DOI: https://doi.org/10.30525/2256-0742/2025-11-2-128-135

THE ROLE OF FINANCIAL LAW DURING FINANCIAL CRISES AND RESTORATION OF ECONOMIC STABILITY

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Abstract. The modern global financial system is a complex dynamic mechanism whose stable functioning is a prerequisite for the development of both national economies and the global economy as a whole. At the same time, the global financial system may not be a safe source of shocks and disturbances. The article aims to deepen the scientific approaches to defining the theoretical foundations of the study of the causes and typology of global financial crises and to formulate a methodological approach to identifying the possibilities of recovery and economic stabilisation through the use of the main regulatory instruments of financial law. *Methodology.* The study used the following methods: analysis, systematisation and historical method to analyse and periodise financial crises in the transition period from the late twentieth century to the early twenty-first century; comparison, analogy and systematisation to summarise the causes of financial crises; and the logical consequence method to draw conclusions based on the research. The article examines the specifics of financial crises in the global economy and generalises their periodisation. The systemic determinants of global financial crises are considered. The distinctive features of banking and currency crises are characterised. The article proves that financial crises are not random phenomena, they are caused by various factors, among which are speculative transactions, lack of regulation and supervision, and excessive lending. Particular attention is paid to geopolitical factors of financial crises, as one of the most common in recent decades, and the peculiarities of their manifestation. The paper establishes that, despite the cyclical nature of financial crises, their scale and consequences always vary, which requires the development of dynamic tools for crisis management. The study is aimed at identifying patterns and factors that cause financial crises. Attention is paid to the importance of ensuring the security of financial markets for the economic stability of the State, including for ensuring the financial security of the State. The article presents the interpretation of scientists on the importance of ensuring financial security and security of financial markets, the impact of the proper functioning of such markets on ensuring economic stability. Emphasis is placed on the system of financial security, which includes: budgetary, currency, monetary, debt security, insurance market security and stock market security. The publication highlights the importance of the security of the state's financial markets for ensuring the state sovereignty and integrity of the country, as well as a decent standard of living for Ukrainian citizens. Consideration is given to the current threats to the financial markets of Ukraine in the current situation and under martial law. The factors affecting the economic stability and financial security of the state are considered, and measures to ensure the security of financial markets are proposed. The research identifies threats to the financial security of the state, in particular, the following: non-compliance with the rule of law; imperfect public administration in ensuring financial security; ineffective system of control over budget expenditures; ill-considered monetary policy of the state; ineffective tax system; corruption of state bodies and pressure on business; excessive state budget deficit; and growth of the "shadow" economy; rising external debt; outflow of human capital and demographic crisis; mismanagement of foreign loans and financial assistance. Emphasis is placed on the experience of the European Union (EU) in ensuring the security of financial markets and financial security of the State. The conclusions

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of the paper demonstrate that for the proper functioning of the state's financial activities and the promotion of Ukraine's European integration, even in the current conditions, the security of the state's financial markets and their proper functioning must be ensured at the appropriate level. The results of the study can serve as a basis for developing a system of indicators of the likelihood of financial crises in order to take timely preventive measures aimed at preventing them or reducing the possible negative consequences of their unfolding.

Keywords: financial system, financial crises, financial security, financial stability; economic stability, financial law, rule of law, European integration.

JEL Classification: E42, E50, F30, A10, G01, M14, L26

Introduction

The modern global financial system is a complex dynamic mechanism whose stable functioning is a prerequisite for the development of both national economies and the global economy as a whole. At the same time, the global financial system may not be a safe source of shocks and disturbances.

Financial crises have a significant impact on the global economy, causing recessions, rising unemployment and other negative consequences. To enhance the resilience of economic systems, a deep understanding of the mechanisms of financial crises is required.

The specifics of the financial crisis form the boundaries of economic agents' activity in the market. Firstly, this is due to the fact that socio-economic crises have financial consequences that are most characteristic of the dynamic and contradictory market transformation of a modern economic state. Secondly, the amount of available financial resources significantly affects the choice of method and effectiveness of anti-crisis cash flow management, since a significant cause of negative transformational changes in the economy is a gap in the movement of relevant financial resources of various business entities. The lack of financial resources encourages economic agents to lend to each other, increase mutual defaults, and increase accounts payable, which leads to higher costs of servicing the value of cash flows.

1. Research Methodology

1.1. Defining the Nature and Signs of Financial Crises

The issue of studying the nature of financial crises, their causes and methods of overcoming their consequences is the subject of serious scientific research by both foreign and domestic scholars. Thus, Reinhart C. M., & Rogoff K. S. (2009), conducted a thorough analysis of historical data on financial crises over the past 800 years, demonstrating their recurrence and identifying common features with previous crises.

Shiller R. J. (2008) emphasised the importance of behavioural economic principles in understanding financial crises, arguing that psychological factors can lead to asset overvaluation and the formation of bubbles. A significant contribution to the study of the causes of financial crises was made by Primostka L. (2001), with an in-depth analysis of financial derivatives and their impact on the stability of financial markets.

Vasiurenko O. V. (2010) studied the indicators of early warning of banking and currency crises, establishing a close relationship between them. The work of Baranovskyi O. I. (2009), which provides a deep understanding of the causes and consequences of financial crises through a systematic approach to their study. Considering the interaction of economic, financial and social factors, the author provides a better understanding of the nature of financial crises to develop methods of prevention.

Shabelnik T. V., Marena T. V., & Shabelnik M. M. (2020), focused on finding effective measures for the early prevention of financial crises. In their work, they proposed a typology of global financial crises based on their own classification criteria.

Kozyuk V., & Baranchuk V. (2022) worked on the development of an early warning system for global financial crises based on retrospective studies of their development. Voronova O., Marushchak S., & Pugachov M. (2023) focused on the study of key macroeconomic indicators of financial crises, such as the state of the balance of payments, the ratio of external debt to GDP, the level of exchange rate volatility, the ratio of international reserves to import growth.

However, while recognising the theoretical and practical value of these studies, it should be noted that certain theoretical and methodological aspects of the chosen issues still need further development to bring them in line with the dynamics of the modern world.

The availability of a large number of scientific works on this topic indicates a significant interest of economic scientists in the study of the nature, causes and mechanisms of global financial crises. At the same time, there are opportunities to create effective mechanisms for preventing financial crises based on the formation of a system of effective economic and legal management.

Financial security is a complex economic category characterised by a variety of interpretations of its economic content and structural components. In most cases, the components of the state's financial security include: budget security, debt security, monetary security, currency security, investment security, banking security and security of the non-banking financial sector (financial security of the insurance and stock markets) (Lupenko, Yu., Radionov, Yu., 2024).

The author aims to deepen the scientific approaches to defining the theoretical foundations of the study of the causes and typology of global financial crises and to formulate a methodological approach to identifying the possibilities of recovery and economic stabilisation through the use of the main regulatory instruments of financial law.

Various explanations by researchers of the causes of global financial crises and differences in their interpretation indicate the need to group them according to the relevant features for the purpose of their scientific systematisation. In Table 1, the author presents a scheme of classification features of global financial crises. Global financial crises are divided into international and supranational on the basis of the level of international economic relations (Kozyuk, Baranchuk, 2022). Based on the coverage of the monetary and financial system, financial crises are divided into: general, banking system crises, credit, stock, budget, debt and currency crises (Metelenko, Khatser, 2016). Examples of globalisation factors include sharp fluctuations in the movement of international capital, the activities of transnational corporations (TNCs) in controlling this movement and the movement of foreign direct investment. The TNCs control certain industries and dictate conditions to entire states, especially small ones, and are able to shape demand and evade economic and political control.

Table 1
Typology of financial crises

Determination criteria	Crisis classification
Level of impact on international relations	
International	Supranational
Coverage of the monetary, credit and banking system	
General	Public debt crises
Stock market	Credit system
Foreign exchange	Budget system
Banking	Monetary circulation
Influence factors	
Political	Fiscal
Economic	Technical
Globalisation	Monetary and financial
Technological	Administrative and political

Source: compiled on the basis of (Metelenko, Khatser, 2016; Bogdan, 2014; Kozyuk, Baranchuk, 2022)

Thus, the proposed classification of global financial crises takes into account the relationship of causes and effects by the following criteria: coverage of the monetary and financial system, level of international economic relations and factors of influence.

2. Results and Discussion

2.1. Research on the Periodisation and Causes of Crises

A prerequisite for identifying the causes of global financial crises is to study the peculiarities of crisis management of cash flows, which has become extremely acute only in the last 15-20 years. The reason for this is not the bankruptcy of individual companies, banks, or public finances in different countries, as it used to be, but the speed of cash flow imbalances and the scale of their occurrence and spread. For example, the collapse of savings and loan associations in the United States lasted 20 years (from 1972 to 1992); the US investment pool Orange County increased its monthly losses from an acceptable 1.8% to an alarming 5% of total deposits over three years (1992 to 1994), losing a total of 1.67 billion USD. The collapse of Barings Bank in 1995 took only a few months to accumulate losses of about 1.1 billion USD (Piskunov, Moskalenko, 2024).

The collapse of the Long Term Capital Management (LTCM) hedge fund was particularly noteworthy, with losses amounting to 2.1 billion USD (47% of its assets) in a single month due to the crisis in August 1998. On 21 August 1998, the fund incurred losses amounting to 550 million USD, and on 21 September 1998, it suffered further losses of 500 million USD. But the most significant at that time was the bankruptcy of the investment bank Lehman Brothers on September 15, 2008, which reduced the value of the company's assets by $75 billion in a month. This triggered a chain reaction of bankruptcies of large banks around the world, which governments around the world spent 15 trillion euros (one third of global GDP in 2008) to rescue over two years (Reller, 2022).

The results of a thorough analysis by C. Reinhart and K. Rogoff (2009) clearly demonstrated the existence of common features in the causes of financial crises, indicating their cyclical nature. At the same time, it is necessary to take into account the peculiarities of manifestation of the consequences of different types of financial crises, which are constantly changing under the influence of dynamic realities and conditions of historical periods in which they unfold.

The mechanisms that caused the financial crises of the 1970s and 1980s were quite different from those of the 1990s. During the 1970s and 1980s, financial crises were predominantly public finance crises. This was largely due to the inability of governments to effectively manage financial revenues combined with inadequate monetary and credit policies. This period was characterised by high inflation, significant currency devaluation and rising external debt, especially in Latin America. In contrast, the financial crises of the 1990s were primarily the result of failures in the private sector (Azarenkova, Moskalenko, Piskunov, 2014).

The situation was exacerbated by the lack of access to the necessary information for decision-making. The liberalisation of currency regulation at that time often led to a surge in capital inflows, which resulted in the accumulation of "bad" loans in banks and a real appreciation of the recipient countries' national currencies. This era has highlighted the strong interdependence between banking and currency crises, as seen in the Asian financial crisis of 1997, where the banking sector's failure triggered a significant currency devaluation (Piskunov, Moskalenko, 2024).

In the period from 2000 to 2008, the financial crises were mainly caused by speculative transactions in financial markets, insufficient regulation and supervision of financial institutions, and excessive lending. The US mortgage crisis in 2007-2008 led to a global financial crisis that affected all countries of the world.

In response to the financial crisis of 2008, many countries took measures to stabilise their financial systems, including the introduction of financial assistance programmes, increased regulation and supervision of financial institutions, and the implementation of macroprudential policies.

Financial crises continued to occur throughout the 2010s, but they were less widespread and less severe than the 2008 crisis. In many emerging markets, financial crises were caused by exchange rate volatility, insufficient foreign exchange reserves and the inability of governments to finance their obligations.

Since 2020, the world has faced new challenges related to the COVID-19 pandemic, which has triggered a global economic crisis. Governments and central banks have taken unprecedented measures to stabilise the financial system and support the economy, including the introduction of financial assistance programmes, lowering interest rates and implementing effective monetary policy tools to target inflation.

It should also be noted that since the 2000s, there has been a tendency for financial crises to intensify due to geopolitical factors. An example is the financial crisis in Ukraine caused by the war that began in 2014. It is characterised primarily by growing imbalances in the trade balances of countries around the world (Ped, Lysenkov, Yashchuk, 2012).

In particular, uncertainty in global markets is growing, leading to capital outflows from countries in conflict zones and neighbouring countries. This, in turn, causes devaluation and the solvency of currencies to decline.

The war in Ukraine shows how geopolitical conflicts lead to significant economic losses. The sanctions imposed on Russia in response to its annexation of Crimea and support for separatists in Donbas have had a significant impact on its economy. At the same time, Ukraine has also suffered serious losses due to military operations, the loss of control over part of its territory, and the forced restructuring of economic ties. These events demonstrate the importance of stability and predictability in international relations for sustainable economic development.

Many governments, taking into account the lessons of recent decades, are trying to develop policies that

Table 2
Shows the main financial crises over the past 30 years

Years of origin	Country	Type of financial crises
1991-1993	USA	Currency, public debt crisis
1994-1995	Mexico, Brazil, Poland, Asia	Stock and currency market crises, public debt crisis, banking sector crisis
1995	Argentina	Stock market and banking sector crises
1997	Thailand, Malaysia, Indonesia, South Korea, Philippines	Stock market crises, public debt crisis, banking sector crises
1997-1998	Japan, the whole world	Crisis in the banking sector and stock market
2000-2001	Brazil, Turkey	Currency market crisis, public debt crisis, banking sector crisis
2001	USA	Stock market crisis, sovereign debt crisis
2001-2002	Argentina	Currency market crisis, public debt crisis, banking sector crisis
2002	USA	Stock and currency market crises, sovereign debt crisis
2008-2012	USA, Europe, developing countries	Currency market crisis, public debt crisis, banking sector crisis
2013-2014	Cyprus	Crisis in the foreign exchange market and banking sector
2014-2016	Brazil	Currency market crisis, public debt crisis, banking sector crisis
2014-2016	Ukraine	Crisis in the foreign exchange market and banking sector
2015-2018	Turkey	Currency market crisis, public debt crisis, banking sector crisis
2018-2019	Argentina	Currency market crisis, public debt crisis, banking sector crisis
2020-2021	The whole world (COVID-19 pandemic)	Stock and currency market crises, public debt crisis, banking sector crisis
2022-2025	Ukraine	Currency market crisis, public debt crisis, banking sector crisis

Source: compiled on the basis of (Baranovskyi, 2009; Shabelnik, Marena, & Shabelnik, 2020; Kozyuk, Baranchuk, 2022; Voronova, Marushchak, Pugachov, 2023; Piskunov, Moskalenko, 2024).

minimise the negative effects of geopolitical risks and increase the resilience of national economies to external shocks.

3. Research Results

3.1. Ensuring Financial and Economic Stability through Financial Law Instruments and Regulators

Instability or a crisis in the financial market has a negative impact on all other industries, government agencies and the lives of citizens. The financial sector plays a leading role in the modern economy, providing financial intermediation between various financial market participants and creating the basic preconditions for social development. The reliability and efficiency of the financial sector also encourages productive investment by both domestic and foreign investors, thus supporting innovation and economic growth. A high level of financial market safety determines not only the efficiency of its functioning and the economic stability of society, but also the financial strength and national security of the state as a whole.

The current economic and political realities prove that the impact of external and internal threats on the level of financial security of Ukraine is growing. The most significant threat to financial security today is Russia's full-scale invasion of Ukraine, which has severe negative consequences for the financial market.

The legal unresolvedness of a number of issues related to financial security is often due to the interdisciplinary nature of this issue, which requires the use of new approaches in conjunction with the study of the current state of the system of legal regulation of financial markets and the economy sector. Ensuring economic security (which includes financial security), along with the protection of sovereignty and territorial integrity, is established by the Constitution of Ukraine as the most important function of the state and the cause of the entire Ukrainian people (Lupenko, Radionov, 2024).

The issues of financial security of the state are becoming increasingly important, as the functioning of the financial sector and the state as a whole, as well as its defence, rely on sufficient and stable financial support, both domestic and with the involvement of international assistance. With regard to intergovernmental aid, scholars propose to create and launch at the institutional level bodies to control and monitor the effective use of intergovernmental aid with the participation of the public and representatives of sponsoring states. Various elements of the state's financial security require proper legal regulation, optimisation of the actions of state bodies, gradual adaptation of national legislation to EU legislation, as well as clear and planned decisions of the state authorities (Sakalyuk, 2024).

In the presence of the negative impact of various factors, threats arise that cause problems in the financial market. Such threats may include the following (Sakalyuk, 2024; Budnyk, 2022; Lupenko, Radionov, 2024):

– Threats to budget security (imperfect regulatory support of the budget process, untimely adoption of the State Budget of Ukraine, miscalculations in budget planning, non-transparency of state and local budget expenditures, inefficient use of budget funds, ineffective system of control over budget revenues and expenditures, excessive level of the state budget deficit and insufficient and untimely filling of sources of its coverage);

– threats to debt security (imperfect regulatory framework for the formation, use, servicing and repayment of Ukraine's public debt, lack of a clear and sound concept of public debt management, and underdeveloped domestic debt insurance practices);

threats to monetary security (increased non-payments, weak price regulation, price imbalances, and capital outflows abroad);

in currency security (an increase in the share of non-bank money circulation, and the lack of clear regulatory frameworks for domestic monetary and foreign exchange policy);

– threats to investment security (imperfect currency and exchange rate policies, insufficient motivation for investment activities of various groups of economic agents, unstable political situation, high level of corruption, persistence of high investment risks, unsatisfactory state of production infrastructure in Ukraine);

– threats to banking security (low level of capitalisation of the banking system, risky lending policy, insufficient liquidity of bank assets, low level of creditworthiness of enterprises in the real sector of the economy, lack of sufficient gold and foreign exchange reserves, insufficient trust of households and legal entities in commercial banks);

– threats to the security of the non-banking financial sector (poor development of the insurance market infrastructure, low insurance culture of citizens, imperfect regulatory support for securities, registration of their owners' rights and corporate governance);

– threats to the military security of the state (full-scale military aggression by Russia against Ukraine, imperfect regulatory framework for the sector, outdated management methods, insufficient provision of the defence sector, etc.).

The stability of the financial market depends on the ability of government agencies to ensure proper regulation of the market, the functioning of the payment system, cyberattacks on the financial system, control of the shadow economy, ensuring the country's defence, effective public debt management, and prevention of financial crimes.

An important factor in ensuring the safety of financial markets is compliance with the rule of law. The foundations of democracy, its main institutions, and the conditions for its establishment and functioning are usually defined in the basic laws of the state. In accordance with Article 8 of the Constitution of Ukraine, the principle of the rule of law is recognised and applied in Ukraine (The Constitution of Ukraine, 1996). The rule of law is usually understood as a principle that implies the rule of law in the life of civil society and the functioning of the rule of law. That is, the rule of law in Ukraine should determine the conditions of life of the whole country, including the procedure for the establishment, existence and functioning of state bodies and public organisations, and the procedure for interaction between different actors (Sakalyuk, 2024).

The main areas for strengthening Ukraine's financial security and economic stability can be identified:

1) Productive fight against corruption;

2) ensuring compliance with the rule of law;

3) optimisation of the taxation system (it is not about increasing taxes, but about optimisation);

4) balanced budgets, which can be achieved by increasing revenues and reducing expenditures;

5) generating sufficient financial resources to fulfil the tasks set in the context of the crisis caused by the war;

6) a consistent decline in inflation; increased lending;

7) creation of favourable conditions for doing business with minimal pressure on business;

8) maintenance of the quality of education and healthcare;

9) implementation of measures aimed at improving the demographic situation and returning the population to Ukraine;

10) creation of conditions for the protection of the energy system.

As for the European Union's experience in ensuring economic resilience, this issue is a priority due to a number of geopolitical challenges and changes, such as the COVID-19 pandemic, Russia's armed aggression against Ukraine, tensions in US-China trade relations, and the migration crisis. In ensuring economic resilience, the EU is guided by its own goals and interests and seeks to maximise the benefits of economic openness while minimising the risks of overdependence. The EU's economic security strategy is built around three main priorities, which combine both existing and future measures aimed at mitigating the impact of and counteracting risks to EU economic security.

1. Promoting competitiveness and growth in the EU.
2. Protection against risks to economic security.
3. Promoting international co-operation and partnerships with like-minded countries (New Strategy of Ukraine, 2023).

Ukraine should definitely learn from the EU's experience, since if it becomes an EU member, Ukraine will be tasked with protecting not only its own interests in ensuring economic sustainability, but also the European community as a whole.

3.2. Steps to Adapt Ukrainian Financial Legislation to EU Legislation

On 23 June 2022, the European Union member states voted to grant Ukraine the status of a candidate country for accession to the European Union. This is certainly a historic event and a great achievement in the history of independent Ukraine, but it is only the first step.

Ukraine's accession to the European Union envisages a number of legislative reforms and adaptation of legislation to European standards. Legislative changes and adaptation affect social, political, economic and other important areas of life, but the focus of this review will be on financial legislation.

To date, Law of Ukraine No. 1678-VII of 16.09.2014 ratified the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand (Review of strategic, 2024).

The stages of legal adaptation were recognised as the implementation of the Agreement, the conclusion of sectoral agreements, bringing the current legislation of Ukraine in line with EU standards, and the creation of a mechanism for bringing draft legislative acts of Ukraine in line with EU norms (Gerasymchuk, 2025).

In terms of steps to adapt Ukrainian financial legislation to EU law after June 23, 2022, the National Securities and Stock Market Commission, the National Bank of Ukraine, the Ministry of Finance of Ukraine and the Deposit Guarantee Fund approved a new Strategy for the Development of the Financial Sector of Ukraine in 2023. The development of the document is envisaged by the Memorandum of Economic and Financial Policies between Ukraine and the International Monetary Fund.

The Strategy stipulates that joint actions of the regulators and the Deposit Guarantee Fund in the financial sector will be aimed at achieving the following five strategic goals (New Strategy of Ukraine, 2023):

– Macroeconomic stability;
– financial stability;
– the financial system is working to restore the country;
– modern financial services;
– institutional capacity of regulators and the Individual Deposit Guarantee Fund (IDFG).

The measures envisaged by the Strategy are divided into short-term measures aimed at ensuring stability and preventing deterioration in the financial sector and the economy as a whole; and medium-term measures that will form the basis for future economic recovery and growth.

The statistics on the state of approximation of Ukrainian legislation to EU law and recommendations for the implementation of EU acquis are interesting, as reflected in the Report on the results of the initial assessment of the implementation of EU acquis (ACQUIS EU, 2025). As of April 2025, according to the Agreement Pulse, Ukraine has approximated its financial services legislation to EU law by 67%. During the negotiation process on Ukraine's accession to the EU, Chapter 17 "Monetary and Economic Policy" will analyse the status of the National Bank of Ukraine and monetary policy for compliance with the provisions of the EU Treaty on central bank independence, price stability as the main objective of monetary policy, and the prohibition of monetary financing. In June 2023, Ukraine began the process of joining the Organisation for Economic Co-operation and Development (Gerasymchuk, 2025).

Conclusions

A comprehensive analysis of the different types of financial crises, their periodisation and the reasons underlying their occurrence underlines the complexity of this issue in the economic sphere. A study of the major financial crises of the late 20th and early 21st centuries has shown that financial crises are not random events, but are caused by a variety of factors, including speculation, regulatory and supervisory deficiencies, and excessive lending. Research also shows that financial crises tend to be cyclical, although their magnitude and impact vary.

Given the globalisation of the modern world, financial crises in individual countries are no longer local phenomena. They have a direct impact on the global economy. The interconnectedness of global financial markets means that crises in certain regions can spread quickly, affecting economies around the world.

Financial crises have a significant impact on the global economy, causing recessions, rising unemployment and other negative consequences.

On the one hand, financial crises reduce confidence in financial institutions, which leads to lower investment and economic growth. On the other hand, they cause inflation and budget deficits, making it difficult for governments to finance social programmes and economic recovery.

In addition, the dynamism and contradictory nature of market transformations caused by the current stage of economic development lead to an increase in the imbalance of cash flows in time and volume, and the specific manifestations of these financial crises create challenges for the activities of economic agents.

Therefore, to enhance the resilience of economic systems, a deep understanding of the mechanisms of financial crisis emergence and development is required. Given the cyclical nature of financial crises, it can be argued that their occurrence is inevitable, but there is always an opportunity to influence their scale and future consequences in time.

One-size-fits-all solutions are not always effective, so each crisis requires specific approaches and methods to overcome it A flexible and adaptive crisis management toolkit will allow for a better response to new challenges and minimise the negative impact on the economy, ensuring its stability and development.

The introduction of martial law as a special legal regime has necessitated the adoption of new legislation to restore and ensure the efficient and uninterrupted operation of the state's economy during the war. That is why it is important to conduct a thorough legal analysis of the legislation currently in force in Ukraine regulating the development of small and medium-sized enterprises, identify its shortcomings and gaps, as well as problematic aspects arising in the course of its implementation.

The financial security of the state, as a component of national security, is the basis of the country's economic development, which ensures the sovereignty and integrity of the country, as well as a decent standard of living for its citizens. The key to financial security, in particular, is the stability of the country's financial market, its normal functioning and proper regulation of such market by the state. In view of the above, it can be argued that in the context of the instability of the current global and Ukrainian economies, Ukraine's European integration, and the martial law in the country, the most influential factors on the financial security of the state as a financial market regulator are geopolitical changes and Russia's armed aggression. Despite the martial law in Ukraine, financial security must be ensured in compliance with the rule of law. Adherence to the rule of law and preservation of democratic values in ensuring financial security is one of the components of Ukraine's common victory and a prerequisite for EU membership.

Further European integration into the EU will expand opportunities for improving financial control in Ukraine. Ukraine will have the opportunity to establish modern systems for controlling financial flows, which will help fight corruption and increase the confidence of both local and foreign investors. Further reforms in the area of financial control will allow for more effective detection and prevention of financial irregularities, ensuring transparency and integrity in financial transactions. An important component is the development of an infrastructure for monitoring and analysing financial processes, which will help improve the efficiency of financial market administration at various levels of ACQUIS EU (2025).

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Received on: 20th of March, 2025
Accepted on: 25th of April, 2025
Published on: 20th of May, 2025