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CONCEPT, STRUCTURE AND TRANSFORMATION OF FINANCIAL SECURITY UNDER MODERN CONDITIONS

This article introduces defination of finance security and its fundimental concept, and demonstrate the analysis framework of risk influencing factors, divide main detailed factors from both external and internal factor, discuss how they affect each other as budget security, tax security, credit and banking system security, and personal financial security, etc. With the development of the world economy and science and technology, through the assessment of the financial sector, to explore the transformation of the concept of financial security and the nature of financial security.

Keywords: *financial security, analysis framework, external and internal factors, financial institute, banking system*

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ПОНЯТИЕ, СТРУКТУРА И ТРАНСФОРМАЦИЯ ФИНАНСОВОЙ БЕЗОПАСНОСТИ В СОВРЕМЕННЫХ УСЛОВИЯХ

В этой статье представлено определение финансовой безопасности и ее фундаментальная концепция, а также продемонстрирована структура анализа факторов, влияющих на риск, разделены основные подробные факторы как на внешние, так и на внутренние факторы, обсуждается, как они влияют друг на друга как бюджетная безопасность, налоговая безопасность, кредит и безопасность банковской системы, личную финансовую безопасность и т. д. С развитием мировой экономики и науки и техники, путем оценки финансового сектора, исследовать трансформацию концепции финансовой безопасности и характера финансовой безопасности.

Ключевые слова: *финансовая безопасность, основы анализа, внешние и внутренние факторы, финансовый институт, банковская система*

Financial security has always been a theme in the financial world. Scientists have defined financial security. The definitions are similar, the key is the stability of the financial system. This article begins with a financial security analysis from the structure and describes how the structure works. According to internal and external factors, the factors of financial security are discussed from these two aspects, and they are divided into several parts, such as budget security, tax security, credit and banking system security, and personal financial security,etc. And in the context of economic development and technological development, the transformation of the concept of financial security under modern conditions and the factors that affect its transformation.

Results and their discussion. Finance security refers to the security of monetary financing and the stability of the entire financial system. Finance security is the basic issue of financial economics research. Today, with the accelerated development of economic globalization, the status and role of financial security in national economic security is increasingly strengthened. According to A. Yu. Fedorova, finance security is the ability of the financial system to maintain the security, stability of its financial interest under the negative impact of external and internal factors that threaten financial security, as well as maintaining the ability of the financial system of the state to ensure the effective functioning of the national economy and constant economic growth [2, p. 1]. On one hand, internal factors refer to the deterioration of the financial situation caused by the economic system itself, including the real economy and the financial system itself on the other hand, external factors refer to a country's status in the international financial system that affects its ability to maintain finance security.

The risk factors faced by a country's financial system have two sources: one is from within the financial system, and the other is from the macroeconomic environment in which the financial system is located. The financial system mainly includes three parts: financial institutions, financial markets and financial infrastructure. Starting from the factors that affect financial security, this paper attempts to make an assessment of the financial sector by discussing the transformation of financial security concepts under the conditions of modern concepts and world economic development, with financial security as the ultimate goal. According to the above analysis, there are three main paths for the impact of risk factors on financial security. The first is to influence the financial institutions as micro-subjects to affect their operating conditions and profitability, and to affect the security and stability of the entire financial system through the micro-foundation of financial security. The second path is to have an impact on financial security through the financial market. The third transmission path is to change the macroeconomic environment of financial security by acting on the real economy. The above path and analysis framework are shown in Fig. 1 [4, p. 21].

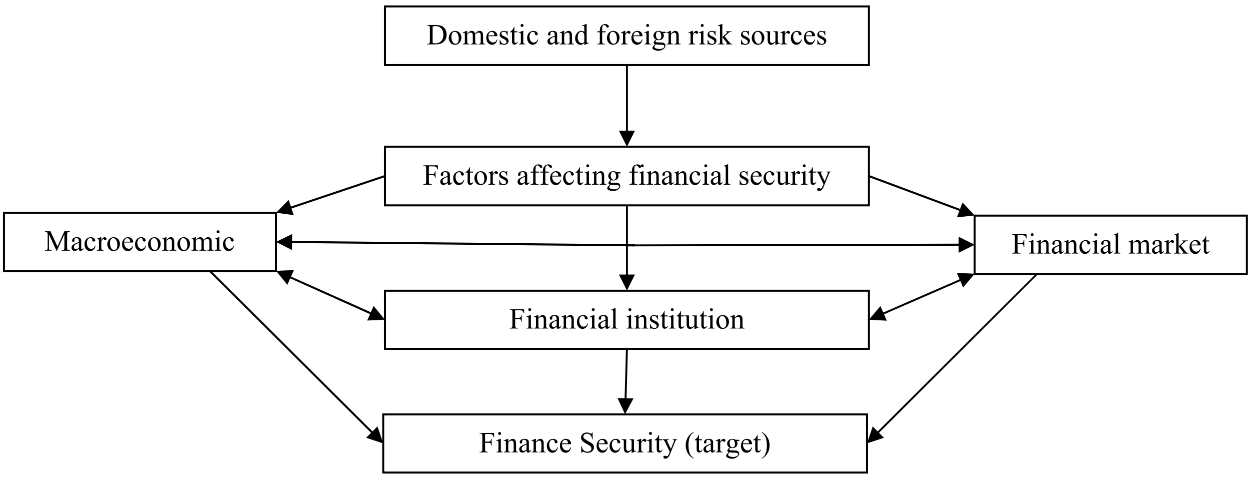

Fig. 1. Analysis Framework of Risk Influencing Factors of Financial Security

Finance security is viewed from different angles more specifictly, in particular:

– from the position of the resource-functional approach, finance security – protection of the financial interests of business entities at all levels of financial relations;

– in terms of statics, finance security is the state of the financial, monetary, currency, banking, budgetary, tax, investment, customs tariff and stock systems, which are characterized by balance, resistance to internal and external negative influences, as Fig. 2 [3, p. 14];

– in the context of legal regulation, finance security provides for the creation of such conditions for the functioning of the financial system, under which, there is virtually no possibility of directing financial flows to areas of their use that are not fixed by legislative acts [3, p. 12].

Budget security is an important part of ensuring the country's repayment capacity and takes into account the balance of national and regional budgets and the efficiency of fund use. Tax security depends on the effectiveness of the national tax policy, which can effectively combine the financial interests of the country with the interests of taxpayers and enterprises.

Budget Security		Finance security of the state
Tax security		Finance security of the region
Security of the credit and banking system		Finance security of the sphere (complex, cluster)
Security of financial and monetary circulation	Finance security	
Investment security		Finance security of an economic entity
Inflationary price security		
Security of the stock and insurance market		Industry finance security
Currency Security		Individual financial security

Fig. 2. Types of finance security

The security of the credit and banking system includes the security of debt and the financial security of the banking system, the ultimate goal here is to optimize the ratio of external debt to repayment capacity, meet social and economic needs, and maintain the country's ability to resist internal and external risks. Security of financial and monetary circulation is to make sure that efficient resource allocation will be made during distribution so that the banking system is able to take pressure that is from both internal and external. Investment security refers to the current demand of the economy for capital investment. Foreign investors maintain a positive balance between domestic investment and domestic foreign investment. Inflationary price security reflects the country's financial market, money market, budget situation, trade and balance of payments situation. Security of the stock and insurance market focuses on regulating the stable financial situation of issuers, owners, buyers, transaction organizers, and traders prompting them to complete the contract and pay interest of customers. Currency Security, a country must have enough foreign exchange reserves to maintain the balance of payments, to ensure that the trade deficit is within an acceptable range, and more importantly, for small and medium-sized countries, how to prevent the impact of international capital on the domestic currency market to the greatest extent. Siti Yuliandi Ahmad and Mohamad Fazli Sabri explain in their paper that from an individual perspective, Individual financial security appear to span a number of areas including spending, savings, retirement planning, credit use, and investment. Generally, financial security is the state of having constant income or other resources to sustenance a standard of living now and in the foreseeable future [1, p. 110].

All types of financial security are interrelated, interdependent, and focused on ensuring financial stability. Obviously, financial security can be defined as a status, a process, a multi-level system, and a multi-factor category.

For financial institutions, the concept of financial security is shifting, and the following factors affect this concept:

1. Further government regulation of banking activities, tightening of licenses for non-bank financial institutions to enter the professianl securitie market.

Over 2020, the number of credit and non bank financial institutions licensed as professional securities market participants (PSMPs) decreased by 3.7 % to 466. Of this number of PSMPs, 260 are non-bank financial institutions and investment advisers, and 206 are credit institutions [5, p. 65].

2. Streamlining and Consolidation of the Banking System.

Consolidation occurs, on the one hand, due to increased requirements for the authorized capital of credit institutions, the introduction of Basel standards, on the other hand, due to consolidation in the banking sector, as well as the globalization of financial markets, integration processes in the intra-financial market [6, p. 4].

3. The popularization and development of cashless payment.

The development of digitization will lead to the emergence of uncensored industries, which increases the risk of financial market instability. The introduction of digital currency and blockchain requires banks and government departments to make some changes to further optimize the relationship between regulators , interactions authorities and financial market participants.

Conclusion. Therefore, financial security in the financial market field means that the national financial system has a certain degree of independence, stability and sustainability under the influence of internal and external unstable factors that threaten financial security; the national financial system ensures the innovation and development of the national social economy's ability. In order to ensure an effective financial security system at this stage, a set of interrelated measures is required for each link of the financial market. From the perspective of science and technology, the emergence of cryptocurrencies has greatly affected financial security. It is necessary to reform the supervision of the existing financial system to a certain extent, and accumulate experience in digital cryptocurrencies in the process.

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