

**PROBLEMS OF DEVELOPMENT OF ELECTRONIC COMMERCE OF FINANCIAL SERVICES****Nuralieva Mukaddas Mamurovna, teacher****Tashkent Institute of Finance****Abstract:**

This article discusses the problems of creating and developing financial services on the Internet. The e-commerce industry was chosen because the implementation of economic activities on the Internet makes it more profitable and more efficient. The relevance of this topic is due to the fact that a new sector has arisen in the world economy - e-commerce, which is gaining more and more practical significance.

**Key words:** e-commerce, e-commerce, e-business, Internet technologies, information interaction, financial services, interactive business, information economy.

**Introduction**

One of the most common definitions of e-commerce is as follows: e-commerce is the exchange of goods and services using electronic means of communication between a buyer and a seller. This article uses this term, and the concepts of "e-business" and "e-commerce" are considered synonymous. The Internet has become the medium for the networked economy. The networked economy is becoming the beginning for e-commerce. E-commerce is the same entrepreneurial activity, the same financial services, but in which the opportunities of information and telecommunication technologies are used for the purpose of making a profit.

A large number of different products and services are currently being sold thanks to e-commerce. This type of service provision gives its members a number of advantages. First of all, it enables the smallest companies to have a presence on the market, despite their territorial location. Also, e-commerce increases the competitiveness of companies. With the help of e-commerce, firms and companies can provide detailed and accessible information about all their products and services in real time.

**Literature review**

In the economic literature, concepts such as "e-business", "e-commerce" and "e-commerce" are interconnected. The definition of e-commerce is given by the United Nations Conference on Trade and Development (UNCTAD) and is presented as follows: "E-commerce" means all forms of transactions related to the commercial activities of organizations and individuals, which are based on the processing and transmission of digital information, including texts, sounds and visual data "

B. Kleindl considers e-commerce as "the practice of attracting to transactions on the Internet", as well as "the use of electronic information systems in order to attract transactions and online commerce. Includes automated website purchases. "

Kozina I.A. in his work "Information and organizational model of operational control of key business processes and financial indicators of the enterprise" states that one of the most important elements of e-business is e-commerce (from the English. electron-iccommerce, e-commerce, EU). Definition of the concept of "e-commerce" Y. Solovyanenko: E-commerce is any type of business operations and transactions involving the use of the most advanced information technologies and communication means in order to ensure higher economic efficiency in comparison with traditional types of commerce.

**Analysis**

You can flexibly respond to any change in consumer demand, and, as you know, the elasticity of demand on electronic markets is significantly higher than on real trading floors. It is the Internet that makes it possible to quickly respond to any changes in the external environment.

The main reasons that are important barriers to the development of e-commerce include:

1. A small circle of Internet users in some countries, most of whom are not keen on shopping on the Internet. But every year more and more people use the Internet. People under 35 still account for more than half of the Internet audience, but their share is declining. Children and young people are the largest among Internet users in small towns and rural areas, and older people are among the users of large cities.

2. Information congestion and chaos of numerous sites. All of this makes it difficult to attract and retain potential customers. The user often cannot find the necessary information, the product or service that interests him. All this leaves his need unsatisfied, and the time spent searching among the large flow of information turns into costs. This is information about the price, which should be acceptable, information about the characteristics of goods and services, information about the sellers themselves.

3. Security of financial transactions and transmitted information that is confidential. Recently, payment for purchases using credit cards is gaining popularity. This method of buying is not safe, because to transfer money for goods, you must enter the card details, which, unscrupulous market participants, can use for personal purposes. You can also use electronic payment systems to pay for online purchases, which make all settlements with sellers on their own. In this case, the seller does not receive any information about the buyer's details at all. The funds are simply transferred from the buyer's account to the seller's account. In order to minimize threats to e-commerce security, reliable and effective mechanisms must be used to guarantee confidentiality, identification and authorization.

4. There is no development of the regulatory and legislative framework, as a result of which there is a problem of protecting intellectual property rights for a product or service that is implemented in the framework of e-commerce, as well as problems of a financial and contractual nature. As a result, there is distrust on the part of investors, potential buyers, and the pace of development slows down.

5. Skill shortages have proven to be one of the most challenging challenges facing the emerging e-commerce industry. This includes all key roles, from CEOs and project managers to e-marketing and IT professionals and executing teams. This leads to the lowest quality of the services they provide. The shortage of qualified workers in the market stimulates the rapid growth of wages, and increases competition between employers in the struggle for employees. As a result, key positions are sometimes filled with insufficiently qualified employees or remain vacant for a long time. Some companies are trying to look for personnel both in the regions and abroad. The demand for skilled employees for e-commerce sites, as well as for other categories of internet sites that are driven by large investments, is likely to continue to grow at the same pace as the growth of the internet and e-commerce markets.

6. Logistics. The unsatisfactory state of the road and rail infrastructure, the poor quality of work of some logistics service providers, combined with the size of the country's territory, create difficulties for those who wish to deliver goods around the world. E-commerce companies, in particular those working with various post offices, often complain about long delivery times or simply lost or stolen packages. However, over the past few years, there has been a significant improvement in the delivery situation with the emergence and strengthening of alternative service providers in the market, offering higher quality of service and shorter delivery times in large and

medium-sized cities around the world. Thus, e-commerce is a positive and promising business direction all over the world. And online commerce is just starting to gain traction. In addition, the business in e-commerce is limitless and very interesting, the ability to develop and the territory of influence of the company will depend only on the desire of the enterprise itself. It is important for entrepreneurs who are just starting out to remember that they need to be careful when starting their own e-commerce business.

In fact, today in our country there is already a system that uses a payment system using plastic cards. But these calculations bypass the banking system, payments are made from card to card, which entails the growth of the shadow economy. On the other hand, buyers are absolutely devoid of elements of financial security. Transfers from card to card are absolutely not protected, and often such transfers are accompanied by a high probability of risks and losses.

What does opening a merchant account give? On the one hand, there are competitive advantages for holders of this type of service, on the other hand, a new source of income for the banking system, a tool to reduce the share of the shadow economy. And for users, convenience, 24-hour service, and risk reduction losses from the use of this kind of payment to a minimum.

How does an acquiring system work? The core of the acquiring system is the processing center (PC), which is an automated information processing system that also serves as a liaison and coordinator between transaction participants. Having our own processing center will reduce operating costs. Moreover, the use of a merchant account allows you to use return transactions if the purchase decision has suddenly changed.

In the Republic of Uzbekistan, there is a National Register of e-commerce subjects - this is a unified electronic bank of information about domestic e-commerce subjects, launched in accordance with the decree of the President of the Republic of Uzbekistan dated May 14, 2018 No. PP-3724 "On measures to accelerate the development of e-commerce".<sup>1</sup> For those entrepreneurs who are interested in registering in such a register, there is an exemption in the payment of a single tax on goods turnover from 5% to 2%. The condition for entering the National Register is the turnover, which should consist of 80% of goods and services provided through e-commerce. Thus, you can interest potential buyers to use a merchant account and conduct an officially registered business. Among other advantages, it is possible to scale the business by increasing potential customers and officially participating in e-commerce.

Business process outsourcing allows you to find opportunities to improve the efficiency of e-commerce and reduce economic risks. Outsourcing is a process in which part of certain operations in the general flow or production functions is transferred to another company that is a professional in this particular area. The very concept of "outsourcing" was developed and adopted in 1989 to define a new management system. Eastman Kodak has hired other companies to speed up the processing of data, giving them some of the work to operate their systems. In the theory and methodology of outsourcing in the 20-30s of the twentieth century, outsourcing is considered as an example of the first management models at Henry Ford factories. German scientists say that they "gave up" outsourcing as a way and an opportunity to further increase the volume of production in the 1950s of the twentieth century. The eighties of the twentieth century were a period of testing for American and Western European companies. The fact is that it was during this period that the staff of many trading companies was "inflated" to a gigantic scale, it was necessary to completely change the management system and the efficiency of using the existing personnel. It was during this period that outsourcing as a model for more efficient use of qualified personnel began to be used at enterprises in the United States and in European countries. There are several reasons why a financial services company or enterprises should move to new management

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<sup>1</sup> <https://e-tijorat.uz/>

systems, namely outsourcing.

**Table 1**

**Possible resource advantages of the outsourcing company <sup>2</sup>**

<b>Resource</b>	<b>Created benefits</b>
Manufacturing technologies	The outsourcer has the necessary production and technological infrastructure allowing create a competitive brand.
Geographic opportunities	Regions with favorable environmental conditions, as well as socio-geographical advantages (cheap labor, preferential taxation) are considered.
Professional resources	Trained and experienced professionals who are qualified
Innovative resources	Non-proprietary results of innovation (unique software, technologies, patents and licenses to perform work) and the acquisition of intellectual property
Financial and administrative resources	Effective project management (attracting investments, activating economic processes, reducing the payback period, taking into account the results)

Table 1 shows the resource capabilities of companies that in the future may be hired as outsourcing companies. In order to define outsourcing models, it is necessary to analyze the relationship between the diversity and characteristics of the transferred functions.

**There are two main outsourcing models:**

1. Full outsourcing (the right to perform operations from the beginning to the final result is transferred)
2. Partial outsourcing (the right to perform a certain number of operations is transferred, the final product may not yet be brought to the final result, however, the work done is part of the business process)

Recently, the number of Internet users has been steadily growing, and, of course, the expansion of the use of new information technologies based on various fields of activity: e-commerce, electronic exchanges and currency exchange, new banking technologies, insurance, etc. community, and for the Republic of Uzbekistan. For greater penetration of technologies into the life of our society, the government has developed the Ragamli Uzbekistan-2030 program, the goal of which is to create favorable conditions for the further transformation of old traditional activities into digital ones and the development of e-commerce in our country. However, naturally, with the development of new technologies, new risks arise or the appearance of old risks changes, and as a

<sup>2</sup> Developed by the author

result, the need for insurance is formed. In this regard, insurers have a need to develop and implement innovative types of insurance, taking into account the specifics of this activity.

With regard to e-commerce and the likelihood of reducing risks in this area of activity, the problem of computer viruses and illegal use of computer networks cannot be ignored. According to Axent Technoligies, 90% of the top commercial websites are vulnerable to hacker attacks.

In recent years, they have appeared in more than 50,000 cases, with a total loss of at least tens of billions of dollars. E-commerce risk insurance can be included as a natural complement to electronic equipment and data protection practices. Leading insurance companies in the world (primarily America) have already begun to actively develop this area. The NetSecure program offered by insurance broker MarshInc is one of the most popular programs in this area. NetSecure's maximum coverage is \$ 200 million, and the policy provides for damages due to network outages and inability to use the insurer's website. Also available is Lloyd's Police, under which it receives insurance guarantees to cover damage caused by hacker attacks, by prior agreement with the insurance company that bought the protection (now Counterpane Security Inc.). With a premium of \$ 20,000, the insurer pays the insurer up to \$ 1 million per year, and with a premium of \$ 75,000, coverage increases to \$ 10 million. An interesting fact is that an insurance contract can include a full range of services, including technical support, acting as a guarantor of reliability and safety in the field of e-commerce. The aforementioned insurance company, which is an intermediary in the world of the insurance industry, MarshInc works with Internet Security Systems and Protegrity, which have enormous experience in providing this kind of financial services and is the developer of standards for this kind of insurance. A potential insurer who buys all equipment believes that the technical support it uses in e-commerce, as well as the provision of appropriate programs, meets the requirements, and therefore may require a discount of 10 to 18% of insurance payments. This contributes to the application in the development of such technologies for the protection of any kind of data related to financial services in electronic business, which are fully consistent with the spirit of the times and are completely technically modernized. **Conclusions:** One of the priority areas for the development of financial services in Uzbekistan is to increase the participation of e-commerce. Increasing the activity of self-government bodies will allow introducing market methods for regulating the national financial services market in e-commerce, improving the mechanism of state regulation of investment activities of financial services companies, and intensifying investment processes in the state..

The main task of the state insurance supervision in the country is the development of competitive market mechanisms that affect the behavior of all market participants, insurers and consumers of insurance services. In this regard, insurers need to develop and implement innovative types of insurance, taking into account the specifics of this activity. It is recommended to apply modern insurance methods to eliminate cybercrime, ensure the confidentiality of data and funds while maintaining their value. To ensure the continuity of business processes in e-commerce, the country has developed a mechanism for insuring risks when introducing e-commerce.

**Conclusion.** Choosing e-commerce as the main source of income, he must clearly assess the capabilities of the target audience of the market he plans to enter and, of course, his capabilities.

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