



Importance of Providing Modern Service of Commercial Banks in the Republic of Uzbekistan

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Abstract:

In this article, the scientific-theoretical basis of providing modern and remote banking services in commercial banks and the economic importance of providing modern banking services in Uzbekistan are studied.

Keywords: banking services, remote banking services, modern banking services, internet banking, digital banking, online banking.

INTRODUCTION

In the current period of rapid and intense development and fundamental changes in the economy, the digital economy and a number of advanced digital technologies related to it are entering our economy. Therefore, in order to further improve and facilitate the lifestyle of the population, to computerize and further accelerate the development of our country, the leadership of our Republic has made a number of decisions and is developing a "road map". Systematic works are being organized in the banking system of the Republic of Uzbekistan to provide electronic banking services to customers. In particular, the Decree of the President of the Republic of Uzbekistan dated May 12, 2020 No. PF-5992 "On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020 - 2025" Considered as one of the priorities, great attention is paid to improving the efficiency of the banking system by modernizing banking services, creating an efficient

infrastructure and automating the activities of banks, as well as phasing out the functions of banks that are not related to the main activity. is being given. also

- creation of necessary conditions for widespread introduction of modern information and communication technologies, automation of business processes of commercial banks and expansion of remote banking services;
- reduction of control burdens, including burdens related to the improvement of information exchange of banks with regulatory and state bodies, as well as the simplification and automation of reporting processes;
- expanding the number and scope of remote banking services, including contactless payments;
- wide use of automated scoring system, digital identification and credit conveyor;
- strengthening information security of bank data and systems;
- the introduction of new concepts and technologies in the banking sector (fintex, marketplace, digital bank)" indicates the relevance of the topic.

ANALYSIS OF LITERATURE ON THE SUBJECT

Research works of a number of scientists on the topic were closely familiarized. In them, the opinions of scientists on remote banking services were analyzed. The 60-70s of the 20th century are the initial stage of the development of the theory of banking services. At this time, H. Douglas "Banking policy in lending" (1971) of the University of Michigan, D. Revel "Competition and Banking Management" (1978) of the University of Wales, "Credit Services of Savings Banks" (1974) of the University of Geneva .), S. Derey's "Strategy of British Banks and International Competition" (1977) and G. Brian's "Competition in the Banking Industry" (1970) are published. The above-mentioned scientific works are devoted to the study of the market of banking services and its segment of banking services. According to the Russian economist V.K. Spilnichenko, "Remote bank account servicing is a complex of information services and execution of operations on the client's account based on his instructions without visiting the bank. The system of remote service to the bank account is based on the customer's request to the database of the bank through the telecommunication system. recognized as a technology for providing banking services based on

Summarizing the above opinions, remote bank account service systems can be defined as technologies for providing banking services based on customer orders from a distance (without coming to the bank).

ANALYSIS AND RESULTS

Digital banking is a combination of online banking and mobile banking. Using digital banking services can help you reduce your expenses as it not only saves you money but also your time. Online banking means using banking services from your device through the bank's website. It allows you to check your balance and pay your electricity bill by accessing your bank account. You can access additional banking features such as applying for a loan or credit card at many banks through your online banking portal. The provision of remote banking services is a set of services that provide the opportunity to perform various banking operations remotely. It is enough to use a computer or mobile phone without visiting a bank. Remote technologies allow the client to use banking services with maximum convenience and to minimize time and financial costs in the process of working with the bank.

The development of remote banking services has led to the emergence of various services of a new size and a new form in the banking services system. The remote service system can be divided into two types according to the nature of the services provided to customers:

- informative;

- transaction.

Informational banking is focused on providing financial information to customers, while transactional banking provides an opportunity to carry out financial transactions. The main principle of remote banking services is the remote exchange of various information between the client and the bank. The bank ensures the security of this operation.

Through the Internet banking service, the client can:

- making payments;
- monitoring the stages of payment;
- makes it possible to access all the operations like getting all the reports at any time.

Internet banking allows the client to connect to the desired bank site via the Internet from his workplace, prepare money transfers from his account and send them to the bank, and see the money coming to his account.



Figure 1. The number of users of systems providing remote banking services (as of January 1, 2024)

In the picture above, you can see that in 2023 there were twice as many users as in 2021. Especially during the pandemic, the number of users has increased dramatically.

In order to use mobile applications, it is necessary to first obtain a bank card issued in your name from a voluntary bank (if you do not have a bank card). Commercial banks are currently issuing two types of bank cards (HUMO and UZCARD).

In order to obtain a bank card and make purchases through the mobile application, individuals must perform the following actions: - apply to the bank of their choice with a passport to obtain a plastic card

- (it is also possible to order online through the official websites of commercial banks) - top up a bank card with funds (through the "cash-in" function of an ATM or by visiting banking service centers);
- activate the SMS-notification or telegram-notification service by visiting the bank or linking (attaching) the bank card account to your mobile phone number through ATMs and info kiosks;
- download mobile applications of commercial banks or payment organizations from the Internet application "Google Play market" for a mobile phone with the Android operating system or from the Internet application "Appstore" for a mobile phone with the iOS operating system (the list is attached);

- registration in these mobile applications, that is, identification by entering the secret code received on the mobile phone after entering the received bank card number and validity period;
- set a secret code to access the mobile application to ensure security. No banking service brokerage fees are charged for these transactions.

On July 13, 1994, the Decision of the Cabinet of Ministers "On financial support measures for the banking system of the Republic of Uzbekistan" was adopted. Based on it, banks were exempted from a number of taxes and it was stipulated to spend the freed funds on computerization of their activities. According to these Decisions, departments of commercial banks began to be computerized and they were added to the electronic payment system. By the end of August, a temporary regulation of electronic payments was created in honor of the third anniversary of independence. Since October, e-mail has been launched in the republic's banking system. In the republican banking system, the necessary work was carried out to make the accounting calculations and the bank's practical working day a common view.

According to the decision of the President of the Republic of Uzbekistan dated September 19, 2021 "On measures to develop the national payment system" No. PQ-4345, the National Interbank Processing Center was established in the IV quarter of 2021 and "Humo" lov system was launched from the first quarter of 2022. The interbank payment system of the Central Bank is regulated in accordance with the following legal documents:

- The Law of the Republic of Uzbekistan "On the Central Bank of the Republic of Uzbekistan" (11.11.2021, ORQ-1082);
- The Law of the Republic of Uzbekistan "On Banks and Banking Activities" (05.11.2021, RQ-980);
- Law of the Republic of Uzbekistan "On Payments and Payment Systems" (01.11.2021, No. O'RQ-978);
- Regulation "On the procedure for making electronic payments through the interbank payment system of the Central Bank" (14.02.2023, No. 2545);
- Regulation "On cashless payments in the Republic of Uzbekistan" (April 13, 2022, No. 3429).

Today, many people in Europe use online banking services. According to statistics, 70% of adults in Europe access their online bank accounts at least once a month. In some European countries, 90% of adults use internet banking. In fact, over the past 12 years, the number of people who regularly use the Internet banking service has doubled.

Europeans regularly use digital banking to check their transaction history, transfer funds from one account to another, check their balances and make payments. As online banks offer more and more advanced services and financial products, people are using internet banking to get loans, invest and explore their financial options.

In Europe, the banking system is based on Basel III international standards. Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the 2007-2009 financial crisis. These measures are aimed at strengthening regulation, control and risk management of banks. The Basel framework is the complete set of standards of the Basel Committee on Banking Supervision (BCBS), which is the main global standard for the prudential regulation of banks.

Conclusions and suggestions.

In short, the banking system, which is the basis of the country's economy, is to be further reformed, to increase its stability, to achieve high international ratings, and to introduce modern cashless

settlement mechanisms with extensive use of information and communication technologies. the ongoing work will have a positive effect on strengthening the development of all economic sectors, while ensuring that the quality of services provided to customers by our banks, payment discipline and culture will rise to a new level. There is no doubt that the active implementation of remote banking services, especially Internet banking, based on such modern technologies, is the most important issue. In particular, the level of economic and technological development of the country is important in the implementation of remote banking services. In particular, in order to achieve a stable level of bank operational expenses, it is important to increase the types of remote banking services in commercial banks and increase their efficiency.

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