

OPPORTUNITIES FOR REMOTE BANKING SERVICES TO GROW IN REPUBLIC OF UZBEKISTAN'S COMMERCIAL BANKS

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ABSTRACT

The banking system is a strong and stable pillar of the economy. That is why, in the process of establishing financial policy, a strong attention is paid to the banking system and the monetary and credit sector. This article describes in detail the prospects for the development of remote banking services in commercial banks of the Republic of Uzbekistan.

Keywords: banking system, monetary and credit sector, financial policy, economy, development strategies, etc.

As everyone knows, a nation's standing and impact within the international community are intimately correlated with its level of political and economic might. The nation's capacity for economic and spiritual growth is intimately linked to its ability to forge its own identity and opinions around the world. The nation's banking and financial system is its key economic link. The way banks operate and provide services, along with their nature and functions, define their place in the economy. The primary focus should be on the elements that contribute to the establishment, growth, and functioning of banks in the economy. As a result, banks play a specific role in the economy and have distinct characteristics.

Gaining clients' trust, providing for all of their conveniences, and improving the variety, caliber, and speed of services offered are the best ways for commercial banks to remain competitive. Banks feel more pressure to adopt new technology and offer contemporary financial services in order to maintain their competitiveness. The President of the Republic of Uzbekistan, Sh. Mirziyoyev, stated specifically in this regard during his speech that "...we must take drastic measures this year to develop the banking system." Every bank will begin implementing a large-scale restructuring program in 2020. In this sense, our primary focus will be on growing our banks' capital, resource base, and revenue. In light of the aforementioned, several documents that call for the liberalization of the banking sector and its adjustment to free market conditions have been approved recently. Specifically, the March 23, 2018, adoption of the President of the Republic of Uzbekistan No. 3620 Decision on "Additional measures to increase the popularity of banking services" shall be adopted by banks in light of the current issues with the supply of financial services. decided on the actions. The creation and promotion of novel cashless payment products, such as those utilizing non-contact and mobile technologies, is particularly important. Non-communication and mobile technologies are first introduced in the domains of social and household services, transportation, trade, and catering, particularly in the regions. More specifically, remote servicing of a bank account is a complex of information services and execution of activities on the client's account based on his instructions without visiting the bank, according to Russian economist V.K. Spilnichenko. The client's request to access the bank's database via the telecommunication system forms the basis of the remote

bank account service system. Furthermore, N.I. Likhodeyeva identified the remote bank account service system as a computer-based technology that enables clients to obtain banking services without physically visiting the bank, i.e., through remote orders. A.O. Zakharova and K.A. Zabrodiskaya "Remote banking services are the activity of creating optimal conditions for the bank's clients by providing remote service to their bank accounts. In summary of the aforementioned viewpoints, technologies for delivering financial services based on client orders from a distance (without visiting the bank) are known as remote bank account servicing systems. Conclusions, suggestions, and recommendations are made in the appropriate directions in relation to the application of scientific work, the creation of remote services by commercial banks, interviews with scientists and industry representatives, analysis of their written and oral opinions, expert evaluation, process observation, systematic approach to economic events and processes, and comparison with the author's experiences.

In an effort to raise the standard of services given to customers, banks have launched a number of cutting-edge financial services in recent years. Specifically, all banks use the conventional "Bank-client" technology, which is widely used in our republic and offers remote banking services. The client's computer must have a specific program loaded in order to utilize this system, and communication channels guarantee connection with the bank's information system. However, the use of the "Bank-client" system is restricted since it requires a connection to a certain workplace and the usage of specialist applications. Because of this, the online banking system, also known as internet banking, is extensively utilized. Customers and the bank can benefit from even more convenience thanks to internet banking technologies. Specifically, the client can use the Internet to conduct banking activities on his account whenever and wherever he wants, without physically visiting the bank. can obtain data regarding actions. As a result, the client can choose a bank freely, regardless of how far or close the address is, save time and money, and manage their money fast. Additionally, the establishment of a national technological platform that functions in the "online" mode in collaboration with commercial banks that take part in the "Uzcard" interbank payment system will enable the client to manage his card accounts in real time through Internet banking services, utility, and other gives him a chance to complete his tasks on time.

Following a review of Uzbekistan's potential for the growth of remote banking services, the following suggestions and ideas were created: 1. Each commercial bank has its own procedures for developing remote banking services. Developing a strategic program is essential. Throughout this program, a road plan for the gradual transition of all service types to online and remote modes must be created. The project launch dates, the department in charge of implementation, the duration of the activities, and the source of funding for those tasks must all be mentioned in this road map. 2. At the moment, commercial banks offer a variety of remote services, such as card-to-card money transfers, online conversion, online deposit services, retail lending services in some banks, and utilities and other payments. and at the next stage, it is advised to increase their type. These specifically include the ability to send and receive money internationally through integration with international money transfers, which includes the virtual card emission service. 3. It makes sense that the emergence of online banking services necessitates customer identification. In light of this, it would be desirable to develop avenues

for the integration of all mobile banking services from the Ministry of Internal Affairs database in the event that an employee needs to be identified while supplying the certain data.

Innovation and digital transformation go hand in hand; according to 20% of responding banks, retail services have been moved to more specialized "digital" banking. Eighty-one percent of these institutions use new financial systems, and eighty-five percent offer new services and goods. 78% of banks want to provide their consumers with high-quality products and services; 74% want to introduce new systems; and 68% want to effectively utilize social and mobile technologies as the cornerstones of innovation and digital transformation. In 2016 and 2017, the threat posed by tech corporations was projected to be 47% and 48%, respectively. Fintech and technology companies are rapidly adopting new technologies and creating a competitive threat to banks because of their high degree of adaptability. In light of this, banks' collaboration with Fintech and digital startups may present a potential possibility for them to meet consumer and market demand. The developed world (the United States, the European Union, Brazil, China, South Africa, Australia, and similar nations) is primarily affected by this situation; banks in these nations tend to be supportive of technological advancements and creative projects, but banks in developing nations have not given these developments enough thought. The Republic of Uzbekistan's commercial banks are currently thought to be the most active players in the stock market. Commercial banks are players in the securities market as investors, middlemen, and issuers. Thus, it is the responsibility of commercial banks, as securities issuers, to guarantee investor income. By paying consistent dividends to shareholders, commercial banks, as issuers, have the possibility to place additional shares and so increase the capitalization of banks. Commercial banks should therefore give dividend policy careful consideration. A bank's dividend policy is one of its most effective tools for achieving its strategic objectives. Consequently, dividend payments are crucial for maintaining the financial stability of banks by raising their level of capitalization, liquidity of shares, and investment appeal even in cases where their income is adequate. The data in the image above illustrates our belief that some factors need special consideration when developing a fair and successful dividend policy for commercial banks. Commercial banks must consider both the regularity of dividend payments and the profitability of the shares issued to investors when determining their dividend policy. Commercial banks should have a higher dividend rate than savings and deposit rates because shares are regarded as high-risk investments.

According to the data, the amount of financial services offered to individual customers within the banking system is growing yearly. However, the range of financial services offered to customers via "Internet-banking" in the form of bank credit cards and securities—which are commonly utilized in Western nations—is gradually expanding. The following approaches should be followed in the development of banking operations in order to meet the strategic goal of strengthening the Uzbek retail banking services market:

- automating and standardizing the commercial banking service delivery process.
- creating a plan for implementing contemporary sales, which will involve creating and refining the branch system.
- enhancing the range and caliber of commercial banking services. We think that completing these tasks will enable us to better serve the needs of bank clients and enhance the retail banking services industry.

Banks function as a financial institution that combines the parties' respective economic interests in such a procedure. Under suitable conditions, the first group draws in temporary free funds from economic sectors and redistributes them to economic sectors of the second group that require these funds, i.e., to economic entities that require more financial resources. It's obvious that the bank is the only financial institution that can resolve these issues amicably and expeditiously. The way banks function in the economy is determined by this particular feature. The arrangement of accounting records between economic enterprises, residents, and state agencies, as well as the exercise of proper supervision over them, is another characteristic that sets banks apart in the economy. It is well known that in a market economy, hundreds of millions of money transfers occur daily between economic units. Banks handle and oversee all of this. Because of this, banks are the keystone of our economy. In summary, the development of our nation's banking and financial system should take into account measures to make commercial banks more appealing as investment opportunities as well as a number of sensible government decisions to modernize the nation's banking industry. It is only after that point that a medium- and long-term plan to improve banks' commercial efficiency may be developed.

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