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## FEATURES OF FUNCTIONING OF DEPOSITORY SYSTEM OF UKRAINE

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*Summary. The article studies the current state of the depository system of Ukraine and its problems and prospects of development of definition in the future. A detailed study of the constraints of the depository system, the basic tendencies of its functioning and*

*noted the inherent features. Recommendations on how to improve the depository system, which will enhance the investment potential of the country's economy.*

**Key words:** *depository, depository system, financial markets, securities.*

Depository system plays a crucial role in the stock market, especially in the transfer of ownership of securities. So today more attention is paid to the development of the depository system of Ukraine by the executive authorities. However, until now not managed to reduce the severity of many problems and the likelihood of conflict in the securities market. Given this important task of the securities market and the entire stock market is to improve the accounting system of securities by providing them with secure storage, rapid access and re-ownership with minimal risk for the owners.

Depository system plays an important role in the stock market, particularly in the transfer of ownership of securities. So today, more and more attention is paid to the development of the depository system of Ukraine on the part of the executive branch. But so far failed to alleviate many of the problems and the risk of conflict in the securities market. Given this important task of development of the securities market and the stock market is likely to improve the system of registration of rights to securities by ensuring their safe storage, quick access and re-registration of ownership with minimal risk for the owners.

The current stage of development of the depository system was marked by the entry into force Oct. 11, 2013 Law of Ukraine "About Depository System of Ukraine". This law changed the fundamentals of the national accounting system, stock market, and it was, introduced a single Central Depository (based

on the National Depository of Ukraine), one single Estimated Center (at the former All-Ukrainian Securities Depository), licensed in the former custodian depository institutions, etc.

The corresponding development of securities market in Ukraine confirm the historical aspect quantitative indicators. Thus, in recent years, a trend evident in increased trading volume on the stock market. Volume shares in 2012 was 46.88 billion UAH, Compared to the same period of 2011 decreased by 11.28 billion. UAH. During 2014 the Commission registered 156 editions of shares worth 145.21 billion UAH Compared to the same period of 2013 the volume of registered issues of shares increased by 81.75 billion UAH.

Constraining factor for the development of the stock market and depository system as its component are: - the existence of the practice of illegal redistribution of property rights, manipulation by the Raiders through the formation is not the central register of securities; - An increase of conflicts in the securities market and reduce investor confidence because of the unresolved issues in the national legislation to implement the functions of storage of global certificates only Central Depository.

Research showed that the depository system of Ukraine is characterized by positive dynamics of development, which is reflected in strong growth in trading on the stock market, but the problems that have accumulated require immediate address them.

Updating legislative framework to bring it to the requirements and international standards will lead to increased confidence from investors, issuers, professional participants of securities market; strengthening the protection of the rights of ownership of se-

curities and, in particular exception split registers of shareholders and limitations raid; minimize transaction costs to market participants in the implementation of agreements; simplifying settlement of securities.

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