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## DEFINITION OF «PAYMENT SYSTEM»

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*Summary. In article authors define the nature of payment system standing on the analysis of the main approaches to its determination as a category of macroeconomic and microeconomic. Authors revealed various approaches to defining the essence of the term "payment system": on the basis of its*

*functions or organization and functions, as a process or an institutional formation etc. In addition, authors identified characteristic features of modern payment systems for the defining the essence of "payment system" as microeconomic category.*

**Key words:** *large value interbank payment system, payment, payment system operator, payment system, remittance payment service.*

Payment systems are critical components of the nation's monetary and financial system. But in spite of this approach to defining the essence of the "payment system" differs. The purpose of the article is to define the nature of payment system standing on the analysis of the main approaches to its determination. In the course of the study authors revealed various approaches to defining the essence of the term "payment system", some authors determine it on the basis of its functions or organization and functions, another one regard it as a process or an institutional formation. But among of all listed approaches and determinations clearly observed that term "payment system" can be defined and used as a category of macroeconomic and microeconomic. As a category of macroeconomic term be used in broader or narrower sense. As a category of macroeconomic in broader sense authors defined payment system as a mechanism that provides the circulation of money in economic and is an integral component of the

government monetary and financial system and the element of infrastructure and technological framework that assists in achieving the goals of the central bank's monetary policy. In narrower sense payment system is defined by authors as a set of institutional and infrastructural elements, payment instruments, contractual relations and legislation, ensuring the transfer of funds between economic entities. In addition, the authors, based on the identified characteristic features of modern payment systems, defines the essence of "payment system" as microeconomic category as a financial market infrastructure, which consists of the organization, which provides operations of the payment system (payment system operator), payment system participants, as well as other components established to effect the settlements on payments and remittances for participants and users of payment systems services or third parties through their interaction in a particular legal framework.

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