



DEVELOPMENT OF FURTHER CURRENCY OPERATIONS OF COMMERCIAL BANKS WITH ECONOMIC ENTITIES

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Annotation: *Urgent foreign exchange transactions of commercial banks (forward transactions, transactions with currency options and currency futures), bringing income to banks, allow them to protect the foreign exchange reserves of business entities from currency risk. Therefore, in the banking practice of developed countries, special attention is paid to the development of urgent foreign exchange transactions of banks.*

The article identifies current problems associated with the development of urgent foreign exchange transactions of commercial banks carried out with business entities and develops scientific proposals aimed at solving these problems.

Keywords: *commercial bank, business entity, forward, currency option, currency futures, currency position, currency risk, income, loss.*

In the conditions of globalization and the growing role of international economic relations, commercial banks are becoming the main financial intermediaries in currency operations with economic entities. Enterprises that are engaged in export-import activities, international investment, or cooperation with foreign partners require efficient and reliable currency services. Therefore, the development of currency operations in commercial banks has become one of the most important directions of their strategic activity.

Currency operations of commercial banks cover a wide range of financial services. These include opening and servicing foreign currency accounts, conversion of different currencies, international settlements through letters of credit, collection and guarantees, trade financing, as well as hedging and investment operations. Each of these services is essential for supporting the competitiveness of economic entities in the global market.

At the same time, several challenges remain in the practice of currency operations. High transaction costs still create difficulties for small and medium-sized businesses. Exchange rate volatility increases financial risks for exporters and importers. In some cases, foreign exchange restrictions and insufficient development of financial infrastructure limit the effectiveness of banking services. Furthermore, not all banks are fully digitalized in currency operations, which slows down the speed and transparency of international transactions.

International experience shows that the effectiveness of currency operations can be significantly improved by expanding digital services, using blockchain-based



settlement systems, developing foreign exchange derivatives markets, and strengthening correspondent relationships with global financial institutions. These measures not only reduce risks but also create new opportunities for enterprises in cross-border trade and investment.

For the further development of currency operations, commercial banks should focus on introducing innovative technologies, enhancing risk management instruments, and offering a wider range of trade finance products. It is also necessary to support small and medium-sized enterprises by reducing transaction costs and providing advisory services on currency risk management. The integration of banks into international payment and clearing systems will strengthen their role in global financial markets and improve access for domestic businesses.

In conclusion, the development of further currency operations of commercial banks with economic entities is a key factor in ensuring stable growth of foreign trade, attracting foreign investments, and increasing the competitiveness of the national economy. By implementing advanced technologies, expanding financial instruments, and creating favorable conditions for businesses, commercial banks can significantly enhance their efficiency and contribute to sustainable economic development.

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