

THE SIGNIFICANCE OF FINANCIAL PAYMENTS IN THE CONTEXT OF CONTEMPORARY INNOVATIVE DEVELOPMENT OF THE REGIONAL ECONOMY

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Abstract: The article examines the country's payment system, which is formed and regulated by state laws and banking rules. It is noted that it includes: the basic principles of organizing and implementing settlements; monetary units; types of payment documents; methods of payment; sources of payments; order of payments; rights and obligations of banks and economic bodies to control settlements. The work reveals their significance in more detail and provides specific proposals for their improvement.

Key words: payment turnover, payment methods, control, forms of payments, services, non-cash payments, payment transaction, payment procedure.

Relevance of the topic. In 2025, declared the Year of the "Green Economy" in Uzbekistan, the development of modern and environmentally sustainable economic instruments is of particular importance. One of the key areas in this context is the improvement of the payment system in the context of innovative development.[1].

This paper analyzes the role of digital payment solutions in the formation of a sustainable, resource-saving and transparent economy. The abstract examines the main areas of modernization of the national payment system, such as the introduction of cashless and mobile payments, the development of fintech services, and the digitalization of public and private settlements. Particular

attention is paid to how modern payment technologies help reduce paperwork, reduce the carbon footprint, stimulate green entrepreneurship and increase financial inclusion. Government initiatives to support digital innovation and green finance are also considered.

As a result, it is concluded that the effective and environmentally oriented development of the payment system contributes not only to the acceleration of the innovative transformation of the economy of Uzbekistan, but also to the support of sustainable growth within the framework of the country's green strategy. Clear organization of monetary settlements plays an important role in ensuring innovative development of the economy and can only be achieved with an effective payment system.

Literature review. The payment system is the most important element of the financial infrastructure, ensuring the stability and efficiency of economic relations. As noted by Uzbek economist J. Kholmatov (2023), one of the characteristic features of the national payment system is the prepayment mechanism - an advance transfer of at least 15% of the contract amount to the supplier's account, which helps to minimize payment risks and strengthen trust between business entities. [2]. In addition, Uzbekistan has a successfully operating interbank electronic settlement system, the main goal of which is to speed up document flow and increase the turnover of financial resources. According to foreign expert in the field of digital finance K. Kingsley (Kingsley, 2021), Such technological solutions are a key condition for the formation of a modern, innovation-oriented economy.[3]

Economic literature emphasizes that thanks to the introduction of electronic payment systems in Uzbekistan, it has become possible to make non-cash transfers within the country within 10–15 minutes, and within one region in just 2–3 minutes (World Bank, 2023; CBU.uz, 2024). This demonstrates a high level

of digitalization of financial services and opens up broad prospects for the development of a “green economy” by reducing paperwork, accelerating investment flows and optimizing settlement transactions. [4]

Most economists have come to a consensus that the electronic payment system ensures the implementation of a number of functions that are important for the development of the payment system (*see: Fig. 1*).

Undoubtedly, any enterprise makes monetary payments both as a buyer and as a seller, and also settles with workers and employees, the budget and the bank. The totality of all monetary payments constitutes the payment turnover, and a significant part of it is now carried out by enterprises in a non-cash manner.

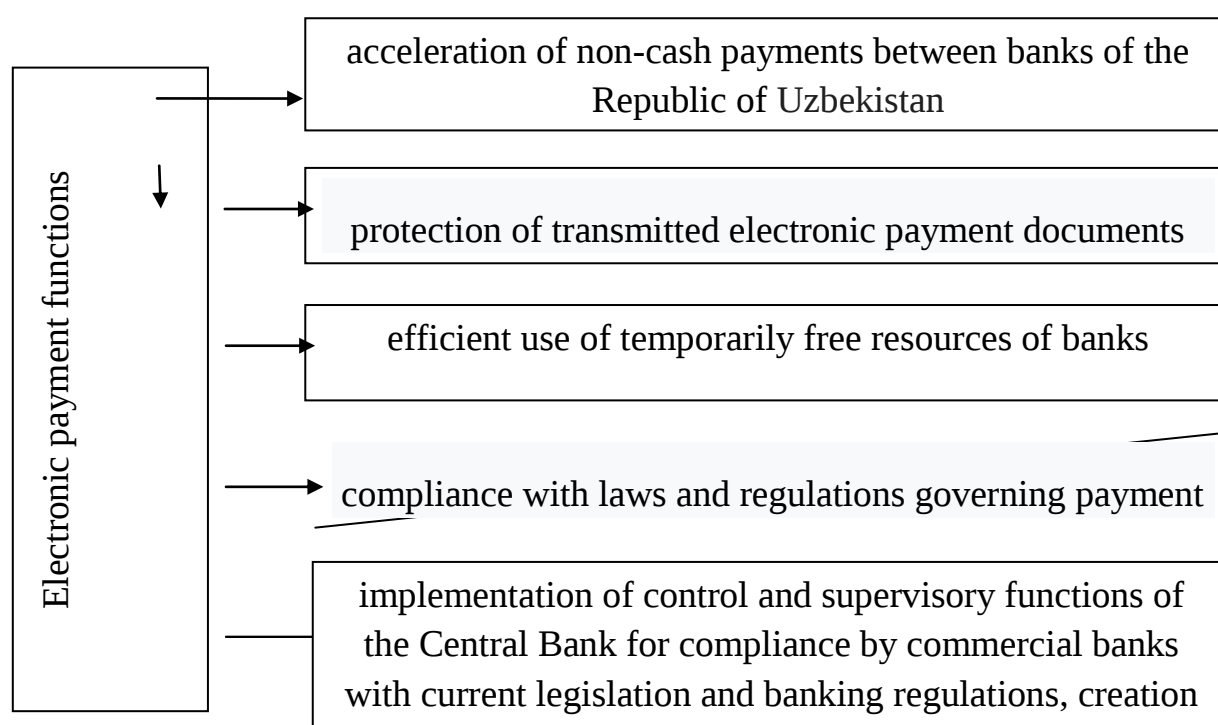


Fig. 1. Functions of the electronic payment system.

Analysis of the state of the problem under study. Most economists came to the conclusion that the electronic payment system, as part of the country's payment system, carries out interbank settlements using paperless technology, transmitting electronic information by means of e-mail of the Central Bank of

the Republic of Uzbekistan. Undoubtedly, any enterprise makes monetary payments both as a buyer and as a seller, and also settles accounts with workers and employees, the budget and the bank. Cash is used mainly in settlements for small amounts, as well as with the population. Further, the latter is decreasing from year to year.

Further increase in cashless settlements for payments of the population, as well as development of cashless transactions is achieved by using plastic cards and other means. This process of cashless payment is carried out only by changing the records in the bank accounts of the payer, recipient and the banks servicing them.

Non-cash settlements between business entities are carried out according to the forms established by the law of the Republic of Uzbekistan. The form of settlements is a set of interrelated elements, which include the method of payment and the corresponding document flow.

The system of registration, use and movement of documents and funds between the participants of settlements constitutes the document flow of a specific form of non-cash settlement. The following forms of non-cash settlements are used in Uzbekistan: [5]

- payment orders;
- payment demands;
- collection orders;
- letters of credit;
- plastic cards (checks) and other payment documents.

In each specific transaction, the form and procedure of settlements between its participants are determined by the agreement of the parties and, as a rule, are recorded in the signed contracts and agreements. The forms of settlements themselves are chosen by the participants in such a way as to best reflect the

specific terms of the transaction and the interests of the parties, taking into account the legislation and traditions of commercial turnover.

It is no secret that the area of payment processes as part of economic relations causes the greatest difficulties for courts of general jurisdiction.

The measures taken by the state to reduce these debts require improvement of the current legislative framework.

Taking into account the experience of developed countries, it can be noted that a high level of compliance with payment discipline by market participants is achieved thanks to the developed regulatory framework. For example, in the USA the Trade Code is successfully used, and in Great Britain – Contract law, which helps resolve many contentious issues that arise in the sphere of economic relations between business entities. [6]

In our opinion, the following measures should be implemented to improve the practical foundations for ensuring the stability of payment systems in our Republic:

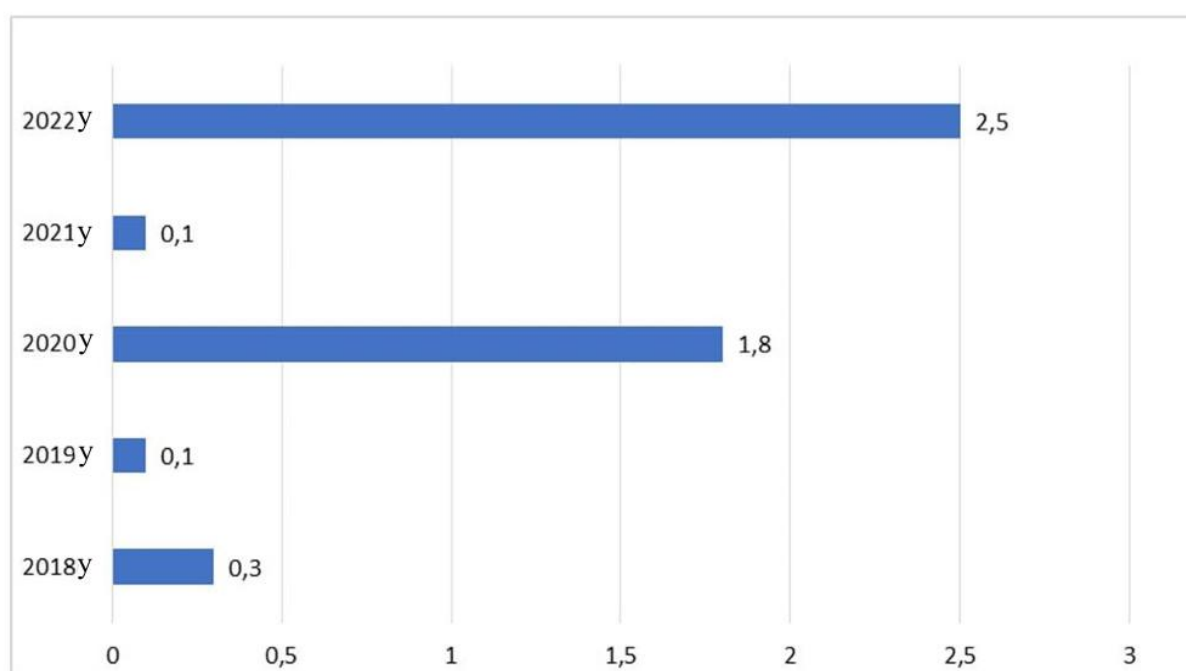
It should be noted that commercial bank branches in our Republic do not have the authority to issue guarantees. Therefore, they must submit the documents related to guarantees to the bank's head office in a timely manner.

Commercial banks should issue guarantees related to exported goods only to business entities with a strong reputation and no record of misconduct. This is because, in practice, some business entities have engaged in illegal activities during the export of their products, resulting in the failure of export proceeds to return to the Republic. [7]

During the course of this research, it was observed that bank loans issued for the purpose of settling documentary letters of credit are mostly unsecured loans. Therefore, the risk of non-repayment is high. Under such conditions, unconfirmed

and non-reimbursable documentary letters of credit should only be issued for the payment obligations of clients with a high level of payment capacity.

Moreover, the low level of monetary supply in the national economy, the application of a prioritized sequence of payments, and the higher rates of inflation and devaluation compared to other countries have had a negative impact on the stability of cash flows of business entities. It should be noted that in order for the Central Bank's discount rate to influence the interest rates of commercial bank loans, discount credits must be regularly provided to banks. For this, the Central Bank must have a sufficiently strong resource base to issue such discount credits.[8]



The share of cash and cash equivalents in the current assets of "KHANTEX-GROUP" LLC during the period 2018–2022[9]

Figure-2

As can be clearly seen from Figure 2 during the years 2018–2022, the share of cash in the current assets of "KHANTEX-GROUP" LLC was very small.

This indicates that the enterprise had weak cash flow, which is considered a negative situation from the standpoint of ensuring liquidity.

Suggestions and recommendations. The study of non-cash payment turnover in the economy gives grounds to draw the following conclusions:

- ❖ the level of development of the payment system of any state can be assessed by the degree of development of non-cash turnover in it;
- ❖ the use of non-cash payments reduces circulation costs and creates favourable conditions for regulating the money supply and controlling the movement of funds;
- ❖ to accelerate the movement of funds, it is necessary to improve and expand the spheres of circulation of non-cash money.

In order to reduce the share of covered letters of credit in the volume of letters of credit opened by commercial banks for import payments, firstly, it is necessary to form a group of clients whose overall cash flow level is high and stable in relation to liabilities (with a cash flow-to-liability ratio of at least 50%), and to open letters of credit of this type for their payments. Secondly, this group of clients should be allowed to use types of documentary letters of credit such as standby, revolving, and red clause letters of credit. Thirdly, it is necessary to arrange for documentary letters of credit to be paid simultaneously through the credit lines and overdraft facilities of the issuing bank.

It would be advisable to adopt a Trade Code to regulate and control the execution of trade transactions and quickly resolve disputes in the trade sphere. This would allow market participants to conduct trade transactions in a civilized manner and to comply with payment discipline to the maximum extent possible.

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