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International financial centers in the global economy

Abstract

The article discusses the preconditions for the emergence and role of international financial centers (IFCs) as key institutions of the global financial market, which at the end of the 20th century acquired the most important function in the accumulation and circulation of international capital, which is closely connected with the globalization of the world economy. It traces the history of the emergence of IFC and analyzes the main trends in their development in the context of economic globalization, in particular their numerical growth, development and enlargement of regional IFCs, strengthening their influence on the development of the base country and the world economy. On the basis of new global trends and challenges of the 21st century, the analysis covers the prospects of IFCs' development in the emerging information society and, in particular, the use of new financial technologies (fintech), rapidly spreading throughout the world. The study is based on empirical data provided by the renowned Global Financial Center Index (GFCI), which has been published annually since 2007. The article reveals the changing landscape of IFCs, which is determined primarily by the rapid development of new financial centers in East Asia and other regions of the world. The author concludes that international financial centers are playing an increasingly important role in the world economy and its financial sector. They perform their functions primarily through the management of cash and resource flows, cross-border financial transactions involving investors from different countries, structuring financial flows, providing various financial services, and also have a growing influence both on the management decisions of companies and on the management of national economies. In this role, IFCs are taking on the role of a geoeconomic instrument.

Keywords

Global financial market, international financial centres, banks, exchanges, new financial technologies (fintech), global cities

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1 Introduction

The globalization of the economy has revealed a growing trend in the number of IFCs in different parts of the world. They have a positive impact on the home countries and the entire world economy. Therefore, it is very relevant to study their essence, modern trends of their development, peculiarities of formation and functioning in the modern world economy. This will be of fundamental importance for a proper understanding of the role of financial centers both for national economies and for the entire world economy.

The modern development of international financial centers is due to the expansion of globalization processes, characterized by strengthening ties between all national economies, the increasing influence of external factors on national economies, the increase of international financial flows as a major component of the world economy. Specialized financial institutions are of paramount importance in the process of expansion and development of commercial, scientific, technical and other factors of international relations. Thus, it is necessary to study the processes of formation, evolution and features of functioning of IFCs, which are the key components of the world economy.

The issues of development of international financial centres have been analyzed by O. Rogach, Yu. Makogon, S. Pakhomov, M. Shuba, V. Kucherenko, Yu. Khvatov, M. Lifanova and other Ukrainian scholars, who focused their attention on the definition of the notion "international financial centre" and identification of preconditions for their formation in the context of financial globalization. Outside of Ukraine, a growing number of scholars are devoting their research to various problems of IFCs development, H. Reed, S. Sussen, E. Devis, T. Gerig, E. Triggle, A. Airapetian, Yu. Korechkov, K. Klyucnikov, O. Molchanov, S. Moiseev and others.

2 International financial centers in the global economy

In today's global economy, international financial centers are an important part of the integration of world financial markets, which contributes to financial globalization and is the basis of the global financial architecture.

An international financial center can be defined as a city, its agglomeration or country, which, along with administrative, commercial and cultural functions, implements the priority function of financial intermediation, providing a wide range of financial services, attracting and redistributing financial resources and serving financial market participants.

International financial centers have a long history of development. The prototypes of modern financial centers were the centers of international trade that existed in ancient times. The first such centers appeared at the crossroads of trade routes in major Mediterranean ports during the Roman Empire. Then they emerged in the Middle Ages in the port cities of Western Europe, such as Genoa, Venice, Pisa, Constantinople, and competed with each other for currency and trade leadership.

Within 200-300 years, such centers spread all over the world and provided, along with trade, such financial services as remittances, currency exchange, credit, insurance and freight. The main reasons for their emergence were trade relations, the economic development of countries, which contributed to the accumulation of significant free financial resources, namely surplus capital. This led to the gradual development of the function of financial intermediation and became the most important prerequisite for the formation of the financial market.

With the advent of oceanic trade, the Mediterranean centers lost their importance, and the main overseas trade moved to the ports of Portugal, France, Holland and Britain. Among the various functions performed by port cities were money exchange, banking and investment, but trade served as a starting point for collateral obligations, circulation of promissory notes, discounting of bills of exchange, non-cash distant payments, credit and trade finance, and the development of accounting and auditing. The places where major transactions in goods and financial instruments took place, settlements were made, loans were granted, capital for joint trade campaigns was formed, and partnerships were recorded and registered, spontaneously emerged. Major port cities became trading hubs and, almost immediately, the money centers of Europe.

Very narrow securities markets began to emerge from the seventeenth century. They were regional in nature, operated with a small number of financial instruments and had low total value. Such cities were Lyon, Amsterdam, Antwerp, but their influence on the economies of their countries of origin was insignificant. The creation of large banks and stock exchanges promoted the development of international financial centers. The state bank Vanco della Piazza de Rialto, established by the Senate of the Republic of Venice in 1584, is now considered one of the first of them. The first stock exchange and the oldest surviving one was opened in Amsterdam in 1602, and it was the first to apply the methods of securities trading used in stock exchanges today.

In the XVI–XIX centuries, the key functions of international financial centers remained the financial support of world trade and international lending, and the main element of the infrastructure of the financial center were private banks, which were universal in providing various types of financial services.

A new stage in the development of international financial centers began in the 70s of the XVIII century, associated with the development of capitalism, the growing internationalization of the world economy and was stimulated by shifts in world economic relations.

This was the exchange stage of the evolution of international financial centers, as it was associated with the emergence of stock exchanges and banks with branches in different countries, the development of securities in the direction from bills and mortgages to bonds and stocks. With the development of capitalist relations, financial centers at this stage were characterized by the transition from the function of supporting trade agreements to providing opportunities for financial transactions and intermediation. The activity of such centers was based on the stock exchange with relevant infrastructure. In 1773, the first stock exchange appeared in London; it was followed by exchanges in Paris, Chicago and Berlin, which had all the necessary trading and banking infrastructure. These cities became the fastest growing international financial centers.

Before World War I, London acted as the dominant financial center mainly because of the high level of development of capitalism in Great Britain, strong and extensive trade relations with other countries, the relative stability of the pound sterling, and a developed credit system. The financial instruments and products that are now actively used in the markets of the world stock exchanges first emerged and were used on the site of the London financial center. Meanwhile, New York was gaining financial power. Before and after World War I, Europe lost its supremacy as European financial capital shrank and lost influence. The world's leading financial center moved to the United States. The main financial functions were shifted to New York City, where financiers attracted European capital to a war-free country. During World War II and until the 1960s, New York maintained a monopoly position in the global financial market. At the same time, London managed to retain its financial importance, and its banks, stock exchanges, and insurance companies regained much of their lost ground and continued to play a significant role in international, foreign exchange, credit, and financial transactions.

The development of international financial centers in the 50-80s of the twentieth century is associated with the emergence of supranational currency markets, European capital markets, regional and peripheral financial centers, as well as offshore centers. During this period, financial centers ceased to be just a hub of banking and financial structures serving to conclude agreements, but became centers of attraction of capital, human resources, key points of the global financial architecture.

The late nineteenth and early twentieth centuries were an era of rapid economic development throughout the world, a period of formation of the world economic system and the free movement of goods, capital and people – a phenomenon that acquired signs of a globalized world economy in the late twentieth century. The modern stage in the evolution of international financial centers began in the 1980s and is associated with the development of economic globalization, globalization of financial markets, the emergence of new financial markets, the formation of transnational financial intermediaries that have moved to global operations, increased economic growth and capital accumulation, the unprecedented development of global financial centers occurring at the turn of the century. At present, international financial centers are distinguished by their active and growing role in the global economy.

The development of international financial centers is of great importance for the world economy. They are both the primary actor and factor of the world economy, an essential part of the integration of world financial markets, and have become the basis for the formation of financial globalization, which is one of the most characteristic features of the modern world economy.

The role of international financial centers in the modern world is extremely multifaceted. First of all, these centers are the core around which the entire global investment, financial and banking system is built. This is a whole industry of the world economy, highly profitable, influential and one of the main drivers of globalization.

Links between financial centers and the free flow of capital between them are important. They help to overcome certain barriers to the movement of capital, to resolve conflicts related to limited and insufficient liquidity of certain companies and markets, and to redistribute risks. They determine the real quotes of national currencies, world prices for certain groups of goods, services and factors of production.

Financial centers provide acceleration of capital turnover due to a large number of participants, market size, better organization and use of financial instruments. As a result, there is an increase of return on capital, increase of efficiency of its turnover, strengthening of its influence on economic growth at the expense of greater profitability and greater possibility of choosing the best investments, which promotes mobilization and redistribution of considerable volumes of financial resources all over the world, etc. In the context of globalization, trends towards the formation of a global financial market, with world financial centers as its centers, have emerged for the first time. The role of the financial sector in the global economy is increasing, new regional financial centers are emerging and strengthening, and the global financial architecture is being transformed from unipolar to multipolar and multifaceted. There are a number of peculiarities of their formation and development in the global economy.

In recent decades, there has been an accelerating trend toward the creation of international financial centers. They emerge as a result of the transformation of national financial markets, which, in turn, emerged from local markets and transformed into regional and international financial markets. Thanks to the liberalization of international relations and the growth of international financial markets and capital flows, it is taking less and less time for financial centers to become international. Thus, while it took London nearly 300 years and New York and Tokyo about a hundred years to enter the international financial market, in the context of globalization these processes are going much faster.

The geography of financial centers and their role in the global economy changed significantly at the end of the last century, and trends toward the creation of new regional international financial centers intensified. Dozens of regional and offshore financial centers emerged, and along with financial capitals that previously functioned as regional ones, capital centers were formed in the periphery. In particular, Asian capitals came into force, with Singapore and Hong Kong joining the system of major financial centers, followed in the new century by Shanghai. Together, they create a new structure of zonal organization of finance and operate on the principles of a network economy with hubs of varying power. Together they form a special system serving the world economy, and together they represent a certain integrity: each of them occupies a special place in the system of the international division of labor and the global movement of capital.

In 2021, according to GFCI, the following regional international financial centers lead among 114 cities (Table 1).

Global cities play an important role in the formation and development of international financial centers. In general, cities have always been centers of trade, entrepreneurship, science, education, and culture, but in the context of globalization they are taking on a new importance. According to S. Sassen, American sociologist and economist and professor of sociology at Columbia University, a global city is a post-industrial center, fully integrated into the global economy and largely drawing resources and opportunities

TABLE 1 Top 5 IFCs by world's regions

IFCs	GFCI 29	GFCI 28	GFCI 27	GFCI 26	GFCI 25	GFCI 24
World Top 5						
New York	764	770	769	790	794	788
London	743	766	742	773	787	786
Shanghai	742	748	740	761	770	766
Hong Kong	741	743	737	771	783	783
Singapore	740	742	738	762	772	769
Asia/Pacific						
Shanghai	742	748	740	761	770	766
Hong Kong	741	743	737	771	783	783
Singapore	740	742	738	762	772	769
Beijing	737	741	734	748	738	733
Tokyo	736	747	741	757	756	746
Eastern Europe & Central Asia						
Moscow	615	600	644	610	582	571
Warsaw	607	618	665	626	605	592
Vilnius	606	578	649			
Bratislava	598	552				
Istanbul	590	595	636	641	620	590
Latin America & The Caribbean						
British Virgin Islands	614	587	655	606	602	597
Barbados	600	559	583			
Santiago	597	546	603			
Mexico	595	589	637	630	616	598
Cayman Islands	592	575	670	699	713	683
The Middle East & Africa						
Dubai	710	714	721	740	733	722
Abu-Dhabi	675	681	682	690	702	686
Tel-Aviv	666	656	688	713	710	689
Casablanca	632	655	680	714	712	684
Doha	628	627	669	672	642	662
North America						
New York	764	770	769	790	794	788
Vancouver	719	698	711	710	721	709
San Francisco	718	738	732	736	727	724
Los Angeles	716	720	723	735	724	721
Washington DC	715	712	709	702	689	655
Western Europe						
London	743	766	742	773	787	786
Frankfurt	727	715	720	733	737	730
Zurich	720	724	719	734	739	732
Luxembourg	712	719	715	708	691	694
Geneva	709	717	729	706	698	685

Source: (GFCI 29 Top 5 Centres by Regions) for development through or through interaction in global urban networks (Sassen, 1966). Features of modern global cities are high-tech innovations, high concentration of financial services, and developed intellectual infrastructure. That is why they are considered central financial centers, which have a high level of investment activity and concentrate significant amounts of financial resources and capital.

According to H. Reed, cities acquire the status of an international financial center if they have a significant concentration of financial sector companies, diverse in profile and function, with global and regional activities, i.e., most agreements are international in nature. There is a deregulation and liberalization of international financial transactions; unified rules, standards and mechanisms of banking and other financial transactions, as well as criteria for assessing financial risks and the creation of new financial instruments are established; global financial institutions that ensure compliance with these rules appear, etc. (Reed, 1989).

The main feature in the development of international financial centers at the present stage is the qualitative modification of mechanisms and directions of their activity. They become business platforms for leading firms providing financial and information services, they grow into transnational markets, where firms and governments can buy financial instruments and specialized services. Thus, they acquire a new function, becoming the poles of the information economy.

Modern financial centers are peculiar incubators of ideas and are aimed not only at the development of banks, exchanges, credit relations and investments, but, more importantly, they create a particularly favorable environment that fosters creativity, professionalism, initiative, entrepreneurship. A high level of intelligence and creativity is the main wealth and capital of financial centers.

In the context of economic globalization, one of the most effective ways to strengthen a state's position in the world economy is to create financial centers and increase their importance in the world economy. If in the past the headquarters of capital was the result of a country's monetary, financial, economic and political power, in today's world financial centers can greatly enhance the economic power and political strength of a state. Therefore, the formation of an international financial center in the country is one of the strategic objectives of the state. The most important purpose of creating a financial center in the country is to attract capital, which will further ensure the global competitiveness of the country's financial market, capital inflow, innovative development of the economy, strengthening the integration of the country into the global financial market. The latter contributes to the growth of international trade and generally strengthens the country's position in the global economy. This largely determines the growing interest in financial centers and their inclusion in public policy priorities.

For the local market to become a developed international financial center, it is crucial for a country to have all the necessary elements to support both its own and international operations in particular:

- macroeconomic and political stability in the country;
- a legal framework that does not impede financial transactions and investments and allows for the efficient allocation of funds;
- fiscal stability and a stable currency that inspires confidence in foreign investors;
- openness of the economy to the movement of capital, labor, intangible assets;
- a large financial market that has been formed;
- liberal tax system;
- a wide range of financial instruments;
- developed financial infrastructure: functioning stock exchanges, banks, insurance, investment companies and funds;
- relevant current global standards in accounting, reporting, oversight, and regulation;
- effective international communications systems that allow for efficient non-cash payments and cash settlements;
- qualified personnel capable of working effectively in financial institutions, infrastructure and consulting organizations, as well as in regulatory bodies.

Many countries strive to create their own international financial centers, because they participate in the creation and redistribution of global financial income, contribute to a noticeable inflow of capital into the country, bring in a significant tax revenue, etc.

First of all, international financial centers have a positive impact on a country's financial sector. They remove restrictions from national markets, overcome the limitations of national capital and expand the size and scope of the local financial market, establishing links between national and global financial markets, acting as hubs of capital movement. They facilitate a significant inflow of capital into the country; improve the investment climate; affect the home country's currency and allow it to accumulate significant balance of payments income. They increase the liquidity of capital through inter-market and broader institutional redistribution. The large number of participants, the diversity of interests, and the increase in supply and demand contribute to liquidity. Countries with international financial centers get additional opportunities to extend their influence, rules and decisions to other participants of global economic processes.

The openness of the financial market and the creation of a financial center of the country create conditions for faster economic growth and socio-economic development, they make the country more attractive to capital, allow a fuller integration of the national economy into the world economy and create additional competitive advantages for the economic system.

Location of the international financial center is an additional advantage for the city, as it requires a large number of banks and exchanges, offices, which stimulates the construction and development of infrastructure, development of educational institutions, services, business tourism. All this contributes to the development of these industries in the city, provides tax revenues to the budget, improves the image of the city and its attractiveness. In addition, there are additional incentives for the growth of other related industries. The attractiveness of tangible and intangible national assets grows due to the inflow of additional capital into the country.

Of particular importance are tax revenues from the activities of international financial centers, the industries that run the center and the salaries of employees. For example, in 2018, British financial institutions provided most of the tax revenues to the state budget, namely about 75 billion pounds.

The advantages of international financial centers are associated with the growth of employment in cities, the share of a highly skilled workforce, and an increase in the professional and cultural level of workers. For example, in 2021 the number of employees in the banking sector alone was: more than 439,000 people at Industrial and Commercial Bank of China, more than 349,000 people at China Construction Bank, 459,000 people at Agricultural Bank of China, 309,000 people at Bank of China, more than 255,000 people at JPMorgan Chase, 180,000 people at Mitsubishi UFJ Financial Group, etc. In Switzerland, more than 107,000 employees are employed in the banking sector, including more than 45,000 at Credit Suisse and about 60,000 at Zurich Insurance Group Ltd (Top banks: world's largest banks by asset size). Many are employed in related fields, including highly skilled and well-paid managers, traders and brokers, lawyers, consultants, auditors and others. High incomes of the population stimulate the domestic market for goods and services, which leads to its expansion and the growth of production, which ultimately leads to the economic development of the city and the growth of GDP.

In addition, the functioning of international financial centers provides wide access to information and knowledge about foreign economies, companies, their financial condition and resources. This allows the most effective investment activity, increase revenues, expand its influence on foreign markets, industries and countries.

The activity of international financial centers and, in particular, exchange trade in securities and commodities (oil, metals, grain, etc.), leads to an increased demand for the currency of host countries. This creates opportunities for its use in the global financial system as a reserve currency, as well as allows for additional paid-in capital.

International financial centers are economic entities that encourage their governments to strengthen their position in the world economic system, to increase their wealth and influence, on the one hand, and have opportunities that can be used for external tasks, i.e., should be regarded as geo-economic tools, on the other hand. Thus, financial centers and their masters have much more opportunities to enrich themselves in financial and investment operations than other participants in this process.

Thus, by hosting international financial centers, a country significantly increases its geo-economic opportunities and receives significant profits. Therefore, given the resources and capabilities, a country seeking to dominate international markets and ensure competitiveness should establish such centers on its territory, but with the prerequisites and advantages.

Assessing the role of international financial centers in the global economy, it should be noted that they are transformed into development centers, which unite a large number of organizations into a system covering regulation, financial instruments and technologies, high competencies in various areas of economy and management, introduction of new technologies and different types of services. They are gradually turning into powerful information-analytical and organizational-management complexes with significant credit potential. At the same time, their activities are becoming more and more complex. They not only function as an international market of loan capital, but also provide related activities in the sphere of international monetary and financial, credit relations, as well as in the sphere of insurance, auditing and other services.

Firms, including legal, audit and management consultants, serving the needs of global financial centers, including McKinsey & Company, EY, Deloitte Touche Tohmatsu Limited and others, often occupy leading positions in these centers. In addition, global financial centers attract a wide range of professionals (specialists in economic and legal analysis, etc.) who analyze the state and prospects of development of the world economy and other national economies. The development and implementation of a long-term strategy for the reorganization of the global financial system has recently become one of the main functions of financial centers in cooperation with international financial organizations and developed countries.

Analytical centers capable of conducting interdisciplinary research, compiling indices and ratings, such as Moody's, Standard and Poor's, Fitch and others, have become well known. MFC also attracts a wide range of experts in comparative economic and legal analysis and other specialists.

In a globalized economy, the analytical centers operating in international financial centers, which are able to provide interdisciplinary research, prepare their own indices and ratings, acquire significance.

The modern information revolution and global IT technologies are of great importance for the development of financial centers. It has contributed to the emergence of a single global financial space, where information technology and systems that instantly transmit and process information from one end of the world to the other have united national financial markets into a single global financial market. At the same time, international financial centers are becoming centers of rapid development and implementation of new digital and financial technologies, financial innovation, creation and distribution of financial instruments, which is important in shaping the fourth industrial revolution and the new technological structure.

One can observe the development of FinTech in international financial centers. These companies attract the latest technologies in the field of finance and cover international information and communication systems, payment and settlement systems. Information support is provided by such world-renowned companies as Thomson Reuters, Bloomberg and Dow Jones & Company, Tenfore and others. They provide real-time access to quotations of world stock exchanges, in particular NASDAQ, Nyse, CME, COMEX, CBOT, NYMEX, Eurex, Euronext, LME, Forex market and others.

According to the latest data, such MFCs as New York, Shanghai, London, San Francisco and Beijing occupy the highest positions in the ranking of the level of development of new financial technologies (Table 2).

The SWIFT system is the main infrastructural element of global interbank cooperation. It processes financial orders, facilitates the development of a special network of applications, and sells terminals and software. The trans-European automated real-time telecommunications system TARGET plays an important role in ensuring international settlements. Many countries aspire to be FinTech innovators, but the U.S., U.K., Singapore, Lithuania and Switzerland are leading the way. What's more, they all hold the lead in the payments, DeFi and cryptocurrency sector.

The growing number of MFCs in the world is accompanied by increased competition between them. Their main comparative advantages are business environment, human capital, infrastructure, financial sector development, and reputational factors (Table 3).

In today's world, international financial centers are also characterized by cooperation and consolidation because, with the globalization of capital flows, international financial centers, geographically protected in the past, have become vulnerable to competitors around the world. The consolidation of international financial centers can be seen in the dynamics of the Global Financial Center Index (GFCI) (see Figure 1). Experts believe that New York, London and Hong Kong are becoming a single global financial center with common regulatory rules.

Finally, it should be noted that the spontaneous development of international financial centers in the era of industrial economy was replaced by their program-controlled creation in the context of economic globalization. Despite the general requirements of monetary and financial freedom, the influence of the state on global financial centers is becoming a

TABLE 2 GFCI 30 FinTech Ranks and Ratings-Top 50 Centres

Centre	GFCI 30		GFCI 29	
	FinTech Rank	FinTech Rating	FinTech Rank	FinTech Rating
New York	1	723	1	731
Shanghai	2	695	2	722
London	3	694	5	712
San Francisco	4	693	9	691
Beijing	5	692	3	719
Los Angeles	6	689	8	692
Shenzhen	7	686	4	716
Hong Kong	8	679	6	711
Washington DC	9	678	12	681
Singapore	10	677	7	710
Seoul	11	676	13	679
Chicago	12	675	19	670Chi
Guangzhou	13	674	11	684
Boston	14	673	18	674
Paris	15	661	17	675

Source: (The Global Financial Centres Index-30 September 2021; China Development Institute)

TABLE 3 Top 15 Centres by Area of Competitiveness

Rank	Business Environment	Human Capital	Infrastructure	Financial Sector Development	Reputational & General
1	New York	New York	New York	London	New York
2	Singapore	London	London	New York	Singapore
3	London	Singapore	Shanghai	Singapore	London
4	Hong Kong	Hong Kong	Hong Kong	Shenzhen	Hong Kong
5	Beijing	Shanghai	Singapore	Hong Kong	Zurich
6	Shanghai	Tokyo	Tokyo	Shanghai	Shanghai
7	San Francisco	Beijing	Beijing	Zurich	Beijing
8	Tokyo	Paris	Amsterdam	Frankfurt	Tokyo
9	Chicago	Brussels	Zurich	Seoul	Geneva
10	Frankfurt	Luxembourg	Boston	Los Angeles	Edinburgh
11	Edinburgh	Los Angeles	Frankfurt	Luxembourg	Glasgow
12	Luxembourg	San Francisco	Edinburgh	San Francisco	Dublin
13	Amsterdam	Chicago	Geneva	Beijing	Seoul
14	Zurich	Shenzhen	Guangzhou	Geneva	Hamburg
15	Washington DC	Frankfurt	Seoul	Edinburgh	Paris

Source: https://www.longfinance.net/media/documents/GFCI_30_Report_2021.09.24_v1.0

decisive factor in their development. Over the past quarter century, many state-owned financial centers have emerged. For example, along with a favorable economic situation, the government has taken a practical approach to the creation of financial centers in oil-producing countries. The government initiated the creation of financial centers, particularly in Qatar, Dubai, Bahrain. Public policy is also of paramount importance in China in the creation of international financial centers, particularly in Shanghai, Beijing and Shenzhen. This policy is also in effect in other countries when creating international financial centers in Mumbai, Seoul, Taipei, Warsaw, Astana, etc. The state also plays an important role in maintaining the privileged position of traditional financial centers. Thus, to improve the competitive position of financial centers, special units were created to monitor, develop strategies and tactics, as well as to propose and implement state regulation measures in London and New York.

To summarize, international financial centers with new markets are also emerging in some Central and

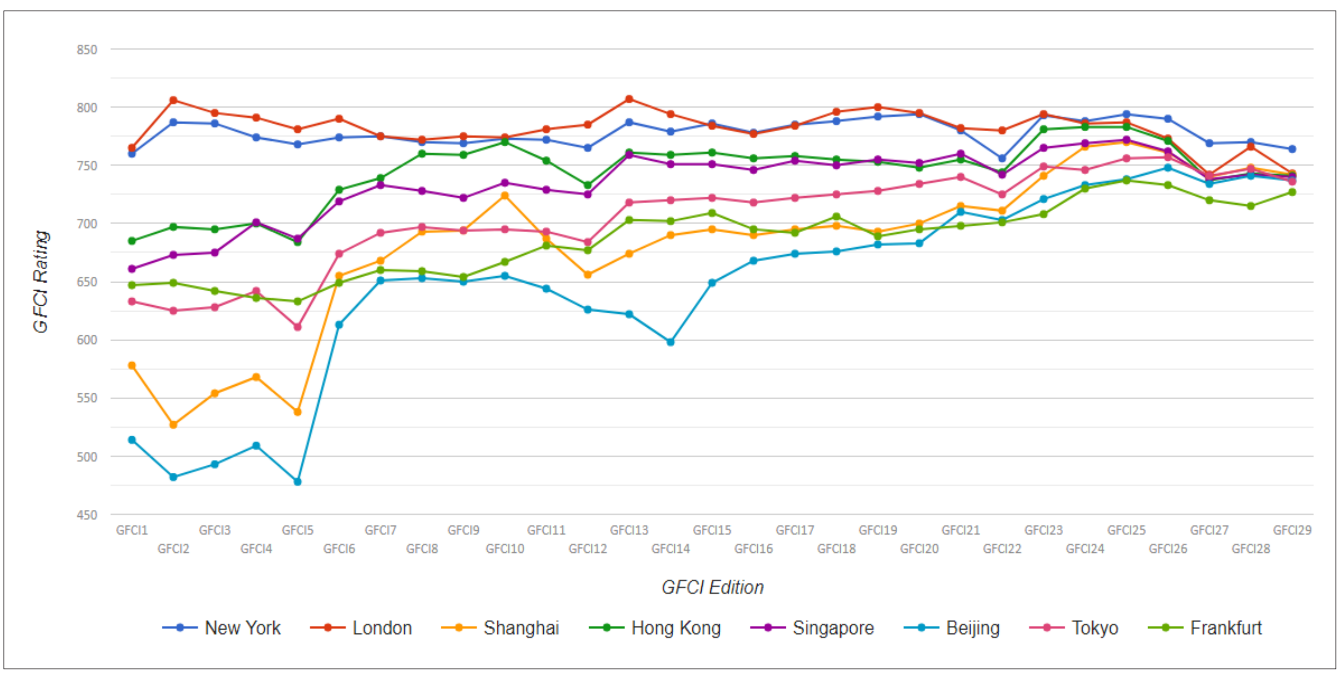

FIGURE 1 Dynamics of Global Financial Center Index (GFCI)

Source: (GFCI Over Time)

Eastern European countries. These include cities such as Vilnius, Prague, Warsaw, Tallinn, Budapest, Sofia and others, which are still only in the top 60, but it is already possible to observe their growth.

3 Conclusions

In conclusion, international financial centers play an important and growing role in the global economy, managing significant flows of money and resources, engaging in cross-border transactions, interacting with investors from many countries, operating huge financial flows, exporting existing services, which is a sign of a modern post-industrial economy. They are involved in management decisions for both individual companies and entire countries, becoming an instrument of geoeconomics, as the globalization of financial markets affects even countries that are underrepresented due to their lagging behind the leaders.

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