

## Development of Innovative Financial and Loan Services

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### *Abstract*

*The article is devoted to the characteristics of the factors that hinder the development of innovative financial and credit services provided by financial institutions. The conditions are presented, which will contribute to the development of innovative services of financial institutions.*

**Keywords:** *financial innovative services, financial institutions, financial stability, modernization.*

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The innovative development of the country as whole, in particular economic entities largely depends on the stability of the development of the economy, and on stimulating its development. However, investment development is constantly faced with factors that affect the demand for innovative development. The latter largely depends on the existence of an effective policy, the creation of a favorable innovation climate for the influx of innovations. Therefore, the solution of this issue depends on financing innovative development, attracting private capital, stimulating the investment activity of the private sector with the attraction of foreign capital in the innovation environment, and involving small businesses in innovation activities. At the same time, it would be appropriate to use financial mechanisms for regulating innovation activity, primarily through incentive mechanisms with various benefits and preferences in the form of deferrals, tax incentives, tax credits, accelerated depreciation [1].

Studies carried out in recent years have led to the following conclusions:

To date, financial and credit organizations and their local branches have taken a number of measures to restore the economy of the system and strengthen intra-system relations, revive and develop services.

At individual organizations and enterprises of the financial and credit system and their local branches, these measures have already yielded positive results.

The financing of innovative financial and credit services becomes especially relevant for ensuring innovative development.

However, in many respects their activity does not meet the requirements of today and lags behind in its development.

At present, the services of financial and credit institutions represent a very heterogeneous picture. Some territories are quite developed economically, others are in a very difficult position.

There are a number of serious problems in the development of services, in particular, innovative financial and credit institutions and their local branches:

1. The services of financial and credit institutions, being in fact an important part of the market infrastructure, were not included in the number of participants in the implementation of the Concept for the Sustainable Development of Innovative Services and the Program of Priority Measures for Providing Quality Services to Clients.

Thus, they were deprived of the opportunity to participate in the implementation of measures adopted by the state and, accordingly, receive preferential support within the framework of projects for the development of innovative services.

2. The civil legislation of the Republic of Uzbekistan refers certain types of services (production, consumer) to different types of organizations: production - to commercial; consumer - to non-commercial.

This does not allow financial and credit institutions to freely participate in the organization of services for raising borrowed funds, use the opportunities provided by the state services to small businesses, and narrows the range of sources for raising initial capital, prevents the full observance of the financial interests of customers, preventing them from acting as a guarantor for attracted customers loans to expand the activities of innovative services.

At the same time, the law enforcement practice of the norms of the tax and other legislation of the republic provides for the application by the financial and credit institution of the norms established for the assessment of services that are not officially recognized, which contradicts the

provisions of the Civil Code of the Republic of Uzbekistan.

3. The issue of the VAT calculation procedure used in the implementation of innovative services by a client - a subject of various sectors of the economy and individuals remains unresolved.

The current procedure for calculating VAT does not contribute to the interest of financial and credit institutions in providing innovative services to clients.

Financial and credit institutions, not falling under any state program to stimulate innovative services, are obliged to add to the services the amount of the established amount of VAT, which leads to an increase in the price of services. In the face of intense competition, they are forced to sell innovative services at low prices, and thus suffer unjustified losses.

In the context of the global financial crisis and the crisis caused by the coronavirus pandemic, financial and credit institutions are experiencing serious problems in the preferential pricing policy for services.

The development of specific tools for such a policy is directly determined by the specifics of the financial, economic and innovative development of the economy. Concerning this issue, individual economists identify specific methods and forms of regulation of the innovation system that do not differ from each other in the context of the economic territories of the country [2]. For example, the administrative-territorial form manifests itself in the form of direct financing, carried out in accordance with legislative acts adopted in order to directly promote innovation. However, the program-targeted form of regulation of innovations involves specific funding through targeted innovation support programs [3]. Along with direct methods of supporting innovation activity, indirect methods are used. They are implemented after the adoption of legislative norms with the subsequent focus on stimulating innovation processes in order to create a favorable socio-economic climate for the development of innovative activities of economic entities.

These problems are directly related to the imperfection of the tax legislation of the republic, which does not prescribe the payment of tax on income (profit) from the results of innovative services provided. To solve this problem, it would be of great importance to study the tax system of market-developed countries [4].

An important factor in the development of innovative services is the fulfillment of the following conditions:

1. Reconstruction of existing and restoration of previously closed innovative enterprises.
2. Modernization of financial and credit institutions, introduction of new technologies, equipping them with modern equipment.
3. Differentiation of innovation and service policy, expansion of types of services, taking into account cost intensity and turnover, expansion of the list of services provided - repair of equipment, clothing, footwear, cutting of fabrics, photo services, etc.
4. Development of a mechanism to stimulate innovative services through non-price factors: cost-free word of mouth advertising, use of local press, television, direct mail advertising

The strategy includes:

- exit fairs, demonstration of types of services in action;
- exhibitions for the sale of services, tastings, sale of services with offsets, awards, gifts to customers;

- Carrying out competitions for services on credit, accepting applications from customers, home services, and expanding guarantees to customers.
- 5. Restoration of a special image of financial and credit institutions through the opening of cafeterias, library corners in them, the sale of high-quality environmentally friendly services.
- 6. Organization of services for budget organizations and institutions of administrative and economic territories (hospitals, kindergartens, boarding schools, etc.).
- 7. Implementation of marketing training for managers and specialists of financial and credit institutions.

It follows from this that a stable financial condition is the main and necessary condition for the normal development of budgetary organizations (institutions). At the same time, it should be taken into account that the most important elements of the innovation process, according to domestic economists: J.R. Zaynalov, S.S. Aliyeva, is the choice of an object of innovative services that can provide stable competitive advantages of financial and credit services, often strong positions of financial institutions at the level of administrative and economic territory, with a concentration of innovatively developing economic entities, personnel supporting institutional structures, suppliers, customers, consumers. Innovative services (products) [5], [6].

Therefore, a clear financial strategy is necessary both separately and in general for financial and credit organizations (institutions).

Topical in the field of increasing financial stability are:

- ✓ Issues of formation of financial resources.
- ✓ Investment strategy of governing bodies.
- ✓ Strategy for ensuring the efficiency and safety of financial resources; organization of internal control, increasing the role of control bodies.
- ✓ Raise quality of financial management: selection of high-quality financial top managers, chief accountants and economists, ensuring decent remuneration for their work.

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