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MAIN PRINCIPLES OF THE MONETARY POLICY OF THE NATIONAL BANK OF UKRAINE

Monetary policy is the main market regulator of the stability of economic development of the state. It determines the directions and possibilities of regulating the economy monetary methods. Under market conditions, management monetary policy is in tight interaction with fiscal policy. The main purpose monetary policy in modern conditions is stabilization economy, employment and curbing inflation.

Monetary policy is a complex interconnected, aimed at achieving certain goals measures to regulate money market that conducts them the state through its central bank [1].

The main principles of monetary policy are determined performance indicators of the National Bank in the medium term to achieve the goals of the National Bank, defined by Article 6 of the Law of Ukraine "On the National Bank Of Ukraine".

Law of Ukraine "On the National Bank of Ukraine" determined that the "Main principles of monetary policy" is a set of variable indicators of the financial sphere that give opportunity to the National Bank of Ukraine with assistance instruments (means and methods) of monetary policy to regulate money circulation and lending economy in order to ensure the stability of the currency of Ukraine as a monetary prerequisite for economic growth and maintaining a high level of employment [2].

Legal, economic and organizational principles of formation forecast and program documents of economic and social development of Ukraine are defined by the Law of Ukraine "On state forecasting and development of programs of economic and social development of Ukraine " [3].

According to the Law of Ukraine "On the National Bank Of Ukraine "The Council of the National Bank of Ukraine develops" basic principles of monetary policy "and introduces them to the Verkhovna Rada Council of Ukraine for information.

"Basic principles of monetary policy" are developed on the basis of:

- forecasts of economic and social development of Ukraine on short-term and medium-term periods;
- indicators of consolidated and state budget projects Ukraine for the planned year;
- analysis of expected monetary outcomes policies for the year preceding the year in which they are developed "Main principles of monetary policy".

Development of "Basic Principles of Monetary Policy" Ukraine is carried out annually.They must state:

- a brief overview of the macroeconomic and fiscal situation in Ukraine for the past and current years and the main problems of economic and social development;

- expected changes in foreign policy and foreign economic situation and their impact on the country's economy;

- assessment of the possible impact of public policy measures on development of the economy and social sphere in the year in which "Basic principles of monetary policy" are being developed;

- the main parameters of monetary policy on planned year and forecast indicators for the next three years [4].

To develop the "Basic Principles of Monetary Policy" structural units of the National Bank on the basis of the forecast of economic and social development of Ukraine, indicators of draft consolidated and state budgets of Ukraine, as well as their own developments prepare analytical and other materials:

- 1) Department of Economic Analysis, Research and forecasting and the Economic Department - for analysis economic and social development of Ukraine for the past and current years and prospects of macroeconomic development Ukraine for the forecast year;

- 2) Department of cash circulation - on issues analysis of indicators of the balance of income and expenditure of the population and their impact on the state of cash circulation;

- 3) Department of currency regulation - on issues exchange rate policy and foreign exchange market;

- 4) Monetary Policy Department - one of the main ones parameters of monetary policy, the state of the money market, mechanisms and tools for its regulation [4].

The Board of the National Bank of Ukraine shall establish a commission of members of the National Bank of Ukraine to consider the prepared materials and prepare the draft "Basic Principles of Monetary Policy" for consideration. The draft "Basic Principles of Monetary Policy" prepared by the Commission need to be submitted to the Board of the National Bank of Ukraine for calculation within two weeks of the forecast values of monetary policy indicators.

The Commission considers the forecast values of monetary policy indicators together with the revised draft "Basic Principles of Monetary Policy" and submits them to the Board of the National Bank of Ukraine.

The Council of the National Bank of Ukraine approves "Basic principles of monetary policy" and in further work takes into account the forecast values of monetary policy indicators. Approved by the Board of the National Bank of Ukraine, the "Basic Principles of Monetary Policy" are provided to the Board of the National Bank of Ukraine for the implementation of monetary policy and to the Verkhovna Rada of Ukraine for information.

The Board of the National Bank of Ukraine carries out control over the implementation of the «Basic Principles of Monetary Policy» by analyzing documents and other necessary materials provided quarterly by the Board of the National Bank of Ukraine.

The Council of the National Bank of Ukraine analyzes the materials submitted by the Board of the National Bank of Ukraine. The head of the working group established by the Council shall report the results of the analysis of the implementation of the «Basic Principles of Monetary Policy» at a meeting of the Council of the National Bank. If necessary, the Board of the National Bank of Ukraine may make changes or additions to them based on the results of the implementation of the Basic Principles of Monetary Policy in the relevant quarter [4].

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