

**STAGES OF DEVELOPMENT OF THE BANKING AND FINANCIAL SECTOR IN
UZBEKISTAN**

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Abstract: *This article is about the development of the banking and financial sector in our country, about the strengthening of competition in the services market by private banks as one of the most important stages in the development of the country's banking system, about the fact that de-monopoly of the banking sector is one of the most important directions of banking reforms, today's digitization It is said that as a result of significant changes in the field of economy, we can observe changes in the economy, finance and banking.*

Key words: *banking, finance, economy, digitalization, monopoly, reform, direction, stage, development.*

Аннотация: *В данной статье говорится о развитии банковско-финансового сектора в нашей стране, об усилении конкуренции на рынке услуг со стороны частных банков как об одном из важнейших этапов развития банковской системы страны, о том, что Демонопользация банковского сектора – одно из важнейших направлений банковских реформ, сегодняшняя цифровизация. Говорят, что в результате существенных изменений в сфере экономики мы можем наблюдать изменения в экономике, финансах и банковском деле.*

Ключевые слова: *банковское дело, финансы, экономика, цифровизация, монополия, реформа, направление, этап, развитие.*

Annotatsiya: *Ushbu maqolada yurtimizda bank va moliya sohasini rivojlanishi haqida, Xususiy banklarning xizmatlar bozorida raqobatni kuchaytirib yuborgani mamlakat bank tizimi rivojida eng muhim bosqichlardan biri bo'lgani haqida, Bank sohasini monopoliyadan chiqarish bank islohotlarining eng muhim yo'nalishlaridan biri ekanligi haqida, bugungi kunda raqamlashtirish sohasi sezilarli darajada o'zgarishi natijasida iqtisodiyot, moliya va bank sohasidagi o'zgarishlarni ham kuzatishimiz mumkinligi haqida so'z boradi.*

Kalit so'zlar: *bank, moliya, iqtisodiyot, raqamlashtirish, monopoliya, islohot, yo'nalish, bosqich, rivojlantirish.*

There are several strategic tasks for the further development of the economy of new Uzbekistan. It is necessary to carry out consistent structural reforms to ensure the new Development Strategy. "From the strategy of actions to the strategy of development" put forward by the President as the main criterion. knowledge and innovation will become the

main pillars in the implementation of the idea. Providing the economy with investment resources requires financing enterprises based on the principles of healthy competition. The stability of the capital market and banking system is one of the important factors of increasing the country's economic potential. For this purpose, it is necessary to develop the concept of the development of the financial market in the medium and long term as an alternative source of attracting capital and placing free funds of enterprises, financial institutions and the population. One of the important conditions for the development and stability of the banking system is the increase in the amount of banks' own funds and the sufficient coverage of the risks taken by credit organizations with their own capital.

The adoption of many legal documents in this regard is the basis for achieving positive practical results. In particular, the decision of the President of March 23, 2018 "On additional measures to increase the popularity of banking services" paved the way for providing commercial banks with new infrastructures and using services based on digital technologies.

Measures aimed at further development of the national payment system and cashless settlement infrastructure are being implemented in our country. Accordingly, after the adoption of the Law "On Payments and Payment Systems" on November 1, 2019, an opportunity was created for the continuous implementation of payments and the wide introduction of modern technologies in our country, and at the same time, to ensure the effective, reliable and safe operation of the system.

Commercial banks of Uzbekistan began to appear, first of all, as specialized credit institutions. This has gained urgent importance due to the fact that, on the one hand, it attracts temporarily free funds of farms, and on the other hand, it meets the financial needs of enterprises, private entrepreneurs and the population at the expense of the attracted funds.

According to foreign and local experts, the main principle - moving away from specialization and deepening the universalization of banking activities - has been observed in the republic for the last few years. This predetermines the content of banking operations and the essence of credit relations.

A lot of information circulates around the world every day. The reason for this is the constantly growing technical capabilities of the Internet and mobile phones, the involvement of people in social networks, and the year-by-year increase in Internet speed. Today, as a result of significant changes in the field of digitization, we can also observe changes in the economy, finance and banking. In addition, the residents of our country can perform any card-to-card (P2P) money transfer (P2P) transactions, budget, tax, utility and other payments, repay loans, receive microloans and online through the mobile application programs of digital banks. making deposits, remotely opening deposit and loan accounts, performing online currency conversion operations, making payments from an international bank card account, and other remote banking services are widely used. For this purpose, the client can use banking services online remotely through a single banking

application, without coming to the bank building. Through this article, what is digital banking (banking) itself, what advantages exist between commercial banks and newly established digital banks, their convenience for humanity, the first digital banks in Uzbekistan, the improved system of banking and financial processes in our country. Information is given about their availability and safety.

It should be noted that the measures taken to reform and strengthen the banking and financial system of our republic are aimed at increasing the level of capitalization of banks, expanding the scope of lending to the economy, increasing the spectrum of banking services provided, as well as developing the country's economy. made it possible to increase the role of the banking system.

At the same time, in order to further improve the quality of the provided banking services and establish full-fledged cooperative relations with business entities, the tasks of fundamentally improving the working methods of commercial banks and strengthening the views of the population and economic entities on the banking system as a reliable institutional partner are urgent. remains.

In addition, the Central Bank of the Republic of Uzbekistan conducted stress tests on the stability and adaptability of commercial banks in the context of the liberalization of the domestic currency market and identified a number of shortcomings that negatively affect the financial position and currency positions of banks. in turn, their consequences have a negative impact on banks' liquidity.

Action strategy for the five priority directions of the development of the Republic of Uzbekistan in 2017-2021 , the President of the Republic of Uzbekistan on September 2, 2017 "On the first priority measures to liberalize the currency policy" Decree No. PF-5177 , as well as in order to ensure the financial stability of the banking system, to improve the assessment of banking risk, taking into account international experience, to introduce modern principles and mechanisms of regulation and control of the activities of commercial banks:

2. The Ministry of Finance of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan on the transfer of the authorized capital of the National Bank of Foreign Economic Activities of the Republic of Uzbekistan and "Asaka" ADB previously formed in foreign currency to the national currency through the sale of foreign currency in the prescribed manner agree to the proposal.

It should be noted that in accordance with this paragraph, the income (profit) received by commercial banks from the sale of currency funds is not included in the tax base and is used to increase the share of their shareholders.

3. Commercial banks: occurrence of overdue receivables and payables of economic entities;

4.economic entities should be exempted from uncharacteristic functions, such as control over the intended use of cash received from bank cash registers.

The lower stage of the banking system in the republic is made up of banks established on the basis of share ownership, as well as with the participation of foreign capital, their branches and representative offices, cooperative and private banks.

Eliminating the monopoly of the banking sector is one of the most important directions of banking reforms. At the initial stage, this was done mainly by creating a specialized bank serving certain sectors of the economy. The establishment of a specialized bank was a necessary and natural step towards the creation of a market-oriented banking system.

The banking and finance department was established in 2016 as a special specialized educational program to deal with banking, finance and accounting in accordance with the requirements of today's society and economy. One of the main goals of the course is to provide students with the knowledge and confidence to enter the competitive environment in banking, accounting and finance. Also, this direction creates an opportunity for students to apply the acquired knowledge and skills in a modern business environment and for professional development. The quality education standards required for banking and finance are constantly updated and meet international educational standards. Currently, more than 15 researchers are working in the department. Undergraduate programs offered by this major include: Banking and Finance; Finance, investment and risk management; Accounting and finance.

The direction pays great attention to personnel training, strengthening corporate communication and quality assurance. We all know that the banking and finance sector is developing rapidly, so one of our main tasks is to further strengthen our position as an institution that provides quality education in finance, accounting and banking.

- Another level is regional banks, which may operate within a single region or state by providing financial services to local communities. Some countries may also have credit unions that provide financial services to members of the union, which may include employees of the same business or residents of the same community.

- The earliest evidence of the use of banking instruments was found in Mesopotamia in 2000 BC, when banks were used to store valuables such as gold and silver. Over time, banks began to issue loans and credits. Banking developed further during the Renaissance. Banking houses have acquired a very high reputation.

It is the period of increased capitalization of our country's banks and their participation in investment processes and economic-structural changes. At that time, the country's government considered the exemption of banks from profit (income) tax as another reserve for the increase of banking activity. Moreover, in accordance with the approved state programs, the costs of commercial banks related to the establishment of mini-banks were excluded from the tax collection base.

In this way, the main attention was focused on the implementation of specific measures to strengthen money circulation and increase the stability of the national currency and its exchange rate. This aroused a great incentive among citizens and

increased their trust in banks. Positive cases related to people opening deposit accounts in banks have increased. The size of the deposit base of banks has increased, the market of banking services has begun to form. It is worth noting that new types of services, such as leasing services, began to appear in the range of banking products.

At this point, it is worth noting that the development of retail services in our country has influenced the establishment of joint banks with the wide involvement of international banking and financial capital. The banking market of our republic has changed fundamentally as a result of the creation of new banks based on 100 percent private capital.

One of the most important stages in the development of the country's banking system was the strengthening of competition in the services market by private banks. The government of our country and the Central Bank regularly encourage their development by providing tax benefits and technical assistance in the process of personnel training. Currently, the number of private banks is about half of the total number of commercial banks.

Consistent promotion of the development of private banks in our republic has given impetus to the strengthening of competition, improvement of the quality of provided banking services and effective distribution of financial resources. This, in turn, has a positive effect on the processes of promotion and development of private entrepreneurship.

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