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THE VALUE AND ESSENCE OF FOREIGN CURRENCY FUNDS AND FOREIGN EXCHANGE TRANSACTIONS

Annotation: The article consider the existing approaches to the definition of "foreign exchange transactions" and "foreign exchange". The significance of the economic category "currency transactions" in legislative documents and scientific literature is revealed.

Key words: foreign exchange, foreign exchange transactions, accounting.

Businesses that trade with foreign companies cannot process foreign currency transactions and can easily record invoices, credit notes, payments and receipts in various currencies. They must use the exchange rates from the European Central Bank, which are updated daily so that possible to use the latest exchange rate, and can track any losses or gains as a result of rate changes. Therefore, accounting for foreign currency and foreign exchange transactions is extremely important today, especially for companies that sell their products around the world and that work with foreign companies.

Every day the business enters new markets, imports and exports of goods increase, foreign currency transactions are carried out daily. However, they are an extremely complex and risky type of business, because they can be both a source of significant profits and losses [1].

The theory and methodology of accounting for currency and transactions in foreign currency in their works studied such scientists and economists as: Akimova L.M., Dokienko L.M., Zagorodniy A.S., Klimenko V.V. , Kuzminsky Y.A., Mozgovy O.M., Musiets T.V. etc.

Despite the importance of the results obtained by scientists, there is currently no single approach to accounting for foreign exchange transactions, which would determine the degree of revaluation of items to be revalued; conditions of its carrying out and reproduction of the received data on accounting, and also the effective organization of the program of internal control over operations in currencies [2].

The Law of Ukraine "On Currency and Currency Transactions" discloses the legal basis for foreign exchange transactions, regulation and supervision of currency, the powers of subjects of foreign exchange transactions, institutions and prosecutes for violations of currency legislation.

According to the Law of Ukraine "On Foreign Economic Activity", foreign currency funds include: foreign currency, payment documents in foreign currency, securities in foreign currency, as well as gold and other precious metals. Payment documents include promissory notes, checks, certificates of deposit, letters of credit and others, securities - stocks, bonds, promissory notes and other [3].

Currently, transactions using foreign currency take place every day. According to the Law of Ukraine "On Currency and Currency Transactions" foreign currency is called:

- banknotes in foreign currency, treasury bills, coins in circulation, which are valid means of payment on the lands of the respective foreign country or group of foreign states, are also withdrawn or will be withdrawn from circulation, but can still be exchanged for currency in circulation;

- funds on accounts of banks and other financial institutions, which are reflected in foreign currency units and international settlement units (including special drawing rights), related to settlements in foreign currency;

- electronic funds denominated in foreign currency and (or) bank metals [4].

A more concise definition of the term "foreign currency" is given in UAS 21 "Impact of changes in exchange rates". According to this provision (standard), foreign currency is a different currency than the reporting currency [5].

Currently, there are a large number of approaches to the definition of "currency transactions". Some of them are considered in table 1.

Table 1

Definition of "currency transactions" in legislative documents and scientific literature

Author, source	Interpretation
Law of Ukraine "On Currency and Currency Transactions" [3]	Currency transaction - a transaction that has at least one of the following characteristics: a) a transaction related to the transfer of ownership of currency values and (or) the right of claim and related obligations, the subject of which are currency values, between residents, non-residents, as well as residents and non-residents, except for transactions, carried out between residents, if such currency values are the national currency; b) trade in currency values; c) cross-border transfer of currency values and cross-border movement of currency values
Makarenko M.I. [6]	Currency transactions are financial and banking transactions related to the transfer of ownership of currency values, the use of currency values as a means of payment in international circulation, import, export, transfer and transfer to the country and abroad currency values.
Brain O.M., Obolenska T.E., Musiets T.V. [7]	Currency transaction in a broad sense - is a specific form of manifestation of currency relations in economic practice, in a narrow sense - operations related to the transfer of ownership of currency values, the use of currency values as a means of payment in international circulation, import, export, transfer to the territory country and beyond its currency values.
Zavgorodnya O.O., Lebedeva V.K. [6]	Currency transactions are agreements related to the purchase and sale of currency and payment documents in foreign

	currency, using them as means of payment and settlement in international relations.
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Thus, in a broad sense, foreign exchange transactions - is a specific form of manifestation of monetary conditions in economic practice. In a narrow sense, foreign exchange transactions are considered a type of banking activity for the purchase and sale of foreign currency.

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