

Harmonisation of regulatory capital formation procedures for Ukrainian banks with EU law: Regulatory limits and legal discrepancies

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■ **Abstract.** The study aimed to assess the compliance of Ukrainian rules for capital recognition and adjustment with EU logic to identify the source of differences in actual capital outcomes. The methodology included regulatory and comparative legal analysis combined with functional comparison, structural-logical modelling (comparative matrix) and content analysis of public reporting, which established Ukrainian high convergence with the EU model in the own funds structure according to the prudential outcome criterion and outlined areas of divergence. The study established that the special legal regulation of the EU and Ukraine defines capital as the main safeguard that ensures the absorption of losses in the banking system. The European regulatory framework focuses on the quality of capital and ensuring equal risk measurement between different banks. The Ukrainian legal framework is undergoing active harmonisation with EU law to ensure comparable sustainability results. The analysis determined that Ukrainian banking law demonstrates a high degree of convergence with European law in terms of the distribution of capital between core and supplementary levels. The main differences between the European framework and Ukrainian rules lie in the technical calibration of thresholds and exemptions for capital deductions. Ukraine's regulatory framework for banking groups is less detailed than the corresponding standards in the EU. European legislation contains mechanisms that limit the ability of banks to understate capital requirements through internal models. The introduction of the European regulatory framework directly changes the risk behaviour and credit policy of banking institutions. Ukrainian legislation should focus on procedural convergence and the unification of reporting in line with EU standards. The practical significance is determined by the possible use of results by the National Bank of Ukraine, legislators and banks to improve regulatory procedures and reporting and to increase the comparability of prudential results with the EU regime

■ **Keywords:** Basel III; prudential outcome; own funds; calibration; output floor; procedures

■ Introduction

Regulatory capital acts as a basic safeguard against financial instability, as it ensures the absorption of losses and curbs excessive risk. After the global financial crisis, the focus of capital regulation shifted to capital quality and the comparability of risk measurement. In the finalisation of Basel III, this is implemented through restrictions on the variability of risk

weights and “capital savings” from internal models (Basel Committee on Banking Supervision, 2010). In this context, Ukraine, in implementing the updated capital architecture, must ensure its alignment with the EU regime within the framework of European integration. Not only definitions, but also the calibration of thresholds/exceptions/transitional regimes,

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recognition procedures and reporting requirements, which can change the actual prudential outcome and regulatory incentives, are crucial. This justifies the need for a regulatory comparative assessment of convergence limits and key legal differences.

Modern academic discourse demonstrates that the impact of capital regulation is reflected not only in formal adequacy indicators but also in the behavioural responses of banks. D. Ehrenbergerová *et al.* (2022) determined that changes in capital-oriented regulation are reflected in banks' pricing, particularly in lending conditions and the cost of banking products. Hence, even legal and technical differences in the design of capital requirements can create different incentives and different actual prudential outcomes in comparable banking systems. A meta-analysis by S. Malovaná *et al.* (2024) confirmed a systemic link between stricter capital requirements and changes in lending, but showed that the effects depend on the institutional environment and the calibration of the rules. Formal similarity in regulatory design does not guarantee comparability of outcomes, and the assessment of harmonisation must account for the parameters of application (thresholds, exemptions, transitional regimes and procedures).

As shown by J.H. Lang & D. Menno (2025), the impact of changes in capital requirements on lending and bank balance sheets is state-dependent: reactions vary depending on the macro-financial regime and the bank's initial position (in particular, the existence/size of buffers). This approach means that the formal similarity of regulatory constructs does not guarantee a comparable prudential outcome, as this depends on how the rules work in a particular economic environment and what "buffer" conditions they create. J.R. Cummings & K.J. Durrani (2025) determined that banks do not only focus on minimum standards, but also set internal capital targets that determine their actual resilience and capital planning trajectory. In the context of harmonisation, this reinforces the argument that it is necessary to assess not only the legal structure of own funds, but also whether the regulatory regime creates similar incentives to accumulate/retain capital buffers, i.e., whether it ensures outcome comparability in practice.

In the context of Ukraine, O. Dudukalova & H. Matvienko (2024) emphasised that the implementation of Basel III in Ukraine is related not only to formal changes in capital structure but also to practical parameters of application and supervisory expectations. Therefore, comparability with the EU depends on the "operational" implementation of the rules (procedures, calibration, data), and not only on the names of capital levels. Based on data from Ukrainian banks, Y.A. Hladyshchuk (2025) demonstrated that the variability of financial stability and efficiency depends on the capital position and management

decisions. This emphasises that harmonisation should be assessed through the ability of standards to produce comparable results in the sector, and not only through the formal convergence of definitions. The study by K. Shtogrīn (2021) notes that the harmonisation of Ukrainian banking legislation with EU law is complicated by the fragmentation of regulation and differences in legal and technical detail. Therefore, "technical" differences (thresholds, exceptions, recognition procedures, reporting) can determine the limits of convergence and influence the actual prudential outcome.

M. Antsyferova & I. Batko (2023) analysed the implementation of banking control/supervision in Ukraine from a legal and procedural perspective and where bottlenecks arise in implementation and adaptation to international standards. This serves as an argument that outcome comparability depends not only on the definitions of own funds, but also on supervisory procedures, enforcement mechanisms and institutional infrastructure. The implementation of the Basel Accords in Ukraine in the context of the financial security of the banking system is considered in the study by V.V. Brytan (2024), which justifies the logic of regulatory changes and outlines the elements of Basel that are relevant for integration into Ukrainian regulation. This approach provides scientific support for the context of Basel III finalisation and justifies the criticality not only of the formal capital structure, but also of the parameters/calibration that affect the prudential outcome. The study by L.Ya. Sloboda & V.M. Koval-Ignatyshina (2022), devoted to the management of Ukrainian banks' own capital in a state of martial law, outlined the challenges and priorities of capital management relevant to maintaining capital adequacy. This emphasises that the assessment of regulatory harmonisation should incorporate the institutional context and capital management practices, as they affect the outcome comparability of regulatory requirements.

However, the absence of a comprehensive legal assessment of the actual comparability of Ukrainian capital formation rules with the EU regime, specifically in terms of the "output" (actual prudential outcome), is still relevant, including calibration, recognition procedures, consolidation rules and reporting infrastructure. Therefore, the study aimed to establish the limits of comparability between Ukrainian capital regulation and EU law by analysing the impact of technical calibration on the amount of own funds and prudential incentives for banks. To achieve this goal, the following tasks were set: to systematise the regulatory framework of the EU and Ukraine that determines the composition/quality of own funds and prudential adjustments, with a focus on the legal and technical parameters that affect the actual result; operationalise the criterion of "equivalence of

prudential outcome” for assessing the comparability of regulatory regimes, identify “areas of potential non-comparability” and outline their practical implications for Ukraine.

■ Materials and Methods

The study was based on a comprehensive approach with functional comparison to assess the approximation of Ukrainian regulatory capital regulation to the EU model in the context of Basel III. The hierarchy of the regulatory capital model in the EU and Ukraine was reconstructed through regulatory and documentary analysis and comparative legal methods: the levels of regulation and legal force of acts were identified, norms were grouped by function in the own funds model, and the corresponding levels were compared to identify areas of convergence and sources of divergence. The EU was chosen as a jurisdiction with a codified and institutionally supported own funds model (Level 1-2 + reporting/interpretation), and Ukraine as a system with a legislative mandate and subordinate methodology of the National Bank of Ukraine, which can be used to assess convergence and differences at the level of norms and procedures. The EU regulatory framework was based on Regulation of the European Parliament and of the Council No. 575/2013 of 26 June 2013 “On Prudential Requirements for Credit Institutions and Investment Firms and Amending Regulation (EU) No. 648/2012”¹, Regulation of the European Parliament and of the Council No. 2024/1623 “Amending Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms”², Directive of the European Parliament and Council No. 2024/1619 “Amending Directive 2013/36/EU as Regards Supervisory Powers, Sanctions, Third-Country Branches, and Environmental, Social and Governance Risks”³. Commission Delegated Regulation No. 241/2014 “Supplementing Regulation (EU) No. 575/2013 with Regard

to Regulatory Technical Standards for Own Funds Requirements for Institutions”⁴, European Banking Authority (2024), Basel Committee on Banking Supervision. (2019A) were analysed. Basel Committee on Banking Supervision (2019b), European Banking Authority (2015) were also addressed. For analysis of Ukrainian context, Law of Ukraine No. 679-XIV “On the National Bank of Ukraine”⁵, Law of Ukraine No. 2121-III “On Banks and Banking Activity”⁶ were addressed. Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”⁷ and the official announcement of the National Bank of Ukraine (2024) was analysed. The choice of sources is determined by the coverage of the complete regulatory “chain” of regulatory capital formation, which was used for comparison of Ukraine with the EU in terms of technical detail and application/verification mechanisms. For empirical verification of implementation in Ukraine, a content analysis method was applied to the public reporting of OTP Bank Joint Stock Company (JSC) (2024) and PrivatBank Commercial Bank JSC (2024) to confirm the transition to the updated regulatory capital structure and its correspondence with adequacy standards. The fact/date of the transition, the availability of quantitative disclosures of capital and standards, as well as the format of disclosure, which determines the possibility of reconstructing the level structure of capital, were recorded. The OTP report was used as an example of parametric confirmation, while the PrivatBank report was used to identify process disclosure and its limitations for reconstructing the structure based on a single source. The year 2024 was selected due to the transition from 05.08.2024 to record the new structure in the annual reports, establish a link with adequacy standards, and verify the implementation of the reconstructed model in Ukraine.

¹ Regulation of the European Parliament and of the Council No. 575/2013 “On Prudential Requirements for Credit Institutions and Investment Firms and Amending Regulation (EU) No. 648/2012”. (2013, June). Retrieved from <https://op.europa.eu/en/publication-detail/-/publication/c7d371d1-9e7b-11e9-9d01-01aa75ed71a1>.

² Regulation of the European Parliament and of the Council No. 2024/1623 “Amending Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms”. (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/reg/2024/1623/oj/eng>.

³ Directive of the European Parliament and Council No. 2024/1619 “Amending Directive 2013/36/EU as Regards Supervisory Powers, Sanctions, Third-Country Branches, and Environmental, Social and Governance Risks”. (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/dir/2024/1619/oj/eng>.

⁴ Commission Delegated Regulation No. 241/2014 “Supplementing Regulation (EU) No. 575/2013 with Regard to Regulatory Technical Standards for Own Funds Requirements for Institutions”. (2014, January). Retrieved from <https://op.europa.eu/en/publication-detail/-/publication/9bcf2cc6-007a-11ee-87ec-01aa75ed71a1/>.

⁵ Law of Ukraine No. 679-XIV “On the National Bank of Ukraine”. (1999, May). Retrieved from <https://zakon.rada.gov.ua/laws/show/679-14>.

⁶ Law of Ukraine No. 2121-III “On Banks and Banking Activity”. (2000, December). Retrieved from <https://zakon.rada.gov.ua/laws/show/2121-14>.

⁷ Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”. (2023, December). Retrieved from https://bank.gov.ua/admin_uploads/law/28122023_196.pdf?v=12.

To assess the regulatory limits for harmonising Ukraine's regulatory capital with EU law, a comparative matrix was constructed using structural-logical modelling to compare the rules for formation of own funds by block: capital structure, quality/loss absorption, prudential deductions, inclusion of profits, consolidation and non-controlling interests, technical standards and supervisory reporting, as well as Basel III finalisation (output floor). The elements were included in the matrix based on their direct regulatory significance for the composition/quality of own funds, mechanisms for controlling the application and ensuring the comparability of RWA (output floor). This was done to structure the comparison of EU and Ukrainian regulations on own funds/regulatory capital and to identify points of convergence and limits of legal differences. Based on the results of the comparative matrix, a comparative legal and regulatory-documentary analysis was used to determine the degree of Ukraine's approximation to EU standards and typical legal differences. For each element of regulation (capital structure, quality/loss absorption, deductions, inclusion of profits, consolidation, technical standards and reporting, Basel III finalisation/output floor), EU regulations and Ukrainian acts were compared, with differences in material requirements, calibration and application procedures being noted. Next, the elements are assigned a level of approximation and type of divergence based on the criterion of prudential outcome equivalence ("high/medium-high/medium/partial-uncertain/low-absent"). These categories were developed by the author to categorise the degree of approximation and systematise the results of the comparative analysis. Its limits are determined by the criterion of prudential outcome equivalence: the level increases with the convergence of material definitions and the structure of own funds and comparable calibration, and decreases when the outcome depends on recognition/consolidation/reporting procedures or when a key comparability mechanism (in particular, the output floor) is missing. This identified areas of convergence and areas of divergence, and assessed the comparability of the prudential outcome with EU law in the context of Basel III (including the output floor).

The comparative legal method, combined with functional comparison, was used to systematise the EU and Ukrainian regulations on the formation of own funds, the calibration of adjustments/deductions (in particular software assets), consolidation

rules and the availability of Basel III finalisation mechanisms (output floor), de jure and de facto differences have been distinguished and classified as procedural/calibration/legal-technical/structural-institutional. The source base consisted of the European Banking Authority (2020), Resolution of the Board of the National Bank of Ukraine No. 254 "On Approval of the Procedure for Regulating the Activities of Banking Groups"¹ and Resolution of the Board of the National Bank of Ukraine No. 64 "On Approval of the Regulation on the Risk Management System in Banks of Ukraine and Banking Group"², selected as acts of varying levels of regulatory detail, are critical for assessing the consolidation and calibration of prudential adjustments. This approach determined the degree of Ukraine's approximation to EU standards and outlined the limits of harmonisation through the criterion of comparability of prudential outcomes, forming the basis for recommendations on procedural and technical convergence.

■ Results

Legal regulation of bank capital formation in Ukraine and the EU. The theory of capital regulation is based on the assumption that prudential requirements are formed at the intersection of regulatory design and risk measurement methodologies, and that gaps between risk metrics and capital requirements can create conditions for regulatory arbitrage and incomparability of regulatory outcomes (McCullagh *et al.*, 2022). In this study, harmonisation is analysed in a narrow sense – as the convergence of rules for the formation of regulatory capital/own funds, i.e., requirements for the composition and quality of capital elements, as well as prudential adjustments and deductions (Torstensson, 2023). Capital buffers and supervisory add-ons (Pillar 2/(SREP) affect the overall level of capital required, but do not determine the order of own funds formation; they are considered only in context. Similarly, liquidity standards (LCR/(NSFR) and resolution mechanisms belong to related areas of prudential regulation and are outside the scope of this study. Given the criterion of equivalence of prudential outcomes, harmonisation should be viewed as a combination of regulatory convergence, supervisory implementation and market adaptation, with mechanisms to limit model variability, in particular the output floor (Pop & Pop, 2025), becoming particularly relevant in the context of the finalisation of Basel III.

¹ Resolution of the Board of the National Bank of Ukraine No. 254 "On Approval of the Procedure for Regulating the Activities of Banking Groups". (2012, June). Retrieved from https://kodeksy.com.ua/norm_akt/source-%D0%9F%D1%80%D0%B0%D0%B2%D0%BB%D1%96%D0%BD%D0%BD%D1%8F%20%D0%9D%D0%91%D0%A3/type-%D0%9F%D0%BE%D1%81%D1%82%D0%B0%D0%BD%D0%BE%D0%B2%D0%B0/254-20.06.2012.htm.

² Resolution of the Board of the National Bank of Ukraine No. 64 "On Approval of the Regulation on the Risk Management System in Banks of Ukraine and Banking Group". (2018, June). Retrieved from <https://zakon.rada.gov.ua/laws/show/v0064500-18#Text>.

Regulation of the European Parliament and of the Council No. 575/2013¹ is a key EU law that establishes a mandatory regulatory model for own funds for credit institutions and investment firms. The document's significance is not limited to a "list of components" of capital: it performs three interrelated regulatory functions. First, it codifies the qualitative structure of capital by distinguishing between levels of own funds (Common Equity Tier 1 (CET1)/ Additional Tier 1(AT1)/ (Tier 2(T2)), i.e., it establishes the legal architecture that determines the order and ability of capital instruments to absorb losses. Second, it legally separates regulatory capital from accounting equity by introducing prudential adjustments and deductions that exclude items that do not meet the criteria for inclusion in regulatory capital from own funds. Thirdly, it integrates capital into a risk-oriented system of requirements by linking it to risk-weighted assets and capital adequacy ratios, i.e., it determines capital requirements through indicators based on risk profile.

In 2024, the EU regulatory capital framework was amended by Regulation of the European Parliament and of the Council No. 2024/1623² and Directive of the European Parliament and Council No. 2024/1619³. The analysis of the European regulatory capital model should be based on the current version of the legal package, as amended in 2024, and not exclusively on the original version. Technical details of the requirements for own funds are provided by the European Commission⁴, which is a secondary EU law adopted based on delegated powers and establishes regulatory technical standards for own funds requirements. The normative role of this act is to specify those aspects of own funds regulation that are of a framework nature in the European Parliament and Council, to ensure the uniform application of criteria and procedures within the EU. The European Commission functions as a Level 2 element in the EU capital regulation system and is part of the mandatory regulatory framework together with the European Parliament and Council.

A separate layer of regulatory support consists of acts regulating supervisory reporting as a tool for implementing and verifying compliance with capital requirements. In this context, the European Banking

Authority (2024) is relevant as a document aimed at amending the implementing technical standards on supervisory reporting, its function being to establish (or clarify) the format and content of the reporting data required for supervisory control over the implementation of the updated requirements. Supervisory reporting in the EU is viewed as a regulated part of the system that makes sure the European Parliament and Council's substantive rules are applied in supervisory practice.

Apart from EU legislation, at the level of global standards, which are not directly legally binding in the EU, the Basel Committee on Banking Supervision (2019a) and the Basel Committee on Banking Supervision (2019b) summary document serve as sources of soft law that formulate functional criteria for capital adequacy, in particular concerning permanence, subordination, discretionary payments and loss absorption mechanisms. In legal terms, these standards do not create a direct obligation for institutions until their provisions are transposed into EU law through regulations, directives and subordinate legislation. At the same time, they serve as a reference conceptual basis for developing criteria for the acceptability of instruments for regulatory implementation in EU law. The European Banking Authority (2015), in terms of including interim profits and deducting losses, reflects the mechanism of institutional interpretation of the application of the Capital Requirements Regulation. Such an instrument is not an independent source of primary material obligations, but is used to harmonise the practice of application and clarify specific issues arising from the implementation of the regulation. Thus, regulatory capital in the EU is formally structured as a multi-level construct in which material requirements for the composition and structure of capital are combined with technical details, supervisory reporting requirements and institutional interpretation mechanisms that ensure uniform application. In this context, Basel III standards serve as a conceptual source of eligible capital criteria, while legally binding parameters and procedural requirements are formed by EU legislation and derivative technical standards.

The model of banking regulation in Ukraine is based on the institutional mandate of the National

¹ Regulation of the European Parliament and of the Council No. 575/2013 "On Prudential Requirements for Credit Institutions and Investment Firms and Amending Regulation (EU) No. 648/2012". (2013, June). Retrieved from <https://op.europa.eu/en/publication-detail/-/publication/c7d371d1-9e7b-11e9-9d01-01aa75ed71a1>.

² Regulation of the European Parliament and of the Council No. 2024/1623 "Amending Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms". (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/reg/2024/1623/oj/eng>.

³ Directive of the European Parliament and Council No. 2024/1619 "Amending Directive 2013/36/EU as Regards Supervisory Powers, Sanctions, Third-Country Branches, and Environmental, Social and Governance Risks". (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/dir/2024/1619/oj/eng>.

⁴ Commission Delegated Regulation No. 241/2014 "Supplementing Regulation (EU) No. 575/2013 with Regard to Regulatory Technical Standards for Own Funds Requirements for Institutions". (2014, January). Retrieved from <https://op.europa.eu/en/publication-detail/-/publication/9bcf2cc6-007a-11ee-87ec-01aa75ed71a1/>.

Bank of Ukraine, which defines its functions in the field of monetary and banking policy, as well as its regulatory and supervisory powers. Law of Ukraine No. 679-XIV “On the National Bank of Ukraine”¹ is central for banking supervision, as it establishes the status of the National Bank of Ukraine as the central bank and defines its powers to manage the national economy. At the same time, Law of Ukraine No. 2121-III “On Banks and Banking Activity”² forms the basis for the functioning of the banking system, in particular, the capital requirements and the possibility of implementing prudential supervision through established standards that ensure the stability of banks. The legal and economic implications of this approach mean that harmonising regulatory capital with EU requirements requires the harmonisation of the National Bank of Ukraine’s regulations with the powers enshrined in law. While in the EU some requirements are regulated through regulations that have direct effect, in Ukraine, subordinate acts of the National Bank of Ukraine are substantial, providing more flexibility in detailing requirements. At the same time, this means that the extent of harmonisation is determined by the extent to which the legislative mandate of the National Bank of Ukraine can be used to implement European approaches within the national system.

Resolution of the Board of the National Bank of Ukraine No. 196³ is the main regulatory act that defines the procedure for calculating the regulatory capital of Ukrainian banks. The significance of the act lies in the fact that it functions as a mechanism for operationalising the requirements enshrined in legislation and translates general concepts of capital stability into specific methods and criteria for calculating capital. Analytically, the Resolution “translates” global and European approaches into the national regime: it defines how capital becomes a regulatory indicator rather than just an accounting category (National Bank of Ukraine, 2023). It is a subordinate act that is critical for detailing the criteria for inclusion/deductions and thus affects the measurement of capital adequacy. At the subordinate level, legal differences of a procedural nature may arise, since in the EU the criteria for adjustments and requirements for instruments are often described in detail in regulations and delegated acts, while in Ukraine most technical decisions are implemented in resolutions of the National Bank of Ukraine. This may lead to differences due to the specifics of national

procedures (verification, approval, documentation), transitional regimes, and varying degrees of regulatory specificity in national regulations (National Bank of Ukraine, 2023).

The fact that the National Bank of Ukraine (2024) officially announced the successful transition of the banking system to a new capital structure, effective 5 August 2024, is special in the analysis of harmonisation. This announcement is not a normative act, but it has an evidential function, confirming that the changes did not remain only at the level of adoption of the resolution, but were implemented in practice. For a correct analysis of harmonisation, it is advisable to distinguish between three levels: legal approximation (adoption of a normative act), institutional implementation (enforcement of requirements through supervision), and market adaptation (actual implementation by banks). The National Bank of Ukraine (2024) press release confirms the existence of at least the second and third levels (implementation and enforcement), which provides additional grounds for assessing the harmonisation process as real rather than declarative. Empirical verification based on public reporting data shows that the transition to the updated regulatory capital structure is reflected in disclosure practices and linked to capital adequacy indicators. In particular, the annual report of OTP Bank JSC (2024) for 2024 records the transition to the updated regulatory capital structure as of 05.08.2024, and also provides indicators that correlate regulatory capital to capital adequacy ratios in the bank’s reporting logic: the document contains the numerical value of regulatory capital as of 31 December 2024 and indicates the regulatory capital adequacy ratio (in particular, 39.4%). This disclosure format can be used to illustrate that the new regime functions not only as a regulatory construct, but also as a measurable prudential indicator in the bank’s public reporting.

At the same time, PrivatBank’s (2024) annual report demonstrates a different type of public disclosure, focused primarily on describing capital adequacy management processes. The document highlights elements of the internal capital adequacy assessment system, stress testing procedures and capital adequacy planning, which can be used for the identification of the existence of institutional capital management mechanisms within corporate governance. However, this report lacks a concentrated parametric presentation of regulatory capital (in particular, in the

¹ Law of Ukraine No. 679-XIV “On the National Bank of Ukraine”. (1999, May). Retrieved from <https://zakon.rada.gov.ua/laws/show/679-14>.

² Law of Ukraine No. 2121-III “On Banks and Banking Activity”. (2000, December). Retrieved from <https://zakon.rada.gov.ua/laws/show/2121-14>.

³ Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”. (2023, December). Retrieved from https://bank.gov.ua/admin_uploads/law/28122023_196.pdf?v=12.

form of a table showing the structure of regulatory capital + adequacy ratios), which limits the possibility of reconstructing the composition and level structure of regulatory capital based solely on this source without additional disclosures. Thus, the institutional and legal prerequisites for the implementation of capital reform in Ukraine are determined by a combination of the legally established competence of the National Bank of Ukraine (2024) and the subordinate methodology for calculating regulatory capital established by Resolution of the Board of the National Bank of Ukraine No. 196¹, while official communication from the regulator confirms the introduction of a new capital structure into supervisory circulation in 2024. Collectively, this implies the existence of a complete “chain” of authority →

regulatory instrument → implementation; however, the level of material convergence with the EU model should be determined not by the overall architecture, but by specific criteria for inclusion/exclusion and the procedural framework for their application, as enshrined in subordinate legislation.

Compliance of Ukraine’s regulatory capital with EU and Basel III standards. However, to assess harmonisation with EU law, it is not the declarative architecture that is decisive, but rather the substantive parameters: the structure of own funds, the quality of instruments, adjustments/deductions, consolidation and reporting rules, as well as the presence of elements of Basel III finalisation. A comparative summary of these parameters is provided in Table 1.

Table 1. Regulatory limits for harmonisation of Ukrainian regulatory capital with EU law

Control element	EU	Ukraine
Regulatory capital structure	Division of capital into Tier 1 capital (core and supplementary) and Tier 2 capital	Division of regulatory capital into Tier 1 capital, Tier 2 capital and Tier 3 capital
Quality of capital and ability to absorb losses	Requirements for capital instruments: subordination, loss absorption, restrictions on payments/distributions	Requirements for regulatory capital instruments: write-down/conversion instruments, subordinated liabilities, payment restrictions
Prudential deductions from base capital	Prudential adjustments that reduce base capital (intangible assets, deferred tax assets, participations in financial institutions)	Similar prudential adjustments that reduce Tier 1 capital (in particular, intangible assets/goodwill, deferred tax assets, etc.)
Inclusion of profit in capital during the year	Inclusion of profits in capital only after verification/validation and supervisory control	Inclusion of profits in capital under the confirmation and approval procedure
Consolidated capital and non-controlling interest	Detailed rules for capital formation at the banking group level, including conditions for taking into account the capital of subsidiary structures	Mostly less detailed in one document or included in other rules/procedures
Technical standards and supervisory reporting system	Uniform technical standards and a single supervisory reporting system for capital quality control	National reporting formats/procedures and transitional implementation mechanisms
Basel III finalisation: output floor (RWA comparability)	Regulatory output floor as a mandatory backstop to internal model results; phased implementation up to 72.5%	The output floor mechanism is not provided for in the national framework (within the scope of the acts under review).

Note: the terms “Tier 1 capital” and “Tier 2 capital” are generalised names for the regulatory classification of regulatory capital. In EU law, this classification is established by Regulation No. 575, as amended, and in Ukraine by the Procedure for Determining Regulatory Capital

Source: compiled by the author based on Regulation of the European Parliament and of the Council No. 575/2013 “On Prudential Requirements for Credit Institutions and Investment Firms and Amending Regulation (EU) No. 648/2012”², European Banking Authority (2019; 2024), Basel Committee on Banking Supervision (2019a), Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”³

¹ Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”. (2023, December). Retrieved from https://bank.gov.ua/admin_uploads/law/28122023_196.pdf?v=12.

² Regulation of the European Parliament and of the Council No. 575/2013 “On Prudential Requirements for Credit Institutions and Investment Firms and Amending Regulation (EU) No. 648/2012”. (2013, June). Retrieved from <https://op.europa.eu/en/publication-detail/-/publication/c7d371d1-9e7b-11e9-9d01-01aa75ed71a1>.

³ Resolution of the Board of the National Bank of Ukraine No. 196 “On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine”. (2023, December). Retrieved from https://bank.gov.ua/admin_uploads/law/28122023_196.pdf?v=12.

Table 1 summarises a comparison of key regulatory capital frameworks in the EU and Ukraine in the context of Basel III, with an emphasis on rules for the formation of own funds: capital structures, instrument quality requirements, prudential adjustments, profit recognition procedures, consolidation rules, and technical infrastructure for supervisory reporting. The convergence is mainly regulatory and institutional in nature: the Ukrainian model replicates the basic architecture of capital levels and key elements of capital “quality”, which was used to assess the overall degree of harmonisation as high in terms of structure and profit inclusion and as medium-high in terms of instrument requirements and adjustments. At the same time, there are limits to harmonisation between the EU and Ukraine, which are evident not in the concept, but in the legal and technical formalities and law enforcement. The most typical differences are concentrated in the details:

the wording of the terms and conditions of capital instruments (in particular, loss absorption mechanisms and payment restrictions), the procedure for their regulatory recognition, the parameters and methods of prudential deductions (thresholds, exceptions, transitional regimes), as well as in the varying “density” of technical standards and approaches to supervisory reporting. As an example, in terms of prudential deductions, EU law establishes an approach to excluding positions that do not have sufficient loss absorption capacity from regulatory capital (the logic of capital “cleansing”), while Ukrainian regulation reproduces this principle through a list of adjustments/deductions in the subordinate acts of the National Bank of Ukraine. The comparative differences shown in Table 1 can be summarised in an assessment of the degree of convergence and classification of the nature of legal differences, with the generalised result presented in Table 2.

Table 2. The degree of approximation and typology of legal differences in the formation of Ukraine’s regulatory capital to EU standards

Control element	Degree of approximation	Typical legal discrepancy
Regulatory capital structure	High	In the EU – direct articles of Regulation (EU) No. 575/2013, in Ukraine – national structure through acts of the National Bank of Ukraine (possible differences in details of application)
Inclusion of profit in capital during the year		The differences are mainly procedural: list of documents, deadlines, intensity of supervision and confirmation practice
Quality of capital and ability to absorb losses	Average-high	Differences in the legal technique of instruments and in the procedure for approval/recognition, even with similar economic content
Prudential deductions from base capital		Thresholds, exceptions, transition modes, and assessment/measurement methods may vary
Consolidated capital and non-controlling interest	Partial/undefined	The consolidated level may differ from the individual level in terms of formulas, approaches and detail
Technical standards and supervisory reporting system	Average	Different “density” of technical regulation and pace of updating requirements and reporting forms
Basel III finalisation: output floor (RWA comparability)	Low/none	Different designs for ensuring comparability of prudential outcomes: in the EU – normative “quality” standards for a standardised outcome; in Ukraine – absence of such a mechanism

Note: The estimates of the degree of approximation reflect the regulatory convergence of own funds rules and the most material differences in their calibration and enforcement primarily; they are not an empirical assessment of the effective equivalence of capital requirements.

Source: compiled by the author based on European Banking Authority (2019; 2024), Basel Committee on Banking Supervision (2019a)

The summary in Table 2 shows that the most pronounced regulatory gap with EU law is not related to the structure of own funds, but to elements of the finalisation of Basel III aimed at ensuring the comparability of capital requirements. In this context, the output floor mechanism, which is mandatory, is decisive in EU law. In EU law, the final phase of Basel III implementation (Basel III finalisation) aims to reduce

the variability of risk weights and limit the possibilities for model arbitrage within Pillar 1. The key tool for achieving this goal is the output floor mechanism, which sets the lower limit of capital requirements calculated using internal models at the level of requirements determined by standardised approaches. In accordance with Regulation of the European Parliament and of the Council No. 2024/1623¹, which

¹ Regulation of the European Parliament and of the Council No. 2024/1623 “Amending Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms”. (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/reg/2024/1623/oj/eng>.

amended Regulation of the European Parliament and of the Council No. 575, the output floor functions as a regulatory backstop to the results of internal model calculations of risk-weighted assets and is being phased in to a level of 72.5% after the end of the transition period.

In Ukraine, the regulation of banks' capital adequacy is based on a standardised or minimally modified architecture for calculating risk components, while the use of full-fledged internal models within Pillar 1 is absent or extremely limited. Under such conditions, the output floor is operationally irrelevant, but in comparative legal terms, its absence constitutes a *de jure* discrepancy with the Basel III finalisation model implemented in the EU. At the same time, this discrepancy mainly concerns the block of minimum capital requirements (through RWA), while the subject of this study is the rules for the formation of own funds and the criteria for their recognition. Therefore, in terms of own funds formation, the level of approximation is assessed as high/medium-high, but in the context of Basel III finalisation, there is a separate regulatory gap regarding the mechanisms for comparability of prudential outcome (output floor).

At the same time, potential discrepancies with EU law are primarily manifested in "calibration" (thresholds, exceptions, transitional rules), which, under the same economic parameters, may affect the amount of recognised CET1/Total Capital. A telling example is the approach to intangible assets, in particular software: in EU law, the general logic of "cleaning up" CET1 involves deducting intangible assets, but a special technical solution enshrined in the European Banking Authority (2020) applies to software assets, which mitigates the immediate negative effect of such assets on CET1. In Ukraine, the Procedure for Determining the Amount of Regulatory Capital¹ reproduces the general principle of adjustments/deductions from Tier 1 capital (OK1, in EU terms – CET1), but the special regime of Regulatory Technical Standards for software is not specified in the current framework. Given the structural similarity of the approaches, differences in calibration may result in different prudential outcomes for banks with a high share of IT investments.

A separate area of partial/uncertain convergence is the consolidated level (banking groups): EU law traditionally provides for more detailed rules, while in Ukraine, the relevant regulation is "spread" across

several acts of the National Bank of Ukraine. The perimeter of a banking group and the procedure for its recognition are determined by the Regulation on the Procedure for Identification and Recognition of Banking Groups, approved by Resolution of the Board of the National Bank of Ukraine No. 254 "On Approval of the Procedure for Regulating the Activities of Banking Groups"², and the procedural requirements for risk management at the group level are determined by the Regulation on the Risk Management System³. Under such conditions, comparability with EU law is determined not only by the general principle of consolidated supervision, but also by the details of the scope of consolidation, intra-group positions and prudential adjustments at the group level. Therefore, the consolidation block in Table 2 was highlighted as partially undefined: limited detail or other calibration of these elements can lead to material differences in the calculation of capital at the banking group level. In general, Ukrainian regulation of regulatory capital formation is institutionally close to the EU/Basel III model in terms of its basic structure and key requirements for own funds. At the same time, the main differences are concentrated in legal and technical details, regulatory recognition procedures, calibration of adjustments/deductions, consolidation rules and the technical infrastructure of supervisory reporting. In terms of prudential outcome equivalence, even if the structure of own funds is similar, differences in calibration and procedures can lead to different actual capital positions for a bank (or group) under comparable economic conditions.

The economic significance of harmonising regulatory capital requirements is determined not only by the convergence of definitions and structural categories, but also by the impact of regulations on banks' risk appetite and asset structure. In the context of the completion of Basel III in the EU, it is critical that the changes relate not only to the classification of capital, but also to the mechanisms that, through RWA, affect the actual amount of capital required to meet the standards. Empirical results confirm that changes under Basel III can adjust incentives for risk-taking and affect credit policy, so legal differences have not only a formal but also a behavioural dimension (Anguren *et al.*, 2024). The output floor mechanism within Basel III finalisation sets a lower limit for the aggregate result of risk-weighted exposures (the aggregate RWA/total risk exposure amount) calculated using internal models: the aggregate result under

¹ Resolution of the Board of the National Bank of Ukraine No. 196 "On Approval of the Procedure for Determining the Amount of Regulatory Capital of Banks in Ukraine National Bank of Ukraine". (2023, December). Retrieved from https://bank.gov.ua/admin_uploads/law/28122023_196.pdf?v=12.

² Resolution of the Board of the National Bank of Ukraine No. 254 "On Approval of the Procedure for Regulating the Activities of Banking Groups". (2012, June). Retrieved from <https://surl.li/zibfhr>.

³ Resolution of the Board of the National Bank of Ukraine No. 64 "On Approval of the Regulation on the Risk Management System in Banks of Ukraine and Banking Group". (2018, June). Retrieved from <https://zakon.rada.gov.ua/laws/show/v0064500-18#Text>.

internal model approaches cannot be lower than a specified proportion of the corresponding result calculated using standardised approaches. In EU law, this backstop is implemented through Regulation (EU) No. 575, as amended by Regulation of the European Parliament and of the Council No. 2024/1623¹: transitional coefficients are applied in stages – 50% in 2025, 55% in 2026, 60% in 2027, 65% in 2028, 70% in 2029 and 72.5% from 2030. Thus, EU law legally limits the possibility of reducing capital requirements through “model savings” and increases the comparability of prudential outcomes between institutions in the single market.

The economic and legal purpose of the output floor is to reduce the variability of RWA results between banks with similar portfolios and to narrow the scope for model arbitrage through the optimisation of internal models. Accordingly, assessment of Ukraine’s progress towards EU compliance in the context of Basel III finalisation cannot be limited to comparing the composition of own funds (CET1/AT1/T2) but must consider the regulatory availability of mechanisms for comparing the results of minimum capital requirements, in particular backstop rules for internal models (Torstensson, 2023). Regarding Ukraine, within the regulatory framework of the National Bank of Ukraine under review, the rules for calculating capital adequacy ratios and the corresponding methodologies are based primarily on standardised/regulatory parameterised approaches to determining risk components. With this design, the output floor as a constraint on internal model RWAs is operationally irrelevant, as Pillar 1 calculations are based on regulatory weights and parameters, and a full-fledged internal model regime within this framework is either absent or of limited significance. At the same time, if the research objective is formulated as “assessing convergence in the context of Basel III implementation, including finalisation”, then the absence of an explicit output floor mechanism and procedures for its application in the regulatory framework of the National Bank of Ukraine should be recorded as a *de jure* discrepancy with the EU approach. Therefore, Ukraine’s approach in this block can be described as *de facto* conservative in terms of the risk of underestimating RWA (due to the dominance of standardised approaches), but *de jure* incomplete in terms of Basel III finalisation requirements. It is advisable to combine the recommendations for Ukraine with procedural and practical convergence: the approximation of evidence standards and regulatory procedures for the recognition of capital elements, as well as the unification of supervisory

decisions on instruments, adjustments/deductions and the inclusion of profits. This reduces the risk of uneven enforcement and enhances the equivalence of prudential outcomes (Pihul *et al.*, 2023).

As a result, Ukraine’s degree of convergence with EU standards can be classified as high in terms of the basic structure of own funds (CET1/AT1/T2) and the general logic of recognising financial results in capital, medium-high in terms of the criteria for the acceptability of instruments and prudential adjustments/deductions (given the importance of calibrating thresholds, exemptions and transitional regimes), medium/partially uncertain in terms of consolidation measurement and technical infrastructure for application. At the same time, in terms of Basel III finalisation (in particular, the output floor), compliance is incomplete, as prudential outcome comparability tools aimed at limiting model variability are normatively integrated into EU law, while they are not enshrined in the national framework. Therefore, Ukraine has a high level of harmonisation in the formation of domestic funds, but incomplete compliance with the requirements of Basel III finalisation due to the absence of an output floor.

■ Discussion

The results of the study established that the output floor is a key element of comparability of requirements, as it limits the “model effect” in RWA and potentially affects the actual level of capital burden and systemic stability. This is consistent with the study by C. Roussel (2025), where the output floor is assessed in an agent-based credit network and is seen as a tool capable of changing the distribution of capital charges and systemic stability channels. The common logic is that in both approaches, the output floor is treated not as a technical detail, but as a regulatory lever that increases the comparability of prudential outcomes and reduces the scope for model-driven understatement of requirements. At the same time, within the study, the output floor is identified as a potential area of divergence between Ukraine and the EU regime, requiring separate applied analysis based on national data, while C. Roussel provides a quantitative model test of the corresponding mechanism. Therefore, if the goal of harmonisation in Ukraine is prudential outcome equivalence with the EU, then without assessing the existence, parameters and phasing of the output floor implementation, the comparability of capital adequacy regimes may remain partial.

P. Bednarek *et al.* (2025) demonstrated that a sudden increase in capital requirements can significantly change the supply of credit, with different

¹ Regulation of the European Parliament and of the Council No. 2024/1623 “Amending Regulation (EU) No. 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms”. (2024, May). Retrieved from <https://eur-lex.europa.eu/eli/reg/2024/1623/oj/eng>.

responses among banks and non-bank financial institutions. This result is consistent with the presented study, according to which the Basel III reforms are not technical in nature, but can change risk appetite and credit policy, even though, at first glance, calibration parameters. In this logic, regulatory capital acts not only as a safety margin but also as an instrument that influences the volume and conditions of lending. The study demonstrated the corresponding mechanism using empirical data, while in this study, it is used as a basis for a normative conclusion: when harmonising, it is advisable to assess not the declarative similarity of rules, but the incentives they create and the actual prudential outcome. The practical emphasis is that the calibration of thresholds, exceptions, and procedures in law can be directly translated into credit decisions, therefore requiring further empirical testing in Ukraine. S. Bahaj & F. Malherbe (2024) emphasise that capital regulation has cross-border implications: changes in requirements in one jurisdiction can affect cross-border lending and capital allocation. This is consistent with the results of the current study, according to which the comparability of regimes is not limited to the formal structure of own funds, but depends on the calibration of requirements and related procedural and reporting mechanisms. Even with similar regulatory architecture, differences in calibration and implementation rates can create different incentives and lead to incomparable prudential outcomes. In this context, it is necessary to legally identify the elements of the design (calibration, procedures, reporting) that can be a source of incomparability even with common regulatory objectives.

The results of the presented study emphasise that formal similarity of capital rules does not guarantee comparable prudential outcomes, as technical calibration parameters (thresholds, exemptions, transition regimes) that alter banks' incentives and the actual amount of recognised capital may be decisive. In this context, S. Damen & S. Schildermans (2022) have shown that changes in capital requirements can be transmitted to the real sector through mortgage rates and house prices, i.e., go beyond purely prudential indicators. This is consistent with the logic of the presented study: point regulatory adjustments can have tangible practical consequences. At the same time, the authors empirically measure such effects, while the current study focuses on the normative-comparative identification of design elements that create the risk of an incomparable outcome. R. Gropp *et al.* (2024) emphasise the tension between supranational rules and national discretion, asking whether there is real capital accumulation or whether it is "inflated" due to the peculiarities of regulatory interpretation. This is consistent with the results of the presented study:

outcome comparability depends not only on the text of the rules, but also on the practices of application and the scope of discretion provided. Harmonisation should include a procedural component (recognition, verification, deductions, reporting) and not be reduced to a formal reproduction of the CET1/AT1/T2 structure. It is advisable to identify areas of risk of non-comparability (calibration, exceptions, consolidation, reporting) where discretion is most often exercised. S. Cecchetti *et al.* (2025) addressed Basel Endgame as a stage that will influence the future of international standard setting, so the subject of discussion goes beyond purely technical parameters and covers the institutional foundations for the development and implementation of standards. This is consistent with the results of the presented study, according to which the analysis of harmonisation should be based on the current version of the EU legal package, formed by the 2024 amendments that integrate elements of Basel III finalisation. Harmonisation should be assessed not by the reproduction of definitions, but by the equivalence of the prudential outcome, with an emphasis on differences in national law and law enforcement that could alter the amount of recognised capital.

The results of the presented study show that differences in capital requirement calibration, risk measurement approaches, and enforcement can create incentives for regulatory arbitrage and complicate the comparability of prudential outcomes. R.M. Irani *et al.* (2021) found that tighter capital regulation may be accompanied by an increase in shadow banking and a partial shift of lending activity outside the banking perimeter. This is consistent with the conclusion on the significance of incentives created by the design of rules. Accordingly, when assessing harmonisation, it is advisable to incorporate possible incentives to shift risk or lending activity outside the more strictly regulated perimeter. The study by P.-R. Agénor *et al.* (2023) emphasises that financial spill overs arise in the context of global banking and that macroprudential policy has a coordination dimension. In this context, the results of the current study also emphasise that the comparability of regimes is determined not only by substantive rules, but also by procedural convergence, harmonisation of reporting and stability of law enforcement, which ensure the predictability and comparability of prudential outcomes. Risks of non-comparability should be linked to specific elements of the legal construct (in particular, consolidation rules, deductions, exceptions, and the intensity of verification procedures). Therefore, Ukraine's approximation to the EU regulatory framework should include not only regulatory convergence, but also convergence of procedures and data necessary for outcome equivalence.

A study by S. Mayordomo & M. Rodríguez-Moreno (2021) analyses how European banks are adapting to macroprudential capital requirements, i.e., how the regulatory burden is reflected in the practical behaviour of banks. This is consistent with the findings of the presented study, according to which the assessment of harmonisation should distinguish between regulatory design, supervisory implementation and behavioural adaptation, as these levels can produce different prudential outcomes. S. Mayordomo & M. Rodríguez-Moreno empirically describe the corresponding reactions of banks, while the presented study addressed the regulatory and procedural conditions that enable or constrain such reactions. Accordingly, harmonisation should be assessed not only based on the text of the requirements, but also on supervisory practices and the practical decisions of banks. M.-W. Wu *et al.* (2025) demonstrated that the impact of capital regulation is not limited to adequacy indicators and can influence the functioning of a bank as a financial intermediary, particularly in terms of liquidity. The presented study addressed the rules for the formation of own funds and prudential adjustments, but the conclusions are substantial as a remark: assessment of the consequences of harmonisation should incorporate possible additional channels of influence beyond the capital composition. Accordingly, the liquidity dimension should be considered separately as an area for further empirical testing, without replacing the normative and comparative analysis of own funds.

The results of the presented study show that the comparability of capital regulation regimes should be assessed based on the criterion of equivalence of prudential outcomes, since even with formal structural convergence, differences in calibration and recognition procedures can change the incentives and actual effects of regulation. K. Dempsey (2025) shows that in the presence of non-bank (direct) financing, capital requirements for banks affect the system through the redistribution of financing channels. This reinforces the conclusion that harmonisation should not be assessed based on definitions, as the behavioural and structural effects of rule design are decisive. In practice, this means that further empirical testing of behavioural and structural responses to harmonisation parameters is needed, in particular, possible changes in financing channels in the Ukrainian context.

Thus, it is advisable to assess the harmonisation of Ukraine's capital adequacy regime with that of the EU not by the formal similarity of definitions and the structure of own funds, but by the criterion of equivalence of the prudential result. The key factors for comparability are legal and technical settings (calibration, exceptions, transitional regimes, consolidation, deductions) and procedural and institutional mechanisms (verification, reporting, stability of law

enforcement), which determine the incentives and the actual amount of recognised capital. The next step is to conduct an applied and empirical test of the relevant channels on national material.

■ Conclusions

The results of the study showed that in the EU regulatory framework, technical requirements for capital are largely detailed in regulatory/delegated acts, which set a high level of standardisation of application. In Ukrainian specialised legislation, some technical decisions regarding capital are implemented through subordinate regulation and acts of the central bank, which creates room for procedural differences. In the current study, harmonisation is considered in a narrow sense as the convergence of rules for the formation of own funds (composition/quality of capital and prudential adjustments/deductions), liquidity standards and resolution mechanisms are directly separated from the subject of analysis, not to mix different regulatory blocks. The key criterion for comparison between Ukraine and the EU is the equivalence of the prudential outcome, rather than the formal reproduction of definitions and the structure of indicators. Even with Ukraine's formal structural convergence with the EU, differences in calibration, exemptions and transitional regimes can alter incentives and the amount of recognised capital. In the context of finalising Basel III in the EU, the output floor mechanism has been identified as a key element of comparability of minimum requirements and as a potential area of divergence for comparison with Ukraine. The difference between risk metrics and capital requirements may create incentives for regulatory arbitrage and undermine outcome comparability between regimes. In the EU regulatory framework, prudential deductions are conceptually aimed at excluding items with weak loss absorption capacity from regulatory capital. In the Ukrainian legal field, this logic is reproduced through certain adjustments/deductions in subordinate legislation.

The results of the study show a high degree of convergence between Ukraine and the EU in terms of the overall structure of regulatory capital, but differences in the practical application remain. Requirements for capital quality and the ability of instruments to absorb losses are assessed as moderately to highly converged between Ukraine and the EU, but there may be differences in the legal technique of instruments and procedures for their recognition. Thresholds, exceptions, transitional regimes and assessment/measurement methodologies have been identified as sources of potential non-comparability for prudential deductions between Ukraine and the EU. At the consolidated level (banking groups), comparability is linked to the scope of consolidation,

intra-group positions and group adjustments, which may result in partial/uncertain convergence. The general conclusion is that Ukraine's convergence with the EU should cover not only substantive rules, but also procedural convergence, reporting infrastructure and stability of law enforcement, as these are what ensure a comparable prudential outcome. The limitation of the study is the normative and comparative nature of the research, without empirical validation of how differences in calibration, recognition procedures and law enforcement are translated into credit behaviour or the structure of financial intermediation. The subject of the analysis is deliberately limited to own funds and prudential adjustments, without an integrated assessment of related regulatory contours (e.g., liquidity or resolution).

Future research should address applied and empirical verification of key "gaps" between the Ukrainian and European regulatory frameworks (primarily procedures for recognition/verification, consolidation, deductions, transitional regimes and the output floor mechanism) and their impact on the actual prudential outcome in the Ukrainian context.

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Гармонізація порядку формування регулятивного капіталу банків України з правом ЄС: нормативні межі та правові розбіжності

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■ **Анотація.** Метою дослідження було оцінювання відповідності українських правил визнання та коригування капіталу логіці Європейського Союзу для визначення джерела відмінностей у фактичному капітальному результаті. Методологія передбачала нормативно-документальний і порівняльно-правовий аналіз, поєднаний із функціональним зіставленням, структурно-логічне моделювання (порівняльну матрицю) і контент-аналіз публічної звітності, що дало змогу за критерієм prudential outcome встановити високу збіжність України з моделлю Європейського Союзу в структурі own funds й окреслити зони розбіжностей. Встановлено, що спеціальне правове регулювання Євросоюзу й України визначає капітал як основний запобіжник, що забезпечує поглинання збитків у банківській системі. Європейська нормативна база фокусується на якості капіталу та забезпеченні однакового вимірювання ризиків між різними банками. Українська правова рамка проходить етап активної гармонізації з правом Європейського Союзу для забезпечення порівнюваних результатів стійкості. З'ясовано, що українське банківсько-правове регулювання демонструє високу збіжність із європейським у питаннях розподілу капіталу на основний та додатковий рівні. Розбіжності між європейською рамкою та українськими правилами полягають у технічному калібруванні порогів і винятків для вирахувань з капіталу. Нормативна рамка України щодо банківських груп є менш деталізованою, ніж відповідні стандарти в Євросоюзі. Європейське законодавство передбачає механізми, які обмежують здатність банків занижувати вимоги до капіталу через власні внутрішні моделі. Упровадження європейської нормативної рамки безпосередньо змінює ризикову поведінку та кредитну політику банківських установ. Українське законодавство доцільно зосередити на процедурній конвергенції та уніфікуванні звітності за стандартами Євросоюзу. Практична значущість полягає в тому, що результати можуть бути використані Національним банком України, законодавцем і банками для вдосконалення регуляторних процедур і звітності й підвищення зіставності пруденційного результату з режимом Європейського Союзу

■ **Ключові слова:** Базель III; пруденційний результат; власні кошти; калібрування; output floor; процедури