

International Technical Partnership National Bank of Ukraine: Results in 2023 and Plans for 2024



International Cooperation Department, the NBU
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Content

- I. **NBU's International Technical Partnership: Goals, Indicators and Results in 2023**

- II. **NBU's International Technical Partnership Development Plans for 2024**



I. NBU's International Technical Partnership: Goals, Indicators and Results in 2023

The NBU's International Technical Partnership (ITP) Involves a Regular Dialog and Coordination between the NBU and International Partners

Main ITP goals

- ❑ strengthening the NBU's institutional capacity
 - ❑ developing and improving legislation on the development of the Ukrainian financial market
 - ❑ implementing international standards
 - ❑ deepening European integration
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- ❑ strengthening the institutional capacity of financial sector regulators in Ukraine's partner countries
 - ❑ establishing the NBU as an active member of the international financial community and disseminating information about its achievements

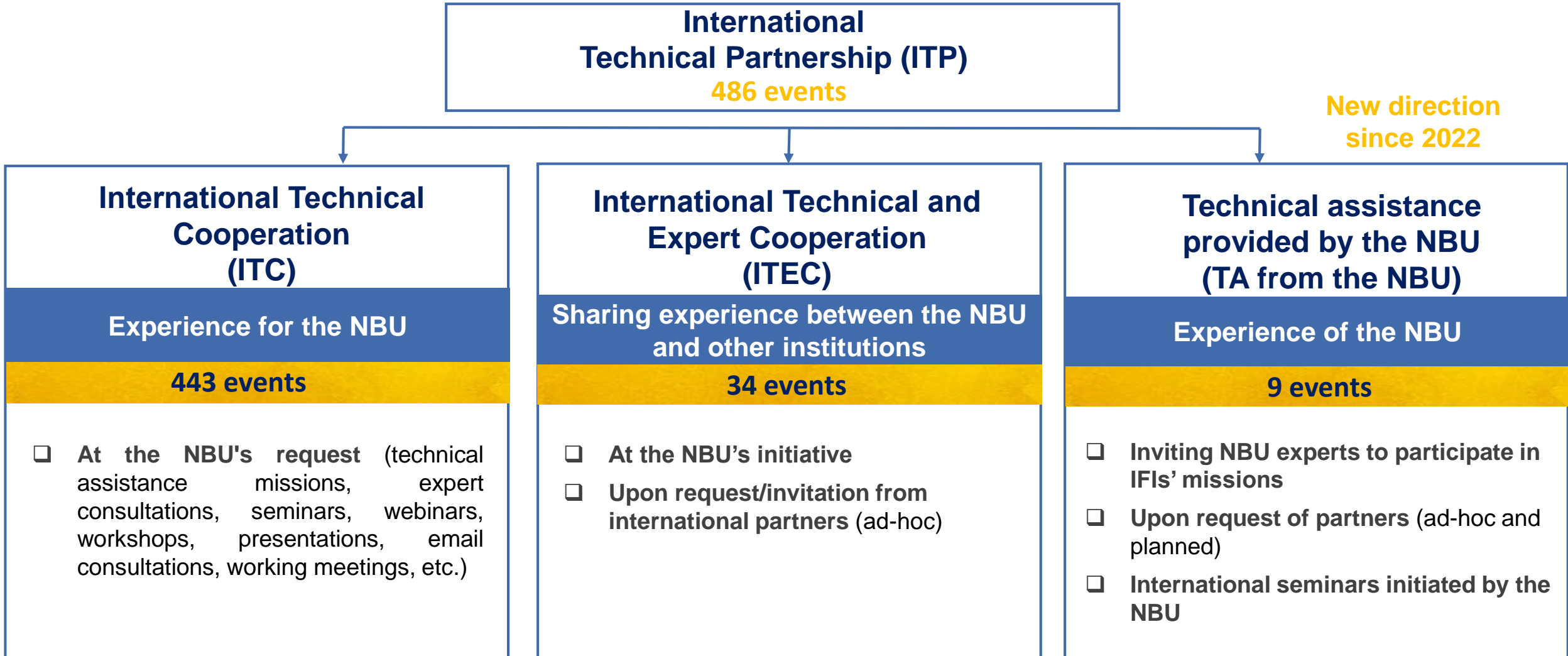
Ways to achieve the ITP goals

attracting and obtaining international technical assistance, implementing best international practices, and gaining specialized knowledge in accordance with international obligations, foreign policy priorities, Ukraine's European integration aspirations, and development strategies for the NBU and the Ukrainian financial system

sharing with the international financial community specialized knowledge enriched by Ukraine's experience in the NBU's area of expertise

under the coordination of the NBU's International Cooperation Department

Modernized System of the NBU's International Technical Partnership: Main Streams, Implementation Forms, and General Indicators for 2023



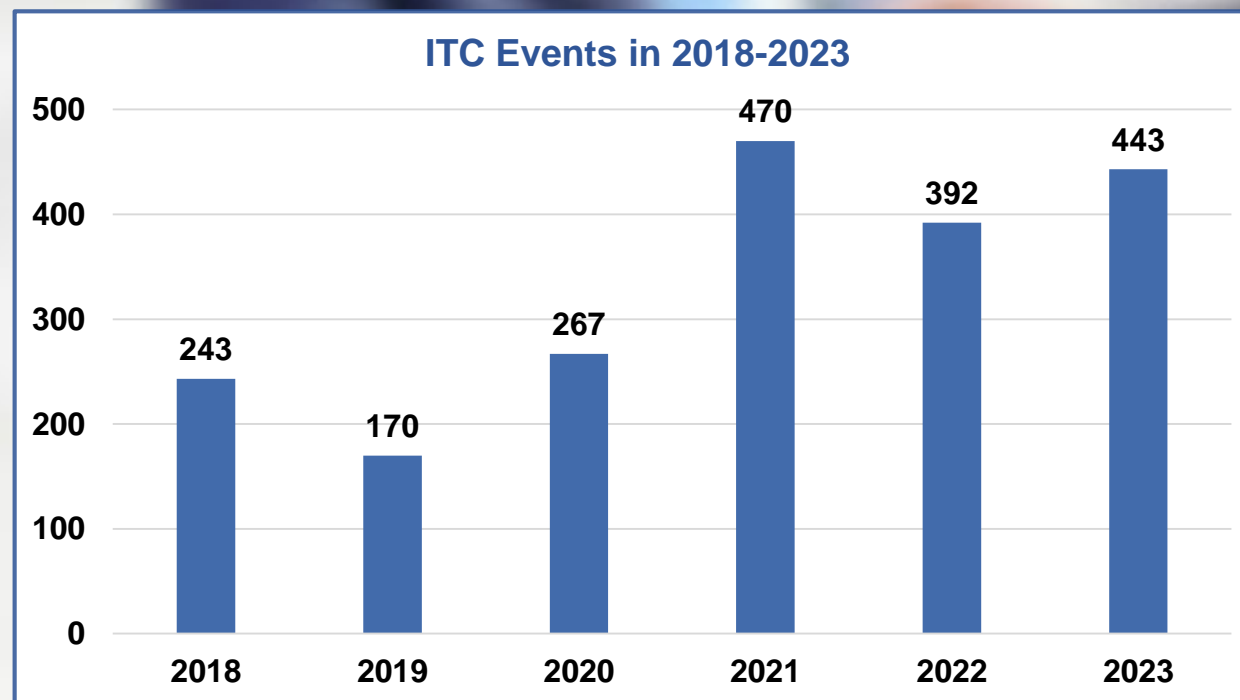
New direction since 2022

The NBU's main focus is on the development of the NBU's ITEC and TA

Ensuring a High Level of ITC Implementation in 2023

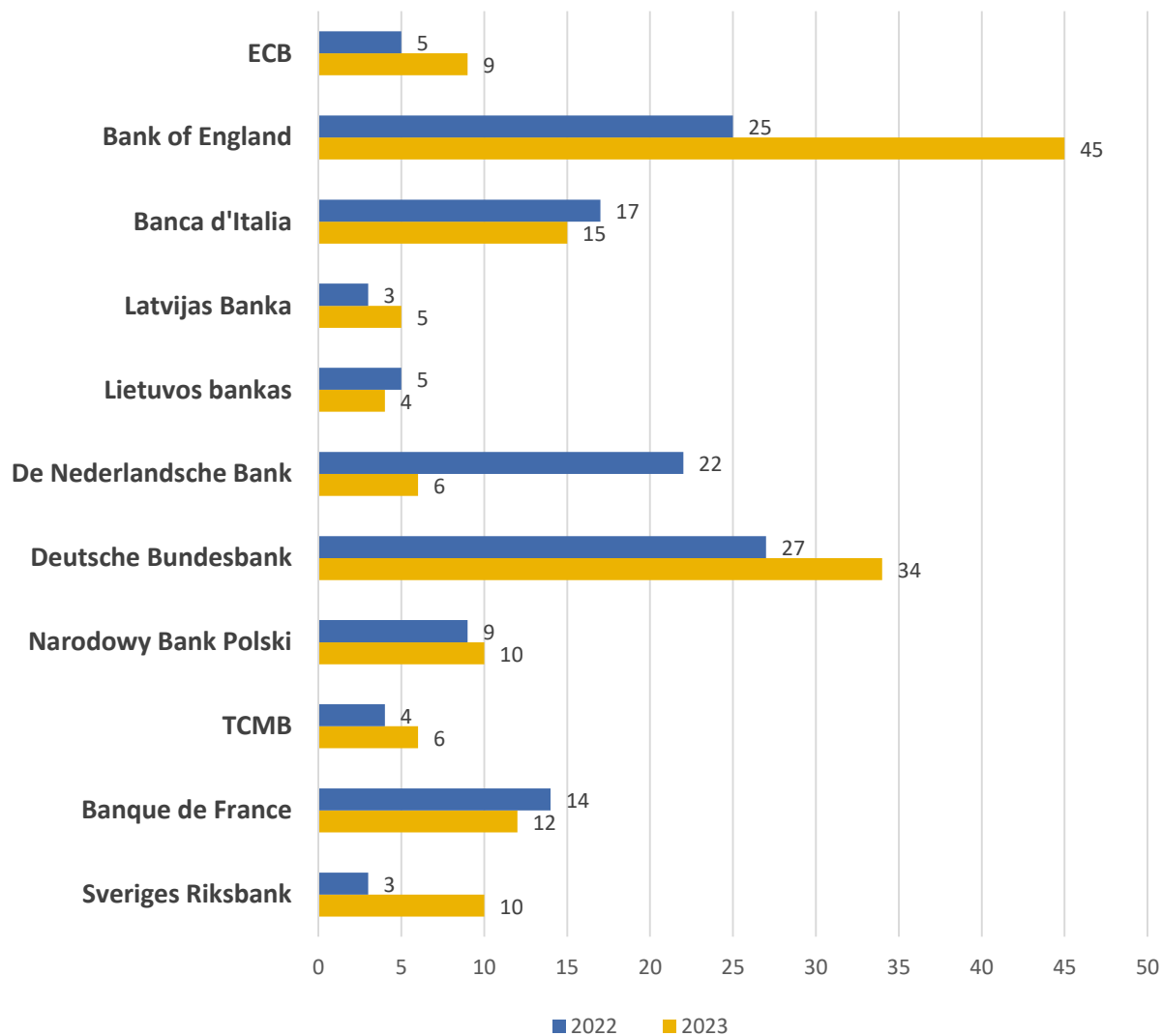
Dynamics and Trends

- ❑ The ITC remained the largest area of the ITP (91% of the total number of ITP events)
- ❑ With 443 events, which is an average of 1.7 measures per business day, the NBU almost reached the pre-war indicator of the ITC implementation.
- ❑ The number of ITC events increased by 11.5% compared to 2022.
- ❑ Requests for technical assistance were formed on the basis of strategic, European integration goals and the search for unique experience to address current challenges.
- ❑ The number of TA projects/programs and the amounts of assistance from central banks and financial regulators of the EU and the developed countries have increased.
- ❑ The NBU's partnership geography has changed due to a shift in geopolitical priorities towards EU countries and developed economies.
- ❑ The NBU adopted a proactive stance in establishing and expanding international relations.



In 2023: NBU Intensified and Expanded the ITC with the ECB, Central Banks of the EU and Other Countries

Dynamics of ITC events with the most active central banks and the ECB in 2022–2023



As a result of active communication with the central banks of other countries, the NBU:

renewed relations with:



DANMARKS NATIONALBANK



HRVATSKA NARODNA BANKA



OESTERREICHISCHE NATIONALBANK
EUROSYSTEM



Monetary Authority of Singapore



SUOMEN PANKKI
EUROJÄRJESTELMÄ



FINLANDS BANK
EUROSYSTEMET



BANK OF JAPAN



BANCA NAȚIONALĂ A ROMÂNIEI



established relations with:



NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA



CENTRAL BANK OF CYPRUS
EUROSYSTEM

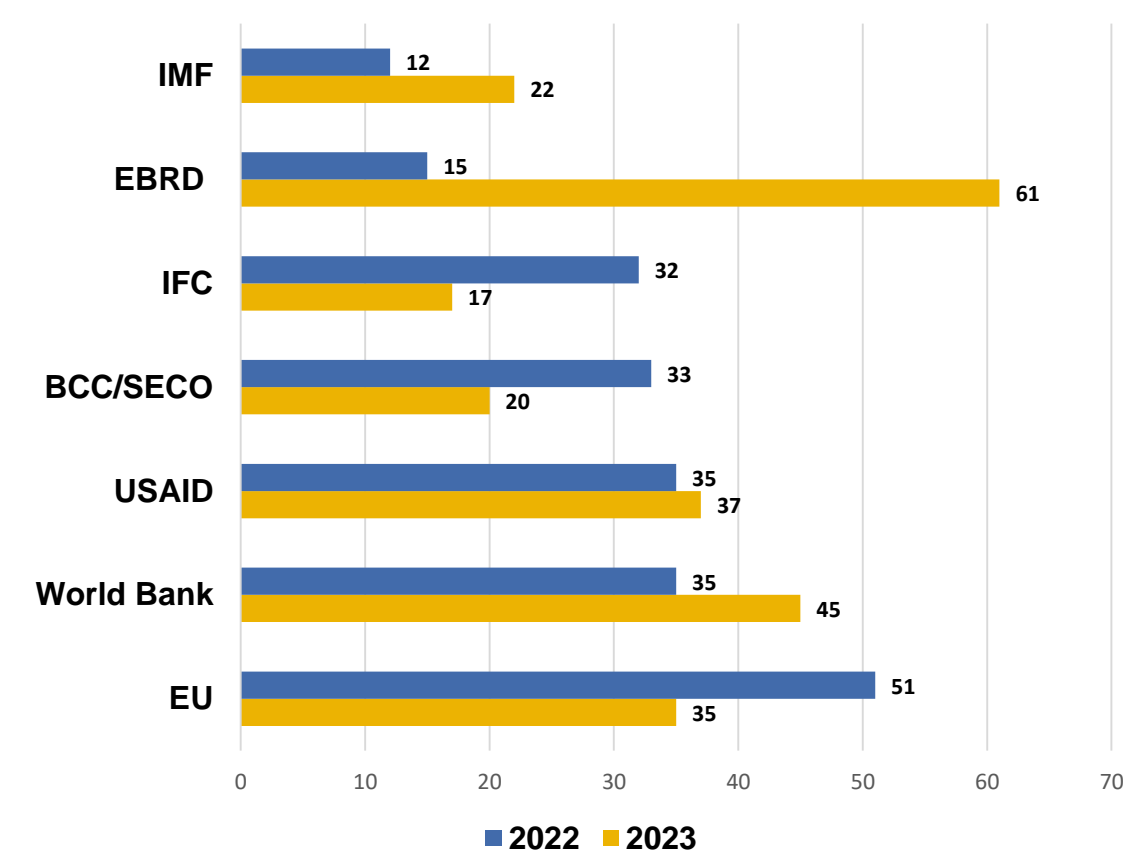


In 2023: NBU Coordinated the Implementation of 28 TA projects/programs, launching 7 new projects and extending 2 projects

In addition to implementing existing TA projects/programs, the NBU coordinated and implemented:

- 7 new projects/programs were launched and implemented:
- ❑ IMF’s program “Capacity Development Workplan for FY2024-2028: from maintaining economic stability to post-war reconstruction and EU accession”
 - ❑ EBRD projects “Adaptation of the macro-financial model of the economy of Ukraine for the purposes of financial stability to the conditions of war and post-war times” and “Supporting the Regulation of Factoring in Ukraine”
 - ❑ USAID-funded Program ”Ukraine National Identity Through Youth”
 - ❑ Bilateral Assistance and Capacity Development for Central Banks (BCC/SECO Programme), Phase III
 - ❑ OECD/INFE Technical Assistance Project on Financial Education through the Constituency Programme of the Ministry of Finance of the Netherlands
 - ❑ EFSE project the development of a special risk-sharing mechanism or a mechanism to guarantee the fulfillment of credit obligations or any other acceptable mechanism to increase lending volumes by Ukrainian banks
 - ❑ Cooperation with Aflatoun International to promote social and financial education for children and youth in Ukraine


Dynamics of ITC events supported by major projects/programs and international partners in 2022–2023




Extension of 2 projects:

- ❑ USAID’s Credit for Agriculture Producers (CAP) Project in Ukraine
- ❑ EU’s project “Implementation of EU Practices for Accounting, Financial Reporting and Audit in Ukraine” (EU-FAAR Project)


Projects and Products Based on the Results of Cooperation with International Partners: Prudential Supervision and Financial Stability

 Regulation on regulatory capital (NBU Board Resolution No. 196 dated 28 December 2023)




 Clarifications and recommendations on business relationships with PEPs




 Updated assessment of compliance of Ukraine's regulatory framework with EU prudential supervision standards




 Resilience assessment of banks and the banking system




 Draft regulations on the operation of the banking system



 Updated macrofinancial model



 Methodological approaches for calibrating retail lending metrics



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Projects and Products Based on the Results of Cooperation with International Partners: Payments Systems and Cash Circulation

E-Hryvnia Project



Draft functional specification for instant payments



Regulatory sandbox



Instruction on Planning the Issuance and Sale of Bullion Coins of Ukraine and NBU Numismatic Products (draft resolution of the NBU Board)



Amendments to the Regulation on engaging commercial agents for providing financial payment services (NBU Board Resolution)



Ukraine's joining SEPA project



Regulations On Authorization of Nonfinancial Payment Services (draft resolution of the NBU Board)



Projects and Products Based on the Results of Cooperation with International Partners: Regulation and Supervision of NBFIs

Concept of factoring regulation in Ukraine and policy paper for development of factoring regulations in Ukraine



The concept of building a war risk insurance system



Law of Ukraine On Credit Unions and regulations for the implementation of the Laws of Ukraine On Insurance, On Credit Unions, and On Financial Services and Finance Companies



Implementation of the supervisory solutions development concept (Suptech)



Draft amendments to the Law of Ukraine On Organization of Formation and Circulation of the Credit Histories



Interactive questionnaire for assessing the state of information security and cybersecurity of financial services market participants



Projects and Products Based on the Results of Cooperation with International Partners: General Business Area

Clarifications on strong customer authentication in the payment market



Eurosystem



DANISH FINANCIAL SUPERVISORY AUTHORITY



EUROSISTEMA



SVERIGES RIKSBANK

Communication products for transition to limited exchange-rate flexibility



Information, education and financial literacy campaigns and events



FROM THE AMERICAN PEOPLE

USAID FINANCIAL SECTOR REFORM ACTIVITY



+ THIS PROJECT IS FUNDED BY THE EUROPEAN UNION

"EU-FINREG" Project

Review Report on the Regulatory Framework of Ukraine in the Area of Protection of the Rights of Digital Financial Services Consumers



Creating Markets, Creating Opportunities

Revising the Sustainable Finance Development Policy



IBRD • IDA | WORLD BANK GROUP

Concept and design of technical equipment for the NBU communication center

Bank of England

BANCO DE ESPAÑA
Eurosystem



FROM THE AMERICAN PEOPLE

USAID FINANCIAL SECTOR REFORM ACTIVITY



DEUTSCHE BUNDESBANK
EUROSISTEMA



EUROSISTEMA

Financial literacy website Harazd

Online course "Financial Literacy for Educators"



Creating Markets, Creating Opportunities



+ THIS PROJECT IS FUNDED BY THE EUROPEAN UNION

"EU-FINREG" Project

Projects and Products Based on the Results of Cooperation with International Partners: General Business Area, Finance, Administration and Operations

Optimizing the organizational structure and functions of the NBU units



Adapting the ECB Guidelines in the NBU Accounting and Reporting (NBU project)



Aligning Ukraine's Framework for Confidentiality and Professional Secrecy with EU Standards



Improving approaches to financial risk management



Obtaining certification of compliance with the international standard ISO 37001:2016




UA IFRS XBRL 2022 Taxonomy was updated to new version.

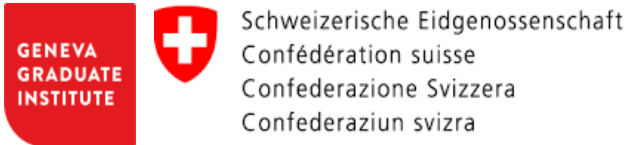



"EU-FAAR" Project
14

Projects and Products Based on the Results of Cooperation with International Partners: Monetary Stability and Market Transactions

 DSGE model for medium-term forecasting was updated

 Research completed (CP)




 Amendments to Rules for Drawing Up and Submitting Reports to the National Bank of Ukraine by Nonbank Financial Services Market Participants (NBU Board Resolution)





"EU FINREG" Project




 Annual Research Conference




 Roadmap for Gradual Easing of FX Restrictions

 Developing an operational structure for FX interventions when transitioning to flexibility of the exchange rate



 Online service for providing information from the NBU Credit Register for individuals borrowing from banks

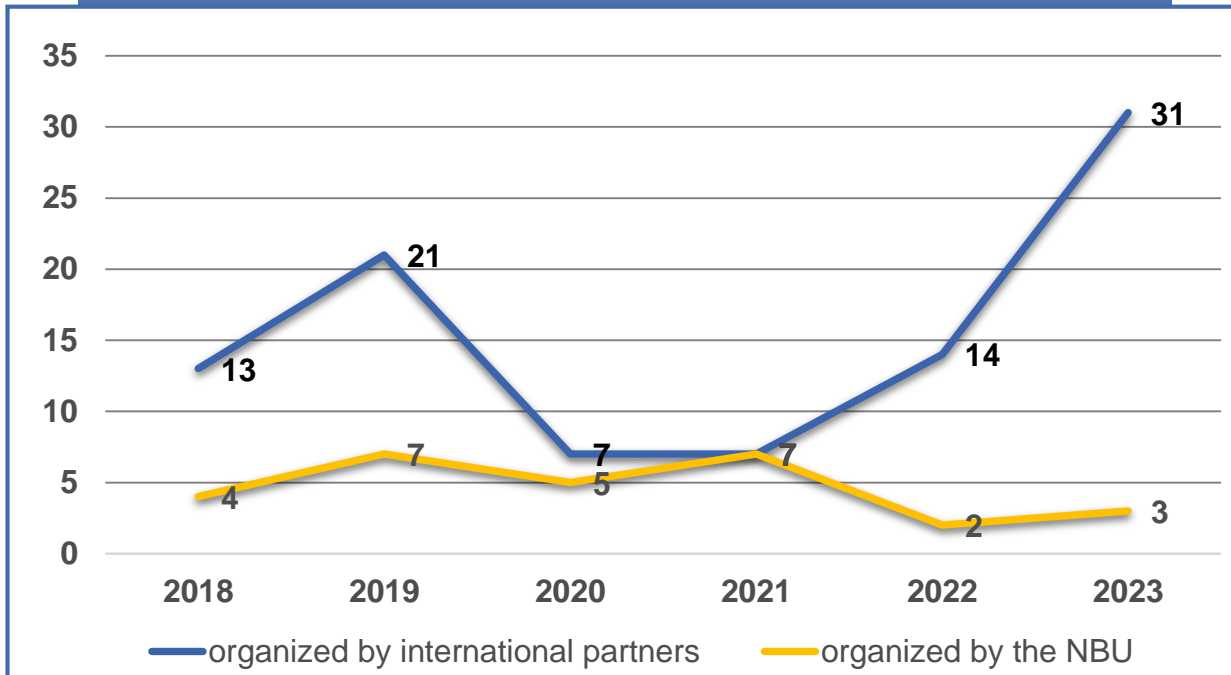
 Diagnostics of IT and information security, improvement plan for the Settlement Center for Financial Markets



The Number of ITEC Events Increased in 2023

- ❑ The tradition of hosting large-scale annual ITEC events by the NBU has been preserved
- ❑ Demand for the NBU's expert opinion and for ITEC events at the invitation of international partners has doubled compared to 2022
- ❑ The main international audience for the NBU's ITEC events was represented by EU member states and candidates, as well as developed economies

ITEC Events in 2018-2023



ITEC: High Level of Interaction between NBU and International Financial Community Ensured in 2023

Three ITEC events held at the NBU's Initiative

Annual Research Conference
Economic Policies during Wartime and Post-War Recovery
22-23 June 2023
116 participants from Ukraine and abroad

Annual International Roundtable
Strategic Planning for the Financial Sector: Moving Forward under Uncertainty
15-16 November 2023
70 participants from Ukraine and abroad

Webinar
Monetary Policy in Emerging Markets: Understanding the Causes and Consequences of a New Wave of Inflation
15 December 2023
117 participants from Ukraine and abroad



31 ITEC events with the NBU's speakers, organized by international partners

☐ **Main areas:** regulation of NBFIs, cash management in times of war, monetary policy, cybersecurity, payment systems, remote access to financial services, financial stability, project management in the central bank, banking supervision, financial inclusion and consumer protection, internal audit, and others

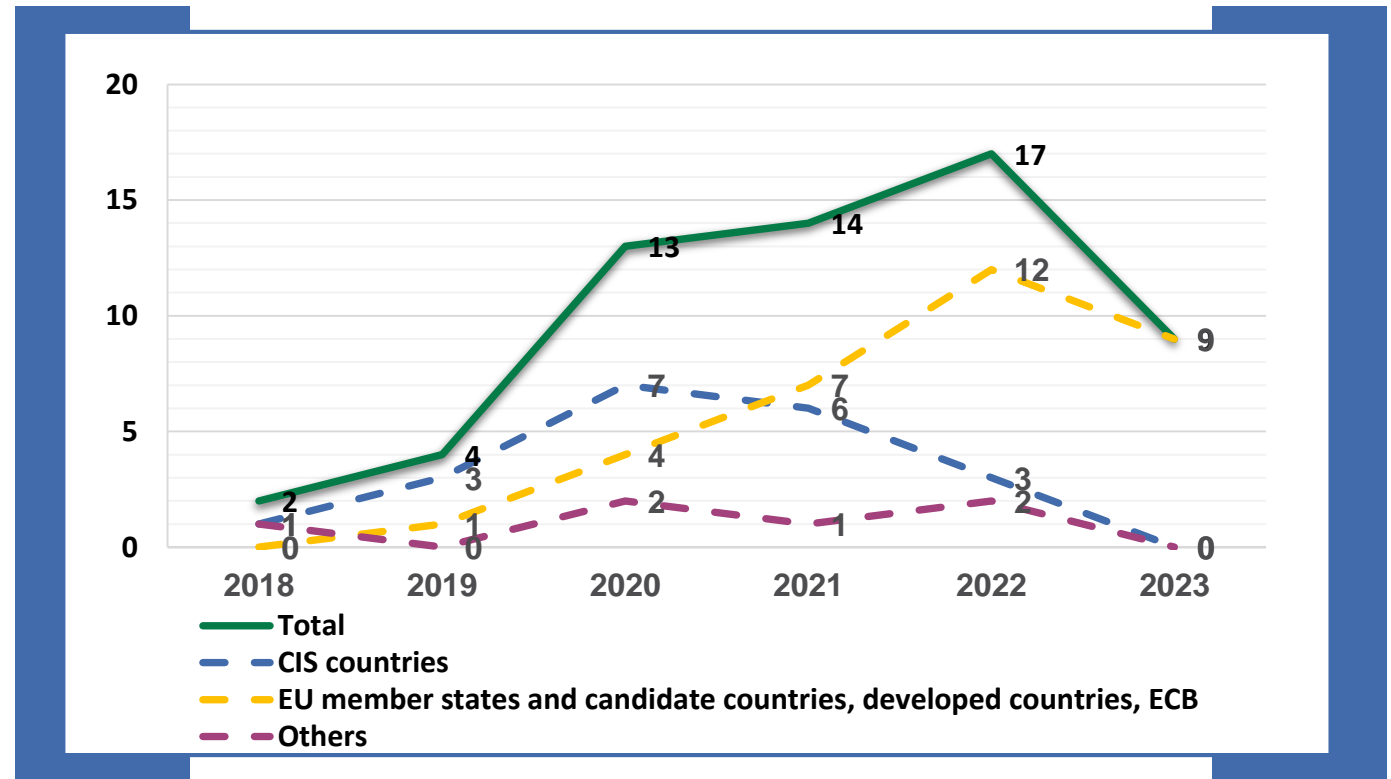
☐ **Main international partners:**



TA by the NBU: Sufficient Level of Events Maintained in 2023

- ❑ Sustainable interest in the NBU's expertise from EU member states and developed economies
- ❑ Focus anchored on providing assistance to EU member states and developed economies
- ❑ The number of the NBU's TA events decreased compared to 2022 due to lack of planned requests for other countries' central banks (based on the 2022 survey) and terminated cooperation with countries that support the aggressor
- ❑ Promotion of the NBU's readiness to share its experience and unique knowledge of ensuring the NBU's continuity and functioning during military aggression was intensified among the central banks of other countries

TA provided by the NBU to different groups of countries over 2018-2023



TA from the NBU in 2023: Wide Range of Topics and Pro-European Geography



Topics Requested by Foreign Central Banks

9 events in total



Bank of England



- HR process in wartime (Sweden)
- Crisis communications (Latvia)
- Preparedness for extreme crises and oversight (Estonia)
- Payment systems, including in wartime (Sweden, England)
- IFRS (Albania)
- NBU's Power Banking Project (Sweden, England)
- Cloud technologies to reduce cyber risks (Estonia)
- Internal Audit (ECB)



participation in TA Mission





II. NBU's International Technical Partnership Development Plans for 2024

The NBU's ITEC objectives and targets for 2024:

Enhancing the NBU's visibility on the international arena

5

Holding ITEC events at the NBU's initiative in 2024:

- Monetary Policy and Economic Analysis Department
- International Cooperation Department
- Strategy and Development Department
- Procurement Department

20-21 June

International roundtable
*Procurement Digitalization as
Means of Central Banks
Financial Defense*

October

Webinar *Monetary Policy in
Developing Countries*

December

Annual research conference
*Navigating the Changing
Landscape: Central Banks in
a New Normal* hosted by
NBU and NBP

September

Annual international
roundtable *Strategic
Development
and Changes Management
of Financial Sector Regulators*

November

International roundtable
*International Relations of
Central Banks in New
Geopolitical Reality*

up to
40

Participation of the NBU in the events of international partners in 2024, namely:

- expert discussions in the format of international roundtables, conferences, forums, webinars, training events (up to 30 events)
- bilateral meetings to share experience with partner countries (up to 10 events)

NBU's Objectives and Targets in the TA from the NBU area for 2024: strengthening the NBU's position as a specialized knowledge donor

Key 2024-2025 objective – 5.3.4. Promoting the NBU as a technical assistance provider, including establishing an NBU expert center for international partners (NBU Strategy)

Holding international events of TA from the NBU:

at the NBU's initiative:

- Assessing the banking sector's resilience under uncertainty (Q1, Q3 2024, online) – FSD
- Introducing and phasing out the regulatory easing measures in times of crisis and uncertainty (Q1, Q3 2024, online) – FSD
- Procurement armor: armored supply chain of the NBU (Q2 2024, online) – PRD
- Personnel management (in case of a request from a foreign central bank) – HRD
- Prevention of corruption in the NBU (if requested by a foreign central bank) - CPDD

upon requests of foreign central banks (preliminary arrangements/held):

- Ensuring the continuity of the banking system (Norges Bank, Sveriges Riksbank, Deutsche Bundesbank, National Bank of Belgium)
- Power Banking project (Norges Bank)
- Payment systems (Sveriges Riksbank, Deutsche Bundesbank, Norges Bank)
- Application of corrective measures by the regulator (mandatory orders, fines, dismissal of officials) to supervised entities (Central Bank of the Republic of Azerbaijan – in progress)
- Cybersecurity (Deutsche Bundesbank)

up to
20

Establishing the NBU Expert Center

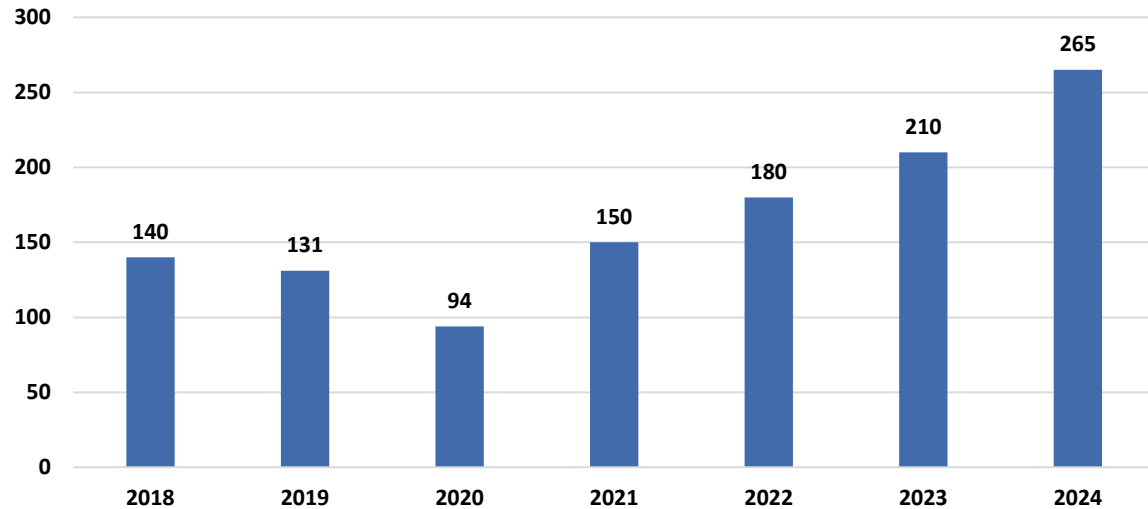
- Drafting the concept note on the NBU Expert Center and presenting it to the NBU Board (if necessary)
- Studying international experience of similar platforms/centers operating in central banks of other countries



The NBU's ITC objectives and targets for 2024:

Attracting the Best International Experience, Specialized Knowledge, and Technical Assistance

ITC Reqsuts in 2018–2024



- ❑ Ensuring the highest number of NBU requests over the past 6 years (265) with the involvement of international experience, specialized knowledge, and technical assistance
- ❑ Establishing/resuming cooperation with financial sector regulators: the Bank of Thailand, Banco Central do Brasil, Bank Indonesia, the Bank of Ireland, the Bank of Japan, the Federal Reserve Bank of New York, the Danish Financial Supervisory Authority, the Banking Regulatory and Supervisory Authority of Türkiye, and others
- ❑ Entering/re-entering into cooperation agreements/agreements under 9 projects/programs (planned as of March 2024):
 - Asset-Based Finance (ABF) (IFC)
 - Asset Resolution Companies (ARC) (IFC)
 - Digital financial services (IFC)
 - Asset Quality Review (AQR) (EBRD)
 - Credit for Agricultural Producers (CAP) (USAID)
 - Investment for Business Resilience (USAID IBR)
 - Implementing Effective Supervision over Nonbank Financial Institutions (TWINNING) (EU)
 - New EU Financial Services Project (EU)
 - New Project Management Office at the NBU (EBRD)
- ❑ Developing regulations on concluding cooperation agreements between the NBU and international partners under the ITC

TA Requests: Prudential Supervision and Financial Stability

Risk-Based banking supervision

Risk-Based supervision over payment services providers

AML/CFT supervision

Implementation of sanctions

Asset Quality Review (AQR)

Improving analysis for macroprudential policy purposes

NPLs assessment and resolution

Basel III and CRD IV / CRR

Bank of England  MOVING FORWARD TOGETHER

 European Bank
for Reconstruction and Development



THE WORLD BANK
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BANKA SLOVENIJE

EVROSISTEM

BANQUE DE FRANCE
EUROSISTÈME

 DEUTSCHE
BUNDESBANK
EUROSISTEM



USAID INVESTMENT FOR BUSINESS
RESILIENCE ACTIVITY



GENEVA
GRADUATE
INSTITUTE



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra



BANCA D'ITALIA
EUROSISTEMA

UKNF

URZAD
KOMISJI
NADZORU
FINANSOWEGO

DeNederlandscheBank
EUROSISTEEM

 LIETUVOS BANKAS
EUROSISTEMA

TA Requests: Payment Systems and Cash Circulation

E-hryvnia: pilot, questionnaire to determine demand, analysis of results

Instant payments

Advisory support for BankID development

Virtual assets

CIT companies in the field of cash circulation, tariff policy of CIT companies

SEPA

Updating the PROSTIR NPS, including its tokenization

CB cooperation with market regulators during the oversight of the central securities depository, central counterparty



NARODOWY BANK POLSKI



BANCA D'ITALIA EUROSYSTEMA



USAID

EUROSYSTEME

USAID INVESTMENT FOR BUSINESS RESILIENCE ACTIVITY



NORGES BANK

SUOMEN PANKKI EUROJÄRJESTELMÄ



FINLANDS BANK EUROSYSTEMET

Bank of England



DEUTSCHE BUNDESBANK EUROSYSTEM



ธนาคารแห่งประเทศไทย BANK OF THAILAND

OESTERREICHISCHE NATIONALBANK EUROSYSTEM



BANCODE ESPAÑA Eurosistema



THE WORLD BANK IBRD • IDA | WORLD BANK GROUP

TA Requests: NBFIs Regulation and Supervision

Transition to risk-based supervision over NBFIs

War risk insurance in Ukraine

Drafting regulations to implement Solvency II

Reforming the actuarial activity in Ukraine

Implementation of updated regulation of the credit bureau

Regulation and supervision over finance companies

Supervision in the area of nuclear insurance

Regulation and supervision over financial groups and financial conglomerates



Bank of England



USAID INVESTMENT FOR BUSINESS
RESILIENCE ACTIVITY



TA Requests: General Business Area

Financial literacy

Strong customer authentication in the payment market

Communications

Modernization of the NBU's website in line with the inclusive standards

Internal audit

Business Process Automation System

Risk management

HR strategy, HR system



TA Requests: Market Operations

Developing instruments for banks to hedge FX risks

Use of foreign currency in a country that has its own currency

Cross-border payments

Control over transporting the cash in or out from the EU

Emergency liquidity assistance (ELA).

Self-assessment report on compliance of money and foreign exchange market indicators with IOSCO Principles

Implementation of OECD Codes into Ukrainian legislation

Developing the Capital Markets' Infrastructure



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra



USAID INVESTMENT FOR BUSINESS
RESILIENCE ACTIVITY

SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
BANCA NAZIUNALA SVIZRA
SWISS NATIONAL BANK



TA Requests: Monetary Stability, Administration and Operations

Reporting according to FINREP–COREP standards

Reporting and exchange of statistical data (SDMX, XBRL)

Quarterly projections model (QPM) update

Negotiations on accession to EU and screening of domestic law

Approach to calculating the central bank's capital reserves

CIPS international certification program

NBU Monetary Policy Review

Accounting and financial reporting by EU national central banks



საქართველოს ეროვნული ბანკი
National Bank of Georgia

LATVIJAS BANKA
EIROSISTĒMA



NATIONAL BANK OF THE
REPUBLIC OF NORTH MACEDONIA

EUROPEAN CENTRAL BANK
EUROSYSTEM



**Слава Україні!
Glory to Ukraine!**

