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***Purpose.** Purpose of the article is to analyze the functioning of financial intermediaries in the Russian Federation.*

***Technique.** The study used: the methods of theoretical generalizations and comparisons, analysis, and synthesis (to clarify the concept of «financial intermediary»).*

***Results.** Based on this study identified a number of financial intermediaries, which can be considered as members of the financial relationship.*

***Scientific innovation.** It is proved that the need for financial intermediaries due to the functioning of the state, and in particular the financial system as a form of monetary relations among all actors of the reproduction process of distribution and redistribution of the gross national product.*

***The practical significance.** The results are aimed at optimizing the management of financial relations in banking.*

***Key words:** financial intermediary, bank, investment fund.*

THE NECESSITY AND IMPORTANCE OF FINANCIAL INTERMEDIARIES

Important role in the successful functioning of the financial market belongs to the system-provided, that is, agents. Financial intermediaries nicknames (natural and legal persons who are licensed) are quite a large group of participants of the market, provide a link between buyers and sellers of financial instruments.

There are the following group of financial intermediaries, brokers, dealers, and service institutions. The structure of financial brokers should include investment, currency and fears of agents. Dealer network of financial market represented by commercial banks, investment companies, investment funds, investment dealers, trust companies, financial holding companies with the financial and industrial groups, insurance companies, pension funds, etc [1].

The structure of the financial service market institutions should include such elements provides a system like the stock and currency exchanges, depositories and registrars of securities, as well as various clearing and advice centers.

In a society with a market economy and credit relations are determined by the needs of the movement of loan capital.

Loan capital is created by the system function of money. The latter as the system acquires new qualities become finance, is used as cash funds. But in order to become a financial monetary system, in other words, the effective redistribution of money, requires financial intermediaries. They accumulate temporarily free funds to

shift money, create loan capital, effectively manage the various risks associated with the movement of capital, and perform calculations [2].

Once established as a financial controller value, the system of credit institutions then she needs to be regulated, but not only in the market (forex), but also prudent. Prudential regulation is aimed at reducing the risk of illiquidity and insolvency of the banking system, strengthening its stability. Therefore, one of the components of the credit system - the legal rules governing the motion of the loan capital.

Regulation involves imperious start in banking. For the emergence of such a powerful need to start to any one bank became the central controller in the credit system. Central bank - a financial intermediary between lenders. In that the quality it provides foreign exchange regulation and the creditor of last resort. At the same time, the central bank – the prudential regulator in the credit system, and as such it must safeguard the public interest of society in the organization and functioning of the credit system [3].

The Bank is widely recognized as a professional financial intermediary in the capital market. Therefore, the main feature of the bank (credit institution) in doctrine and legislation in many countries is the intermediary nature of their activities. The concept of "intermediary activity of credit institutions" means the same and is to involve them temporarily free funds (credits) of one person to provide them in the form of loans to other persons in need of borrowed funds [4].

As intermediaries in the financial markets may also make private pension funds, insurance companies, factoring (purchase of receivables) and leasing companies.

Currently, substantially increased the role of financial intermediaries, the importance of which in the market environment is very different from the one they played in the centralized economy. In a state with a centrally planned economy banks simply responsible for passive conduct and control of financial transactions between companies, so other functions as required by the planning authorities. In market economies, financial intermediaries, however, play a key role in the coordination of economic activities, acting as the institutions of the relationship between the components of the financial system, which are aimed at making a profit, independently deciding who they want to deal with, and therefore what risks they can take [5-7]. The key point in the decision-making process is not only the estimates of future revenues, but the evaluation of the risk of entry into a business relationship with a particular partner.

The most common mediators in the financial market of Russia is commercial banks.

In a market economy, banks provide the management and settlement of payments, to take and store savings and deposits of the population, companies and government agencies, and use the money to lend. As such, banks act as financial intermediaries and can be considered as members:

–transformation of the volume when minor contributions of individual individuals become part of the larger loans [8];

–transformation of the maturity of a financial instrument, as short-term deposits are transformed into long-term loans [9];

–transformation of liquidity as banks transform liquid deposits less liquid loans;

–transforming risks when investors demand to have returned to their deposits transformed into a potential (for the bank), the risk of default by the borrower borrowing;

–regional transformation when large cash accumulation in one region (country) are transformed into the possibility of large loans in another region (country).

The banks benefit from the so-called economies of scale, receiving information from a large number of depositors, borrowers, and other market participants, which in fact is not available to individual investors and bank fee which would require a significant investment. In economic theory, this process is called "delegated monitoring": banks in the course of its activities are treated considerably amount of information available to them, including in their own interests.

Investment funds in Russia began to appear much later than commercial banks. Currently, the activities of investment funds in the financial markets of the Russian Federation is regulated by federal law is regulated by the Law "On Investment Funds" on November 29, 2001 № 156 (the last version was December 3, 2011). Investment funds - is the same classic intermediary in the financial market, as well as commercial banks. However, unlike the commercial banks, they do not operate in the credit market and the stock market, accumulating funds of legal entities and individuals, and putting them into securities.

Investment funds in Russia are of two types [10]:

– Equity investment fund – the subject of which is the investment of assets in securities and other objects.

– Mutual funds - separate property complex of the property transferred in trust management company owner of the trust association with the condition of the property with the property of other founders of trust management, and of the property received in the course of such management, share in the ownership of which is certified a security issued by the management company.

Mutual funds feature is that investment can bring both income and losses, as opposed to investing in bank deposits.

Under present conditions Social Security in Russia, focusing on non-state pension funds, which are a particular legal form nonprofit social services, exclusive of activity are:

– activities of non-state pension fund participants in accordance with the contracts of private pension provision;

– to act as an insurer for compulsory pension insurance.

The need for financial intermediaries due to the operation of the state, and in particular the financial system as a form of monetary relations among all actors of the reproduction process of distribution and redistribution of the gross national product.

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