

**DEVELOPMENT OF THE FINANCIAL SYSTEM CURRENT
TRENDS AND DEVELOPMENT PROSPECTS**

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Abstract: This article provides information on the development of the financial market and the financial services sector, as well as on reforms aimed at building a democratic society in our country based on a market economy.

Keywords: corporate securities, investments, banking and finance academy, financial corporation, stock exchange.

In the modern economy, the securities market occupies a very important place. Simultaneously with the implementation of an effective economic policy to stabilize and develop the economy, it is necessary to carry out institutional reforms in the financial sector. In a market economy, the fund plays an important role as a stable financial system that provides optimal access to securities of the stock market. Countries with such a financial system are becoming more resilient to economic risks.

World experience shows that the most important indicators related to the degree of economic development of the country and the high level of national income per capita, including (a large number of types of securities in circulation on the financial market and high liquidity, high dividend policy of joint-stock companies (JSC), improvement of exchange trading systems), due to the high level of development of the financial market, in particular, this is due to the higher share of the capitalization of the securities market (QQB) in relation to the volume of gross domestic product (GDP).

In the context of financial globalization, scientific research is being conducted on the development of the financial market at the international level, achieving solutions to problems aimed at the effective use of investments. According to the research results, emphasis is placed on the development of national and international financial market systems and their continuous improvement. However, expanding the attraction of financial resources by increasing the share of the state in the share capital structure of large companies, improving investment attraction through the financial market, increasing the liquidity of financial instruments, ensuring their integration into the global capital market, it is relevant to conduct scientific research aimed at developing the secondary securities market.

As you know, Uzbekistan is in direct connection with the structural changes currently taking place in the economy, primarily with the stock market. Because when

implementing the planned investment program in the republic, there is a limited financial resources characteristic of the transition period. Therefore, one of the important issues is the effective use of securities of the stock market, the use of their most convenient forms.

In the current context of globalization, stock markets continue to be the main sector of the economy. It can be seen from this that the development of the stock market means the development of the economy. Global stock markets are currently facing a number of problematic situations. Our president expressed the following opinion on these issues: - "an important issue is that for the further development of the stock market, the stock exchange in our country, it is necessary to radically reorganize the work of the center for coordination and development of the securities market.

When implementing the tasks set for the development of the banking system in 2018, it is necessary to focus on ensuring effective and mutually beneficial cooperation between banks and business entities. Despite the hesitations and "advice" of some "experts" who oppose the reform of the foreign exchange market, in the short term we have begun the process of liberalizing the currency based on international standards. But we are well aware that this work is only the beginning of reforms in this area.

Monetary policy should fully serve the interests of business and economic development and give a positive impetus to investment activity."

Therefore, our esteemed President stressed that "the development of a financial market development strategy for 2020-2025 and bringing the ratio of the total volume of freely traded securities to GDP to at least 10-15% by the end of 2025 is a key issue on the agenda"³. The effective implementation of such priority and urgent tasks indicates the need to study the features and trends of the financial market in our country and to intensify measures aimed at the development of the financial market.

In the ever-evolving landscape of agribusiness, the quest for efficiency and cost-effectiveness is relentless. Amidst the challenges of globalization and heightened competition, digitalization emerges as a beacon of innovation, heralding new opportunities for optimizing transaction costs.¹

Looking at the history of economic development, one can see that the financial market was formed primarily with the appearance of money in human society and the beginning of the implementation of market relations related to them. Over the centuries, the financial market, its content and related concepts have been formed and continuously developed. This is due to the enrichment of the experience of human civilization in the field of finance, in which financial relations and interests of individuals (legal and physical) expand, goals and activities increase, interests grow, and their rights are increasingly strengthened and secured.

¹ Ospanova, F. B. (2024). Blockchain and big data are transforming agribusiness transaction cost management. *Modern education and development*, 4(5), 342-348.

The real sector of the economy and the financial market face difficulties in using modern financial market tools to attract investment funds to enterprises due to breakthroughs. One of the pressing problems awaiting solution remains the issue of increasing the share of households in the corporate securities market due to their penetration into the financial market.

The round table, organized jointly by the committees of the Senate of the Oliy Majlis and the Banking and Finance Academy, discussed current problems and prospects for further development of the financial market and the financial services sector: National practice and international experience. With the participation of senators, foreign and national experts, representatives of responsible ministries and departments, commercial banks, the problem of creating new jobs through the introduction of new types of financial management in the country was raised.

The large-scale reforms carried out in Uzbekistan are aimed at building a democratic society in the country based on a socially oriented market economy, one of the main products of which is a rapidly developing market.

The financial market includes the following segments:

e-Credit (capital of banks and other credit institutions, leasing) and the deposit market;

Stock market;

Yu foreign exchange market;

holdings (precious metals and stones, rare elements, works of art, etc.) expressed (equated) to gold and currency.k) The market;

the market of insurance and pension funds, the market of lottery instruments.

And the financial market can function effectively only if there is an economy:

An effective (efficient) ownership system;

and financial instruments provided with sufficient funds (financial resources, funds) and an economic and legal mechanism designed for investment.

Objective ratio of supply and demand;

effective functioning of the financial market infrastructure;

The formation of the financial market in Uzbekistan, which is an effective means of managing investment processes and attracting free funds to the economy, dates back to the early 90s. On September 2, 1993, it became the legal basis for market activity. The Law of the Republic of Uzbekistan "on securities and stock Exchange" has been adopted.

The Ministry of Finance of Uzbekistan has developed a draft Concept for the development of the country's financial market in the medium and long term. The document is published on the portal of discussion of normative legal acts.

Sources of innovation financing

The principles of the organization of innovation financing should be focused on the abundance of sources of financing and assume the rapid and effective introduction of innovations with commercialization, ensuring the growth of financial income from innovations. The company's ability to attract financing is an important component of the process of commercializing research and development results, and various financing methods are used for this purpose.

Currently, the following financial resources can act as the main sources used to finance innovations:

- resources generated at the expense of own funds and equivalent funds;
- other ways to organize mobilized resources and private investments in the financial market;
- resources coming from the redistribution and budgetary funds, as well as other types of public financing.

Let's focus on the resources mobilized in the financial market: that is, on bank financing and financing using capital markets.

Financing using capital markets (securities). This form allows you to accumulate large financial resources by placing securities in an unlimited number of investors for the implementation of promising innovative projects. By issuing securities, the investment loan is replaced by market obligations, which helps to optimize the structure of financial resources included in the innovative project.

Bank loans. Commercial banks finance innovative projects with real payback periods (the payback period is less than the project implementation period), having sources of return on funds that provide a significant increase in invested capital. A bank loan is issued for a certain period at interest, the amount of which depends on the term of the loan, the amount of risk for the project, the characteristics of the borrower, etc. the interest rate can be determined based on the base rate that investment banks focus on.

An efficient banking sector is essential for any economy, as it creates the necessary environment for economic growth. Playing an important role in financial intermediation, the banking sector is seen as an effective institution in the use of monetary policy, which, in turn, affects financial and economic activities, including innovation. The impact of the stock market on financing modernization and the use of high technologies, the mechanism of the stock market allows: a) to attract the necessary financial resources at a lower price as a result of economies of scale in a wider market; b) to acquire shares in high-tech companies and participate in their activities and corporate governance, diversify and distribute risks among investors; c) consolidation of business structures and procurement.

Both the banking sector and the securities market, which differ in technology for financing innovations, are called upon to perform the same task - to mobilize savings to finance innovative development. For a long time there was a confrontation between the so-called banking and the market.

The consequences of the crisis have shown a new trend - the union of capital markets for the effective development of the national economy. Considering the prospect of a Union of emerging capital Markets in the global economy, let's use this context and consider some indicators of the banking sector and the securities market in Uzbekistan.

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