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**TASKS OF FINANCIAL LAW SCIENCE
IN TERMS OF THE DEVELOPMENT
OF ECONOMIC RELATIONS IN UKRAINE**

(ABSTRACT, KEY WORDS)

Problem statement. The author has researched the links of the financial system of Ukraine, which create institutions and sub-branches of financial law, taking into account their purpose within the system of material production, namely the formation of public financial resources, distribution and use at the level of the state and regions. The market conditions of economy management have been analyzed, which is the basis for proving the need of updating the legal principles of financial and legal institutions' regulation and clarifying their essence. It has been found out that the concept of financial and legal relations requires modern approaches to the legal forms of the state's financial activity and relations that are formed in the process of these activities. Based on the examples that characterize significant changes in the economy management and affect the financial legislation and all parts of the financial system of the country, the author has proved the need to update the components of the science of financial law. The used **methods** are logical and semantic while studying the concept and components of the financial system of the country and financial and legal science. Structural and logical – was used in the analysis of specific features of legal regulation of financial relations. Dialectical was used in considering modern aspects of financial activity of the country, their influence on the construction of financial and legal categories, institutions and sub-branches and establishing the criterion for their systematization. The tasks of the development of financial and legal science were determined while using the formal and legal method of scientific cognition. The **purpose** of this paper is to determine the actual criterion for systematizing the components of the science of financial law and updating the tasks of its further development on the basis of the analysis of current realities within financial relations. **Results.** The author has offered to define a modern legal institute as the system-forming category of the components of the structure of financial and legal science, namely – financial activity of the state, the components of which need updating at all levels of state regulation of economic relations. It has been proved that considering the importance of legal provision for the circulation of public financial resources, the system of the science of financial law can be ordered from the links that make up the general and special parts of the financial law and are formed in accordance with the general provisions of the financial law theory and from the categories, institutions and sub-branches, which are organized according to the directions of the state's financial activity. **Conclusions.** The author has formulated the main tasks to be solved for the construction of the modern system of the science of financial law and for the provision of high-quality financial and legal regulation of economic relations: improvement of financial legislation, determination of the essence of existing elements of the financial system of the state, which are not regulated by financial and legal norms, introduction of new legal categories and institutions into scientific circulation, elimination of gaps in the current financial legislation and in scientific publications

Key words: *financial system; financial and legal science, institutions of financial law, criterion of systematization of financial and legal science, financial activity of the state*

Problem statement

There is the need for renewal of financial and legal relations in the current reform of the financial system of Ukraine, restructuring the budget system and the efforts of the government to create tax

conditions that contribute to the development of the economy. The science of financial law studies the financial and legal categories develops them and promotes the improvement of financial and legal norms, directs the development of financial legis-

lation for the improvement of legal regulation of financial activity of the state, local self-governments and all public entities. The conclusion of L.K. Voronova is quite correct: "... if financial law as the branch of law is materialized within financial and legal principles, norms, methods, the science of financial law is materialized in monographs, articles, manuals, textbooks on financial law" [1, p.58].

Recent publications have noted that the science of financial law faced new tasks related to the emergence of new types of social relations, which are regulated by financial law and the search for a criterion for the systematization of subject-related legal institutions [2, p.16; 3, p.117]. The need to improve the subject matter of the science of financial law has been determined and the author has emphasized the development of the main functions, namely: analytical, critical, constructive and predictive [4, p.46]. O. Emre Ergungor (2008) point to a nonlinear (conditional) relationship between the well-constructed structure of the financial system and economic growth in the country [5, p.292]. Therefore, we believe it is important to focus on the development of the integral (system-forming) and organizational-practical function of financial and legal science, the improvement of financial legislation, the determination of existing phenomena not regulated by financial and legal norms, the introduction of new legal categories and institutions, the elimination of gaps in the current legislation and in scientific publications.

For example, it is traditional to consider the financial system consisting of different funds while studying financial law, which consists of different funds that is subject to legal regulation. Thus, M.H. Voloshchuk, T.O. Karabin, M.V. Mendzhul offer to define the budget system, state extra-budgetary funds, finances of economic entities, finances of compulsory state insurance, credit (state, local and banking) within the financial system [6, p.7]. However, with the whole diversity of approaches to determining the composition of the country's financial system and the debating nature of the issue, it is surprising that there are no such structures as local finances and other decentralized financial resources. Taking into account the rapid development of the finances of the united territorial communities in modern Ukraine, the formation, distribution and use of public financial resources at the regional level is of particular importance. Modern studies of the composition of the country's financial system also characterize scientific innovations that take into account the European integration and globalization processes, the

emergence of such realities as participatory budgeting (budget of public initiatives), finances of economic entities, budgetary loans, quasi-fiscal operations, e-insurance, global financial systems, electronic money, etc. It is appropriate to determine that the introduction of electronic money and related transactions defines the new conditions for legal regulation of financial relations, financial control and liability for the violation of financial law. Borko A. (2019) together with co-authors emphasized on the financial losses of the state and economic entities as a result of cybercrime and determined the legal principles for combating this phenomenon, in particular, crimes within the financial system [7, p.3].

Thus, P. Frankevych provides a modern definition of the concept of "financial system of Ukraine" as a set of public relations arising in regard to the management and distribution of funds inside the country, which form separate financial institutions and structures of the financial system, as well as related to them public relations, the source of which is the activity of the administrative apparatus – state authorities that directly control the financial system of the state [8, p.12]. Even if this definition is debating, the relationship between the financial system and the system of financial law determine the heuristic, regulatory and applied functions of the science of financial law and require the construction of its modern system. The scholars are unanimous in regard to the fact that the system of science of law branch is based on the system of the branch itself.

M.I. Sofin, in turn, emphasizes that the system of financial legislation must take into account the current realities, in particular, the issue of fiscal policy implementation in the context of European integration, as an important guarantee of such activities and the creation of a legal framework for the development of specific legal relations [9, p.7]. In particular, L.V. Trofymova offers to consider the financial policy as a subsystem of the science of financial law [10, p.147].

Therefore, dogmatic knowledge of existing economic relations constitutes the basis for the study of financial and legal norms and categories, and the system of science of financial law should reflect the current realities of the movement of public financial resources. Thus, L.K. Voronova noted that the main features of the science of financial law include a holistic system of elements, the study of which facilitates the identification of relationships between the structures of this system and the analysis of their structure [11, p.526]. There is the issue about the components of the modern system of financial and legal science, their integrity and

practical purpose.

Thus, the science of financial law currently streamlines the country's financial system, integrates financial law, and the system of financial law science is aimed at reflecting, but not in the inverted manner, the system of the financial and legal sector and taking into account specific features of the development of the country's financial system, which requires its modern systematization, as well as the execution of new challenges that are faced by the science of financial law.

Hence, the purpose of the article is to determine the actual criterion of systematization of the components of the science of financial law on the basis of the analysis of modern realities within financial relations. Its novelty lies in the formation of tasks for the development of new financial and legal institutions and categories that reflect the current state of financial and legal relations

Components of Financial Law Science: Traditional Views

The development of financial law science is related to the development of public relations that arise in the process of formation, distribution, use of public funds both at the state and regional levels, and their control for the fulfillment of the state's own functions and tasks. New financial relations, which are connected with the development of modern material production, market conditions of economy and international relations, constantly emerge in the financial activity of the state and local self-government agencies. The conclusion of S.I. Ilovaiskyi that the science of financial law "answers the question about the financial economy of the state in reality" is quite correct [12, p.2]. The science of financial law from these points of view studies and systematizes knowledge about this branch of law and reflects the changes in social relations that make up the object of cognition. Financial and legal science, like any other science, covers the object of study and accumulation of knowledge, relying on best practice, experience and forecasting the directions of the development. Researchers believe that the system of financial law science is broader and more substantial than the system of financial law, as a branch of law, since it consists of both sub-branches and legal institutions, and of knowledge about the conceptual apparatus [13, p.73]. It should be also added – it also consists of doctrines, conceptually new theories, categories that reflect contemporary changes in social relations. To systematize scientific knowledge, it is advisable to use the system of law

branch that objectively characterizes the current state of financial relations, using the concepts, scientific categories and institutions that have already been formed in financial activities. However, changes in social development affect both the construction system of the financial and legal sector, and the content of the used conceptual apparatus.

In defining the system of financial law as a branch of law, there is the traditional approach, where "the financial system of the state as a subject matter of study of financial law science consists of the following institutions: budgetary system; credit system; compulsory state insurance system; tax system; banking system; monetary system; special purpose funds; finances of state and municipal enterprises, institutions, organizations" [14, p.49]. There are other components and approaches to classifying the same educational material. For example, the system of financial law consists of General and Special Parts in the textbook on financial law under author's edition. It is stated in the textbook that the following legal institutions belong to the General Part of financial law:

- content, principles and methods of financial activity of the state and local self-government agencies;
- system and status of financial management agencies;
- subject matter, method of financial law, system and sources;
- financial and legal norms and financial legal relations;
- legal principles of carrying out financial control;
- responsibility for the violations of financial law norms.

In turn, the Special Part identifies the following sub-branches and legal institutions covering the structures of the country's financial system:

- public finances consisting of budgetary and extra-budgetary funds;
- local finances;
- finances of enterprises, institutions, organizations;
- other finances, which consist of relations on formation of insurance funds and relations on formation of credit funds [15, p.17].

In accordance with the indicated structures of the financial system, the structure of financial law branch is built, where each of the structures of the financial system is implemented on the basis of the current legislation, which regulates the procedure of formation, distribution and use of the corresponding financial resources. Thus, the sub-branch

of financial law – budget law – consists of legal institutions that determine the modern principles of formation, distribution and use of budget funds, as well as budgetary control and prosecution for violations of budget legislation.

Features of Determining the System of Financial and Legal Science in the Conditions of the Development of Modern Economic Relations

It is important to establish the modern composition of relations that create institutions and sub-branches of financial law, taking into account their purpose in the system of material production, namely the formation of public financial resources, distribution and use at the state and regional levels, as well as financial control. Since financial control and prosecution for violations of financial law are used in all areas of financial activity of the state, then the classification of legal principles of financial control to the General Part of financial law is quite reasonable. Regarding public funds, their system consists of adequate amounts of financial resources needed by the state and local self-governments to perform their own functions.

According to the task of financial legal entities in society, it is advisable to consider these funds in the dynamics of their formation, distribution and use. Taking into account these positions, the formation of funds occurs through compulsory (forced) payments and other non-tax payments, transfers, etc. The allocation of financial resources at the disposal of the involved subjects occurs both through financing and lending, and the use – through the organization of cash and cashless circulation of money. Taking into account the legal provision of these important directions of financial activity of the state and local self-government agencies, corresponding sub-branches and legal institutions of financial law are formed, which make up the system of financial law science, namely – budget law, tax law, institution of state revenues, institution of state expenditures, institution of state credit, monetary circulation institution, securities institution, currency law and others. Market conditions of management require modern legal principles of regulating these institutions and considering their essence, taking into account the peculiarities of economic relations. Significant changes in management are applied to all branches of financial law system, but some of them clearly characterize the need for updating.

For example, the insurance institution, as a specific sphere of insurance relations within the

state's financial activity, which covers relations both of voluntary and compulsory state insurance. Compulsory state insurance in connection with the reform of state insurance agencies, the commercialization of the insurance market and the introduction of such types as health insurance, online insurance and others requires a review of the legal grounds for the activities of participants in these relations. Gaps in the legislative provision of e-insurance in Ukraine are highlighted by Burlaka O. (2019) with co-authors [16]. The development of insurance activities, as a direction of financial and legal activities, which is formed into modern institution of public insurance, requires a revision of the legislative grounds for regulation and determination of the features of public insurance activity, unlike insurance services regulated by civil law.

Another example is the institution of state revenues, where own revenues of budgetary institutions, including income from economic activity are determined as sources of the formation according to the Budget Code of Ukraine. Nowadays, financing of budgetary institutions, including schools, hospitals, universities, etc., exclusively at the expense of budgetary funds with its stable deficit, creates insufficient funds and requires additional money that can be obtained through economic activity. However, it is not possible fully use for the development and dissemination of this activity, since only 50% of the proceeds are spent on measures carried out at the expense of the corresponding proceeds in accordance with paragraph 9 of the Art.51 of the Budget Code of Ukraine [17]. Gaps in the budget legislation give rise to the imperfection of the legal regulation of the income of financial legal entities.

Currently there is an urgent need to research the nature of financial and legal norms and financial and legal methods, by which the state, local self-government agencies, united territorial communities, economic entities mobilize funds and spend them to finance the needs of citizens. The problems of establishing the legal status of new subjects of financial legal relations and updating the existing ones like the State Fiscal Service, the National Agency for the Prevention of Corruption and others have been separately determined in the state's financial activity.

Definition of the peculiarities of authoritative powers of public authorities and local self-government agencies, including new state financial institutions, as well as the courts and their relations with the subordinate entities, which, in the present conditions, include citizens, individual entrepreneurs, public institutions and others, constitute the

subject matter of financial law science. Judgments on budgetary and tax offenses become sources of financial law.

Conclusions

1. The author offers to normalize the system of financial law science into general and special parts of financial law, consisting of general provisions of financial and legal theory and of categories, institutions and sub-branches that are systematized according to the directions of financial activity of the state.

2. The legal principles of the formation, distribution and use of financial resources within the financial system of the country – its financial activities – may be the universal system-forming category that characterizes the current state of financial and legal regulation.

3. The need to develop the science of financial law within new realities of building the country's financial system and the Concept of Financial and Legal Relations require new approaches to the legal forms of financial activity of the state and the relations that are formed in the process of these activities. There are essential tasks to the current system of financial law science:

– to determine specific features of financial and legal relations related to the movement of public financial resources that make up the country's financial system at the macro and micro levels of management;

– to conduct legal analysis of new phenomena characterizing the activity of the state and other subjects regarding the formation, distribution and use of public financial resources at the state and regional levels;

– to bring the current financial legislation into line with the realities;

– to update the essence of financial and legal categories of financial and legal science;

– to summarize the world experience of legal regulation of financial activities and their implementation into the legislation of Ukraine.

Competing interests

The author of the paper reports that there is no competitive interest.

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