

ФІНАНСОВЕ ПРАВО



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Genesis and Historical Development of Financial Law: The Role of International Organizations in Shaping Global Economic Governance

The global financial market has become more complex and interconnected, and the changes in technology and international relations have increased the need for strict legal systems. To maintain economic stability internationally, finance laws at an international level need to be fair and firm, and operational issues such as the regulation of digital currencies, climate finance, and systemic risks need to be dealt with. Here, it is important to mention that effective financial law enables a country to participate in international economic governance and promote development while safeguarding national and global interests. Which is why the concern resonates with the scientific and practical activities world over.

Contemporary scholarship covers many different aspects of international

financial law. For example, some authors deal with the role of Bretton Woods institutions – IMF and World Bank – in the stability of the global financial system, the use of Basel Accords in the regulation of systemic risks, and oftentimes, the rapidly developing field of climate finance law. In addition, examination of digital currencies, as well as blockchain technologies raises the hopes of technological advancement against the backdrop of new regulatory paradigms. These researches show the importance of international diplomacy and new legislative orders in the changing environment of international finance. This area has received some attention from many scholars dealing with the progression of financial law together with the impact of technological



advancements, however, some significant gaps still exist. In particular:

There is a lack of research on integrating climate finance with other components of financial law and policy. There are no adequate international standards for innovation, consumer protection, and systemic stability of digital currencies. There exists the need to develop legal responses to newly emerging geopolitical and cross-border financial risk factors. There alone explanations for these require more thorough research, especially given that developing economies and modern legal instruments are not static and do not remain unchanged to context specific factors influence them.

This article sets out to solve the above problems by:

Providing a detailed analytical survey of financial law so as to identify the roots of existing challenges. Studying the part and political activity of international organizations involved in the regulation of climate finance and digital assets. Contributing to the improvement and rationalization of international financial legal instruments to normatively ensure effective, equitable, and sustainable development of the global economy. With such an multidisciplinary scope, the goal of the research is to add value to theoretical debates as well as to practical measures in international finance law.

The international economic system acts as an important pillar for the development of all countries since it makes possible cross-border movement of capital, investments and trade. It is a highly complex one influenced by the global economic integration and advances in technology and as such, requires comprehensive legal structures in place to govern the numerous parties involved. To resolve such issues, a branch of law called the international financial law has developed, which deals with the interactions of sovereign state, international organizations as well as

private actors in the context of cross-border investment activity.

The chronology of development of international financial law is invariably associated with globalization processes, integration of the economy and emergence of new regulatory paradigms. Starting from its genesis in treaties between two states and moving towards a global market in which institutions like the International Monetary Fund and the World Bank were created, this branch has progressively conformed itself to new realities within the world economy. The increasing usage of digital currencies, climate change and economic financing and geographical-political dynamics make it imperative for a robust and effective legal framework.

This chapter investigates the fundamental aspects such as classifications and evolution of international financial relations as well as its legal status. The chapter pursues the geographical complexities of international economic law and explains why this particular area is important in promoting development, stability and global issues. In this context, it elaborates on the importance of this sector in the working of the modern economy and why it is required to be constantly ameliorated given the pace at which the world changes in terms of technology and politics.

The growth of international economic law is reflective of the growth of the global economy and the institutions underlying this global economy. Its growth has witnessed an ever changing balance between economic development and the creation of governance systems.

International finance law emerged as a direct consequence of treaties that were settled in the past. International cooperation, on the other hand, became possible with agreements such the Treaty of Commerce and The Treaty of Navigation between the Portuguese and the British dating back to 1386. These treaties safeguards the interests and

operations of registered merchants by establishing uniform business guidelines. These treaties addressed matters such as taxation, tariffs, and currency exchange and thus laid down the necessary principles of regulation [1].

The emergence of the Bank for International Settlements (BIS), as a tangible element of 1930, marked the pinnacle of those efforts. The organization was set up for the fostering of multilateral monetary policy and served as a bank for other central banks. We also note that recent decades have seen further emergence of monitoring institutions such as international arbitration [2].

The year 1944 saw the Bretton Woods Conference. This conference, in collaboration with the introduction of the International Monetary Fund and The World Bank, helped shape the financial laws for the post-war economy of various countries, with a map excluding currency fluctuations and focusing on financial aid for reconstruction. The system set up by the Bretton Woods conference distinguished itself as the outset of multilateral global relations' oversight [3].

A major turning point for the gold standard combined with the implementation of the Bretton Woods framework signaled a shift towards deep rooted financial globalization. Starting the 1970's the bloc formation that dominated global finance began. Several legal frameworks including the Accords in Basel were enforced to mitigate possible systemic risks and stabilize the banking sector [1].

The 21st century has brought about reforms in international financial law to counter new challenges such as climate change, digital currencies, and financial crises to mention but a few, and in the aftermath of the 2008 global financial crisis, these reforms became necessary such as the enactment of the Dodd-Frank Act in the US and establishment of new global standards. Disruptions in the global financial market warrant for legal innovations due to the

emergence of blockchain technologies and digital currencies [4].

Historically tracing its evolution sheds light on the increasing complexity and changing dynamics of international financial law owing to the confluence of the political, economic and technology intricacies, this historical frame is paramount in making sense of its current structures and the future pathways it is likely to take.

Key Doctrinal Views on International Financial Relations. Public vs. Private Law Dimensions International financial law is said to navigate partially between public and private law, embodying a dependency between the legal regulations of a state and the working of the, public sector. It is still a matter of contest among scholars as to whether it is treated as a form of international law of the public type or a composite multidisciplinary field. Public Law Perspective:

The public law dimension relates to the central role that the state performs in its regulations including matters on sovereign debt, currency stabilization, and fiscal policies. This view stresses that international institutions such as the 'IMF' and the World bank have a role of overseeing order in the financial arena. o Constructs of this nature work towards some forms of systemic developments and containment of business risk [4].

Private Law Influence. The private law dimension emphasizes on the role contracts and financial dealings between private persons. These bayonet operations international private law aims at the sort of cross border ventures, mergers, and acquisitions that are also called joint ventures. The financial system of the world is deeply interconnected, and so, the role of individual investments within companies becomes important, especially during globalization [1].

With much focus on the financial norms set by the government, they still remain in control of the state's policies. However, sometimes absolute power cannot be used for the benefit of the

economy. Therefore, these states have to agree to some limits on their sovereignty when there is such a need for endorsement. Lets Take A Look At How to Maintain Cooperation Along With Sovereignty:

Every country within a nation has autonomy in taxation and monetary systems, thus maintaining sovereignty in financial law. However, in a greatly interdependent economy of today, government policies that are designed for domestic purposes may not go in their favor.

The Basel provisions and the monetary policies of the EU show the extent that increased collaboration can bolster resiliency and reduce exposure to risk elements. [3] Classifications of International Financial Relations by Subject Composition. Cross-border business deals have become commonplace as the world becomes increasingly interconnected. The categorization of international financial relations based on subject matter composition highlights the main role players as well as the nature of their interactions in the global finance ecosystem. These classifications lend themselves to understanding the rules of engagement that dictate the different forms of financial relationships.

Interstate Relations in finance consists of treaties, agreements, and multiform arrangements of independent republics with each other. Such treaties cover a wide spectrum including trade finance, debt rescheduling, and aids. For instance, the Bretton Woods Agreements and the Paris Club negotiations continue to define and reshape the international financial architecture. [4]

International Organizations. Sovereign government institutions in charge of overseeing the international economy are yet another central element of the international architecture, for instance the International Monetary Fund (IMF), World Bank and regional development banks. They extend finances, lend consultancy services, formulate policies, and lend technical aids to member

states in a bid to ensure stabilization and development. A case in point is the Asian Development Bank (ADB) and African Development Bank (AfDB) that address specific regional challenges [1]. By Regulatory Scope. The classification of regulatory scope considers the rules of international financial activity with regard to the area of action and the objectives. In this case, agency in the formation of financial law is encouraged.

Global Standards. Basel III regulations set out broad guidelines for supervision of banking institutions and their internal control systems and risk management processes to deal with the systemic risk problem. These are to cultivate protection in the financial sector by increasing the strength of the financial sector institutions and lowering systemic dangers [3].

Regional Approaches. The financial frameworks of regions such as the European Union's policies can be used as templates for regional developments. These policies cover some aspects of financial services that are transnational in nature but are directed to enhance the economic strength and stability of the specific geographic region. The enforcement of capital controls includes regulations concerning supervision of banks, oversight of financial markets, and the movement of capital within the EU economy.

Challenges and Way Forward. Digital currency and Block Chain Technology. New trends like digital currencies and blockchain technologies have transformed the international economy by causing disruption to the existing international laws concerning finance.

Regulatory Gaps. A big challenge of regulatory comes from crypto currencies such as Bitcoin which are decentralized. Legal regulations have to tackle a myriad of issues including fraud, money laundering and protection of a consumer. Regulatory agencies like the Financial Action Task Force (FATF) have begun formulating standards for the world to adopt on the regulation of cryptocurrency [1].

Blockchain's Potential. It is a fact that the blockchain enhances the transparency and efficiency of particular transactions and business models. The legal arrangements will need to adjust to make the most of these advantages and at the same time mitigate the risks.

Climate Change Financing. Climate Change remains an issue of global concern due to changing weather patterns that require legal mechanisms to ensure provision of funds for mitigation and adaptation. Thoroughly structured legal arrangements are required to ensure successful climate initiatives that include green bonds and carbon trading which are novel funding mechanisms. The Paris Agreement and other treatise on climate change provides a pertinent framework for financing towards realization of climate initiatives [4].

Role of International Organizations. Among the most relevant organizations in gathering resources to support climate change activities are the Green Climate Fund and the World Bank. Their work ought to be complemented with legal regimes that encourage accountability and fair financing. These problems are overarching, and if they are overcome, the international financial law may develop to cope with the realities of the schedule in the preset world, and that stability, equity, and sustainable development may be achieved within global economic systems.

Conclusion. The doctrinal views on international financial relations reflect the intricate nature of the discipline together with its crucial role for the stability of the world's economy. This complex area combines elements of both the public and the private law, creating a paradigm which

regulates numerous actors and their relations in the global economic system.

International financial law does not simply deal with regulations for states and international organizations but encompasses also contracts and dealings with individuals. This dual aspect provides an appropriate way of dealing with the preeminent problem of systemic risk and the goal of increasing financial linkage. It promotes integration while upholding respect for national sovereignty by reconciling the seemingly conflicting aims.

International finance is a very lively field and its practice requires adjustments of laws in such areas as digital currencies, climate finance, and geopolitical transformations. These obstacles come to underscore the spirit of redesign and innovation that can be pursued under the legal framework to lessen risks, enhance transparency and maintain resilience of the global financial system.

In addition, the joining of economic policy with the international law dimension in this field also brings out the role it plays in society. International financial law acts as one of the elements of global governance and is based on the interdependence of economies, from meeting discrimination in access to resources, to the promotion of sustainable economic growth therewith.

International financial law thus encompasses these elements and proves to be an important tool for dealing with the intricacies of globalization, preserving the economic order, and addressing contemporary issues. There is no doubt that its further development will be necessary for constructing a sound and comprehensive financial system.

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Іванова Р. Ю. Генеза та історичний розвиток фінансового права: роль міжнародних організацій у формуванні глобального економічного врядування

У статті досліджується генеза та історичний розвиток фінансового права, зосереджуючи увагу на ключовій ролі міжнародних організацій у формуванні глобального економічного врядування. Фінансове право суттєво еволюціонувало протягом століть, перетворившись із двосторонніх угод між суверенними державами на всебічні багатосторонні домовленості та регуляторні рамки, які спрямовані на забезпечення стабільності та справедливого зростання глобальної економіки. У статті розглядаються ранні міжнародні фінансові угоди, зокрема, Договір про торгівлю та Договір про навігацію між Португалією та Великою Британією 1386 року, які заклали основу для сучасного фінансового регулювання, зокрема щодо оподаткування, тарифів і валютного обміну. Важливими етапами інституціоналізації фінансового права стали створення Банку міжнародних розрахунків у 1930 році та Бреттон-Вудська конференція 1944 року, що призвела до створення Міжнародного валютного фонду (МВФ) і Світового банку. Ці організації відіграють центральну роль у забезпеченні глобальної фінансової стабільності через ініціативи, такі як фінансова допомога, моніторинг грошово-кредитної політики та відновлення економік після криз.

У статті також наголошується на важливості Базельських угод для подолання системних ризиків у глобальному банківському секторі. Завдяки наданню всеосяжних рекомендацій щодо нагляду за фінансовими установами, ці угоди стали важливим інструментом для забезпечення фінансової стійкості. Проте стрімкий розвиток технологій і поява нових викликів, таких як цифрові валюти, блокчейн-технології та кліматичне фінансування, підкреслюють необхідність подальшого вдосконалення міжнародного фінансового права. У статті обговорюються правові та регуляторні прогалини щодо цифрових валют, включаючи питання захисту споживачів, шахрайства та відмивання грошей, а також досліджується потенціал блокчейну для підвищення прозорості та ефективності фінансових операцій. Крім того, у статті підкреслюється важливість кліматичного фінансування у вирішенні глобальних викликів, таких як зміна клімату, з використанням таких механізмів, як зелені облігації та торгівля викидами вуглецю. Особливу увагу приділено ролі міжнародних організацій, таких як Зелений кліматичний фонд і Світовий банк, у мобілізації ресурсів для кліматичних ініціатив.

Окрім аналізу історичного розвитку фінансового права, у статті надається детальний огляд ключових доктринальних підходів, включаючи взаємодію між публічними та приватними аспектами права в міжнародних фінансах. Автори зазначають, що, хоча фінансове право традиційно базувалося на державоцентричних регуляціях, зростаюча складність глобальних фінансів вимагає більш інтегрованого підходу, який би враховував інтереси суверенних держав, міжнародних організацій і приватних суб'єктів. Такий дуалістичний підхід до фінансового права є важливим для управління системними ризиками та сприяння глобальній економічній інтеграції. У статті також розглядається класифікація міжнародних фінансових відносин, які поділяються за складом суб'єктів (наприклад, міждержавні відносини, роль міжнародних організацій) та регуляторним охопленням (наприклад, глобальні стандарти, такі як Базель III, регіональні підходи, такі як фінансові політики ЄС).

Виклики та перспективи фінансового права розглядаються у статті детально, наголошуючи на необхідності адаптивних правових рамок для врахування технологічних

досягнень, геополітичних трансформацій та екологічних питань. Завдяки подоланню регуляторних прогалин та зміцненню міжнародної співпраці фінансове право може стати важливим інструментом для забезпечення стабільності, справедливості та сталого розвитку у глобальній економічній системі. Це всебічне дослідження робить вагомий внесок як у теоретичні дискусії, так і в практичні заходи в галузі міжнародного фінансового права, пропонуючи цінні інсайти щодо його еволюції, сучасних викликів та потенційних шляхів розвитку.

Ключові слова: фінансове право, міжнародні організації, глобалізація, Базельські угоди, МВФ, цифрові валюти, кліматичне фінансування.

Ivanova R. Genesis and Historical Development of Financial Law: The Role of International Organizations in Shaping Global Economic Governance

This article reviews the origins and formative processes of development of financial law with particular emphasis given to the contributions of international organizations toward the development of the world economy. Financial law underwent a great deal of theoretical and practical transformation in the course of many centuries, starting from treaties between two sovereign states, through the elaborate system of multilateral contracts and treaties, ultimately moving to multilateral frameworks with international rules and systems for adjustment of imbalances in the world economy. This article examines some early international financial treaties such as the Treaty of Commerce and the Treaty of Navigation that Britain and Portugal signed in 1386 which were in a way precursors of modern financial regulation as they addressed taxation, tariffs and currency issues. The formation of new institutions such as the Bank for International Settlements (BIS) in 1930 and the Bretton Woods Conference in 1944 were some of the most important events of the legal development of financial law in which the IMF and World Bank were established. These countries have since spearheaded global initiatives aimed at achieving financial stability, providing financial assistance, monitoring monetary policy, and supporting reconstruction efforts after crises.

Additionally, the article addresses the importance of the Basel Accords in dealing with global banking system risks. These agreements have been crucial in promoting international market stability by providing complete measures for the supervision of financial institutions. Unfortunately, the acceleration of innovations as well as the new issues of digital currencies, block chain technologies, and climate finance has revealed some gaps in international financial legal frameworks that require significant adjustments. The article reviews regulatory coverage of digital currencies and the gaps in consumer protection, fraud, and money laundering and discusses how blockchain technology can aid in making financial transactions more transparent and efficient. Correspondingly, the article highlights the notable round the world increase of emphasis on climate finance towards combating climate change through new funding approaches such as green bonds and carbon trading. The contributions of other international entities such as the Green Climate Fund and the World Bank in funding climate change projects are also critically assessed.

The article also touches on the development and stages of evolution of financial law and relates it to some of the most important doctrinal issues, in particular, the relationship between the public and private law parts within the international financial law. It contends that financial law was centered on the control of state and state-centric regulations; however, the growing intricacy of international finance precludes the simple compartmentalization of the interests of sovereign states, international organizations and private actors. This bi-polarity of the financial law is considered as vital for the mitigation of systemic risks and for advancing global economic integration. The article also attempts to analyze the classification of international financial relations with respect to the subject composition (interstate relations, hierarchy of international organizations) and regulatory coverage (global standards: Basel III, regional ones: EU financial policies).

The issues and prospects of the regulation of finance is deeply examined and it emphasizes the importance of developing legal operational frameworks to accommodate technological



change, shifting political borders, and environmental protection. If properly developed financial law can be an important instrument to maintain order and balance in the world's economy by fulfilling the needed regulatory functions and international collaboration. Such an in-depth analysis is applicable not only to academic discussion, but also to practice in international financial law, as it assists in defining the states of development and the challenges facing the discipline, and the ways that can be used to overcome these challenges in future development.

Key words: financial law, international organizations, globalization, Basel Accords, IMF, digital currencies, climate finance.