

СЕКЦІЯ 3 РОЗВИТОК СУЧАСНОГО ПІДПРИЄМНИЦТВА

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USING THE EUROPEAN EXPERIENCE TO IMPROVE THE FINANCIAL MECHANISMS ENTREPRENEURIAL SECTOR IN UKRAINE

One of the problems hampering the development of small and medium-sized enterprises in Ukraine is finding additional funding sources for further development. As practice shows, for most of the domestic small enterprises the main source of financing of their activities are their own funds. However, they are unable to fully meet their financing needs only through these kinds of resources.

Both investors and lenders share the need to obtain better quality financial information in more efficient ways. This requires cooperation both at European and national levels between enterprises, investors, lenders and governments and is crucial to improving SMEs' access to finance.

Deputy Director General, DG FISMA, Olivier Guersent said that SMEs face a structural hurdle when accessing finance, which is the lack of adequate, comparable, reliable, and readily available information. The lack of availability of credit information is in turn a barrier to entry in the market for SME financing. It limits the ability of lenders and/or investors outside banks to properly assess SMEs' creditworthiness.

The European Commission has conducted a mapping exercise of the availability of credit information on SMEs across Europe, as announced in the Commission's 2014 Communication on Long Term Financing. The results of the mapping exercise, which was published on 27 April 2015, show that there is a need to improve the availability and sharing of information required for assessing the creditworthiness of SMEs.

At the same time Ukrainian entrepreneurs evaluate the conditions for obtaining bank loans and conducting banking transactions how very difficult task. For example, according to surveys of business expectations of the enterprises of Ukraine, which conducts the National Bank on a quarterly basis, 55.6% respondents confirmed this view in the second quarter of 2015. In addition, the interest rate, which apply to loans, is in the top-8 problems identified by entrepreneurs.

The vast majority of enterprises – micro-SMEs – do not seek, and will not be able to seek, direct access to capital markets.

Smaller enterprises especially need to focus more on business activity rather than on complying with administrative tasks.

SMEs themselves are the main providers and the most valuable source of credit information: education, training and capacity building for SMEs in financial management are key enablers in this regard.

1. Completeness of SMEs information and trade or commercial secrets: need to determine what information is a trade or commercial secret and can not be disclosed. Credit history: required the exchange of information about the negative credit history. Provision of information on positive credit history upon request. Tracking unscrupulous business owners (the fight against fraud). The solution - perhaps at the level of agreements between banks, banking associations, national central banks, non-bank investors associations.

2. Banks' assessment of SME information (scoring/rating) should not be standardised across European banks as the diversity of SME customers and markets within and between EU does not

support a one-size-fits-all solution. When using the methods of calculation creditworthiness perhaps to take into account the methods for assessing the quality of management, and the brand and image of the enterprise, ISO certificates.

3. The difficulty in obtaining information and its verification of the relevance and validity for banks and non-bank investors: cooperation with government agencies, the national central bank within the country. Cooperation is possible with statistical and tax authorities.

4. The lack of legislative regulation and government support for SME lending processes: using the decisions and agreements Central Bank or national banking associations. Based on the European experience and Ukrainian realities we note that policy initiatives should primarily be developed at the national level in the field of lending to small and medium-sized enterprises. It is necessary to develop an understanding of the need for access to certain types of information. This is the approach in the European Economic Area is proving effective.

5. As mentioned above, increasing the financial knowledge of SMEs and their ability to provide adequate, up-to-date information (especially for SME management) would directly contribute to improving the probability of SMEs obtaining credit, both by banks and non-bank lenders.

SME training procedures for obtaining loans and the need for disclosure to investors different types of information: create detailed instructions. Creating learning centres: private, based on banking associations, government, national central banks.

The review show that it is important to improve the availability and sharing of credit information, which is necessary for assessing the creditworthiness of SMEs. A minimum set of common, comparable data that is equally accessible by all interested parties is important to widening the investor base for SMEs, increasing competition and fostering the efficiency and integration of SME funding markets.

6. Protection of credit (presented by SME's) information: determination concerned persons and their identification.

7. Reducing the high rate of interest: decrease by participation in the grant of credit - government or other public funds.

The lack of property on bail: the participation of the investor in the distribution of income / profit of the enterprise, or participation in the share ownership of the enterprise.

The stimulation of the development of microcredit in Ukraine requires a comprehensive approach, the components of which may include: simplification of the mechanism of micro-credit; creating conditions for the development of non-bank financial institutions; improvement of legislative support of the activities of banks; state support information microcredit programs; reducing the tax burden and improving the mechanisms of investment and credit support to small and medium-sized enterprises; the establishment of the state program of preferential crediting of SMEs.

Thus, the economy needs a developed financial sector, which provides capital for financing private sector investment from such sources as loans from reliable banks, well-organized stock market, venture capital and other financial instruments. To perform all these functions, the banking sector should be reliable and transparent, and as recent events have shown, the regulation of financial markets is necessary for the protection of investors and other participants of economic processes.

References

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