

UZBEKISTAN'S BANKING SYSTEM AND ITS ROLE IN MARKET ECONOMY

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Annotation. *The main element of the credit system of any state is banks. In this connection, this article discusses issues related to the structure of banking systems, functions, goals and objectives of the central and commercial bank of the Republic of Uzbekistan. We also propose the basics of its development and efficiency in a market economy.*

Keywords. *central bank, commercial bank, capital, lending, credit, deposit operations, issue, active operations, passive operations, resources, finance.*

Conduction. After many years of managing the economy by the state and centralized planning, Uzbekistan began to take steps to gradually transition to a market economy. In order to transform the financial sector into a market-based system, the State has begun to implement large-scale reforms in the banking system. In this regard, Uzbekistan is listed in the list of current and former countries with economies in transition in the 1980s, along with large states of the world such as Russia, Poland and Vietnam. Uzbekistan has shown some achievements since the very beginning of the reform, reducing lending to state-owned enterprises from concessional funds, increasing financing to individuals and the private sector in a competitive manner.

The main part. Inessential element of the credit system of any State is banks. A bank is a credit and financial institution that mobilizes funds in the form of deposits, and on this basis provides them to its customer base in the form of loans,

which carry out monetary, cash and non-cash payments and other operations, and which increases its capital.

The banking system in the Republic of Uzbekistan consists of two levels: the first is the Central Bank and the second is commercial banks. Prior to the transition to the 1990s, the Central Bank was assigned a number of tasks, such as regulating the payment system and money circulation, as well as financing a number of sectors of the economy. Only by the beginning of 2000 did the country's banks have sufficient capacity to meet the Basel standards. Particular attention is paid to expanding the resource base of commercial banks, increasing the role of shareholders in governance to strengthen the bank's corporate governance, and improving the quality of currency assets that contribute to improving financial sustainability. Since September 2017, the Central Bank of Uzbekistan has started to improve the adopted law "On the Central Bank of the Republic of Uzbekistan" and "On the Central Bank of the Republic of Uzbekistan". About banks and banking activities", improve its regulatory framework and control method. This jump is one of the first stages in the transformation of the banking system of the state non-interactive one.

The Central Bank, being a legal entity, despite the fact that it is a financially independent institution owned by the state, covers its expenses exclusively with income from banking activities. The Central Bank is responsible for stabilizing the national currency and regulating the banking system of the Republic of Uzbekistan. The main functions can be listed as the development of monetary and currency policies of states, monitoring and analysis of inflation levels, formation and statistics of the state budget and external debt, licensing of new monetary institutions, as well as the issuance of cash. A bank is a legal entity that is a commercial organization that collectively performs operations related to opening and maintaining bank accounts, making payments, attracting funds to deposits (deposits), and providing loans on its own behalf, defined as banking activities at its own risk. The bank's property in reserves and on hand, attracted and issued funds constitute the bank's reserves.

The main functions of commercial banks in a market economy are lending, financing industry and expanding agriculture, long-term housing construction at low interest rates, provide insurance through intermediation between clients and the state, and financial institutions to strengthen the private sector.

For developing countries, an important role in the development of the country's financial system is played by the degree of access to banking services for the population. At the same time, increase capitalization and reduce expenses, which will help to increase the efficiency of banking activities. In modern banking practice, the following division of banking operations that help the efficiency of its activities is accepted: these are passive and active operations of the bank.

Passive operations are primarily the formation of a resource base for performing active operations. The main essence of such operations is to attract various types of deposits, primarily term and accumulative deposits, loans between banks, imitation of securities and conducting various banking operations that contribute to increasing the volume of the banking resource and its financial stability.

Active operations of the bank are operations that involve the placement of funds at its disposal for profit, i.e. the provision of loans to the population, the provision of loans to commercial and industrial enterprises, the purchase of securities and cash transactions with cash.

Conclusion. At the beginning of the twentieth century, economists believed that the bank increases the rate of growth of national income not only by saving, but also by properly distributing them. Banks are the main link of economic growth due to the allocation of funds to the implementation of the most effective projects.

Currently, there are various types of loans for residents of the Republic of Uzbekistan, both consumer and mortgage, where special attention is paid to meeting the population's need for these loans. Loans are a necessary resource for business activities, production and infrastructure of the country. In addition, in order to create and improve the use of banking services, special local banks are created for certain types of operations in remote locations and advisory services are provided to

customers to familiarize themselves with the services. This has a positive impact on the level of GDP per capita in the country.

Today, the banking system of the a-statesa remains not only one of the most stable systems that meets strict international financial requirements, but also has a stable position on a number of established standards. It also plays an important role in the growth of the economy and the improvement of the social sphere населения of the population of our people. Financial institutions, by introducing innovations, improve supervision technologies and the efficiency of allocating funds, which has a positive impact on economic growth.

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