ADVANTAGES OF USING THE CENTRAL BANK DIGITAL CURRENCY IN UZBEKISTAN

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Abstract. The article discusses the successes of using digital currency in some countries of the world and for international transactions, and the feasibility of introducing it in Uzbekistan. It also makes suggestions on the need to activate the state's incentive function to increase the efficiency of financial services related to digitalization.

Keywords. payment system, central bank digital currencies (CBDC).

Introduction. Digital technologies are transforming the technological processes related to the form and content of settlement and payment systems, making them faster and more convenient. They are based on the use of artificial intelligence, blockchain technologies, big data technologies, electronic payment systems, and electronic wallets.

Modern payment systems should be convenient, fast and secure. In order to ensure the security and transparency of payments, blockchain technologies are actively used in the cryptocurrency system. Also, in the article, we will consider the effective impact of digitization technologies on payment systems.

Analysis and results.

Advantages of introducing the Central Bank Digital Currency (CBDC).

Digitalization of communications provides faster and more convenient access to information and payment services, as well as automation of work procedures. Digitalization usually implies two types of changes in operating models.

The first type is the transfer of communications to digital channels, and the second is the automation of traditional operations. They are closely related and are aimed at increasing the efficiency of business processes and the convenience of using them. As a result, payment system entities can offer their customers better and cheaper services.

Currently, the existing payment system architecture in the world can be divided into two main types.

The first type is the payment system in which the Central Bank plays the main role. The second type is electronic private payment systems that operate independently and are not regulated or subordinate to any government agency. This includes decentralized platforms such as cryptocurrencies (for example,

Bitcoin), which are digital currencies.

It is precisely because the second type of payment system is reliable, transparent, fast and convenient that it has attracted the attention of the world community. However, in order for it to become the currency of a country, it must be managed by the central bank of that country. For this reason, in recent years, the number of central banks around the world that are studying the use of central bank digital currencies for domestic and international payments has increased significantly. According to the Bank for International Settlements, today 86% of the world's regulators are studying this issue.

Central bank digital currencies (CBDC) have been introduced in about a dozen countries around the world, including in the Caribbean, Southeast Asia, and Africa. For the first time in history, national central bank digital currencies were officially recognized as legal tender in two countries simultaneously in October 2020 - the Bahamas and Cambodia.

Features of the MBRV system. Central bank digital currency (CBDC) payment systems, which are being tested in developed countries, will increase the efficiency of financial services to the population. Including.

The People's Bank of China is actively promoting the digital yuan project by exploring offline payment capabilities at the Central Bank of China. In addition, the PRC regulator has joined the Bank for International Settlements' (BIS) m-CBDC Bridge international project to conduct joint experiments to test the cross-border capabilities of the Central Bank of China. China is currently leading the world in expanding the Central Bank Digital Currency (CBDC) project.

mBridge is a universal multi-currency digital central banking system in which multiple central banks can participate by issuing and purchasing digital securities. In the future, mBridge should support the interoperability of compatible digital central banking systems for development.

Within the framework of the project, a prototype of the Central Digital Bank platform based on distributed ledger (blockchain) technology was tested. International multi-currency settlement operations were carried out on this platform, and as a result of the experiment, it was noted that cross-border transfers take place in a few seconds.

To use it, you need to download the banking application to your mobile smartphone, top it up with national (or other) currency, and transfer it to the CD e-wallet. The CD e-wallet is linked to users' bank accounts and is controlled by the central bank. All transactions are carried out in real time and are recorded by the central bank.

In the future, payments for money transfers via mBridge are expected to account for half of current payments for cross-border interbank transfers. Thus, the platform can become an alternative to the correspondent banking system. This digital banking platform will also be used for lending.

The mBridge initiative began as a joint project between the Hong Kong Monetary Authority and the Bank of Thailand, called Inthanon-LionRock. The project was later joined by the Bank for International Settlements (BIS), the Digital Currency Institute of the People's Bank of China, and the Central Bank of the UAE. The main goal of mBridge is to facilitate cross-border transfers.

Due to the convenience of digital currencies in general, many countries of the world are thinking of creating their own digital currencies. In particular, representatives of the European Central Bank (ECB) said that the introduction of CBDC will help to avoid dependence on external electronic payment systems, which may threaten the financial stability and sovereignty of the Eurosystem.

On a global scale, the creation of central bank digital currencies (CBDC) is primarily driven by the interest of central banks in ensuring their digital sovereignty and strengthening their role. From this perspective, CBDC have the following advantages:

- increasing the ability of state control over capital movements;
- increasing the share of settlements in the currency of central banks;
- increasing the use of national currencies in payments;
- increasing the efficiency of payments and increasing the ability to compete with private digital currencies.

As is known, Uzbekistan received the status of a BRICS partner country from January 1, 2025.

Russian Deputy Finance Minister Ivan Chebeskov noted that Russia, together with the central banks of the BRICS member countries, is working on launching the BRICS Bridge platform for payments in national currencies, including digital ones (for example, this could be a digital ruble, yuan, or rial).

The main idea of the BRICS Bridge platform is to use digital financial assets issued by the central banks of the participating countries. These assets will be tied to national currencies, which will allow settlement participants to make payments almost instantly with minimal costs.

In summary, it is estimated that by 2026, approximately 20% of regulators will be able to issue retail digital securities. A positive decision to issue digital securities in one of the major economies may lead to the activation of other regulators, and this may create a chain reaction on a global scale. Current

research suggests that central bank digital currencies may become a new means of payment, first in individual countries, and then for international transactions. Therefore, taking into account the convenience of using digital currencies, as well as in order to respond in a timely manner to international transactions related to digital currencies, it is advisable for Uzbekistan to also begin to create its own central bank digital currency (digital sum).

Conclusions and suggestions

1. Measures to promote digitization are a success factor. In order to accelerate digitization, it is necessary to hold frequent competitions on digitization topics among those involved in this field in the republic and award winners with monetary prizes of various levels. This will increase the number of potential specialists involved in this field and stimulate the creation of advanced digital technologies in the future.

2. Using the possibilities of digital currency. Given the increasing opportunities for some countries to use their own digital currency and the achievements of international experience in this area, it is advisable for the Central Bank of Uzbekistan to develop the concept of a "central bank digital currency" in order to introduce a central bank digital currency (CBDC) in our country in the near future;

3. Activation of the state's incentive function to accelerate the digitization process in sectors. In order to activate the state's incentive function to accelerate the digitization process in sectors and increase the efficiency of digitization and financial services, taxpayers' turnover on the sale of digitization-related services (according to the legally specified list) will be exempted from taxation (profit and value-added tax) for a certain period.

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