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Prospects for the Advancement of Electronic Currency in the Republic of Uzbekistan

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Annotation: Payment mechanisms for services and products are swiftly advancing in the realm of e-commerce. Continuous innovation is enhancing the efficiency and convenience of payments for consumers utilizing internet platforms. Merchants profit from enhanced processing navigation systems that facilitate the management of currency discrepancies, tax regulations, and fund transfers.

Key words: payment methods, innovation, tax, e-commerce, online transactions.

Introduction.

N. Philipps and M. Anderson proposed that money ought to be regarded as a flow of information. The examination of money as a medium of exchange indicates that it constitutes a flow of information, yet in financial theory and practice, money is necessitated to be a rewardable asset. T. Smitin contends that, although he characterizes the medium of exchange as an electronic impulse and a "interest-bearing asset," the progression of innovations does not necessitate a reevaluation of the principles of monetary theory; the specific form of the medium of exchange is not a significant monetary issue. Smitin's result is unsurprising, as it validates the conventional disinterest of researchers in payment systems and affirms that monetary theory and alterations in payment systems have typically been examined in isolation from one another.

Methodology

E-commerce is experiencing growth, leading to a rising need for digital payment services. Where demand exists, supply is also present. Consequently, the present moment is opportune for developing wallet applications. Mobile and internet digital wallets are an emerging concept, currently in its nascent stages, with significant potential for future development.

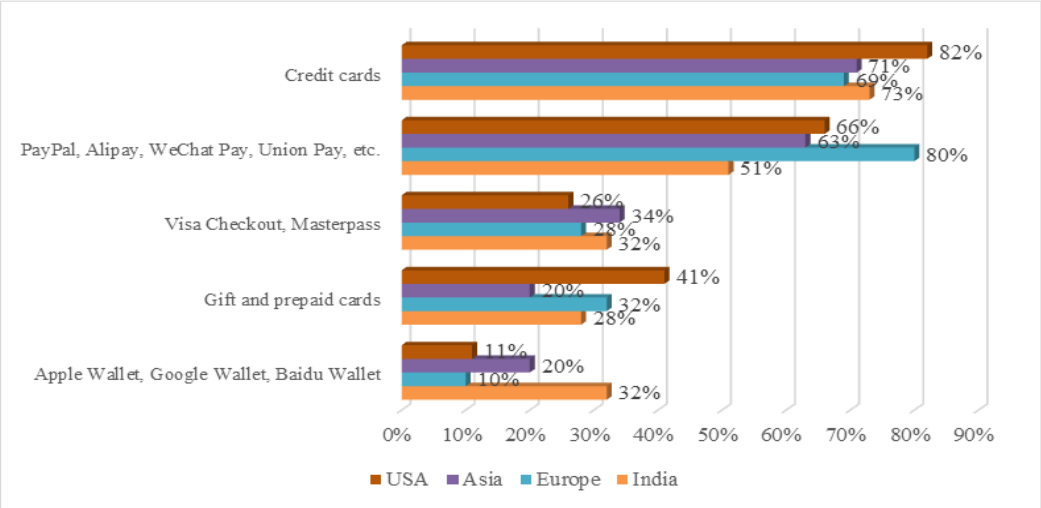


Figure - 1 globally by region, preferred online retail payment methods in 2023

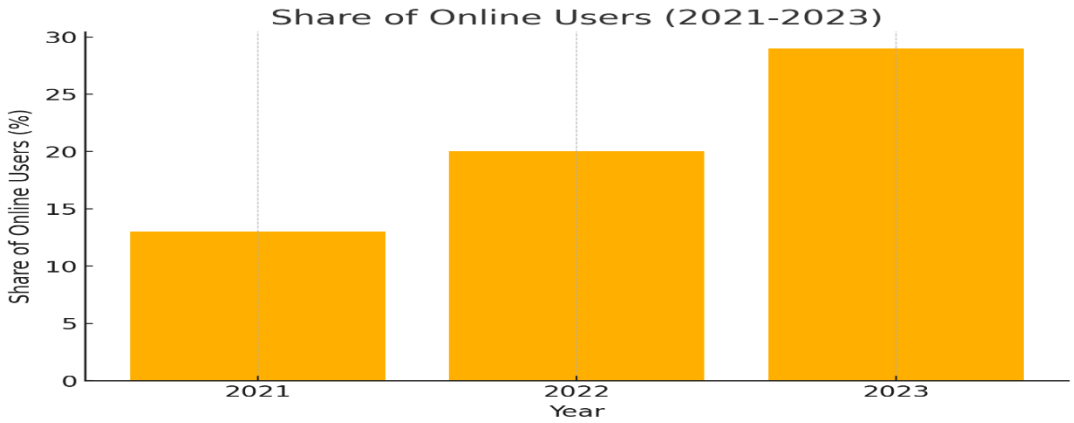


Figure - 2. 2% of online users who paid online purchases using mobile payments or a digital wallet

This demand arises from the swift advancement of e-commerce. Confirmation constitutes an additional infographic.

The subsequent figure illustrates that in 2023, the worldwide e-business retail sector experienced growth amounting to $4.28 trillion, with future revenue anticipated to increase to $5.4 trillion during the next two years. E-commerce is among the most prevalent internet activity globally.

Before delving into the specifics of e-wallet application development, it is essential to comprehend the many sorts of e-wallets.

1. Seller's electronic wallet. Retailers have begun developing proprietary e-wallets to streamline the purchasing and payment experience for their customers. They can also retain discounts and coupons relevant to numerous products. This strategy is effective for secure transactions and enhances customer engagement and loyalty. The Scan & Go app by Walmart exemplifies a premier digital wallet.
2. The customer only scans the barcode on the merchandise, and the corresponding amount is automatically deducted from the account. Electronic wallet for financial entities Financial organizations and banks may create proprietary e-wallet applications to enable microtransactions. This is beneficial for cardholders of this financial institution.
3. Digital wallets for cards This form of eWallet program can be comprehended by examining Google Pay and PayPal. The user is required to associate their debit or credit card with these applications. Payments may be executed using these applications with an associated debit or credit card. This payment option is among the most secure, as it does not require the entry of your CVV number or account information during transactions.

Payment is executed by the sum deposited to the e-wallet account. Diverse categories of mobile e-wallet applications Restricted electronic wallets: This wallet permits purchases just for products associated with that specific application. Other online transactions cannot be conducted with closed e-wallets. Semi-closed electronic wallets: These offer enhanced flexibility for users. Users can transact at many stores that are affiliated with or have agreements with an e-wallet company. Open e-wallets: These applications are compatible with all devices, facilitating numerous transactions with various companies via a single platform. These are the most frequently utilized e-wallets. Diverse transactions conducted via the mobile wallet Online trade payment: the process of executing a payment via the internet, resulting in the issuance of a transaction receipt.

Mobile P2P money transfer: a transaction executed from one linked user account to another account. This technology facilitates instantaneous fund transmission without supplementary effort. Point-of-Sale Payments: When a consumer acquires a product directly from a retail establishment and remits payment via mobile technology. Prevalent Methods to Enhance Mobile Wallet POS Transactions The encrypted QR code is saved in the cloud by the company. The user merely needs

to scan the code to complete the payment. This strategy is more prevalent. Starbucks exemplifies a corporation that offers a QR code for payment.

NFC (Near Field Communication): This approach facilitates payment with a contactless chip. When the payer's device nears the recipient's device, the transaction can be finalized. Smartphones equipped with Bluetooth 4.0 capable of interfacing with external BLE transmitters are referred to as Beacons. This is an excellent payment mechanism that functions offline as well. The POS terminal autonomously acquires the user's card information and executes the payment transaction. This is an efficient payment technique.

Payment Applications: These are mobile e-wallet applications, including PayPal, Alipay, Venmo, and Google Pay, that are user-friendly and safe. A rising trend among local providers is the adoption of payment applications, with individuals increasingly favoring cashless transactions. The primary objective of the eWallet application is to address the security issues related to online transactions.

Certain users believe that doing online transactions jeopardizes the security of their personal account information. They are apprehensive that their gadget may be misplaced or that their account could be compromised. eWallet applications employ a method called tokenization to address these difficulties. This technique generates a nonce or one-time PIN (OTP) for the user whenever a transaction request is initiated. This OTP is dispatched to the user whose account information is indicated in the e-wallet account.

Consequently, the transaction cannot be finalized until the user inputs the number. The service provider governs the creation and detokenization of tokens. Tokenization can be accomplished in three distinct methods: The tokenization approach is employed to acquire information updated by the user during online payment transactions or account activities. Merchants are unable to interpret account or card information because of tokenization. The card data is encrypted and subsequently transformed into a token resembling a mixture of several characters.

Upon the card's passage through the point of sale terminal, tokenization is implemented for security purposes. Tokenization is employed to safeguard sensitive information including Primary Account Numbers (PANs) on devices (Apple) or in the cloud (Android). Advantages of tokenization The subsequent advantages of tokenization are as follows: E-wallet applications fulfill all criteria for secure transactions. This ensures the security of your data. As a representative of a financial institution or an online retailer, you are accountable for safeguarding consumer data. Tokenization mitigates the danger of data exposure. Tokenization enhances security by requiring a password for site access.

Result and discussion.

This fosters trust among consumers. Upon receiving a nonce, individuals possess a mental assurance regarding the security of their account. Due to advancements in mobile application development for e-wallets, there has been significant growth in organizations across several sectors: Retail and E-commerce Sector: The majority of individuals utilize online payment methods for digital transactions.

EWallet applications readily offer coupons and promotions from diverse retailers. Banking and Finance: E-wallets facilitate seamless money transfers between accounts and enable the execution of numerous daily banking activities from the comfort of home. These applications also alert you to any recent service-related modifications. To enhance the liberalization of foreign exchange transactions amid the COVID-19 pandemic, it is essential to establish a mechanism for utilizing nominal currency wallets within the mobile applications of commercial banks for the immediate conversion of foreign exchange transactions upon receiving money transfers via the Golden Crown service. This would consequently facilitate an increase in the number of consumers of remote commercial banking services. Secondly, it would draw supplementary funds by imposing a commission on users of bank cards from other commercial banks. Sector of Delivery and Logistics: The prominent taxi industry is currently benefiting from the convenience of transactions

via the eWallet smartphone application. The food and restaurant sector: numerous restaurant and café chains offer clients the option to pay via e-wallet applications.

Expanded capabilities of mobile e-wallet applications The e-wallet mobile application development firm assures the incorporation of the following features during the creation of the e-wallet application: Promotional Instruments: It must be capable of monitoring coupons and rewards provided by merchants and retailers. This is crucial for enhancing the consumer experience. Promotions and discounts can be shown on the homepage, allowing customers to capitalize on them directly. Upon the successful implementation of the e-wallet application, many brands may reach out to the owner to offer discounts and promotions for their products. Digital Receipt: Upon finalizing a transaction, the user is to obtain an electronic receipt. It is essential for clients to have a receipt for bill payments, which also enhances the seller's credibility.

This assists consumers in monitoring their expenditures and enhancing management thereof. App proprietors should receive notifications pertaining to income flow via their account. Notifications may also pertain to any recent modifications or announcements sent by the application. Advantage of the Loyalty Program: E-wallet software may additionally provide loyalty schemes. This may involve accruing points for a transaction or receiving cashback via scratch cards. Customer Support: Users should receive assistance for any inquiries they may have. To enhance user comfort, chatbot help can be incorporated. Transactions must be safe and authorized when conducted via the e-wallet application. This constitutes the primary aspect of e-wallet application development. Intuitive Dashboard: The application dashboard must be accessible and furnish the administrator with real-time analytics. Billing alternatives: The eWallet application must provide various billing options for electricity, gas, telecommunications, etc.

These possibilities have gained significant importance as individuals seek to circumvent queuing for bill payments wherever possible, with a single click. Certain transactions, such as monthly bill payments, must be executed at regular periods. The eWallet application ought to notify the individual of the deadline. This is advantageous for companies, as it guarantees prompt payments from clients.

Location-Based Services: E-wallet programs include the capability to identify your location and deliver services accordingly. This may involve advertising promotions at a local restaurant or fuel station. Payment alternatives: When the user intends to make a payment, multiple options should be presented, including credit card and debit card. The aforementioned functionalities are essential for any advanced e-wallet application. Regardless of whether you are a business seeking expansion or a consumer in need of a convenient payment solution, it is imperative to verify that the e-wallet application you select possesses these attributes. An examination of the features indicates that the advancement of e-wallet applications is a pressing endeavor and will continue to hold significance in the future. It is advantageous for a business to create its own e-wallet application in collaboration with an e-wallet application development firm. To validate or contest the study's findings, the author administered an anonymous online survey using Google Forms. The selection criteria included 192 interviewees aged 21 to 24, all receiving a minimum income via scholarships. A substantial proportion of third and fourth-year students were employed full-time. Notably, the majority of respondents were identified as highly active Internet users.

Conclusions

Upon analyzing the statistical data from the survey, we reached the following conclusions: each individual in this sample possesses a varying degree of understanding about electronic money. Simultaneously, there is a preference for other non-cash payment options, particularly bank cards. About one-third of the respondents have never utilized electronic money, whilst the majority have employed it at least once throughout their career. The majority of responders utilize electronic money seldom, only once or twice annually. Nonetheless, the majority do not maintain a monetary balance in their wallets and simply replenish their electronic wallets when necessary, primarily to make payments for an Internet connection costing approximately 1000 soums.

They predominantly utilize the Qiwi operator and possess a minimum of one registered electronic wallet within this electronic money service.

Consequently, we can conclude that electronic money remains the least favored among various forms of non-cash payments, utilized sporadically and as needed. The primary criterion for selecting a remote payment method, based on the study's findings, is convenience. The respondents' answers clearly indicate that electronic payments are rationally utilized, as the majority intend to continue using electronic money in the future. However, they are not prepared to exclusively adopt electronic wallets as their sole method of cashless payments. This hesitation stems from the evident disparity in the availability of service points, with significantly more locations accepting bank cards than those that accept electronic money. In terms of convenience, both bank cards and electronic money are relatively comparable.

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