

**IMPORTANT AND CURRENT ASPECTS OF FINANCE**

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**Abstract:** The article provides a scientific analysis of the role and importance of the financial system in the modern economy, the theoretical and practical foundations of public finance management, as well as the current aspects of financial policy in the digital economy. The study highlights the role of finance in ensuring economic stability, the importance of improving budget policy, increasing investment activity, and introducing fintech technologies. The impact of financial reforms being carried out in the Republic of Uzbekistan on the processes of socio-economic development is analyzed.

**Keywords:** financial system, economic policy, state budget, financial stability, investment, digital finance, fintech, taxation, monetary policy, economic reforms.

The financial system is one of the most important pillars of the modern economy, which plays a decisive role in ensuring the economic, social and political stability of the country. Finance plays an important role not only as a means of distributing economic resources, but also as a mechanism for implementing economic policy. In the current conditions of globalization, the stability of the national financial system is becoming a factor determining the level of economic independence of the state and the well-being of the people. Therefore, improving financial management, optimizing budget policy, simplifying the taxation system and developing digital financial institutions are among the urgent issues today.

The purpose of the article is to scientifically and theoretically analyze the importance of finance in the economy, its current issues, and determine the effectiveness of financial reforms implemented in the experience of Uzbekistan. Finance as an economic category represents a specific form of monetary relations and covers relations that arise in the process of distribution and redistribution of gross domestic product (GDP) created in the economy.

In general, the financial system is an important tool for managing the economy, which performs three main functions. First, the distribution function distributes the national income generated between the state, economic entities and the population. Second, the control function ensures control over the rational and efficient use of financial resources. Third, the stabilization function serves to maintain the balance of the economic system, meet social needs and ensure sustainable economic development in the country.

Finance essence that is, it economic of resources effective rotation provide, produce release process and social infrastructure stable development for necessary was financial sources Therefore, finance appears as the "circulatory system" of the economy. That is, through the system of financial relations, income and resources created in society are redistributed, ensuring economic growth and social stability.

The financial system is a complex and multi-layered structure, consisting of several interconnected components:

- Public finance - finances the state's economic and social policy through the budget, public debt, and trust funds;
- Corporate finance - provides financial support for the production activities of business entities;
- Personal finance represents financial relations related to the income, savings, and investment activities of individuals;

• International finance strengthens global economic integration through credit, investment, and financial flows between countries.

These links are closely interconnected, and their sustainable operation directly affects the efficiency and competitiveness of the country's economy.

The financial system performs a number of important socio-economic functions in society. In particular, it increases the well-being of the population by financing social sectors such as education, healthcare, and culture; serves the development of economic infrastructure; ensures economic security, and plays an important role in maintaining the fiscal stability of the state through tax revenues.

One of the main factors of effective management of the financial system is a well-thought-out and consistently implemented financial policy. Financial policy is a system of measures by the state to regulate the formation, rational distribution and effective use of financial resources in various sectors of the economy. The content of this policy is explained by the fact that it is aimed at ensuring the stability of economic processes, increasing production potential and strengthening social well-being. Therefore, financial policy is recognized as a strategic mechanism that ensures sustainable growth of the national economy, macroeconomic balance and social development.

At the current stage, the financial policy pursued in the Republic of Uzbekistan is being implemented in close connection with the priority goals and objectives outlined in the document “New Uzbekistan Development Strategy – 2030”, which defines the long-term strategic development directions of the country. The main goal of this policy is to accelerate economic growth, increase the well-being of the population, effectively use financial resources, and ensure the stability of state finances.

The main directions of fiscal policy can be described as follows:

1. Ensuring the balance of the state budget and increasing the efficiency of budget expenditures. The issue of maintaining the stability of the state budget is at the heart of the country's financial policy. To this end, measures are being taken to ensure a balance between budget revenues and expenditures, prevent excessive deficits, and ensure targeted and rational use of budget funds.

Efficiency and effectiveness criteria are being introduced in the areas where budget funds are allocated, in particular in education, healthcare, infrastructure and innovative projects. A system of “results-oriented budgeting” is also being gradually introduced, which will allow analyzing the economic and social return on each sum spent.

2. Simplification and digitalization of the taxation system. Tax policy is the most important component of financial policy. In recent years, Uzbekistan has been implementing consistent reforms aimed at reducing the tax burden, simplifying the taxation system, and digitizing it.

The introduction of a digital tax system (for example, the “E-Tax” platform) is increasing the transparency of taxation processes and reducing the risk of corruption. At the same time, a favorable tax environment is being created for small and medium-sized businesses, and their share in the economy is increasing.

3. Strengthening fiscal discipline. Strengthening fiscal discipline in the public finance system is one of the main factors of financial stability. To this end, control over public spending is being strengthened and the misuse of budget funds is being prevented.

The system of monitoring budget execution by the Accounts Chamber, the Ministry of Finance, and local financial authorities is being improved. Special attention is also being paid to maintaining budget reporting in accordance with international financial standards, ensuring openness and transparency.

4. Optimization of external debt policy. Although Uzbekistan has been actively cooperating with international financial institutions in recent years, its external debt policy is being conducted

cautiously. The country is taking systematic measures to reduce the external debt burden, ensure the effective use of borrowed funds, and redirect them to new projects.

The ratio of external debt to GDP is kept under control, and borrowed funds are being directed primarily to high-yield, growth-stimulating infrastructure and manufacturing projects.

5. Expanding the independence of local budgets. The gradual abandonment of financial centralization and strengthening the economic independence of regions is an important direction of current financial policy. The practice of increasing the sources of income of local budgets and leaving a certain part of tax revenues in the regions is being expanded.

This will allow for independent management of financial resources at the regional, district and city levels, financing of projects of local importance. As a result, regions, based on their economic potential, are more actively participating in solving local problems and developing social infrastructure.

These areas represent a comprehensive system of measures aimed at modernizing the economy of Uzbekistan, increasing its investment attractiveness, and bringing the budget and tax system closer to international standards. The acceleration of digital transformation processes in the country's financial system in recent years is an important stage in the path of radically renewing economic management mechanisms, optimizing financial processes, and ensuring their transparency.

At the heart of these processes is the concept of Fintex (Financial Technology). Fintex is a modern approach that involves increasing the efficiency of the financial system through the widespread introduction of digital innovations in the field of financial services. It simplifies financial relations between economic entities and ensures their reliability through the development of payment systems, online banking, electronic settlements, investment platforms, and digital audit mechanisms.

The Fintech sector is actively developing in Uzbekistan. Digital payment platforms such as "Payme", "Click", "Apelsin", "Uzum Bank" have brought the culture of using financial services to a new level among the population. At the same time, the introduction of the "Electronic Budget" and "Soliq.uz" systems allows ensuring openness and transparency in the state finance management system, and controlling the rational use of budget funds.

The combination of improved financial policy and digital transformation processes is an important factor in strengthening the country's economic stability, deepening international financial integration, and forming a competitive economic environment. In particular, the activation of investment activity is directly related to the rational use of financial resources and their effective distribution. In this sense, financial stability is a supporting factor of the economic system of Uzbekistan, which ensures the sustainable development of the country by maintaining a balance of macroeconomic indicators.

Currently, improving investment policy, increasing the competitiveness of the economy and ensuring financial stability are considered one of the priority areas of state policy in the Republic of Uzbekistan. Within the framework of this process, measures are being taken to increase investment attractiveness through the widespread introduction of public-private partnership mechanisms, the creation of a favorable investment environment for attracting foreign investment, as well as the use of tax and customs privileges.

The monetary policy of the Central Bank of the Republic of Uzbekistan, the stability of the national currency exchange rate, and control over the inflation rate are recognized as important factors in ensuring financial stability. A stable monetary environment stimulates investment activity in the economy, improves the business climate, and serves to maintain macroeconomic balance.

Also, improving the financial literacy of the population plays an important role in the consistent and sustainable development of the national economy. World experience shows that in countries with a high level of financial literacy of the population, economic growth rates are relatively stable. In this regard, the Central Bank of Uzbekistan, the Ministry of Finance and other relevant departments are implementing educational and social projects such as “Financial Literacy Weeks”, “Finance at School”, “Student and Money”. These initiatives serve to increase the financial culture of the population, form the skills of citizens to make informed decisions on issues of savings, investment, credit and taxation. In general, the consistent improvement of investment and financial policy in the Republic of Uzbekistan creates a solid foundation for the formation of new sources of economic growth, increasing the competitiveness of the national economy and improving the well-being of the population.

The above analysis shows that the financial system is an integral part of the state's economic management mechanism. It not only distributes economic resources, but also maintains macroeconomic stability and financially ensures social development. Uzbekistan in the economy finance current directions deepening, financial politics scientific basically to conduct and digital technologies wide implementation to grow of the country stable economic to the development service does.

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