



STABILIZING THE COUNTRY'S ECONOMY THROUGH THE DEVELOPMENT OF THE PAYMENT SYSTEM IN UZBEKISTAN

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Annotation: This article discusses the need to pay special attention to the national payment system of the state in the banking payment system for the development of the country's economy, and as a result, to improve money circulation in the country. The author put forward conclusions and proposals for the development of the state's payment system and, as a result, further increase of the country's economy.

Keywords: bank plastic card, bank terminal, payment system, issuance, processing, integration, transaction.

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The formation of a unique and appropriate payment system of any country is used as the main impetus for the economic development of this country. Along with the state's relevant policy in all spheres, the main directions of the state policy in the field of the country's payment system are as follows: [1] ensuring the rights, freedoms and legal interests of payment service providers and users of payment services; creating conditions for the development of the payment services system; improving the quality of services provided; support the development of the cashless settlement system.

Just as the entire system has its own normative legal formation, the payment system of the state has its own laws and regulations based on the current legal documents. The rules of the payment system should include: [1]

payment system operating procedures, including payment system payments, payment notification formats, payment system work schedule and payment system risk management system; description of the services provided by the payment system operator and the operations carried out in the payment system; conditions of participation in the payment system; the procedure for cooperation of payment system participants with the payment system operator; procedure for revocation of payment order; procedure for resolving insolvency of payment system participants; procedure for compliance with information security and cyber security requirements; measures applied to the participant of the payment system for violation of the rules of the payment system.

Today, all the banks operating in our country are issuing bank plastic cards in national currency of «UzCard» and «HumoCard» payment systems and expanding their infrastructure.

In this regard, first of all, one of the main tasks is the legal regulation of relations related to the issuance, service and use of bank plastic cards by banks. In this regard, the legal regulation of the actual use of bank plastic cards and the relevant obligations of the participants of the payment system are as follows, including; 1. Legal regulation of relations related to the issuance, service and use of a bank card by banks is carried out on the basis of regulations and legal documents, as well as the rules of the payment system and contracts concluded between the participants of the payment system.

2. Mutual relations of the participants of the payment system are regulated in accordance with the regulations, other legal documents and the contracts concluded based on them and the rules of the payment system. Resident banks of the Republic of Uzbekistan have the right to be participants of local, international

and foreign payment systems. Participants of the — payment system of resident banks of the Republic of Uzbekistan, unless otherwise specified in the legislation of the Republic of Uzbekistan, use the standards set by the relevant payment system in the issuance of bank cards, their service and operations.

3. Participants of the payment system must follow:

Ensuring security measures in order to comply with the established procedures and rules for issuing bank cards, providing services, carrying out settlement operations through them, preventing the illegal use of bank cards in the territory of the Republic of Uzbekistan, at their disposal existing and circulating bank cards, participants of the payment system, used technology and software-technical tools non-disclosure of commercial and bank secret information on the work procedures and rules established by the payment system operator, as well as information about bank card holders and transactions carried out by them through bank cards provision, except for cases provided for by legislation. [2]

Based on the requirements of the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated September 24, 2004 No. 445 on measures to further develop the settlement system through “plastic cards, the Unified All-Republic Processing Center was established, and the” «UzCard» payment system began to operate. On April 11, 2020, the license of the operator of the «UzCard» payment system was presented to the single general republican processing center LLC by the Central Bank. Based on the decision of the President of the Republic of Uzbekistan dated September 19, 2018 No. PQ“3945 on measures to develop the national payment system, the National Interbank Processing Center was established under the Central Bank of the Republic of Uzbekistan, and this center started 2019 from the beginning of ” launched the HumoCard– payment system. In April 2020, the Central Bank issued the license of the operator of the «HumoCard» payment system to the National Interbank Processing Center LLC.

Humo payment system based on «HumoCard» – bank payment cards is designed to carry out operations in Uzbekistan and abroad and is a component of the payment system of Uzbekistan. Humo – is a set of settlement participants, payment instruments and tools, software and technical tools, as well as interbank money transfer systems that ensure money movement and interaction with foreign payment systems in the territory of the state.

The Operator of the payment system is «National Interbank Processing Center» («National Interbank Processing Center») JSC, which provides data clearing for all transactions carried out in foreign currency in Uzbekistan, as well as within the «HumoCard» payment system performs processing functions for all operations carried out. The settlement clearing center of the Central Bank of the Republic of Uzbekistan performs the function of a bank that makes calculations in national currency in the «HumoCard» payment system. The Operator of the Humo payment system is working on establishing relations with international payment systems (Visa, MasterCard, UnionPayInternational). As a result, it will be possible to carry out operations in foreign currency abroad with Humo bank cards and to carry out operations in Uzbekistan through the cards of foreign banks of the above-mentioned systems. Today, banks' membership in the «HumoCard» payment system is optional.

Analysis of literature on the topic.

The payment system is interpreted differently by different scholars. For example, according to Bruce Summers, the sum of funds used to transfer monetary payments to maintain obligations arising from the organization of economic activity is called a payment system. [4]

From the above interpretation, it can be concluded that the payment system allows for the maintenance of obligations. In a payment system using non-cash, certain means of payment are used, i.e., paper documents or electronic documents are used to transfer funds. Another World Bank expert, O. Margaret, gave the following definition of the payment system. "A payment system is a mechanism for transferring funds." Another Russian economist, M. Berezina, defined the payment system as follows: "A country's payment system is a set of legally controlled elements that ensure the fulfillment of debt obligations arising from economic activity." It can be seen that this definition is closer to the definition of Bruce Summers. [4]

As a result of considering a number of definitions and reasoning about them, we give the following definition of the payment system in general:

"A payment system is a program or mechanism that ensures the movement of monetary funds between entities based on laws and regulations regarding obligations arising from economic activity." In order to

activate this mechanism, participants, legal requirements for the mechanism, means of payment or tools will be required. Participants in the payment system can be individuals, legal entities, government, banks, and other financial institutions.

Research methodology.

The research employed methods of grouping, systems analysis, comparative analysis, analysis, and synthesis.

Analysis and results.

If we consider a number of requirements for the payment system as a mechanism, firstly, the rights of the payer and the recipient must be clearly defined; secondly, the transfer of funds must be legally determined, that is, the rules enshrined in the law must be fully implemented in practice; thirdly, it must be considered and accepted by the majority; fourthly, it must be cost-effective and cost-effective; fifthly, it must be able to prevent losses and violations. [4]

If this payment system meets the requirements listed above, such a payment system can function successfully. When considering the payment system as a mechanism, we can see a means of payment or payment instruments as another driving element. The start of the transfer of payment begins precisely with the selection of payment instruments. Payment instruments include a payment request, a payment order, an invoice, an application for an open letter of credit, and receipts as credit instruments. Currently, bank plastic cards are also widely used as payment instruments.

If we look at countries with developed economies, we can see that their participation in the payment system is different. In particular, the central banks of some countries are deeply involved in the creation and operation of the payment system. Such countries include Germany, France, Italy, and Spain. The central banks of some countries play a coordinating role related to specific obligations established by law. In some countries, central banks prefer to actively fulfill payments on behalf of their clients. Central banks in the United States try to conduct their operations more commercially based on payment services. Despite the diverse participation of central banks in the banking system, their goals are similar, that is, to provide a system that meets users' needs with minimal risk at lower costs.

As a result of the electronic implementation of the payment system in the country, it is very convenient for the client to carry out banking operations quickly and efficiently, and the low cost for the bank is a very beneficial result. Therefore, the electronic payment systems created in Uzbekistan are the foundation of the national payment system, the development of which is of national importance.

Today, the main goal in the country is to improve the payment system, develop payment instruments, and create a fully automated system that is convenient for customers. Plastic cards, known as "electronic wallets," are recognized as the most convenient means of payment of all types of payments. Therefore, a number of large banks in the country actively participate in the formation of the bank's plastic card market. In particular, certain positive results can be achieved in the further development of the bank's plastic card market only after the installation of ATMs in the regions, the stability of the national currency, and a robust security system.

The "Bank-Client" system has been widely implemented in practice in the republic, where bank clients pay directly from their office or from home. This type of banking service, along with the activation of money circulation management within the country, leads to an increase in the number of bank clients and the further development of financial activities between the bank and the client. This, in turn, demonstrates a further improvement in the country's economy, as well as the standard of living of the population.

Thus, a national payment system has been created in Uzbekistan that meets global requirements and makes payments electronically. The principles of operation of this electronic payment system, the procedure for conducting bank payments through the payment system, types of bank plastic cards, the widespread promotion of banking payment instruments that control the bank's monetary circulation, their installation and practical application, the content and functioning of the "Bank-Client" software will be discussed in detail based on the information presented in the table and diagram below.

The table below presents indicators of achievements achieved as a result of the application of the modern banking payment system in our country. Specifically, the following results were obtained when comparing

these four indicators with 10-year financial and economic figures.

Table 1

Achievements as a result of applying the modern banking payment system

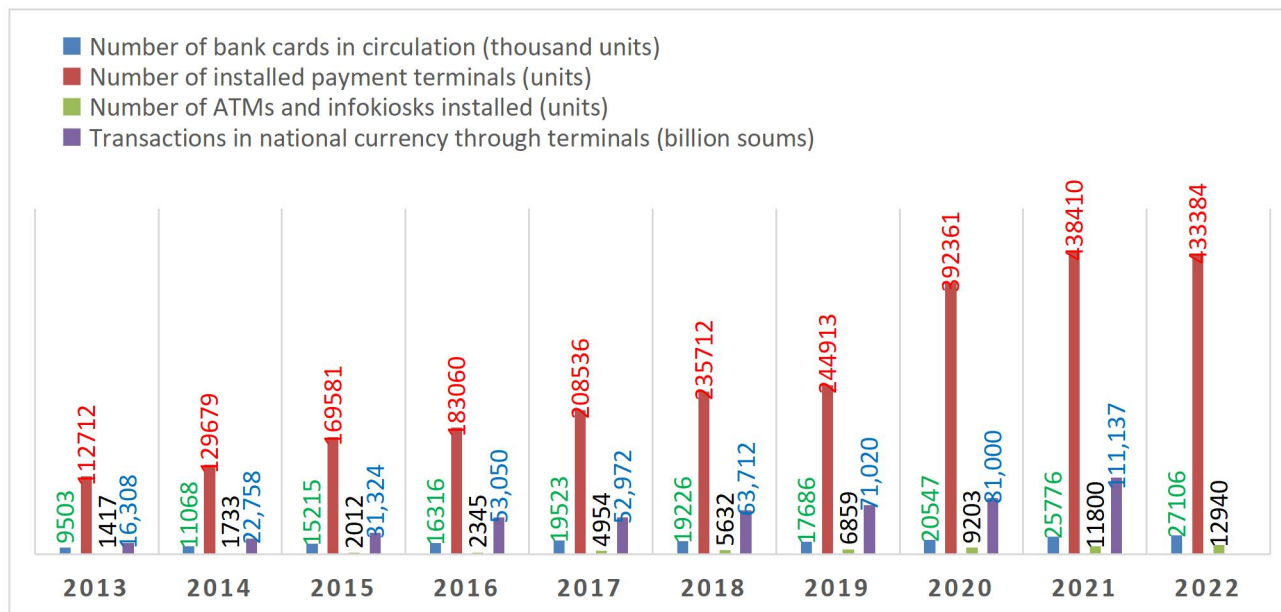
№	Years	Number of bank cards in circulation (thousand units)	Number of installed payment terminals (units)	Number of ATMs and infokiosks installed (units)	Transactions in national currency through terminals (billion soums)
1	2013	9 503	112 712	1 417	16 308
2	2014	11 068	129 679	1 733	22 758
3	2015	15 215	169 581	2 012	31 324
4	2016	16 316	183 060	2 345	53 050
5	2017	19 523	208 536	4 954	52 972
6	2018	19 226	235 712	5 632	63 712
7	2019	17 686	244 913	6 859	71 020
8	2020	20 547	392 361	9 203	81 000
9	2021	25 776	438 410	11 800	111 137
10	2022	27 106	433 384	12 940	

The data in this table is taken from the website of the Central Bank of the Republic of Uzbekistan on the Internet.

As can be seen from the data in the table, in our country, commercial banks issued a total of 9 503 bank plastic cards in 2013, and by 2022, 27 106 meaning that over 10 years, this figure has increased 2.8 times. In order to further develop electronic payment in the banking payment system and improve monetary relations in our country, electronic payment terminals were installed in 2013 at a total of 112 712 units, and by 2022, the number of these terminals had increased by 433 384 units, or 3.8 times over 10 years. A total of 1 417 ATMs and infokiosks were installed in 2013, while 12940 were installed by 2022, or 9.1 times more over 10 years. As a result of the use of modern banking payment systems in our country, the total amount of interbank transactions in national currency through terminals in 2013 amounted to 16308 billion soums, and by 2022, this figure reached 111137 billion soums, or 6.8 times over 10 years. Of course, as a result of the correct establishment of the modern banking payment system in our country, this system has developed significantly for almost 10 years, and this process has a positive impact on the state's financial and economic situation.

Based on the table above, if we consider the indicators in the form of a diagram, we can see an increase in fixed assets used in monetary relations in our country over 10 years.

Achievements as a result of the application of the banking payment system



As can be seen from this diagram, as a result of the correct and high-quality application of the modern banking payment system in our country, the processes of circulation of bank plastic cards in our country have accelerated, that is, the number of bank plastic cards has increased in the circulation of money payments, and in order to improve the system of payments to the population by banking institutions, we can see that the number of installs of bank payment terminals or ATMs has increased in populated places in all regions of our country, including higher educational institutions, airports and train stations, as At the same time, as a result of the increase in money circulation, we can see that the number of transactions in the national currency has simultaneously increased by billions of sums.

Furthermore, as a result of the proper organization of the banking payment system, we can see that, first and foremost, the state's first-level payment system for the population has improved, and as a result of the development of electronic systems of the banking payment system, the systems for conducting payment processes for the population without leaving home have become equivalent to online payment systems in developed countries around the world.

In addition, during 2019, the integration of two national retail payment systems ("HumoCard" and "UzCard") with international payment systems Visa, Mastercard, China Union Pay and Mir was effectively implemented. This created broad conditions for users of cards of international banking payment systems, that is, tourists visiting our country, foreign guests, and made it possible to make payments in the national currency through the "HumoCard" and "UzCard" payment infrastructure, ATMs and the bank's payment terminal network. These processes make a significant contribution to the development of the country's tourism sector. This further increases the flow of tourists arriving in our country and also serves to increase the country's currency reserve fund.

Conclusions and suggestions.

As a result of the modern approach to the banking system of our country, i.e., the improvement of bank plastic cards and payment instruments, has had a significant impact on fundamentally changing the country's economy and financial policy, including: in the state's financial policy, the problems of paying the state's first-level payments were initially resolved as a result of the transfer of monthly wages of employees of budget organizations and age benefits to bank plastic cards.

Furthermore, as a result of the use of modern payment systems in banks, we can see an increase in cash flows in the country and the effectiveness of payment systems in terms of accelerating payment terms. At the same time, it has an impact on the increase in online cash turnover of legal entities and individuals in the country. This, of course, will have a significant impact on contributing to the further development of our country's financial and economic situation, as well as on conducting activities in the global community in the implementation of financial relations.

As a result of the further development of the banking payment system, the entire banking system in our country is being radically reformed. In particular, today, all banks can not only conduct monetary transactions from the bank's premises by a bank employee, but also bank customers can conduct monetary transactions online from their mobile devices (phones, tablets, laptops) outside the bank, wherever they are in the world. At the same time, we can see that the bank's payment system is interconnected in the development of internal communication systems in the country.

It should be noted that in order to further develop the banking payment system, it is advisable to develop not only the country's economy, but also the country's tourism sector, strengthen relations between banks and foreign banks, further improve the socio-economic well-being of the population living in the country, introduce a wider use of artificial intelligence capabilities in the banking payment system, eliminate the human factor as much as possible, and develop measures to organize the use of bank plastic cards connected to mobile devices through an improved E-sim network.

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