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METHODOLOGICAL PRINCIPLES OF BANKING REGULATION IN DERIVATIVES MARKET

In terms of influence of globalization and information technology on the activities of banks, expands the range of services and transactions that aren't traditional for them. This increases revenues for banks, but at the same time, increases risks. There is a need to regulate processes of application of new financial instruments.

The purpose of the study is to analyze the methodological principles of modern banking regulation in the derivatives market and provide recommendations for improvement. The result of the study solved the following issues: determined peculiarities of functioning of the derivatives market, analyzed modern scientific approaches to determining the nature of banking regulation and mechanism of regulation of banking transactions in the derivatives market, provided recommendations to improve methods of reg-

ulation of banking transactions with derivatives.

Banks play a key role in the derivatives markets. As a result, regulation of banks' operations with derivatives is beyond the scope of banking regulation concerning objectives and methodology. Therefore, banking regulation should be based on a study of detecting interactions of banks with other entities that operate in the derivatives market, reflecting and considering relationships and impact of banks on the overall economic system. The above allows defining the banking regulation in the derivatives market as the formation and consolidation authorized by special rules and regulations based on existing laws and regulations that would reflect the mechanisms of interaction and communication of banks with other elements of the economic system in order to achieve stable operation of the economic system as a whole.