International Journal of Law, Justice & Statutory Affairs
Volume 1, Issue 2, 2025

Establishing banks and carrying out banking activities in Uzbekistan: organisational and legal factors

Murtala Ganiyu Murgan[1], Abdul Ghafur[2]
Faculty of Law,
Usmanu Danfodiyo University, Sokoto Nigeria

Research Article

Date of Submission: 08-04-2025 **Date of Acceptance: 14-05-2025** **Date of Publication: 23-06-2025**

Abstract
The author of this paper examined the establishment of banks, their legal and organisational structure, and their financial activities. Based on the study's findings, recommendations and conclusions are intended to enhance the process for launching banks and banking activities. Banks must initially register with the state before they may engage in the financial market. As a governmental agency and bank of banks, the Central Bank oversees the operations of banks, namely managing state registration and granting bank establishment permits. These procedures are completed in two steps: first, the applicant is granted preliminary authorisation to establish a bank, after which they must perform the necessary actions to get a licence. The Act clearly and unequivocally specifies the paperwork and steps required to start banks. These procedures take a lot of time and are quite complicated. Proposals to systematise the prerequisites for establishing banks in national law and banking operations have been produced by researching these topics via a comparative examination of domestic and international legislation, historical, legal, systemic, logical, statistical, and other approaches. These suggestions are used in the fields of science, legislation, law enforcement, banking law interpretation, and national legislation improvement. Banks primarily engage in banking operations, which vary somewhat from banking services. While banking services are more closely linked to the bank's organisational activities, banking operations are associated with its financial activities.

Keywords: The creation of a bank, its state registration, first authorisation, banking licence, bank charter, central bank, banking operations, and banking services

Introduction

The process for creating banks is split into two phases in compliance with the Republic of Uzbekistan's statute "On Banks and Banking Activities" of November 5, 2019, and the regulation "On the Procedure and Conditions for Allowing Banking Activities."

First, the Central Bank issues a preliminary authorisation for the bank's creation; second, the bank is registered with the state by simultaneously granting a licence. Only joint-stock companies are used to create banks in Uzbekistan.

Work to be carried out at the first stage

After signing the Memorandum of Association, the person representing the founders must submit an application to the Central Bank no later than three months in order to obtain a preliminary permit for the establishment of a bank. This application must include the following: 1) Association Memorandum; 2) two copies of the bank's charter; 3) the Constituent Assembly's declaration; 4) the founders' list; 5) details on ultimate beneficial owners and direct and indirect founders with decisive ownership, as well as data required to carry out the evaluation; 6) information on the direct and indirect founders, including the final beneficial owners, who have the largest shares in the bank's authorised capital, with a total share of at least 50%, the information required to carry out the assessment in the absence of individuals with decisive ownership; 7) The

auditing organization's authorised financial reports for the past three years of the founding legal entity; 8) details on the sources of funds submitted for the creation of the bank's authorised capital that are verified by documentation; 9) details on the bank's board and supervisory board members, information required to evaluate their adherence to the regulations; 10) the bank's organisational structure; 11) a draft of the bank's internal audit service regulations; 12) a three-year business plan; 13) drafts of the bank's credit, investment, and emission policies, as well as drafts of risk management and internal control policies, which must subsequently be approved by the bank's supervisory board; and 14) a document attesting to the payment of the application fee.

The central bank will review an application for the issuing of a preliminary permission for the creation of a bank within three months of the date all required paperwork is submitted. After receiving the preliminary authorisation for the bank's creation, the bank retains its legal authority for a maximum of six months.

Work to be carried out at the second stage

The following must be submitted to the Central Bank no later than six months after the first bank formation permission in order for the bank to be state registered and licensed: 1) the bank's application for state registration and license; 2) a list of founders and a document attesting to the establishment of the bank's authorised capital in a sum not less than the minimum; 3) the data on important bank personnel required to evaluate their adherence to regulations; 4) the Central Bank's regional head office's decision about the conformity of bank buildings, their security, equipment, technological means of work organization, and software with the Central Bank's standards on the property where the bank is to be created.

Materials and Methods

Historical, systematic-structural, comparative-legal, logical, sociological, complicated scientific source research, induction, deduction, and statistical data analysis were among the techniques used in the study.

Survey results

After receiving the application with the required documentation, the decision to register the bank and provide a licence is made within a month. The Central Bank notifies the applicant of the decision in writing, including electronically via the information and communication system, within three working days after the date the related decision was adopted. In order to issue a licence, a state obligation is assessed in the amount stipulated by law. The Central Bank's official website contains information regarding the bank's licence and state registration. The identity of the bank's founders, the range of papers needed, the degree of involvement of foreign companies, and the organisational and legal structures of banks are all crucial aspects of the bank establishment process.For example, M. Yuldoshev and Y Tursunov state that individuals and legal entities, as well as non-resident legal entities and people of the Republic of Uzbekistan, may take the initiative to form a bank. Except in situations specifically authorised by law, state authorities, management bodies, public organisations, and social funds are not permitted to become bank founders. A joint establishment agreement is signed and notarised by the founders who want to start a commercial bank [1]. Banks become legally recognised as soon as the Central Bank registers them in the Republican Register of Banks. In addition to state registration, they are given a licence to carry out banking activities.

On the other hand, A. Zulyarov contends that banks can be set up according to any type of ownership, such as a joint-stock company in the form of a share, cooperative, or private commercial, and that individuals and legal entities, including those from other countries, can become bank founders [2].

According to U. Khudoykulov and A. Erdonayev, banks are typically organised as joint-stock companies based on any type of ownership. As the literature correctly points out, the designation of a joint-stock company as the primary organisational and legal form of commercial banks has a great advantage over other types of companies (limited liability company, additional liability company, full or limited partnership). These advantages include the fact that it has a relatively wide range of opportunities to attract investments (capital), the shareholders are more tenacious in exercising their rights, and it is stable in comparison to other forms [3].

Banks are often set up as joint-stock companies, according to A. Khojiyev. The primary considerations for deciding whether to grant a licence are as follows: Acceptability of the business plan for starting a bank; sufficient

authorised capital for the bank and its formation in compliance with the law; potential for profitability; credentials and standing of the head of the bank being established; adherence to the law in the documents submitted for the bank's establishment; and the presence of anti-monopoly measures. Bank founders and stockholders may be people or legal organisations, including those from other countries [4].

Adik Lee, however, notes that the Joint-Stock Company Bank's charter and the Government of the Republic of Uzbekistan's decision to launch the bank are taken into consideration if the bank is being founded by a state as a single constituent unit. Additionally, he states that a private bank is one whose founders are private persons who own at least 50% of the authorised capital, with non-state legal organisations holding the other portion.

He points out that two different kinds of banks may be founded on our nation's territory with the help of foreign capital: 1) subsidiary banks of non-resident banks; 2) banks with shares of foreign founders (shareholders) in the authorised capital; a subsidiary bank is a bank whose charter capital is fully paid by a non-resident bank; only non-resident banks with a strong financial position and a solid reputation in their work are permitted to open such banks in our republic; a non-resident bank that wishes to open a subsidiary bank or participate in the bank's capital must have a charter capital of at least $30 million.

A bank is said to have the involvement of foreign founders if the proportion of foreign investors in the total authorised capital is at least thirty percent. He points out that non-resident banks, residents and non-residents, persons and legal organisations, and one of the foreign investors may take part in the establishment of the authorised capital of such institutions [5]. We believe that anybody has the right to create a bank in the Republic of Uzbekistan, including both resident and non-resident physical and legal organisations. The Act defines a variety of standards for creating banks based on the primary duties and responsibilities of banks, enhancing financial responsibility, and considering the rights and interests of consumers.

Because banks are seen as a crucial component of the financial system, only those with specialised training and expertise

and steady financial resources need to be used for this kind of work. For example, a number of prerequisites for the establishment of banks are outlined in the banking laws of several other nations.

Specifically, according to Article 12 of the Law of the People's Republic of China "On Commercial Banks," a commercial bank must fulfilll the following criteria in order to be established: 1) to have a charter that complies with both this law and the Law on Companies of the People's Republic of China; 2) to have the minimum amount of authorised capital specified in this law; 3) to have directors and other senior administrators who are qualified for their roles; 4) to have a dependable organisational structure and management system; 5) to have the required commercial enterprise, safety and security measures, as well as other opportunities related to IT-business operations.

Furthermore, a National Commercial Bank must have a minimum of one billion yuan in authorised capital. An urban commercial bank must have a minimum authorised capital of 100 million yuan, whereas a rural commercial bank must have a minimum authorised capital of 50 million yuan. The paid-up capital must match the authorised capital.

In order to establish a commercial bank, the applicant must submit the following information and documents to the State Council's banking supervisory authority: 1) a written statement outlining the proposed commercial bank's name, location, authorised capital, sphere of activity, etc.; 2) the technical and economic basis; and 3) additional information and documents that must be submitted in compliance with the State Council's banking supervisory authority's requirements.

The applicant must complete the official application form and provide the following information and documents if, upon assessment, it is found that the application for the creation of a commercial bank complies with the provisions of this law: 1) the charter draft; 2) the director's or other senior administrators' certificates of competence; 3) the official investment verification organization's certificate of investment verification; 4) a list of shareholders' names who own shares and have contributed to the authorised capital; 5) creditworthiness certificates and pertinent information about each shareholder who owns five percent or more of the authorised capital; 6) business plans and policies; 7) workplace safety and security measures and information about other items connected to business operations; and 8) additional documents and data created by the State Council's banking supervisory authority. After a

commercial bank's establishment is approved, a banking supervisory body under the State Council grants it a permit to operate. Based on this permit, the bank registers with the Administrative Department of Industry and Trade and obtains a commercial licence. Only joint-stock companies are used to construct commercial banks [6].

According to the Swiss Law "On Banks and Savings Banks," banks cannot be included in the commercial register unless they have been given a FINMADA (Financial Market Supervision Act) license.

In order to get a licence: 1) The bank's business regulations, partnership agreements, and Memorandum of Association should all explicitly outline the extent of its operations, and the right structure should be established with the planned commercial activity in mind. The bank should set up distinct organisations for its management, on the one hand, and for its direction and control, on the other, if business objectives or the area of operation demand it. The proper distribution of these bodies is necessary to ensure effective control over the bank's management; 2) the bank must pay the minimum capital set by the Swiss Federal Council in full; 3) the people in charge of the bank's administration and management must have a good reputation and thus be able to guarantee the proper conduct of business; 4) individuals or legal entities that can have a significant impact on the bank and who directly or indirectly own at least 10% of the bank's capital or its share of the voting rights must not negatively affect the bank and its sound business operations.

A bank formed as a public limited liability corporation or a public law institution is considered a cantonal bank under cantonal legislation. The canton must dispose of more than one-third of the voting rights and own more than one-third of the share capital. The bank's debts may be fully or partially assumed by the canton [7].

The Financial Services Commission must provide license for anybody wishing to do banking activity, according to South Korea's Banking Law.

To be eligible for a banking permit, an individual must fulfilll all of the following requirements: 1) An individual must own a minimum of 100 billion won in capital; a local bank may need a minimum of 25 billion won; 2) a strategy to secure the cash needed for the operation of a banking enterprise must be suitable; 3) The strategy for shareholder composition must adhere to legal criteria; 4) There must be enough investment prospects, sound financial standing, and social credit for significant stockholders; 5) The individual must have a workable and trustworthy business plan; 6) The individual's corporate and executive staff must adhere to the legal requirements of "On Financial Companies, Corporate Governance"; and 7) The individual must have adequate human resources, business facilities, computer systems, and other physical facilities to manage the banking business.

A individual applies to the Financial Services Commission in order to establish a bank. When the Financial Services Commission chooses to provide an initial authorisation, it verifies that the applicant satisfies all prerequisites for receiving a basic authorisation. When the Financial Services Commission grants or revokes a bank's licence, it publishes the information on its website and in the official newspaper [8].

A firm or person wishing to undertake banking operations must submit a written application and include the following paperwork in order to be granted a banking licence under the Singapore Banking Act: 1) a copy of the company's most recent balance statement; 2) a copy of the memorandum of association and founding agreement or any other document officially attested by the legal declaration made by the employee; and 3) any further information that the authorities may seek.

After reviewing the application and supporting documentation, the appropriate authorities may provide a conditional or unconditional banking licence or decline to grant one. Every bank in Singapore is required to pay an annual licence fee. Singaporean banks have at least $1,500 million in capital [9].

A formal authorisation from the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) is required under German banking legislation for anybody wishing to operate a bank or provide financial services for business purposes in Germany. The following details must be included in the application in compliance with the administrative process law:1) pertinent evidence of having the resources required for business operations; 2) names of managers; 3) information required to evaluate the credibility of applicants and founders; 4) information required to evaluate whether the owners and individuals have the professional knowledge, skills, and experience necessary to manage the establishment; 5) information required to evaluate whether senior managers have

sufficient knowledge and experience; 6) a business plan outlining the intended types of business, structural organization, and planned internal control mechanisms of the institution; 7) annual reports prepared by independent external auditors; 8) information on major shareholders with up to 20% ownership; 9) information indicating a close relationship with other people or businesses; and 10) the names of the supervisory body members. For example, investment banks must have at least 730,000 euros in beginning capital, whereas credit organisations must have at least 5 million euros. Additionally, a non-German organization may request a licence for a German-established subsidiary [11].

A non-resident bank may establish a branch in compliance with the Republic of Kazakhstan's "On Banks and Banking Activities" statute. The branch of the non-resident Bank of the Republic of Kazakhstan is a distinct branch of the non-resident Bank of the Republic of Kazakhstan, which is registered in the company and conducts banking operations while not being a legal entity situated on Republic of Kazakhstan territory. The name given in the Regulation "On the branch of the non-resident bank of the Republic of Kazakhstan" is used by the branch of the non-resident bank of the Republic of Kazakhstan.

A branch of a non-resident bank of the Republic of Kazakhstan is required to use both the non-resident bank's name and the phrase "subsidiary" in its name. According to the Regulation "On the branch of the non-resident bank of the Republic of Kazakhstan" [12], the location of the branch of the non-resident bank of the Republic of Kazakhstan is acknowledged as being inside the Republic of Kazakhstan's territory.

Analysis of the results of the study

The foundation of banking activity is banking operations. Although banks have rights and responsibilities, the extent of their authority depends on the size and breadth of their business.

According to A. Zulyarov, the Oliy Kengash's adoption of the Law "On Expropriation and Privatisation" on November 19, 1991, was a significant step toward the introduction of economic reforms in banking institutions, general household accounts and self-sufficiency, increased labour efficiency, and training of personnel who provide services in banking institutions that meet the requirements of new modern technical and technological equipment for banking operations and life, in general, in the sphere of finance, banking, and money-credit [13].

M. Yuldoshev and Y. Tursunov assert that the activities of banks represent the nature of their primary business. Commercial banks use civil law standards in their banking operations, which are essentially civil-legal agreements they have made with their customers. Commercial banks legally deepen their economic relationships with their customers and other individuals by entering into mutually agreed-upon contracts [14].

In contrast to other financial market activities, Adik Lee claims that the primary characteristic of banking activity is the need to do all of the designated tasks in a single way. Since none of them are present, it may not be related to financial activity in this instance. This determines the bank's unique position, in contrast to other kinds of credit organisations. Banks are able to carry out various kinds of activities in addition to those that are part of the required set of banking operations. For example, collecting money, promissory notes, payment and settlement agreements, offering assurances that third parties would fulfilll their responsibilities, and offering guidance and information services for banking operations, financial leasing, and other activities.

Three sorts of activities that fall under the category of banking activity must be carried out by banks. According to the laws of other nations, taking deposits and making loans are the primary indicators of banking activity. Belgium, Italy, Spain, Greece, Luxembourg, and other nations have embraced this technique in their banking laws. In certain nations (such as France and Germany), the phrases "bank" and "credit institution" refer to a rather broad variety of services that go beyond just accepting deposits and making loans. Certain types of specialised institutions (such as investment trusts, financial corporations, trust funds, etc.) can be equated with banks in certain countries, like the United Kingdom, where fulfilling the function of accepting deposits is sufficient for inclusion in the category of credit institutions [15].

According to E. Khojiyev, the primary goals of the second stage of banking reforms are to raise the calibre of services provided by the banking industry to the level of international standards, transition to a payment system that offers a chance to integrate into global payment relations, and draw in foreign investment. Meanwhile, commercial banks have developed new banking

operations, such as leasing, factoring, safe deposit boxes, and renting out special rooms [16].

According to us, a banking operation is a collection of legally important and technical activities pertaining to lending, settlements, and the attraction of funds that are conducted under a Central Bank licence. Commercial banks' primary activity is expanding their banking activities. A company cannot be classified as a bank if it does not expand its banking activities.

The following are indicators of bank operations, according to O. Rakhimova and Sh. Bozarov: 1) the length of the relationship between the bank and the customer; 2) that the bank and the customer are not equal; 3) the trustworthiness of banking operations (for example, a bank may refuse to grant a loan if it does not trust the client); 4) standard forms of bank transactions, which are presented to all customers in a single form; and 5) the same legal regulation of banking operations across national borders [17].

A.Ya. Kurbatova defines "bank operation" as the kinds of operations that are exclusive to banks or other credit organisations. A series of transactions and acts to satisfy state legal duties, or only state legal responsibilities, is referred to as an operation [18].

We believe that a complex of activities included in the licence as a part of banking activity make up banking operations. The implementation of transactions between parties, the execution of computations, the attraction of capital and placement on different platforms, the issuing of securities, and their attraction are all included in the idea of "operation."

Attracting funds to deposits made by individuals and legal entities, opening and maintaining accounts, and performing calculations in accordance with their requirements are all examples of banking operations. These include placing funds on financial platforms in the accounts of representative banks themselves, collecting funds, payment documents, bills, cash service to customers, currency exchange operations, transactions pertaining to precious metals, bank guarantees, and carrying out operations and transfers on behalf of individuals without opening a bank account.

According to A.E. Sherstobitov, the public character of the banking system's existence led to the formation of new banking activities in addition to those that already existed.From the perspective of O.M. The terms "banking services" and "banking operations" are comparable, Oleynik [20]. Although there is no question that the ideas of banking services and banking operations are closely connected, we believe that banking services are more comprehensive and include banking operations. For example, banks may see citizen appeals as a kind of financial service. However, a bank may or may not carry out activities in response to this request, depending on the authority granted under the licence.

The L. In contrast, G. Yefimova continuously advances the notion of differentiating between bank operations and services. She claims that the notion of bank services include accounting and technical services in addition to operations [21]. Since technical and accounting services are not included in the definition of pure banking activities, we are unable to support such a definition.

The following are indicators of banking activities, according to G.A. Tosunyan: 1) a restricted range of items (money, precious metals, securities); 2) the presence of special organisations (credit institutions and State Bank); and 3) specific regulation
[22].

The Republic of Uzbekistan's February 15, 1991 Law "On Banks and Banking Activities" stipulates that banks must: 1) receive and deposit money deposits,
2) grant and draw in loans; 3) carry out computations in accordance with bank and client directions; and 4) provide cash register services.

Banks may also carry out other operations that are not illegal and are provided for in their charters, including all or some of the following operations, such as: 5) maintaining accounts of customers and other banks; 6) providing capital funds with money according to the instructions of the owner of the funds to be used for investment or their disposers; 7) issuing payment documents and other securities (checks, letters of credit, promissory notes, shares, bonds, etc.); 8) purchasing, selling and storing government payment documents and other valuable securities and other work related to them; 9) taking on bail, guarantee and other obligations that imply enforcement in the form of money for third parties; 10) obtaining the right to demand payment arising from the delivery and service of goods, taking at risk the fulfillment of such requirements and their inclusion (factoring); 11) purchasing equipment, vehicles and other assets and transfer them on the

basis of lease terms (leasing); 12) purchasing and selling foreign currencies from organizations and citizens; 13) purchasing and selling precious metals, natural precious stones, as well as objects made of precious metals and precious stones abroad; 14) attracting and depositing precious metals to accounts and deposits and perform other operations related to these assets in accordance with international banking practice; 15) attracting and placing funds according to the assignment of customers, managing Securities and performing other work;

16) offering guidance on banking-related matters. Approximately sixteen banking activities are established under this statute.

According to the Republic of Uzbekistan's law from April 25, 1996, "On Banks and Banking Activities," banks engage in the following banking activities: 1) opening and maintaining accounts for people and legal entities, including representative banks, and settling accounts; 2) drawing deposits; and 3) granting loans in one's own name at the expense of one's own funds and borrowed funds, subject to loan repayment, interest rate, and term.

Other kinds of procedures that banks may do include:

4) managing funds under a contract with the funds' owner or exporter; 5) buying and selling foreign currency in the form of cash and non-cash money from individuals and legal entities; 6) collecting funds, bills, payment, and settlement documents; 7) offering guarantees for the fulfilment of obligations on behalf of third parties; 8) obtaining the right to demand the fulfilment of obligations from third parties; 9) issuing, buying, selling, accounting, and keeping securities, managing securities in accordance with the client; 10) offering consulting and information services pertaining to

banking operations; 11) leasing specific buildings or steel boxes to persons and legal organisations for the storage of papers and other assets; 12) financial leasing; 13) microcredit; and 14) additional activities included in the licence in compliance with international banking standards. About 14 bank activities are specified under this statute.

According to the legislation of the Republic of Uzbekistan “On Banks and Banking Activities” of November 5, 2019, the list of financial transactions carried out by banks includes: 1) attraction of funds to savings (deposits); 2) making payments, including without opening bank accounts; 3) opening and maintaining bank accounts of individuals and legal entities, including Representative accounts of banks; 4) granting loans in one's own name at the expense of one's own funds and attracted funds, subject to the condition of their repayment, interest rate and term; 5) transactions with foreign currency in cash and non-cash forms; 6) trust management of property under an agreement with an individual or legal entity; 7) provision of collection and cash services; 8) to give guarantees and accept other obligations on behalf of third parties, implying the fulfillment of their obligations; 9) obtaining the right to demand the fulfillment of obligations in the form of money from third parties (factoring); 10) Issuing, purchasing, selling securities, keeping their accounts and keeping them, managing securities according to the contract concluded with the client, performing other transactions with them; 11) purchase and sale of refined precious metals, including custody accounts of metals and dispossessed (non-physical) accounts of metals; 12) purchasing and selling precious metal coins; 13) carrying out operations with derivative financial instruments (derivatives); 14) renting out special buildings or safes inside them for storing documents or valuables; 15) leasing; 16) issuing loans in the forms provided for by law; 17) providing consulting services related to financial operations; 18) managing a set of assets (portfolio); 19) issuance, use and payment of electronic money; 20) Issuance of bank cards and processing of payments, joint service of bank cards with other organizations, including other financial institutions and 21) other operations. There are now 21 bank operations that are mandated by this legislation.

We'll talk about the laws governing banking activities in a few more nations. Specifically, the bank may provide all banking services within the parameters of the Banking Law and other pertinent papers in compliance with South Korea's banking regulations. The following are examples of banking services: 1) accepting deposits and savings deposits, as well as issuing securities and other debt obligations; 2) discounting cash loans or notes; and 3) exchanging local and international currencies.

All of the bank's services are available via banking services. The Financial Services Commission must receive a report from the bank seven days prior to the planned launch date if it want to provide the relevant services. Nonetheless, it may

utilise the following services without disclosing them: 1) purchasing promissory notes or guaranteeing payment of debts; 2) mutual preservation; 3) factoring; 4) security deposits; 5) acting as an agent for collection and payments; 6) using the local government credit depository as an agent;

7) paying for e-commerce transactions as an agent; 8) selling and renting banking-related computer systems and programs; 9) publishing books and periodicals on finance and financial education; 10) financial research and enquiries; and 11) other pertinent banking services offered by Presidential Decree [23].

Credit organisations perform the following banking functions in compliance with German banking laws: 1) accepting deposits; 2) lending; 3) purchasing bills and checks;

4) the costs incurred by third parties when purchasing and selling financial instruments on the credit institution's behalf (primary broking services); 5) safekeeping business; 7) the duty to repurchase previously sold credit claims before their term expires; 8) accepting guarantees, guarantees, and other guarantees on behalf of third parties (guarantee business); 9) receiving checks without cash (check collection business), collecting accounts (account collection business), and issuing travel

In accordance with the banking legislation of Kyrgyzstan, the bank carries out the following bank operations in national and foreign currency, directly indicated in the license: 1) attracting deposits on behalf of the client under the terms of the contract; 2) placement of loan funds in one's own name or on the basis of contractual terms; 3) opening and maintaining accounts; 4) making calculations and payments on behalf of clients and correspondent banks and their cash services; 5) issuance, purchase, payment, acceptance, storage and approval of payment documents (checks, letters of credit, promissory notes and other documents), including credit and payment cards; 6) obtaining the right to demand the fulfillment of obligations in cash from third parties (factoring); 7) payment (loss) of a debt obligation by purchasing promissory notes and promissory notes; 8) issuance and placement of debt securities; 9) issuing bank guarantees; 10) making money transfers to customers, including without opening an account; 11) opening and maintaining representative accounts for non-resident banks of the Republic of Kyrgyzstan; 12) carrying out transactions for clients on accounts in foreign currency and on the purchase (exchange) of foreign currency on behalf of the client; 13) purchase and sale (exchange) of foreign currency on behalf of the client; 14) carrying out operations with precious metals (only bank silver, gold, platinum and coins made of these high-quality metals); 15) transactions with derivative financial instruments; 16) electronic money; 17) accepting and performing payments and calculations for goods and services that are not the result of one's own activity in favor of third parties through payment systems based on information technologies and electronic means and payment methods; 18) receiving, processing and providing financial information (processing, clearing) on payments and settlements of third parties for the participants of this processing payment system.

The following activities and operations are permitted for banks: 1) offering guarantees and other obligations to third parties; 2) issuing, purchasing, selling, and storing securities, as well as providing depository services; 3) managing property (apart from money) in accordance with a contract with an individual or legal entity; and 4) renting safes to individuals and legal entities for the storage of valuables.

entities; 5) selling collateral to satisfy bank commitments; 6) investment services; 7) banking-related consultancy services; 8) financial leasing operations;

9) acting as a financial agent; 10) carrying out the duties of an operator offering services to online platforms and other trade and service platforms in compliance with the National Bank's normative legislative acts [25].

According to the Russian Federation's banking laws, banking activities include: 1) attracting funds from individuals and legal entities to deposits; 2) opening and maintaining bank accounts for individuals and legal entities; 3) transferring money to their bank accounts on behalf of individuals and legal entities, including representative banks; 4) cash collection, promissory notes, payment and settlement documents, and cash register services for individuals and legal entities; 5) buying and selling foreign currency in cash and non-cash form; 6) attracting precious metals to deposits by individuals and legal entities; and 7) opening and maintaining bank accounts in precious metals, excluding coins;

8) transferring funds, especially electronic funds,

without creating bank account numbers.

Furthermore, the credit organization has the authority to carry out the following tasks: 1) offering guarantees to third parties that guarantee the fulfilment of obligations in cash; 2) obtaining the right to demand the fulfilment of obligations in cash from third parties; 3) managing funds and other property reliably in accordance with the contracts made with individuals and legal entities; 4) conducting transactions with precious metals, coins made of precious metals, and processed natural diamonds in accordance with Russian Federation law; 5) leasing operations; 6) offering consulting and information services; 7) issuing bank guarantees [26].

The Republic of Kazakhstan's banking laws define banking activity as the carrying out of banking and other activities by the banks listed below. Banking operations include: 1) accepting deposits, opening and maintaining bank accounts of legal entities; 2) accepting deposits, opening and maintaining bank accounts of individuals; 3) opening and maintaining representative accounts of banks and organizations engaged in certain types of banking operations; 4) opening and maintenance of metal accounts of individuals and legal entities by banks; 5) cash operations: receiving and issuing cash by banks and the National Postal Operator, including their exchange, recalculation, sorting, packaging and storage; 6) transfer operations: execution of orders of individuals and legal entities for payments and money transfers; 7) accounting operations: accounting of promissory notes and other debt obligations of individuals and legal entities (discount); 8) foreign currency exchange operations, including foreign currency exchange operations; 9) collection of banknotes, coins and valuables; 10) acceptance of payment documents for collection (except promissory notes); 11) opening (issuing) and confirming a letter of credit and fulfilling obligations under it; 12) issuing bank guarantees that ensure cash performance by banks; 13) issuance of bank guarantees and other obligations for third parties, which will be fulfilled in cash by banks. Additionally, banks may purchase, accept as collateral, account for, store, and sell refined precious metals (gold, silver, platinum, platinum group metals, and coins made of precious metals) in bulk; 2) purchase, accept as collateral, account for, store, and sell jewellery containing precious metals and precious stones; 3) perform promissory note operations, including accepting promissory notes for collection, providing services for payer payment of promissory notes through mediation; 4) issue their own securities (apart from shares); and 6) factoring operations, which entails obtaining the right to demand payment from the buyer of goods (including shares).

7) trust operations: money management, interests, and claims on bank loans and refined precious metals on behalf of the principal; 8) safe deposit operations: services for the storage of securities issued in documentary form, documents, and customer valuables, including safes, lockers, and building rentals [27]. 9) forfeiting operations: payment of the debt obligation of the buyer of goods (works, services) by purchasing a promissory note without circulation for the seller.

Commercial banks play a major role in the economy's payment system in any nation with a market economy. Through the development and reform of our nation's payment system, commercial banks are playing an increasingly important role. Commercial banks may also engage in financial and foreign currency market activities, such as issuing, placing, and buying securities, as well as offering their customers a variety of information and counsel. Based on the aforementioned duties, commercial banks carry out the following activities: passive operations; active operations; banking services and broking operations; they carry out bank operations and other kinds of operations at their own cost funds.

Conclusions

In the Republic of Uzbekistan, anybody is able to start a bank, including both resident and non-resident physical and legal organisations. The Act defines a variety of standards for creating banks based on the primary duties and responsibilities of banks, enhancing financial responsibility, and considering the rights and interests of consumers.

These requirements can be broadly categorised into five groups: the first is for founders; the second is for bank employees; the third is for financial resources; the fourth is for bank buildings, equipment, and programs; and the fifth is for organisational documents outlining participant rights and obligations.

The Republic of Uzbekistan's banking law should specify the conditions for founders when establishing a bank as well as the procedures for operating branches of international banks.

A joint-stock company is the organisational and

legal form of banks as defined by the laws of developed nations and the Commonwealth of Independent States. The choice of this form is demonstrated by the transparent operation of society, the protection of customers' rights and interests, and the attraction of financial funds through actions.The quantity and number of papers needed to create a bank vary depending on the banking laws of developed and CIS nations; typically, the licensing agency has the ability to request extra documents.

The definition of a bank transaction is as follows: financial transactions involving the execution of funds, securities, payments, currencies, and other services carried out under a licence granted by the Central Bank constitute banking transactions.

It is suggested that the Law "On Banks and Banking Activities" include the following new banking operations: 1) Carrying out the duties of an operator offering services to online platforms and other trade and service platforms in compliance with the Central Bank's regulatory legislative documents; 2) leasing and selling computer programs and systems used in banking operations; 3) publishing books and magazines on finance and financial education; 4) carrying out surveys and financial studies; 5) forfeiting activities; and 6) selling assets to settle bank debts.

References

1. Bank Huquqi, Yo'ldoshev M, Tursunov Y. Moliya Nashriyoti, Toshkent, c2007, p. 113-116.
2. Zulyarov A. Huquqi Bank. O'quv qo'llanma. Toshkent: Toshkent Islom Universiteti Nashriyoti, c2001, p. 70.
3. Erdonayev AXE, Xudoykulov UCh. O'zbekistan Respubikasining Markaziy banki to 'g'risida hamda Banklar va bank faoliyati to 'g'risidagi qonunlariga sharhlar. Oxunov RO. Toshkent: O'zbekiston, Mas'ul Muharrir, c1998, p. 85-88.
4. O'zbekiston Respublikasi Bank Huquqi, Xojiyev E. Darslik. TDYUI, Toshkent, 2011, p. 68.
5. Adik Li. O'zbekiston Respublikasi moliya huquqi. Darslik. Toshkent: c2006, p. 346.
6. The People's Republic of China's Commercial Bank Law [Internet]. Accessible at http://www.iolaw.org.cn/global/en/showNews.aspx?id=31824
7. The Swiss Federal Act on Banks and Saving Banks [Internet] (as of August 1, 2021). The Banking Act of South Korea is accessible at https://assets.kpmg.com/content/dam/kpmg/ch/pdf/ch-banking-act-en.pdf. No. 19261 [Internet], March 21, 2023. accessible at https://elaw.klri.re.kr/eng_service/lawView.do?hseq=62 461&lang=ENG
9. Singapore's Banking Act [Internet]. https://sso.agc.gov.sg/Act/BA1970?ProvIds=P13-#pr10A-
10.Finanzdienstleistungsaufsicht [Internet] Bundesanstalt. Accessible at https://www.bafin.de/SharedDocs/Downloads/EN/Aufsi chtsrecht/dl_kwg_en.html
11. Germany's Banking Act (Gesetz für das Kreditwesen) [Internet]. Accessible via: https://www.bafin.de/SharedDocs/Downloads/EN/Aufsi chtsrecht/dl_kwg_en.html 12. 13.Zulyarov A. Bank huquqi is accessible at https://online.zakon.kz/Document/?doc_id=10039
31. O'quv qo'llanma. Toshkent: Islom University of Nashriyoti, Toshkent, c2001. p. Eight.
14. Bank Huquqi, Yo'ldoshev M, Tursunov Y. Moliya Nashriyoti, Toshkent, c2007, p. 43.
15. Adik Li. O'zbekiston Respublikasi moliya huquqi. Darslik. Toshkent: c2006, p. 336.
16. O'zbekiston Respublikasi Bank Huquqi, Xojiyev E. Darslik. Toshkent: Davlat Yuridik Institute, Toshkent, c2011, p. 12.
17. Bank Huquqi, Raximova OO, Bozarov ShT. O'quv qo'llanma. Toshkent: c2000, pp. 21–22.
18. Kurbatova AY. [Banking Law of Russia]. Moscow: Yurait; c2014. p. 48.
19. Sherstobitov AE. The legal status of banks and other credit institutions. In: [Legal Regulation of Banking Activities], Moscow: YurInform, c1997, pp. 17–19.
20. Fundamentals of Banking Law: Course of Lectures by Oleynik OM. Moscow: Yurist, c1997, p. 23.
21. Efimova LG. [Banking Law]. Moscow: BEK; c2021, p. 32-34.
22. Guznov AG, Rozhdestvenskaya TE. [Banking Law]. VSHE, Moscow, 2024, p. 326.
23. The South Korean Banking Act. No. 19261 [Internet], March 21, 2023. The Banking Act of Germany (Gesetz des Kreditwesen) is accessible online at https://elaw.klri.re.kr/eng_service/lawView.do?hseq=62 461&lang=ENG 24. The Law of the Kyrgyz Republic No. 93 on Banks and Banking Activity is accessible online at https://www.bafin.de/shareddocs/downloads/en/aufsicht srecht/dl_kwg_en.html 25. The URL is https://www.nbkr.kg/index1.jsp?item=42&lang=rus 26.[Federal Law of the Russian Federation No.

395-1 on Banks and Banking Activity] [Internet]. The Law of the Republic of Kazakhstan No. 2444 on Banks and Banking Activity is available at https://legalacts.ru/doc/FZ-o-bankah-i-bankovskoj-dejatelnosti/glava-i/statja-5/27. Accessible at https://online.zakon.kz/Document/?doc_id=1003931