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IMPROVING THE INSTITUTIONAL INFRASTRUCTURE OF THE FINANCIAL SYSTEMS IN EMERGING MARKET COUNTRIES

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Summary. The authors of the article have worked out the concept of reforming the institutional structure of monetary policy of Belarus. The model of

the Bank of capital functioning is proposed which is the key point of the change in macroeconomics and macroeconomic policy.

Key words: *Finance, credit system, financial depth, financial institutions, financial intermediaries, Bank of capital.*

Proposals to reform the institutional structure of monetary and financial system have being repeatedly discussed in national and abroad economic literature. The authors put forward the concepts of new macroregulators functioning. Nevertheless, these works don't propose specific framework of the institution and the means of its interaction with the existent macrostructure.

The main goal of establishing a separate macrostructure – the Bank of capital-is to relieve central banks from fiscal functions which are foreign for them and to reduce their balance risks. For the countries with emerging markets the most important objective of the new macrostructure will be the establishment of financial capital market that will allow to increase the monetization of the economy on the non-inflationary basis.

Particular emphasis has been placed on the role

of the Bank of capital in initiating the investment demand. The Bank of capital will facilitate creating the mechanism of regions' sustainable development including small administrative-territorial associations. Local authorities will get an effective mechanism for the distribution of public financing for the creation of small business.

It is expected that the Bank of capital will not belong to second-tier banks. The Bank should possess a special status of a public institution without being at the same time the public authority. Its authority should exercise only in the area of financial market regulation.

The main purpose of the Bank of capital is to change the institutional structure of macroeconomics and macroeconomic policy. Macroeconomic significance of the Bank of capital is in augmentation the liquidity of durable assets.

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