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## FINANCIAL MARKET OF THE BELARUS REPUBLIC UNDER THE CONDITIONS OF THE EURASIAN ECONOMIC INTEGRATION: PROBLEMS AND DEVELOPMENT PROSPECTS

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*Formulation of the problem.* The financial market of the Republic of Belarus is traditionally considered to be quite developed in relation to states with an emerging market. However, the analysis of the main macroeconomic indicators of the national economy development and financial depth indicators indicates that the market potential is not fully realized to ensure the country's economic growth. *The purpose of the research* is to identify the main directions for improving the financial market of Belarus within the framework of the Eurasian economic integration. *The methodological basis of the research* was analytical reviews, regulatory legal acts, scientific research on the study of problems and prospects for the development of the financial market of the Republic of Belarus. The study used the methods of dialectics, formal logic and systems analysis, in particular, general logical methods of analysis, analogies, methods of description and comparison, statistical methods to assess the dynamics of the Belarussian financial market development and substantiate proposals for its improvement. *The main hypothesis of the research* was the assumption that improving the Belarussian financial market development will stimulate the country's economic growth and create conditions for deepening the Eurasian economic integration on the way to creating a common financial market of the Eurasian Economic Union (hereinafter – the EAEU). *Presentation of the main material.* The financial market of Belarus is currently operating in the conditions of Eurasian economic integration and is involved in the active process of harmonizing the national legislations of the EAEU member states to create a common financial market. The Belarussian financial market development will stimulate the country's economic growth, that's why it's important to achieve a sufficient level of financial depth. The paper analyzes the main indicators of the financial depth of the Belarussian financial market in 2011-2020. The main problems of the country's financial market development have been identified and a set of measures to improve it has been proposed. *The originality and practical significance* is confirmed by the proposed directions for improving the Belarussian financial market within the framework of the Eurasian economic integration. *Conclusions and prospects for further research.* The financial market of the Republic of Belarus is dynamically developing and quite sustained, however, its potential is not being fully realized. The structural imbalance of the market is manifested in the dominance of the banking sector, in which a significant part of the savings of individuals and legal entities is concentrated. It's necessary to reduce the active participation of the state in the redistribution financial resources to close the gaps in institutional development. The implementation of the proposed set of measures to improve the Belarussian financial market in the context of the formation of a common financial market of the EAEU member states will create a stable, transparent and liquid national financial market. Further research will focus on the development of a strategy for the development of the financial market of the Republic of Belarus in the course of the formation of a common financial market of the EAEU states.

**Key words:**

financial market, financial depth, economic growth, Eurasian Economic Union, economic integration.

## ФІНАНСОВИЙ РИНОК РЕСПУБЛІКИ БІЛОРУСЬ В УМОВАХ ЄВРАЗІЙСЬКОЇ ЕКОНОМІЧНОЇ ІНТЕГРАЦІЇ: ПРОБЛЕМИ І ПЕРСПЕКТИВИ РОЗВИТКУ

*Постановка проблеми.* Фінансовий ринок Республіки Білорусь традиційно вважається досить розвиненим щодо країн з ринком, що розвивається. Однак під час аналізу основних макроекономічних показників розвитку національної економіки та індикаторів глибини фінансового ринку стає очевид-

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ним той факт, що потенціал ринку не реалізується повною мірою для забезпечення економічного зростання країни. *Мета дослідження* полягає у визначенні основних напрямів удосконалення фінансового ринку Білорусі у рамках євразійської економічної інтеграції. *Методологічною основою* дослідження стали аналітичні огляди, нормативно-правові акти, наукові дослідження з вивчення проблем та перспектив розвитку фінансового ринку Республіки Білорусь. У проведеному дослідженні використано методи діалектики, формальної логіки та системного аналізу, зокрема, загальнологічні методи аналізу, аналогії, методи опису та порівняння, статистичні методи для оцінки динаміки розвитку фінансового ринку Білорусі та обґрунтування пропозицій щодо його вдосконалення. *Основною гіпотезою дослідження* стало припущення, що вдосконалення розвитку фінансового ринку Білорусі дозволить стимулювати економічне зростання країни та створить умови для поглиблення євразійської економічної інтеграції на шляху створення спільного фінансового ринку Євразійського економічного союзу (далі – ЄАЕС). *Виклад основного матеріалу.* Фінансовий ринок Білорусі наразі функціонує в умовах євразійської економічної інтеграції та залучений до активного процесу гармонізації національних законодавств країн-членів ЄАЕС для створення спільного фінансового ринку. Розвиток білоруського фінансового ринку стимулюватиме економічне зростання країни, а для цього важливо досягти достатнього рівня фінансової глибини ринку. У роботі проаналізовано основні індикатори фінансової глибини фінансового ринку Білорусі у 2011-2020 роках. Визначено основні проблеми розвитку фінансового ринку країни та запропоновано комплекс заходів щодо його вдосконалення. *Оригінальність та практична значимість* підтверджується запропонованими напрямками вдосконалення білоруського фінансового ринку у рамках євразійської економічної інтеграції. *Висновки та перспективи подальших досліджень.* Фінансовий ринок Республіки Білорусь є динамічно розвивається і досить стійким, проте його потенціал не реалізується повною мірою. Структурна незбалансованість ринку проявляється у домінуванні банківського сегмента, в якому сконцентровано значну частину заощаджень фізичних та юридичних осіб. Для ліквідації прогалів в інституційному розвитку необхідно знизити активну участь держави у перерозподілі ресурсів на фінансовому ринку. Реалізація запропонованого комплексу заходів щодо вдосконалення білоруського фінансового ринку за умов формування спільного фінансового ринку країн-членів ЄАЕС дозволить створити стійкий, транспарентний та ліквідний національний фінансовий ринок. Подальші дослідження будуть спрямовані на вироблення стратегії розвитку фінансового ринку Республіки Білорусь у ході формування спільного фінансового ринку країн ЄАЕС.

**Ключові слова:**

фінансовий ринок, фінансова глибина, економічне зростання, Євразійська економічна спілка, економічна інтеграція.

**ФИНАНСОВЫЙ РЫНОК РЕСПУБЛИКИ БЕЛАРУСЬ В УСЛОВИЯХ ЕВРАЗИЙСКОЙ ЭКОНОМИЧЕСКОЙ ИНТЕГРАЦИИ: ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ РАЗВИТИЯ**

*Постановка проблемы.* Финансовый рынок Республики Беларусь традиционно считается достаточно развитым относительно стран с развивающимся рынком. Однако при анализе основных макроэкономических показателей развития национальной экономики и индикаторов глубины финансового рынка становится очевидным тот факт, что потенциал рынка не реализуется в полной мере для обеспечения экономического роста страны. *Цель исследования* состоит в определении основных направлений совершенствования финансового рынка Беларуси в рамках евразийской экономической интеграции. *Методологической основой исследования* стали аналитические обзоры, нормативно-правовые акты, научные исследования по изучению проблем и перспектив развития финансового рынка Республики Беларусь. В проведенном исследовании использованы методы диалектики, формальной логики и системного анализа, в частности, общелогические методы анализа, аналогии, методы описания и сравнения, статистические методы для оценки динамики развития финансового рынка Беларуси и обоснования предложений по его совершенствованию. *Основной гипотезой исследования* стало предположение, что совершенствование развития финансового рынка Беларуси позволит стимулировать экономический рост страны и создаст условия для углубления евразийской экономической интеграции на пути создания общего финансового рынка Евразийского экономического союза (далее – ЕАЭС). *Изложение основного материала.* Финансовый рынок Беларуси в настоящее время функционирует в условиях евразийской экономической интеграции и вовлечен в активный процесс гармонизации национальных законодательств стран-членов ЕАЭС для создания общего финансового рынка. Развитие белорусского финансового рынка будет стимулировать экономический рост страны, а для этого важно достичь достаточного уровня финансовой глубины рынка. В работе проанализированы



основные индикаторы финансовой глубины финансового рынка Беларуси в 2011-2020 годы. Определены основные проблемы развития финансового рынка страны и предложен комплекс мер по его совершенствованию. *Оригинальность и практическая значимость* подтверждается предложенными направлениями совершенствования белорусского финансового рынка в рамках евразийской экономической интеграции. *Выводы и перспективы дальнейших исследований.* Финансовый рынок Республики Беларусь является динамично развивающимся и достаточно устойчивым, однако, его потенциал не реализуется в полной мере. Структурная несбалансированность рынка проявляется в доминировании банковского сегмента, в котором сконцентрирована значительная часть сбережений физических и юридических лиц. Для ликвидации пробелов в институциональном развитии необходимо снизить активное участие государства в перераспределении ресурсов на финансовом рынке. Реализация предложенного комплекса мер по совершенствованию белорусского финансового рынка в условиях формирования общего финансового рынка стран-членов ЕАЭС позволит создать устойчивый, транспарентный и ликвидный национальный финансовый рынок. Дальнейшие исследования будут направлены на выработку стратегии развития финансового рынка Республики Беларусь в ходе формирования общего финансового рынка стран ЕАЭС.

**Ключевые слова:**

финансовый рынок, финансовая глубина, экономический рост, Евразийский экономический союз, экономическая интеграция.

**Formulation of the problem.** The financial market of the Republic of Belarus is traditionally considered to be quite developed in relation to states with an emerging market. However, the analysis of the main macroeconomic indicators of the national economy development and financial depth indicators indicates that the market potential is not fully realized to ensure the country's economic growth.

Belarus is a member of the Eurasian Economic Union, which began its activities in 2015 and was preceded by a long period of the formation of Eurasian integration in the Post-Soviet Space [1, p. 125]. Thus, Belarus is an active participant in the process of Eurasian economic integration, within the framework of which the creation of a common financial market of the EAEU member states is envisaged by 2025. In this regard, it is especially important to identify and eliminate problems in the development of the Belarusian financial market in order to create a stable, liquid, competitive and transparent financial market.

**Analysis of recent researches and publications.** The works of such scientists as M. Kovalev, С. Gospodarik [2], G. Verenko [3], S.S. Osmolovec [4], D.E. Kruk [5; 6], L.I. Stefanovich [7], Ya.M. Mirkin [8], E.Yu. Vinokurov [9], A.M. Akhunbaev, T.Sh. Dauranov, A.S. Kuznetsov, Yu.V. Nikitushkina [10] are devoted to the research of problematic issues of the development of the financial market of the Republic of Belarus, as well as prospects in the context of Eurasian economic integration.

Consequently, **the purpose of the research** is to determine the main directions for improving the financial market of Belarus within the framework of the Eurasian economic integration.

**Presentation of the main material of the research.** The financial market of Belarus is represented by a neo-continental model, which is also inherent in all EAEU states. This model is characterized by the prevalence of the banking sector in terms of assets (78-98% of the total market), a low level of financial depth and corporate governance, a high concentration of ownership, significant state ownership, the use of traditional debt instruments (loans, bonds of large issuers) [8, p. 17-18].

The development of the financial market and the growth of its depth are of great importance for stimulating the economic growth of the country as a whole. A number of macroeconomic indicators testify to the insufficient efficiency of financial intermediation in Belarus. In particular, for many years there has been a low quality of resource allocation in the economy and a decrease in the return on capital. Similar evidence exists within the financial system [6].

Table 1 shows the dynamics of the main indicators of the financial depth of the financial market in Belarus, which reflects the main trends in the development of the banking, stock and insurance markets. The development of the Belarusian financial market is small in terms of scale and depth. This indicates a low level of depth and capacity of the national financial market and the continuing high potential for its development.

Financial sector assets as of 01.01.2021 amounted to 123,6 billion rubles. The ratio of these assets to GDP was 84,1%, which is 16%

higher than in 2011. The share of banking assets decreased in the total assets of the financial sector from 97% (2010) to 79% (2018). The share of assets of insurance companies in the structure of assets of the financial sector has been in the range of 3-4% of the total over the past years; 6% were assets of leasing organizations; 1,9% – State Agency «Agency for Guaranteed Reimbursement of Bank Deposits of Individuals»; 0,8% – OJSC «Agency for Asset Management». Since 2012 7-9% of the total volume of assets in the financial sector has been accounted for by the Development Bank of the Republic of Belarus. The share of assets of JSC «Belarusian Currency and Stock Exchange» and microfinance organizations does not exceed 0,06% in the structure of assets of the financial sector.

A high level of concentration of assets and capital of the banking sector remains: the share of the five largest banks is 77% of assets (a decrease in the share by 6% since 2010) and 73% of the capital of the banking sector (a decrease in the share by 5% since 2010). A high degree of state participation in the ownership of banks is noted – 80% in the authorized capital of banks. The state participates on a large scale in lending to a number of programs and activities, and also performs some social functions [7, p. 52]. At the same time, the share of state participation in Kazakhstan is only 5% of the assets of the banking sector. Thus, this indicator does not exceed 0,2% in developed countries (Netherlands – 0,2%, Germany – 0,14%, Japan – 0,12%, Greece – 0,14%).

Table 1 – Indicators of the depth of financial market of the Republic of Belarus, % of GDP

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Financial system assets	67,9	61,2	61,8	62,6	84,7	107,5	80,9	79,5	79,0	84,1
Bank assets	52,4	58,5	57,0	55,1	63,3	67,4	64,0	50,0	61,7	58,6
Economy monetization	13,9	12,4	12,2	12,0	10,0	11,4	13,3	13,8	16,0	14,2
Broad money	25,6	25,5	27,5	27,7	34,0	35,7	37,7	32,8	33,0	34,1
Bank credit to the private sector	21,1	12,8	12,1	12,4	13,8	13,1	12,1	11,4	11,5	12,7
Financial system deposits	29,0	25,5	26,1	29,1	33,6	31,6	32,9	30,6	31,4	30,2
Trading volume in stock market	0,8	0,1	0,8	0,6	0,2	0,08	0,08	0,08	0,03	0,07
Trading volume in bonds	n/a	n/a	n/a	8,5	11,1	10,1	7,4	10,6	8,0	8,4
Insurance company assets	1,6	2,7	2,8	2,7	2,9	3,0	3,0	2,9	2,9	3,2
Insurance premium	0,9	0,8	1,0	0,9	0,9	1,0	1,0	1,0	1,1	1,0

Source: Own development based on data [11; 12]

The banking sector dominates the Belarusian financial system, accumulating a significant part of the funds of legal entities and savings of the population [13, p. 74]. The ratio of bank assets to GDP has increased since 2011 by 6,2% and amounted to 58,6% in 2020, but remains insufficient to meet the economy's needs in credit resources (Armenia – 102%, Russia – 95%, Kazakhstan – 44%, Kyrgyzstan – 52%). The ratio of banks' assets to GDP in 2018 was 91, 130, 175 percent in Germany, Spain, China, respectively.

The ratio of bank credit to the private sector to GDP is also insufficient (12,7% in 2020). The broad money to GDP ratio reached 34,1% in 2020.

The monetization coefficient of the economy is at the level of 14% (the lowest indicator among the EAEU states), which indicates the absence of significant positive changes in the Belarusian economy in the near future. Monetization of the economies of developed countries exceeds 60% of GDP, including more than 80% of GDP in 75% of developed countries. Thus, the Belarusian financial sector is close to the level of the EAEU member states in a number of indicators. However, it lags behind the global level.

The stock market is underdeveloped, since the financial market in Belarus is largely a banking one. However, the full-fledged development





of the stock market ensures the efficient functioning of the financial market as a whole.

In general, the stock market is underdeveloped, which is confirmed by its insignificant volume in relation to the country's GDP. Thus, the ratio of trading volume in stock market to GDP in 2011-2020 didn't exceed 1%, as in other EAEU states, except for Russia (22% of GDP in 2020). The capitalization of the Belarusian stock market for the period under review doesn't exceed 1-2% of GDP (Russia – 40% in 2017, Kazakhstan – 29%, Armenia – 3%, Kyrgyzstan – 4%). The stock market in Belarus is not attractive enough for investors and continues to be characterized by small volumes of transactions due to insufficient legal protection, as well as the availability of more favorable conditions on the deposit market. It should be noted that there is a direct relationship between the degree of development of the stock market and the monetization of the economy: the stock market develops to a greater extent in countries with a more saturated money market.

It should be noted that the Belarusian securities market is characterized by the predominance of the bond segment, which accounts for 95-97% of transactions on the entire market. The ratio of the trading volume in bonds to GDP in Belarus was 0,8% of GDP in 2020 (Russia – 11% of GDP). The main issuers of bonds are the Ministry of Finance, the National Bank, banks, enterprises of the real sector of the economy and other business entities, local executive and regulatory bodies.

On the whole, the legislative framework governing the activities of the securities market has been formed. Work is in progress to attract individuals and legal entities. So, since August 2021, legal entities and individuals can buy and sell foreign currency at exchange auctions bypassing banks. The service was developed by the specialists of the exchange and it allows clients to take part in exchange trading in all three traded currencies (US dollar, euro, Russian ruble) and make transactions at a more favorable rate due to the absence of commissions included in the rates when buying or selling currency through Belarusian banks. But the offer of the exchange is beneficial for large and regular buyers and sellers of foreign currency, for example, business entities engaged in foreign economic activity. For other customers, the costs of connecting the service may be unjustified due to the high volume of operations, at which the investments will pay off.

It should be noted that the main components of the market infrastructure are functioning,

namely: depository, exchange and settlement and clearing systems. At the same time, the secondary stock market, the market for derivatives and securitized assets, as well as investment and pension funds, remain undeveloped. As a result, enterprises mainly receive loans from banks due to insufficient development of the securities market.

The insurance sector in terms of the ratio of assets to GDP of the country is quite developed, this ratio increased from 1,6% (2011) to 3,2% (2020). The concentration of the insurance sector remains quite high. Ten companies, mostly state-owned, which are leaders in terms of the amount of insurance premiums received (over 90%), own the bulk of the insurance business. According to this indicator, Belarus is behind Russia (3,6% of GDP) and ahead of Armenia (1,1%), Kazakhstan (2,1%) and Kyrgyzstan (0,9%).

The volume of insurance premiums has increased since 2010, amounting to 1,5 trillion rubles in 2020. Including the share of premiums for voluntary types of insurance in the total volume of insurance premiums increased from 50% in 2010 to 63% in 2020. The increase in the amount of collected premiums was provided by the growth of insurance premiums for types of insurance related to life insurance. At the same time, there is an increase in the share of life insurance and supplementary pensions in the insurance market, which reached 13% in 2020 (6% in 2010). The ratio of the volume of insurance premiums to GDP in Belarus was 1% (Russia – 1.4%; the rest of the EAEU countries – less than 1%), with an average world level of 6-7% of GDP.

The current ratio was 150% in 2020, which indicates the sufficiency of insurers' assets to carry out financial and economic activities. Thus, the Belarusian insurance market is financially stable, as evidenced by the level of capitalization of insurers. The average capital for one insurance organization is about 30 million dollars. At the same time, the volume of liabilities is at a low level. Almost 50% of insurance premiums fall on insurance payments (70-80% – in developed states).

The main reasons that the potential of the financial market in Belarus is not fully realized, both in terms of efficiency and scale, are as follows.

Firstly, the state takes on an important role in the allocation of financial resources in the country and influences the practice and mechanisms of lending in a regulatory manner, through property in state banks and the Development Bank of the Republic of Belarus, and also acts as

a direct holder of a significant part of the debt of the state commercial enterprise sector [5].

In addition, the state actively participates in the distribution of financial flows through the implementation of the state investment program, sectoral development programs, as well as medium and long-term programs for the development of the economy as a whole. Financial intermediaries in these conditions are limited in the implementation of the function of assessing investment opportunities [14].

Secondly, the Belarusian financial market is represented by a bank-oriented model, that is, the role of banks in the market structure is significant, which negatively affects the distribution of financial flows in other segments. The main part of savings is concentrated in the banking system in the form of bank deposits. Thus, the banking sector is a financial intermediary in the credit and deposit market and the securities market, since banks are holders or issuers of a significant amount of debt securities.

Thirdly, the country's financial market is characterized by a high degree of dollarization and a relatively short term of financial contracts, as a result of the dominance of the banking system in the distribution of financial resources, which, in turn, depends on the characteristics of its deposit portfolio. In this regard, the choice of certain deposits by depositors affects the corresponding characteristics of all segments of the credit and financial system, which do not seek to assume high risks. As a result, a significant share of the population savings in the banking system falls on short-term foreign currency deposits. However, in recent years, there has been a trend towards lengthening the terms of financial contracts and an increase in the share of ruble deposits.

The strategy to increase confidence in the local currency, adopted in 2020, is an important step towards reducing dollarization and increasing the duration of financial contracts. At the same time, additional measures to «rationalize» trust in economic policy could substantially complement and strengthen it. In this context, the issue of an inflation-protected government bond is seen as an effective measure. Such a bond could become the basis for the development of the bond market and would provide a fixed real income to the owners. The responsibility for the failure to achieve the goal of stabilizing inflation was assigned to the economic authorities. Therefore, the «de-dollarization potential» of such an instrument may turn out to be very great.

An important step in the development of the stock market is the fact that in 2020 for the first time a joint stock company with a state share in the authorized capital (OJSC «Belavtodor») passed the listing procedure and received the status of a public company [15]. Since 2019, the State Property Committee has begun to actively study the issue of applying a differentiated approach to admitting shares of key OJSCs with state shares to circulation on the stock market through their inclusion in quotation lists. The company's activities become transparent, that is, information about its activities and financial statements become transparent, the company is more open, and the circulation of its securities is more understandable for investors.

Despite the improvement of the legal framework for regulating activities in the financial market, there was no significant breakthrough in its development. The growth of financial depth was also not observed due to the persistence of the institutional barriers discussed above.

Improving the activity of the Belarusian financial market is an important goal on the way of forming a common financial market of the EAEU member states [16, p. 98]. The author of the research proposes a set of measures to improve the financial market of the Republic of Belarus, based on the analysis of the main segments of the Belarusian financial market and its importance in the system of integration processes of the Union (Figure 1).

The purpose of this complex of measures is to improve the financial market of the Republic of Belarus towards the formation of a common financial market of the EAEU member states. To successfully integrate national financial markets into the overall financial system of the EAEU, it's necessary to create a stable, transparent and liquid national financial market.

The objective is achieved by solving the following tasks: 1) ensuring the financial stability of the financial market; 2) creating a competitive environment and increasing the availability of financial services.

Financial stability of the financial sector in Belarus will be ensured through a number of mechanisms. Firstly, it is necessary to implement the principle of competitive neutrality on the example of Russia, which will reduce the influence of the state in the distribution of financial resources – the main institutional factor holding back the development of the country's financial market.



**Objective** - to improve the financial market of the Republic of Belarus towards the formation of a common financial market of the EAEU member states

**TASKS**

Ensuring financial stability

Formation of a competitive environment, increasing the availability of financial services

**MECHANISMS**

Implementation of the principle of competitive neutrality

Equity market development, simplification of the IPO procedure

Creation of guarantee funds for investors in the securities market

Participation of non-residents in trading on the JSC «BCSE»

Financial consumer protection

Deferred Pension Annuity

**INSTITUTIONS**

JSC «BCSE», National Bank of the Republic of Belarus, Ministry of Finance

Figure 1 – Complex of measures to improve the financial market of the Republic of Belarus

Source: own development of the author

It is also necessary to reduce the degree of market concentration – a high share of several participants in a separate market segment to stimulate other entities, reduce risks and ensure the stable functioning of the financial sector. The principle of competitive neutrality will create equal conditions for doing business for all market participants, including access to piloting government projects. The government provides for the exit of the state from the capital of financial organizations if its participation is not justified by the goals of state policy, or compliance with the principles of competitive neutrality, if privatization is impractical.

Secondly, the creation of guarantee funds for investors in the securities market is required,

which will ensure the protection of their interests and strengthen confidence on the part of non-residents. None of the EAEU states have created guarantee (compensation) funds to cover losses of investors in the event of illegal actions or bankruptcy of participants in the securities market.

Thirdly, it is important to continue work on improving the system of protecting the rights of consumers of financial services, creating the institution of a financial ombudsman to resolve disputes in the main sectors of the financial market, within which the process of harmonization of legislation is underway towards the formation of a common financial market of the EAEU member states (banking, insurance and stock markets).



So, in September 2021 the National Bank of the Republic of Belarus, the Association of Belarusian Banks, the Association of Lessors, the Association for the Development of the Financial Market, the Republican Association of Micro-finance Organizations signed a Memorandum of Cooperation and Interaction in order to strengthen the confidence of consumers of financial services in the financial system. The documents they develop should include both the rules of market behavior, which are binding on their members, and general approaches to socially responsible provision of financial services, to improve the financial literacy of the population and to the procedure for considering consumer appeals [17].

The solution to the problem of creating a competitive environment and increasing the availability of financial services will be carried out through the following mechanisms.

Firstly, the continued development of the equity market, simplification of the IPO procedure. Minority stakes in Belarusian blue chips owned by the state (Belaruskali, Beltelecom, Belarussian Railway, Belpochta, etc.) must be put up for public trading on the stock market. These blocks of shares could become the «core» of the formation of the national stock market and at the same time create new incentives for long-term investment. In turn, the partial people's privatization of these companies would be an additional step towards increasing the transparency of the national economy. The development of the securities market would be facilitated by the creation of pension funds, as well as the elimination of barriers that restrict competition in the insurance sector, since traditionally pension funds and insurance companies are «core» participants in the securities market.

Secondly, the participation of non-residents in exchange trading. In all EAEU states the procedure for admitting securities of foreign issuers to trading is provided. In practice, their number is minimal, although the legislative regulation is detailed. Thus, depositary receipts are provided for in Armenia, Kazakhstan and Russia, but issued only in the Russian Federation, so far only as an isolated case. Bonds of international financial institutions investing in the internal markets of the EAEU (Armenia, Kazakhstan, Russia) became an «ordinary case».

The possibility of simplified admission to the placement and circulation of securities of a foreign issuer is provided in Armenia, Kazakhstan and Russia, but the mechanisms are different. In Armenia, the requirements for the language of

issue documents have been reduced. In Kazakhstan, the simplified regime applies only to the procedures for admitting to the exchange, while the requirements for foreign issuers are higher than for national ones. Only in Russia there is a simplified regime for admitting to circulation on the exchange without the participation of the regulator on the basis of the documents of the primary listing.

The bonds of the Eurasian Bank for Reconstruction and Development were listed on the exchanges of Armenia, Kazakhstan and Russia. In Belarus and Kyrgyzstan, bonds of international financial organizations are not listed on the stock exchange. In Belarus, one of the state languages is Russian, therefore, admission to the appeal can be based on the prospectus in Russian (subject to the requirements of national legislation).

Thirdly, the application of the practice of deferred pension annuity on the example of Kazakhstan in the framework of the development of pension insurance. The pension annuity allows the contributors of the Unified Accumulative Pension Fund to start receiving a «pension» ahead of schedule, but subject to the sufficiency of pension savings [18].

Achievement of the set objective of improving the Belarusian financial market will be implemented by market institutions: the National Bank, the Belarusian Currency and Stock Exchange and the Ministry of Finance, which have the appropriate powers to regulate the financial sector.

**Conclusions and prospects for further research.** The financial market of the Republic of Belarus is dynamically developing and quite stable, however, its potential is not fully realized. At the same time, it is characterized by a structural imbalance, which manifests itself in the absolute dominance of the banking sector: the banks are the main participants and intermediaries in transactions in the credit and deposit market and securities markets. Individuals don't have direct access to the use of alternative savings instruments (securities of foreign issuers, Eurobonds of Belarus, etc.), their opportunities in this area are limited.

At present, there remains the problem of the significant influence of the state in the redistribution of resources in the financial market, and, as a consequence, the growth of the volume of non-serviced credit debt, as well as its significant share of participation in the authorized funds of legal entities (banks, insurance companies).







Thus, to close the gaps in institutional development, it is necessary to abandon direct directed lending and minimize the influence of economic authorities on investment decisions of state-owned enterprises, including through the formulation of so-called sectoral priorities and corresponding development programs. Minimizing the state's distributive function can weaken the concentration of financial flows through bank financing mechanisms.

According to the author, for the development of the Belarusian financial market, it is necessary to increase its competitiveness, to ensure the growth of the capitalization of financial institutions, the inflow of investments and savings, a decrease in the level of dollarization, as well as the influence of the state on the distribution of financial resources. An important impetus in the development of the Belarusian securities market will be the organization of open trades in minority stakes in Belarusian blue chips, including the country's banks, to improve the quality of corporate governance. The implementation of the proposed complex of measures to improve the Belarusian financial market in the context of the formation of a common financial market of the EAEU member states will create a stable, transparent and liquid national financial market.

Further research will focus on the development of a strategy for the development of the financial market of the Republic of Belarus in the course of the formation of a common financial market of the EAEU member states.

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