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## **FINANCIAL AND CREDIT, TAX SYSTEMS OF UKRAINE: PROBLEMS AND SOLUTIONS**

The financial and tax system are important components of the economic system of any country. They ensure the functioning of economy, contribute to its development and growth. Financial and credit, as well as tax systems, are two fundamental components that shape the functioning of a country's economy. However, they also face numerous challenges that hinder economic development.

The main aim of this research is to examine the main problems in Ukraine's financial and credit, and tax systems and analyze possible solutions regarding them.

Ukraine, like many other countries, has problems in the field of financial and tax system. These problems negatively affect the economic development of the country, constrain investment and economic growth. The main problems of the financial and credit system of Ukraine include:

1) The financial market in Ukraine is unstable, which negatively affects investment and economic development. Ukraine's banking system is known for its instability, with a high number of insolvent banks and a significant level of non-performing loans. This situation significantly limits the functioning of banks and access to financial services.

2) The banking system in Ukraine is underdeveloped, which limits its ability to provide economic growth.

3) Ukraine is highly dependent on foreign investment, which could lead to risks to the financial system.

4) High Levels of Corruption and Money Laundering: Corruption and money laundering remain significant threats to the banking system and the financial sector as a whole. They lead to losses and complaints for banks and undermine trust in the financial and credit system [1].

The main problems of the tax system of Ukraine include:

1) The tax burden in Ukraine is one of the highest in the world, which negatively affects business activity, limiting business development and investments in the country.

2) Numerous Tax Incentives and Shadow Schemes: The tax system is complicated due to numerous tax incentives and opportunities for utilizing shadow schemes. This leads to significant revenue losses for the government and reduces tax collection efficiency.

3) Tax legislation in Ukraine is imperfect, which leads to abuse and violation of tax legislation.

4) The tax system in Ukraine is inefficient, which leads to budget revenue losses.

To solve the problems of the financial and tax system of Ukraine, it is necessary to take the following steps:

- To stabilize the financial market. This aspect is connected with taking measures to increase the transparency of the financial market, protect the rights of investors, and develop the stock market.

- To develop of the banking system. It is necessary to take measures to increase bank capitalization, develop competitive environment in the banking system, and strengthen the regulatory framework.

- To reduce the dependence on foreign investment. It is significant to create a favorable investment climate in Ukraine and develop domestic business.

- To provide the reduction of the tax burden. To do this, it is necessary to take measures to reform the tax system, including reducing tax rates and simplifying tax administration.

- To improve the tax legislation. It is connected with bringing tax legislation in line with international standards and strengthening compliance monitoring.

- To increase the efficiency of the tax system. To do this, it is necessary to take measures to increase the level of automation of tax administration and reduce administrative pressure on taxpayers.

- To make a banking reform: It is essential to implement a comprehensive banking reform, including reducing the number of banks, strengthening supervision, and raising the standards for banking activities.

- To ensure zero tolerance to corruption and money laundering: strengthening anti-corruption measures within the banking system and implementing strict measures against money laundering.

- To reform the tax system to simplify taxation, reduce tax rates, and optimize taxes to enhance Ukraine's competitiveness and attract investments.

To enhance the tax authority efficiency: modernization and improving the efficiency of the tax authority to ensure effective tax collection and prevent tax evasion [2].

The financial and credit, as well as the tax systems in Ukraine, face numerous problems that require a comprehensive approach to resolution. Reforms in the financial sector and tax system are crucial to ensure stability, efficiency, and competitiveness of the Ukrainian economy. Strengthening the fight against corruption, tax system optimization, and banking reforms are steps towards creating a stable and efficient financial-economic system in Ukraine.

#### **Література:**

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