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DIRECTIONS TO IMPROVE THE PROCEDURES FOR GRANTING AND USING STATE GUARANTEES

This article examines the issues associated with improving the provision and use of state guarantees. The author analyzes the questions regarding the efficient use of government guarantees in recent years. The article examines the issues of improvement of the procedure for granting and controlling the use of government guarantees.

The presence of significant gaps and weaknesses in the regulatory and legal framework of the use of this tool is noted. In order to overcome these drawbacks, reduce the public influence on the decision-making process regarding the provision of state guarantees, eliminate administrative methods of their use, optimize and develop risk reduction. It is proposed to make a number of additions and clarifications in the regulations and the Budget Code of Ukraine. These amendments primarily relate to: risk-sharing in the provision of the state guarantee, the provision of state guarantees to state-owned enterprises, the definition of restrictions on the marginal amount of the issued guarantee obligations, determination of the priority industries to obtain state guarantees.

The author proves the necessity of the transfer of powers from dif-

ferent ministries and departments to a single state agency, which would ensure the provision and use of state guarantees. With the aim of improving the existing system it is proposed to transfer to the Ministry of Economic Development and Trade of Ukraine all the functions of the authorized state body.

Research of directions to improve the mechanism for the provision and use of state guarantees, including, the ones with the objective of encouraging investment and innovation, has led to the conclusion that the causes of the most problems are significant shortcomings in the administrative regulation of this sector. All this has resulted in significant violations of the procedures for the use of this tool. In conjunction with the imperfect legal framework, lack of organization and management mechanism of the provision and use of government guarantees, the tool initially intended to foster investment and innovation activities, has become an additional burden for the state budget. The author suggests a set of measures which will give the opportunity to improve the mechanism for the provision and use of state guarantees.