

SCIENTIFIC AND THEORETICAL BASIS OF INTEREST AND CREDIT POLICY OF COMMERCIAL BANKS

Namozov Bekjon Buron ugli

*Student of the "Banking and Auditing" department of the Faculty of
Economics, KEEI*

Abstract: This article reflects the activities of commercial banks, factors influencing interest rate changes, scientific and theoretical foundations of credit policy, the role of commercial banks in the Republic of Uzbekistan.

Key words: Commercial banks, interest, credit policy, influencing factors, theoretical foundations.

Introduction

Today, commercial banks offer broad opportunities and convenient facilities in their credit policy. A bank (from Italian "banco" - bench) is a financial institution that primarily engages in collecting temporarily idle funds, providing credits and loans to businesses and individuals, performing cashless accounting operations, issuing money and various valuable papers, and conducting operations with gold and foreign currencies.

Commercial banks are divided into universal and specialized banks. Specialized banks include investment banks, savings banks, private banks, cooperative banks, and others. A universal bank provides various banking services to both individuals and legal entities. This type of bank forms the core of the banking and credit system. A universal bank carries out all types of major banking operations. A specialized bank, on the other hand, focuses on specific activities, sectors, or networks. An investment bank, primarily involved in underwriting operations, conducts securities trading. A private bank serves a specific group of clients or specializes in certain areas. A cooperative bank is organized based on contributions from manufacturers and meets the credit and banking needs of its founders. It is formed based on regional and local principles and represents one form of a commercial bank.

A commercial bank is a credit institution engaged in banking activities, such as attracting and lending funds, opening and managing bank accounts, and processing payments. Commercial banks are one of the intermediaries between those who have surplus funds (savers) and those who need funds (borrowers).

It is important to note that, according to the regulation "Requirements for banks regarding the credit policy of commercial banks" issued by the Central Bank, banks should comply with specific requirements related to collateral provision. However, some critics have raised concerns about the mandatory use of third-party guarantees and insurance policies, which are not currently specified in Regulation No. 905.

Furthermore, according to Article 8 of the Law of the Republic of Uzbekistan "On Banks and Banking Activities," banks are independent in making decisions related to financial transactions.

In turn, banks independently establish the terms of credits, including credit duration, client types, interest rates, and other security measures in their credit policy.

In conclusion, the objectives of any credit policy generally include ensuring high returns on long-term investments for shareholders, maintaining liquidity, diversifying risk exposure, guaranteeing policy and measures, compliance with laws and regulations, and meeting the credit needs of the region. The strategic directions of lending are determined and approved by the Bank's Management. The credit policy must consider the following restrictions: charging interest on more than half of the annual debt amount based on microloan agreements, imposing commissions and penalties, taking advantage of other responsibility elements; checking credit orders, providing services to lending accounts, fees for credit distribution, imposing penalties for the prepayment of credits (microloans) by individuals and small businesses.

Commercial banks play a crucial role in the country's economic payment mechanism in all economies based on the market. In our country, by improving and developing the payment system, the place of commercial banks in the country's

payment system is expanding. In addition to this, commercial banks can operate in the financial and currency market, engage in issuing and placing valuable papers, buying and selling them, and provide customers with various information and advice. Monitoring the credit and interest rate policy of commercial banks and identifying factors affecting it are crucial aspects.

References:

1. Jakhongir, O. (2022). FINANCIAL POLICY. Web of Scientist: International Scientific Research Journal, 3(10), 592-597.

2. Jakhongir, O. (2022). WAYS OF DEVELOPING THE FINANCIAL MARKET. Web of Scientist: International Scientific Research Journal, 3(9), 569-574.

3. Ikromovich, R. Z., Murtazaevna, K. Y., Rashidovich, M. N., & Oramov, J. J. FEATURES OF THE CREDIT MECHANISM OF INTERNATIONAL FINANCIAL ORGANIZATIONS.

4. Эгамбердиева, С. Р. (2021). ИҚТИСОДИЙ ИСЛОҲОТЛАР ЖАРАЁНИДА ИНВЕСТИЦИЯЛАР ҲИСОБИНИ ТАКОМИЛЛАШТИРИШ МАСАЛАЛАРИ. Экономика и финансы (Узбекистан), (4 (140)), 42-47.

5. Эгамбердиева, С. Р. МОЛИЯВИЙ ҲИСОБОТНИНГ ХАЛҚАРО СТАНДАРТЛАРИГА ЎТИШНИНГ ЎЗИГА ХОС ХУСУСИЯТЛАРИ ВА АҲАМИЯТИ.«. ИННОВАЦИОН ИҚТИСОДИЁТ: МУАММО, ТАҲЛИЛ ВА РИВОЖЛАНИШ ИСТИҚБОЛЛАРИ» Халқаро илмий-амалий анжуман илмий мақолалар тўплами 20-21 май 2021 й, 460.

6. Jumayeva, G. J. R., & qizi Sultonova, M. O. (2022, December). FERMER HO 'JALIKLARINING MOLIYAVIY NATIJALARGA TA'SIR QILUVCHI OMILLARNI HISOBLASH YO 'LLARI. In INTERNATIONAL CONFERENCES (Vol. 1, No. 18, pp. 127- 130).

7. Tursunov, I., Jumayeva, G., & Ostanov, K. (2017). Features of innovation development of the economy Uzbekistan. In International conference on scientific development in North America (pp. 43-49).

8. Туробов, Ш. А. (2021). ҚИШЛОҚ УЙ ХЎЖАЛИКЛАРИДА АЁЛЛАР МЕҲНАТИДАН ФОЙДАЛАНИШ ИСТИҚБОЛЛАРИ. Журнал Инновации в Экономике, 4(5).