

Opportunities for Banking Systems in Uzbekistan

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Abstract: The primary goal of this scholarly study is to describe the results of the republic's banking system reform, which is based on foreign experience, creative concepts, and a market-methodological framework. The theoretical and practical foundation for implementing new technologies in the banking payment system, the variables influencing it, and the practical steps are done by the country's commerce in this direction are all depicted in this scientific plot. There are also ideas and scientific results on the growth of digital services in the republic's bank system using innovative technology.

Keywords: banking system, payment systems banking, customer, innovation digital economy, electronic money, electronic money circulation.

Introduction. At the moment, the advent of digital technology necessitates the creative growth of the financial system. As a result, the article's primary focus is on the creative growth of banking in Uzbekistan. Based on this topical task, the article emphasizes the importance of innovative banking development, analyzes the theoretical perspectives of domestic and foreign scholars, and the current situation on innovative development of the banking system, as well as proposals and conclusions on innovative banking development. The work illustrates the efforts of the republic's commercial banks to expand their activities innovatively. It was also mentioned that the digital economy concepts should be employed to attain this convenience. Opportunities for creative growth of the financial sector through the appropriate use of digital technology are underlined. We are all aware that we can now accomplish the majority of our job from home using only a phone or tablet. It is also possible to launch a mobile application or go to the official website of any firm to obtain the necessary information, place an order, make a payment, or even file a complaint. There are applications and equipment that allow you to execute these activities in a matter of seconds when it used to take months and frequently required you to stand in line all day. All of this is the consequence of inventive development, information digitalization, and the integration of scattered data from paper sources into electronic databases. The fast penetration of innovations into our lives has dramatically increased the globalization of international economic ties, as well as rivalry among providers of products and services, including financial services. The banking system also continues to broadly incorporate information and communication technology by current standards, and as a result, many financial functions are becoming automated. Almost all financial services are now available in an instant via mobile phone or unique gadgets. There was no such option a few years ago. The Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025, approved by the President on May 12, 2020¹, calls for the widespread adoption of modern innovative information and communication technologies, the automation of commercial banks' business processes, and the expansion of remote banking services. Priorities have been established. From remote banking services to improvements in the realm of financial operations, digital innovations are optimizing the business models of banks, and the banking and payment segment. Bank mobile applications currently cover all key banking services for individuals, such as making payments, blocking (unblocking) a bank card, getting a microloan (credit),

¹ Decree of the President of the Republic of Uzbekistan No. UP-4947 dated February 7, 2017 "Action strategy in five priority areas of the Republic of Uzbekistan in 2017-2021".

online deposit operations, and online conversion. Commercial banks will continue to diversify their activities as a result of the introduction of innovations by extending the variety of services they give to consumers, particularly through the expansion of retail operations. Because banks' use of contemporary information technology is a critical component in the development of new financial products.

Analysis and Discussion of Results. International experience shows that for the financial services market to function effectively, sustainably, and fairly, financial institutions must have professional standards and ethics, effective financial market control and regulation by regulators, access to financial services and consumer protection, and increased financial literacy. as in interconnected factors.

The advent of new company models that mix the physical and digital worlds is referred to as a digital business. Social networks, the smartphone industry, broadband Internet access, machine learning technology, and the "explosion" expansion of artificial intelligence will all disrupt the way commercial banks and businesses function. They will be forced to either fill openings in the new market or adjust to changes by modifying current vacancies. It turns out that organizational digital transformation is a reaction to the emergence of new information technologies and their active dissemination over the world.

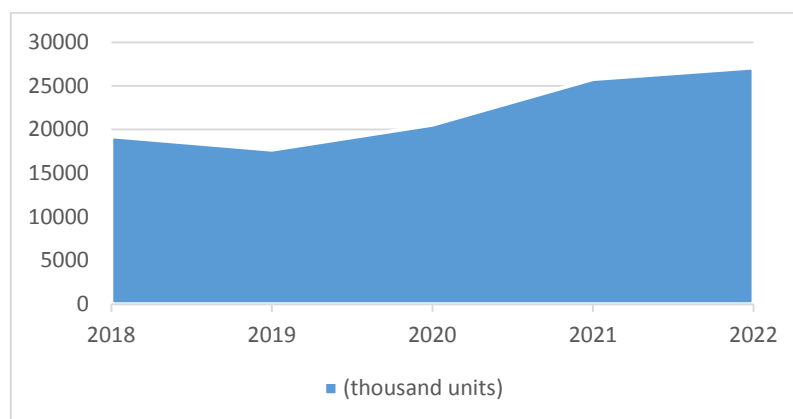
Although digital data is a vital economic resource, it will only profit when it is transformed into digital thinking. The issues of building digital platforms and monetizing the quickly rising digital data are emerging with the advent of the digital economy. At the same time, it is critical to find ways to produce value, as well as strategies to overcome challenges in these processes. It explains the possibilities for value generation and distribution, as well as different types of value renewal, management, and acquisition.

More than 75,000 companies have received QR codes (stickers) from the QR-online information system to date (Figure 1). This system's debut:

- In addition to the POS-terminal (conventional trade terminal) deployed by commercial organizations to make speedy payments for transactions and provide exceptional customer service;
- Allows businesses in fields such as delivery and passenger transportation, as well as self-employed persons (freelancers), to minimize operational expenses by receiving payments from consumers through QR-code without the usage of payment terminals.

Information on bank plastic cards in circulation as of January 1, 2018-2022²

Figure 1.



² The drawing was created by the author on the basis of data from the site www.cbu.uz

The infrastructure of the Uzcard and Humo retail payment systems, as well as payment services supplied inside the payment systems, is growing in our nation. As a consequence of the work on increasing the infrastructure of bank cards, the number of issued bank cards as of July 1st, this year was 23.7 million (Figure 1). In the first six months of this year, 95.5 trillion soums were transferred to bank cards, a 20% increase over the same period last year. Transactions through payment terminals climbed by 15% to 49.8 trillion soums, while transactions through information kiosks increased by 29% to 29.3 trillion soums.

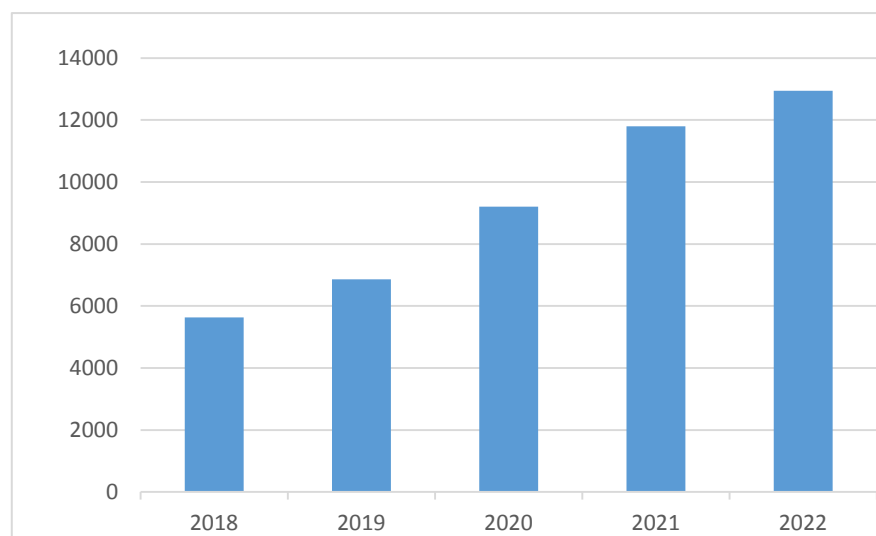
The Central Bank also established a QR-online quick payment information system in 2020, which allows you to make payments for products and services at the expense of money on the bank card without using the bank card and payment terminal directly. To utilize it, businesses apply to commercial banks and obtain a QR code based on accessible bank data, which purchasers may use to pay for products and services by scanning.

Given that the primary purpose of banking reform is to teach commercial banks to work for the client, it is critical to develop public trust in the banking system and minimize the foreign influence in bank operations at the moment. To that end, through the widespread use of information technology in banks to radically update their software, the process of attracting qualified specialists from leading foreign financial institutions to senior positions for the introduction of modern banking practices, management, and services in state banks in collaboration with foreign experts should be continued. as well as the requirement to completely use the "credit history" information system in lending practice.

Every year, the relevance and value of digital technology in global growth grows. The extensive implementation of technical transformation processes in the financial industry, in particular, improves the efficiency of banking systems, payment operations, lending, and other related services. Fintex is a financial technology that enhances and optimizes financial services.³

Information on the number of terminals, ATMs, and kiosks in circulation as of January 1, 2018-2022 (thousand units)⁴

Figure2.



³ Resolution of the President of the Republic of Uzbekistan No. PP-4498 of 24.10.2019 "On additional measures to improve the procedure for lending to projects implemented under state programs for the development of family business."

⁴ The drawing was created by the author based on data from the site www.cbu.uz

The number of ATMs and kiosks erected in congested areas climbed by 1,194 units to 12,298 units compared to the same time last year, while the number of payment terminals utilized by enterprises increased by 8,375 units or 438.9 thousand units.

Customers began using foreign bank cards at ATMs and terminals throughout the republic as a result of the integration of national payment systems with international payment systems Visa and Mastercard. In general, the status of the economy, particularly consumer satisfaction with financial and payment services, is intrinsically tied to the quality of banking services, their attractiveness, and diversity, as well as customers' financial competence and literacy. Section 2 of the President of the Republic of Uzbekistan's Resolution dated February 17, 2021 "On Measures to Create Conditions for the Accelerated Introduction of Artificial Intelligence Technologies" The responsibility of introducing As a consequence, the customer audience's coverage will grow, spreading to remote places, and the cost of service procedures will be reduced owing to the lowering of the branch network.

Conclusions. Financial technology is an industry made up of intermediates in the banking and financial services markets, i.e. organizations that employ technology and innovation to compete with established financial institutions. According to Accenture Consulting, a total of \$ 27.4 billion was invested in fintech startups worldwide in 2017, an increase of 18% over 2016. Most Promising Financial Technologies According to the Forbes Finn Tech 50, which publishes the list of the Expected Most Successful Financial Technologies, financial services and market capitalization in the United States are a major rival to the \$ 8.5 trillion domestic banking sector. It should be highlighted that financial technologies have the potential to alter not only the persons and legal organizations who interact with financial capital but also the image of the financial market as a whole. This form of development enables you to examine data, monitor the stock market, and select investment plans. They are still in business. In general, the digital economy supports corruption and the "dark economy." Because numbers encrypt everything, keep it in memory, and rapidly deliver information when needed. In such conditions, it is impossible to keep any information hidden, conduct covert transactions, or provide complete information about this or that activity; the computer will reveal all. Because it is impossible to trick the system, the amount and structure of the data preclude erroneous and misleading work. As a result, it is difficult to launder "dirty money," steal funds, spend them inefficiently and haphazardly, or exaggerate or conceal them [6]. This will boost the flow of legal cash into the economy, taxes will be paid on time and correctly, budget allocations will be transparent, social funds will not be stolen, and monies designated for schools, hospitals, and roads will be completely available. In short, the fact that the government has opted to promote the digital economy opens up new avenues in information technology and electronic document management in general.

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