

Ways to Develop the Interbank Payment System in Uzbekistan

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Abstract:

In this article, ways to improve the efficiency of payment systems, get acquainted with remote banking services and their development evolution, determine the state of their development and the factors affecting it, as well as suggestions and recommendations for the future development of payments. Consists of development. Based on this goal, the formation of payment services in the practice of Uzbekistan was analyzed on the basis of statistical data collected on the state of development. Also, the importance of the interbank payment system in the banking activity, the channels of their development and the possibilities of its further expansion were studied. and based on them, conclusions and suggestions were formed.

Keywords: payment system, cash payment system, plastic card, cashless payments, digital technologies.

Introduction

Today, while economic reforms are being implemented in our country, further development of the banking system and increasing their attractiveness is becoming an urgent issue. This requires the development of commercial banks in our country, the introduction and improvement of relations between them, new types of calculations and, in turn, is inextricably linked with further improvement of the country's interbank payment system.

Today, in global practice, commercial banks are widely introducing new banking products and services based on digital technologies in order to solve problematic situations in the banking sector. In particular, banks are adopting a new set of tools, which primarily include instant payments and

electronic money payments, i.e. related to digital wallets, mobile payments, etc., replacing traditional options with them. As a result of the introduction of new digital banking tools into the payment systems, commercial banks and their clients had the opportunity to manage their funds without physical contact, without going to the bank, and banks also had the opportunity to connect new clients for free without queues and bureaucracy. 24/7 personalized customer support, most of the banking transactions are done through the online application of commercial banks. At the same time, the development of the competitive environment in the market of payment services, including the entry of new non-bank payment organizations and payment system operators into the market of payment services, as well as the need to develop digital banking technologies. regulatory documents on regulation of payment systems in accordance with international standards and ensuring continuous operation of payment systems. All this requires extensive scientific and practical research on the innovative development of digital banking services in payment systems.

The measures taken to ensure the stability of the banking and financial system in Uzbekistan raise urgent issues related to the digitization of banking products in the field of payment systems. In this regard, with the Decree of the President of the Republic of Uzbekistan dated 01.09.2018 No. PF-5296 "On measures to radically improve the activities of the Central Bank of the Republic of Uzbekistan", one of the strategic goals of the Republic of Uzbekistan is the Central Bank is to ensure the stability and development of the hunting system [1]. In particular, the further development of the payment system, including the organization of effective cooperation of the information systems of commercial banks in the provision of remote banking services, allows quick management of calculations and implementation of banking operations in real time. Priorities of the Central Bank's activity.

Literature review

There are several definitions of the payment system in modern economic literature. We offer some of them to make it as complete and accurate as possible.

According to Sh. Mirziyoyev, the banking system is 10-15 years behind modern requirements for the use of digital technologies, introduction of new banking products and software [2].

In our opinion, Sh. Mirziyoyev's opinion plays an important practical role in improving the practice of digital payment systems. The reason for this is that the widespread introduction of digital technologies in the activities of commercial banks, firstly, accelerates the implementation of cashless settlements; secondly, it serves to make timely payments for delivered goods and services. For example, digital technology "Big data" allows banks to assess the creditworthiness of their customers with high accuracy. This, in turn, leads to timely payment of the cost of goods and services sold to business entities with a high level of solvency.

According to A. Ismailov's conclusion, "In the practice of the Republic of Uzbekistan, taking into account that plastic cards are not used for credit, it is necessary to increase the amount of payments made through plastic cards - to introduce them." development of crediting in the form of overdraft to current accounts of debit plastic card holders [3].

According to B. Berdiyarov, there may be a temporary shortage of funds in the representative accounts of a commercial bank, as a result of which the bank temporarily loses its liquidity, but this does not mean that the bank is insolvent [4].

This conclusion of B. Berdiyarov is of practical importance from the point of view of ensuring the continuity of cashless settlements. Because the lack of funds in the representative accounts of "Nostro" commercial banks means that there is a problem of liquidity imbalance, and this problem prevents the continuity of cashless settlements.

According to T. Bobakulov, the low monetization coefficient aggravates the problem of mutual

helplessness in the economy, which weakens the money circulation of economic entities, complicates the stimulation of solvency and has a negative effect on the speed of money circulation. rotation [5].

This opinion of T.Bobakulov is also of practical importance for the current era. This is due to the fact that the problem of insolvency in the country's economy has not been solved due to the fact that the monetization ratio remains low. As of June 1, 2020, the total amount of receivables in the economy of the Republic of Uzbekistan amounted to 101,605.2 billion soums, overdue - 849.2 billion soums or 0.8% of the total debt [6].

I.Toymuhamedov said that although payment systems are organized in different forms, their purpose is always the same, i.e. to transfer funds to residents and business entities from one bank account to another. is to ensure quick transfer to the account. An alternative method for the payer and the payee may be to top up the account with cash or barter. But such calculations are often limited.

I.Toymuhamedov defines the payment system as a program that ensures the movement of funds between entities on the basis of laws, more precisely, on the basis of obligations arising from economic activity [7].

In their work, foreign scholars often consider the concept of "payment system" as a set of established rules, processes and technical infrastructure systems that ensure the transfer of funds from one economic entity to another. come out [8].

In our view, several concepts can be seen in the field of payment systems that are fundamental to the practical application of central banks and their policy decisions, such as day-to-day bank liquidity, risk management and supervision of payment systems.

In the conditions of modernization of the economy, the purchase of goods and services, including financial instruments, is carried out using available funds and by paying as deposits to credit accounts. Correct organization of payment operations for enterprises operating in the real segment and in the financial market will increase their efficiency and thus affect the economy of the entire country [9].

According to AS Obaeva, the payment system, which defines the rules, obligations and rights of participants in accordance with laws, regulations and standards, is a mechanism for transferring funds from one person to another [10].

Research methodology

Economic research methods were used to systematically analyze the data using a systematic approach to studying the problem.

The methodological basis of the research is formal logic, statistical and comparative analysis methods, systematization, classification and effort assessment, grouping, comparative method and content analysis, graphical interpretation methods, etc.

Analysis and results

Ways to reduce the use of cash and transfer the wholesale trade of a number of goods to a cashless form are being planned in Uzbekistan, and today the society is being transferred to the stage of digitization, which is a more favorable condition for its effective development and activity in the spheres of economic and social life. implies the creation of conditions and, at the same time, requires further development forms, which include relations in the field of exchange, settlement and, of course, interbank payment. In all countries, including Uzbekistan, management decisions in the areas of monetary policy, settlement and interbank payments are made by the Central Bank. It is

worth noting that the Central Bank of the Republic of Uzbekistan faces a very difficult task of making important decisions in the development and modernization of the interbank payment system, which is a complete and better response to the society's modern interbank payment service requirements. can be given.

All measures aimed at the modernization of the interbank payment system are aimed at implementing the following important issues for society:

- increasing the confidence of participants in the market of interbank payment services;
- ensuring the transparency of interbank payment transactions;
- improving the quality of the interbank payment system;
- increasing the speed and security of interbank payments;
- expanding the geography of interbank payments;
- creation of flexible conditions for the implementation of interbank payment transactions;
- expanding the offer of interbank payment services, payment means and methods in the national market, etc.

Solving the above problems in a constructive way will be possible only if the latest achievements of science and information technology in the field of interbank payment and settlement systems (financial technologies) are effectively used and they are optimally integrated vertically and horizontally.

the national interbank payment system and the results of the reforms carried out in this area, the active coordination of specialists of the Central Bank of the country in the field of interbank payment systems, which contributed to the creation of the relevant regulatory framework for the successful implementation of reforms in this direction important place should be given to their work. It is important to provide them with a qualitative improvement of the conditions in the modern interbank payment services market.

The modern economy, of course, now has a post-industrial character, it is often called the innovative, updated, knowledge economy, professional competences, network technologies, and it is not without reason. It is impossible to keep track of the digitization process taking place in the world today. The Republic of Uzbekistan was not the first to start this process, but it is quickly adapting to modern reality, increasing its pace and rapidly developing, including in the field of digital economy.

Payment system of the Central Bank (Figure 1), it can be seen that 2017 was a high indicator, and this situation has a downward trend in recent years.

Integration of the information systems of payment receiving organizations into the clearing-settlement system of the central bank continues in order to make payments in real time 24/7 in the banking sector.

In 2023, special attention was paid to expanding the scope of cashless payments by ensuring continuity of operation of payment systems and improving their infrastructure.



Figure 1. The number of transactions made through the Central Bank payment system (in thousand)

Source: Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

In particular, in 2023, the volume of transactions made through the Interbank Payment System of the Central Bank increased by 1.3 times compared to 2022 and amounted to 5,480 trillion soums. The average volume of one-day transactions through the system increased from 16.6 trillion soums in 2022 to 22.1 trillion soums.¹

The increase in the volume of transactions made through the interbank payment system is explained by the scale of financing the economy, investment activity, and the volume of money market transactions between the Central Bank and commercial banks. In 2023, the number of participants in the Interbank Payment System of the Central Bank reached 36 due to the issuance of licenses for 3 commercial banks. Also, in the report, the procedure for making electronic payments through the interbank payment system of the Central Bank was improved, and the norm regarding the restriction of the participation of banks with an overdraft (indebtedness) in the representative account at the end of the banking day in the Settlement Clearing and Quick Payments System of the Central Bank until the deficiency is eliminated.

Also, the number of banks operating on the basis of the single bank code (MFO) technology, which provides customers with the opportunity to use high-quality banking services through any bank branch, has increased by 2 to 9 by optimizing the branches of commercial banks and establishing compact banking service centers.

Continuity of the Central Bank's Accounts Clearing System, which specializes in real-time transfer of retail payments of individuals and legal entities, has been ensured. In particular, special attention is being paid to expanding the list of organizations accepting payments for goods and services through this system, introducing convenient and simple payment services for customers. In the reporting year, the number of offices and organizations (service providers) receiving payments

¹ Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

through the Settlement Clearing System of the Central Bank reached 48.

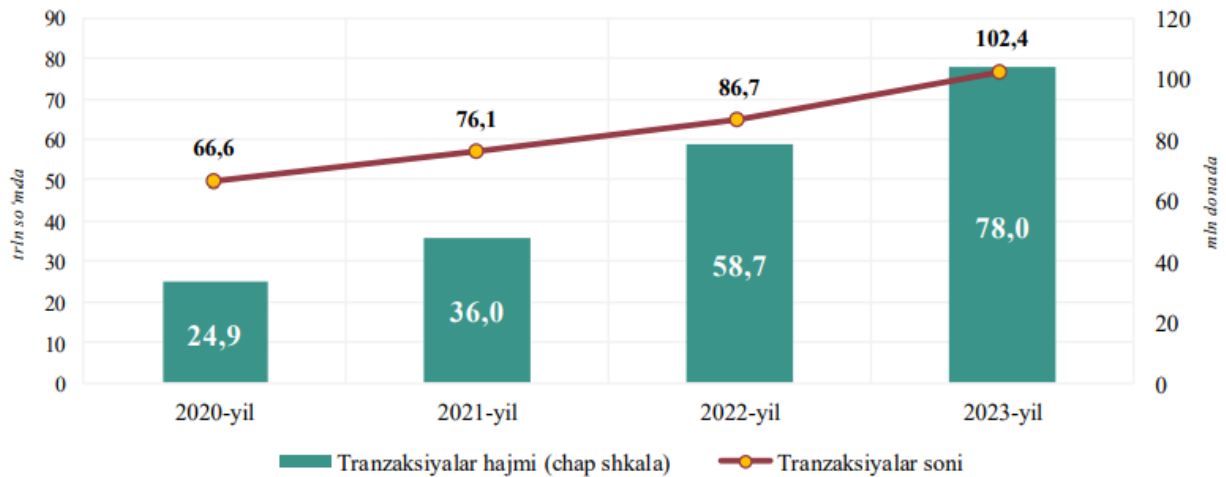


Figure 2. Indicators of the settlement clearing system

Source: Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

In 2023, the amount of payments made through the Settlements Clearing System amounted to 78.0 trillion soums, 1.3 times compared to 2022, and the number of transactions increased by almost 1.2 times to more than 102 million. In order to increase the importance of new types and methods of payment in the market of payment services, to support healthy competition and new technological solutions, the relevant Decision of the President of the Republic of Uzbekistan was adopted on creating additional conveniences for making payments by the population.

Based on the requirements of this decision, changes were made to the software of the Settlements Clearing System, and a mechanism was introduced to collect utility fees, state duties and fines, public service fees, and other payments from organizations that receive funds (beneficiaries). It has been established that the brokerage fee paid for the provision of payment service is deducted from the amount of the payment at the expense of the borrowers and transferred to commercial banks.

Also, the threshold amount of mediation fees (fees) paid for payments whose beneficiaries are budget and corporate entities was set at 20 percent of the base calculation amount.

As a result, the practice of charging the public for utility, state services, fines, duties and other payments was canceled. During the months of May-December 2023, for a total of more than 50 million payments, about 85 billion soums were paid to banks and other payment service providers in the form of an intermediary fee (commission) for the payment service. Collection of fees for this mediation fee from the recipients of funds allowed the population to save about 85 billion soums.

In 2023, the stable and uninterrupted operation of the Central Bank Instant Payments System, which allows legal entities and individual entrepreneurs to carry out payment transactions online 24/7, was ensured. In 2023, the number of transactions made through this system increased by 1.8 times to 31.4 million compared to 2022, and the amount of payments increased by almost 1.4 times to 603.8 trillion soums.

As a result of the increase in the scale of payments made through the instant payments system, by the end of the reporting year, 92 percent of the total payment documents of business entities were made remotely without visiting the bank. This shows that business entities operating in our republic are increasingly using the possibility of the Instant Payment System through remote account management.

In 2023, 28 percent of the total number of transactions carried out through this system was due to

operations carried out in the evening/night, while in 2022 this figure was 17 percent. Organizations served by the Treasury have the opportunity to make budget payments (expenses, wages, pensions and social allowances regardless of the bank working day) 24/7 online through the Instant Payments System (Figure 3).

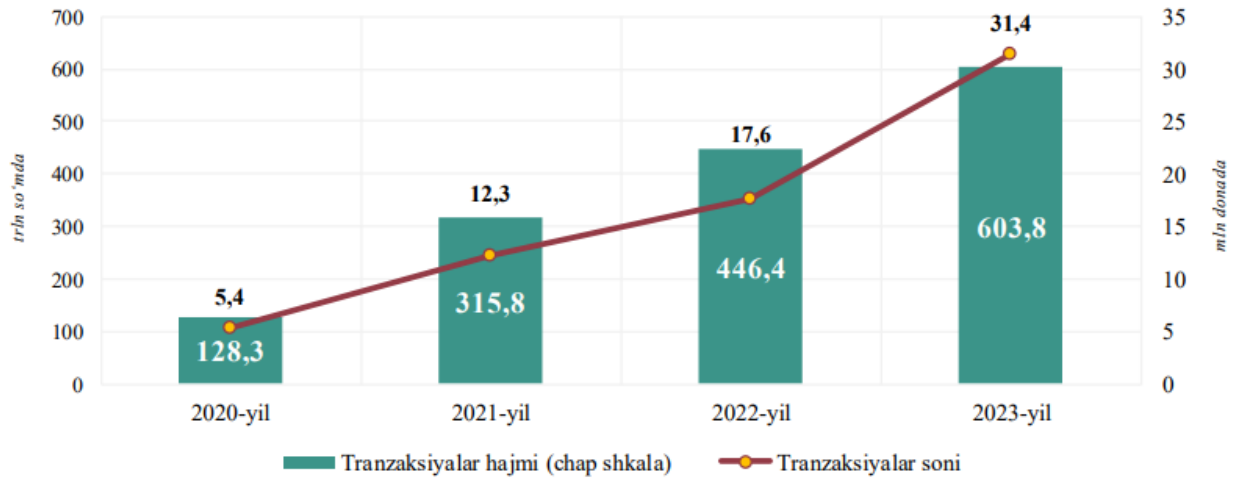


Figure 3. Indicators of the settlement clearing system

Source: Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

In 2023, special attention was paid to expanding the infrastructure of retail payment systems based on bank cards and the availability of existing infrastructure in order to create favorable conditions for making cashless payments. By mutual integration of the ATM network between "Humo" and "Uzcard", which are national payment systems, conditions were created for bank card users to use ATMs in the infrastructure of both payment systems.

In particular, the processes between these two payment systems were organized on the basis of "host2host" connection, and payment transactions for cash settlement were fully implemented. The increasing use of remote banking services, in turn, serves to increase the demand for bank cards. In particular, the number of bank cards put into circulation in 2023 reached 46.2 million, which increased by 35% compared to 2022.

The number of kobeijing bank cards, which provide the population with the opportunity to make calculations using one card in the infrastructure of the republic and foreign payment systems, has increased by 1.7 times compared to 2022 and reached 3.1 million. In 2023, the amount of payments received through 429,000 payment terminals increased by 1.4 times compared to 2022 and amounted to 254.7 trillion soums.

The expansion of the functionality and infrastructure of retail payment systems and the formation of a competitive environment in this market are also observed structural changes in the volume of transactions made by the participants of national payment systems through terminals.

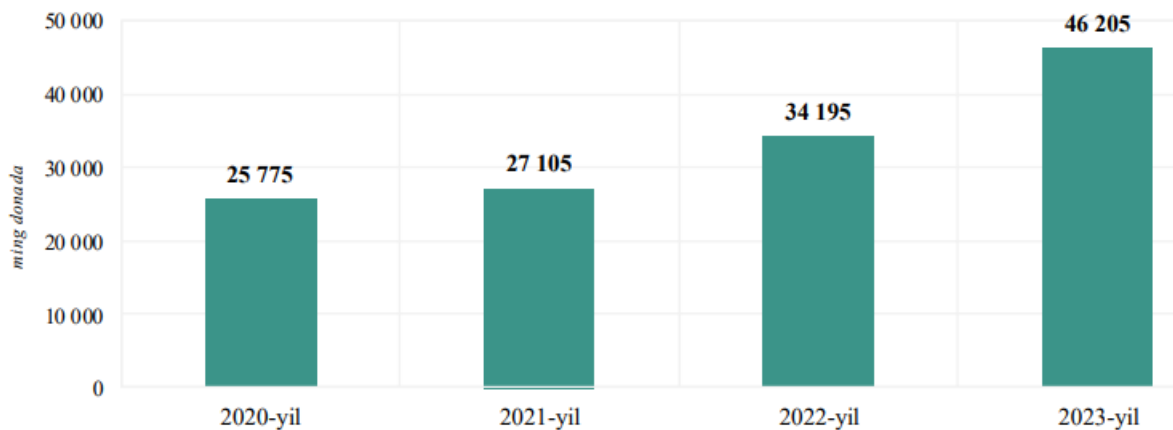


Figure 4. Number of bank cards

Source: Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

In particular, in 2023, the share of Humo terminals increased from 49% to 59% in the volume of transactions made through terminals in 2022, while the share of Uzcard terminals decreased from 51% to 41% (Figure 5).

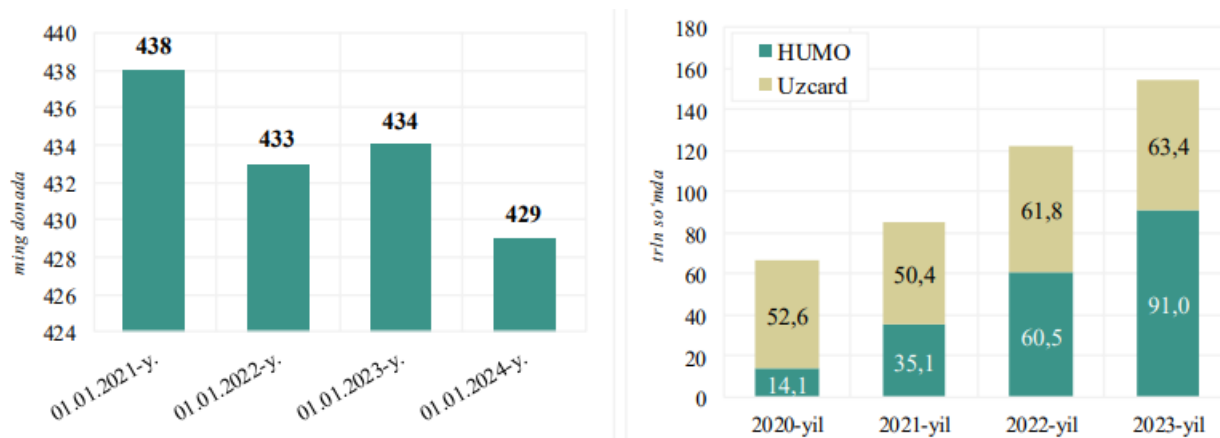


Figure 5. Number of terminals installed by banks and transactions made through them

Source: Information of the Central Bank of the Republic of Uzbekistan. cbu.uz.

Modern payment systems use cash substitutes compared to traditional payment systems. This includes debit cards, credit cards, virtual cards, electronic money transfers, internet banking and electronic payment systems. Virtual cards have been around for a long time.

Today, the population can perform real-time card-to-card (P2P) money transfer operations, make tax, budget, utility and other payments, receive microloans and repay loans, make online deposits, deposit and widely uses remote opening of credit accounts, making payments from an international bank card account, and other remote banking services.

According to the decision of the President of the Republic of Uzbekistan dated June 27, 2013 No. PQ-1989 "On measures for the further development of the National Information and Communication Systems of the Republic of Uzbekistan", the Central Bank "Retail payments in real time" The project "to create a clearing system and integrate it with the billing system of service providers" was introduced in 2014, and the volume and scale of payments made through the system is constantly increasing.

The activity of this system is regulated based on the requirements of the Regulation "On the settlement clearing system of the Central Bank of the Republic of Uzbekistan" (list number 2570,

April 4, 2014)

Currently, in the infrastructure of banks, through the settlement clearing system of the Central Bank, all communal organizations, budget payments paid to the Treasury of the Ministry of Finance, tax and customs payments, notary and FXDYO fees, fines paid to the Ministry of Internal Affairs claims, payments for services of the State Services Agency, payments for "UzAuto Motors" cars, payments for cadastral services, as well as the billing system of organizations providing services to the payer for mobile communication, Internet providers and many other services It is possible to make and reflect payments in real time through clear identification.

More and more offices and organizations are applying for real-time interbank payments through integration with the Central Bank's account clearing system. To date, interbank payments for more than 30 services are carried out in real time through the settlement clearing system.

Conclusion

To ensure the continuity of the implementation of the interbank payment system in the conditions of Uzbekistan, to introduce innovative products, to ensure the popularity of banking services and to develop a competitive environment for increasing the efficiency of the interbank payment system, as well as in 2017-2021 Implementation of the tasks defined in the Strategy of Actions on five priority areas of development of the Republic of Uzbekistan is defined.

Based on the above, I believe that it is appropriate to use the following in the development of the system of providing interbank payment services in our country:

- introducing digital banking services in banks, increasing the number of POS-terminals performing these types of services, as well as the number of "cash-in" and "cash-out" ATMs in popularizing the implementation of interbank payments through the QIWI system, QR code and the NFS system it is necessary to increase and improve the transfer of funds to account numbers and bank plastic cards using "cash-in" ATMs;
- instant payments refers to digital and cashless payments that are becoming the standard in the financial industry. Banks may seek to align their payments back-office technology with a separate instant payments solution or integrate it with a payment center;
- Providing a package of financial services to the population by organizing financial supermarkets in the development of financial services in Uzbekistan;
- it is necessary to increase the qualification of bank employees for efficient operation, widely involve the personnel of the modern financial programming system, and reform the personnel training system in this direction. It is necessary to introduce an evaluation system to increase the efficiency of employees' work. According to it, the rating system should be introduced, the work performance of the employee should be evaluated through the rating system, and the employee with a high rating should be encouraged. Then mutual competition develops and employees start working on themselves;
- the main essence of digitalization in payment systems is to accelerate the flow of money and reduce transaction costs when making payments. These effects lead to an increase in the efficiency of payment systems for its participants ;
- it is necessary to improve the regulatory framework in the development of banking infrastructure. In this regard, it is necessary to add clauses related to the concept of "banking infrastructure" to the draft law "On Payments and Payment Systems", which is currently being prepared. It should be assumed that the infrastructure of the bank - regulatory documents, bank employees, banking services, loans, deposits, financial services provided to the population, innovative technologies.

In conclusion, it can be said that the reforms and measures implemented in Uzbekistan for the development of the interbank payment system in commercial banks will result in our banks achieving the level of rating indicators of banks in developed countries, further development of banking infrastructure, and attraction of public savings to bank deposits. will lead to the expansion of banks' resource bases and the dynamics of loans per capita.

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