



The Essence and Functions of the Central Bank Republic of Uzbekistan

Musurmonova Parisoda, Nuriddinova Umida

Students, Samarkand Institute of Economics and Service

Karimova Aziza Mahomadrizoevna

Candidate of Economic Sciences, Samarkand Institute of Economics and Service

ABSTRACT

this article discusses issues related to the essence and structure of the central bank of the Republic of Uzbekistan. The main purpose, objectives and rights of the bank are stated. The functions of the central bank are outlined and a detailed formulation of each of them is given.

ARTICLE INFO

Article history:

Received 10 Dec 2022

Received in revised form

10 Jan 2023

Accepted 08 Feb 2023

Keywords: bank,
banking system, credit,
money, transactions,
central bank,
commercial bank,
payment system,
depository, monetary
system, monetary
policy.

© 2023 Hosting by Research Parks. All rights reserved.

Conduction. In the conditions of a market economy, the Central Bank plays an important role in ensuring monetary circulation, it is a multifaceted institution, the special status of which is determined by its functions. The Republic of Uzbekistan has a two-tier banking system. The first level of the banking system is occupied by the Central Bank of the Republic of Uzbekistan, which is the central

bank of the country, which is accountable to the Senate of the Oliy Majlis.

The degree of study. Many foreign and domestic researchers have worked on the origin, essence and function of the Central Bank, including: Mukhammedov M.M., Kamilova N.A., Samsonov N.F., Korobova M., Lavrushin O.I., Zharkovskaya E.P., Abdullayeva Sh.Z., Karimova A.M., Makarov L.A., Tavasiev A., Bratko A., et al.

A number of scientists-economists, arguing about the essence of the main bank, alienate the unique significance provided to the economic institute. A. Bratko, emphasizes that "the central bank, after its essence, lends a perineal arrangement between the national economic coherence and the monetary system, revealing a connecting link between them" Uniqueness, according to the author's view, is covered in the experimental conduct monetary policy (DCP), in the experimental use of all the resources that are inherent in the DCP (finances of family farms, money of their own brews, etc. A. Bratko believes that the methodology of its research originates specifically from the issue of the significant emergence of the Central Bank: "in the very origin of the main banks, their essence is revealed", "then its property will become unconditionally for the sake of the state of society"

Research methodology. This study was conducted using the methods of scientific abstraction, induction and synthesis.

The main part. A central bank is an organization responsible for the implementation of monetary policy and the payment system, and in some cases, regulation and control of the financial sector of a national economy or a group of countries. The central bank is a form of monetary authority. That is, in other words, in any country, the central bank is a state organization responsible for the calculation of money and the stable operation of banks.

The central bank makes a profit, for example, from issuing activities or in the form of interest on centralized loans. The profit is obtained from the revaluation of the existing currency and gold. Yes, transactions can also be sources.

The organizational structure of the bank is the internal organization of the work of the credit institution, through which management approaches and methods are created and formalized, executive groups are determined, control systems and internal organizational relationships are developed. And has the following departments:

- monetary policy department;
- department of financial stability;
- financial and economic department;
- cash circulation organization department;
- international reserves management department;
- department of currency regulation and balance of payments;
- department of international cooperation;
- accounting and reporting department;
- department for improving financial literacy and retraining of banking specialists;
- monetary operations department;
- department of coordination of methodological work in the banking system;
- compliance control and internal audit department;

- financial monitoring department;
- department of security and information protection;
- legal department.

The legal status, tasks, functions, powers, principles of organization and activity of the Central Bank are determined by the Constitution of the Republic of Uzbekistan, the Law and other acts of banking legislation. The Central Bank is a legal entity and is exclusively owned by the State. On July 2, 1992, the State Bank of the Republic of Uzbekistan was renamed the Central Bank of the Republic of Uzbekistan.

The Central Bank has received the status of the state, issue and reserve bank of the republic. The Charter of the Central Bank, approved on February 28, 1992 by the Presidium of the Supreme Council of the Republic of Uzbekistan, stated that the Central Bank of the Republic of Uzbekistan is the main bank of the republic, as well as the depository for the holdings of international financial organizations, is owned by the Republic and is accountable to the Oliy Majlis of the Republic of Uzbekistan. On December 21, 1995, the Law of the Republic of Uzbekistan No. 154I "The Central Bank of the Republic of Uzbekistan" was issued. However, on November 5, 2019, this Law was supplemented and finalized. The Central Bank carries out decisions within the framework of its functions and powers, regardless of other state bodies and authorities.

The main objective of the Central Bank of the Republic of Uzbekistan is to ensure the stability of the national currency.

The tasks and rights of the Central Bank are: the issue of money, by the way, it has an absolute monopoly on the production of money, so that its business always flourishes, conducting monetary policy, monitoring the flow of funds, establishing a unified settlement system, regulating and controlling the activities of large banks, pawnshops and credit bureaus, managing the storage and placement of gold and foreign exchange reserves. The Republic of Uzbekistan also represents the interests of the Republic of Uzbekistan in the central banks of states and international financial and credit organizations. The Central Bank is the organizer of the collection of credit resources, ensures the implementation of the republican currency exchange, together with the Ministry of Finance, the receipt of funds to the state budget.

The Central Bank of the country plays the main role in regulating money circulation. The fact is that the increase in non-cash money does not need to "start the printing press" at all, it is enough to increase the number of loans.

There are the following functions of the Central Bank, which we will consider below (see: Fig.1)

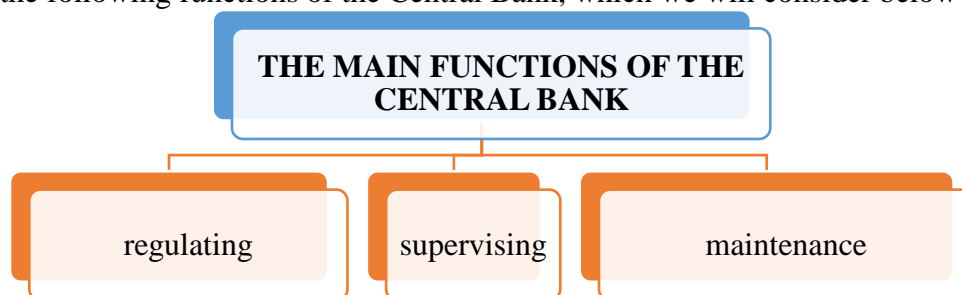


Fig.1. The main functions of the central bank

Next, let's look at each of them in more detail.

Regulatory functions include, the:

- development and drawing of monetary policy. Its character is determined by the degree of independence from the government. For example, the targets for changes in the currency mass apparatus are naturally determined naturally by the main banks. At the same time, no central bank has the ability to independently determine one or another currency regime, except for the participation of the state.
- in order to curb plastic expansion, the main banks acquire measures after reducing the liquidity waterpass of monetary institutions, and for expansion they implement plastic expansion.

The development of monetary policy includes:

- establishment of trends in the development of monetary policy; analysis of the general instruments of monetary policy;
- creation and maintenance of a statistical basis for the currency mass, loans and savings provided after;
- drawing research after the dilemmas of the economy and monetary sphere of the granted power and other states;
- ordering currency programs and monitoring their implementation.

Regulation of supply and demand for credit and foreign currency is performed by means of performing interventionist actions in the money and foreign exchange markets. In order to curb plastic expansion, the main banks acquire measures after reducing the liquidity waterpass of monetary institutions, and to expand plastic expansion, they implement opposing measures. Interventionist stocks have a similar bias for the opposite measures for the money market. Intervention operations in the foreign exchange market have a similar character.

The control function includes:

- monitoring the functioning of the credit and banking system is determined by the need to support its stability for the sake of trust in the state currency unit

Service function:

- organization of payment and settlement relations of commercial banks: issuance of paper money signs, organization of non-cash payments. Central banks may be direct participants in payment systems or limit themselves to monitoring their activities, as well as a number of functions performed by the Central Bank of the Republic of Uzbekistan:
- financing and implementation of monetary, including currency protection;
- identification, analysis and forecasting of the level of the situation in Uzbekistan, identification of information materials and statistical data;
- formation and publication of banking, monetary and credit statistics, statistics of the external sector, including the balance of payments, international investment picture, external debt and reserve assets of the Republic of Uzbekistan;
- implementation of cash circulation;
- obtaining currency regulation and currency control;

- control of the exchange rate for the purposes of accounting, statistical and other reporting on currency transactions, as well as for the calculation of customs and other mandatory payments on the territory of the Republic of Uzbekistan;
- obtaining state registration of banks and credit bureaus;
- licenses the activities of banks, micro-credit organizations, pawnshops, payment organizations, payment system operators, exchange offices, credit bureaus and the production of securities forms, as well as regulates and controls the activities of credit organizations, payment organizations, payment system operators, currency exchanges, credit bureaus and banking groups;
- performs independently or on behalf of the Government of the Republic of Uzbekistan banking operations and other transactions necessary to perform the functions of the fiscal agent of the government;
- takes measures to ensure the stability of the functioning of payment systems in the Republic of Uzbekistan;
- monitors and monitors compliance with licensing rules;
- to protect the rights and legitimate interests of consumers from the services of credit institutions, to take measures to improve the financial literacy of the population and business entities, the possibility of using financial services;
- management, accounting and storage of international reserves of the Republic of Uzbekistan, including reserves of bodies of the Republic of Uzbekistan under the contract.

Conclusion. Summarizing all the judgments, we formulated our own broader vision: the Central Bank is the central link of the banking system of a state or group of states, the main regulator of the economy, implementing monetary policy and endowed with special powers, centrally manages the monetary system of the country and implements a single credit policy of the state.

REFERENCES:

1. The Law of the Republic of Uzbekistan "On Banks and banking activities". No. ZRU-580. from November 5, 2019
2. The Law of the Republic of Uzbekistan "On the Central Bank of the Republic of Uzbekistan". No. ZRU-582. from November 11, 2019
3. U.Azizov, T.Kadraliev, etc. "Banking" textbook. Tashkent 2018
4. Alekseev P.V. Banking: management in a modern bank. Textbook for universities / P.V. Alekseev, comp. -M.: KnoRus, 2018. - 304 p.
5. Tavasiev A.M. Banking: Textbook for bachelors / A.M. Tavasiev. — M.: Yurayt, 2017. — 647 p.
6. BEKTEMIROV A. et al. MONEY AND BANKS. – 2019.
7. Zuhur N. et al. TRANSITION OF HIGHER EDUCATION INSTITUTIONS OF UZBEKISTAN TO A CREDIT-MODULAR SYSTEM //ResearchJet Journal of Analysis and Inventions. – 2022. – T. 3. – №. 1. – C. 123-127.
8. Davronovich N. Z. INCREASE THE EFFECTIVENESS OF USING A VEIN //World Economics and Finance Bulletin. – 2022. – T. 7. – C. 23-26.

9. Каримова, Азиза Махомадризовна Совершенствование банковского кредитования субъектов предпринимательской деятельности в сфере туруслуг на основе опыта зарубежных стран. JOURNAL OF ECONOMICS, FINANCE AND INNOVATION. 2022. ISSN: 2181- 3299 Volume-II Issue 1. -С. 41-50.
10. Karimova, A. M. (2020). Role of marketing services in innovative development of tourism activities. American Journal of Economics and Business Management, 3(1), 24–32. <https://doi.org/10.31150/ajebm.v3i1.108>
11. Каримова, А. (2021). Совершенствование банковского кредитования инновационного развития предприятий сферы туризма. Экономика И Образование, (4), 59–65. извлечено от https://inlibrary.uz/index.php/economy_education/article/view/7576
12. Каримова А. М. АНАЛИЗ И ТРАНСФОРМАЦИЯ ФИНАНСОВОГО РЫНКА БАНКОВСКИХ УСЛУГ В НОВОМ УЗБЕКИСТ //Архив научных исследований. – 2022. – Т. 2. – №. 1.
13. МАРУФОВ З. А., УБАЙДУЛЛАЕВ Б. С. ЭКОНОМИКА И СОЦИУМ //ЭКОНОМИКА. – С. 519-524.
14. Mahomadriзовна К. А. Analysis and the need to improve credit support for the development sphere of tourism //Berlin Studies Transnational Journal of Science and Humanities. – 2021. – Т. 1. – №. 1.1 Economical sciences.
15. Banking: Textbook / Edited by O.I. Lavrushin. – М.: KNORUS, 2007, - 768 p.
16. Banks and banking / Edited by I.T. Balabanov. – St. Petersburg: Peter, 2001. – 304 p.
17. Money. Credit. Finance: textbook / S.V. Galitskaya. – М.: Eksmo, 2008. – 736 p.