker in Central and Eastern Europe by the GlobalMarkets international newspaper for pursuing a consistent monetary policy in a year of considerable political changes in the country.

This has drawn even more attention from the international community towards the NBU. More central banks and regulators of other countries began to address the NBU with requests to share its experience.

Therefore, the **exchange and sharing of experience** (international technical and expert cooperation) is a relatively new area of international technical cooperation for the NBU.

[NBU Official Web-site](#)



link

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