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ANALYSIS AND ASSESSMENT OF FINANCIAL INCLUSION IN FINANCIAL INSTITUTIONS

Summary

The article uses the current exchange rate, the government can intervene financially to change the financial course in the right direction. As a result, the organization is the first legal entity in history to ensure the proper functioning of financial markets and the protection of the rights of investors and policyholders.

Key words: inflation, financial system, world market, exchange rate, banking, integration, analysts

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Intradaction

Economic reforms are being successfully implemented to strengthen the climate of trust between the banking sector and the real economy, increase transparency in financial services and accountability, and establish a control mechanism to support digitalization. The State Register of Real Estate Encumbrances, the Azerbaijan Credit Bureau and the Mortgage and Credit Guarantee Fund have been established to ensure the financial sector's optimality, competitiveness, innovation, and a business model and strategy based on sustainable and long-term goals against the background of growing risks. The formation of these institutions also eliminates information asymmetries and can make financing conditions more favorable for both the bank and the real sector.

The Law of the President of the Republic of Azerbaijan No. 667 VQD of May 2, 2017 "On Encumbrance of Real Estate" was adopted in order to serve to increase credit availability with the increase in the range of collateral, to create conditions for the

participation of investors and issuers in the securities market. Encumbrance of movable property consists of state, municipal and special types of encumbrances and refers to encumbrances, benefits received as a result of the use of the subject of encumbrances on real estate, the amount of compensation paid to the encumber, and others. The main principles of the registry are the capacity of real estate, the disclosure of information on rights to real estate and the definition of priority over secured rights over real estate.

The main benefits of the State Register of Real Estate Encumbrances:

- Easy capitalization of assets in the business environment, especially in the field of small and medium enterprises (SMEs) to increase income and investment;
- Optimizing the availability of credit, thereby ensuring the diversification of ways to deliver financial services;
- Replacement of collateral requirement by alternative means;
- Reduction of loan costs.

It should be noted that movable assets constitute the main capital reserves of

entrepreneurs, as well as SMEs, and thus the diversification of assets of financial institutions through the state register of real estate leads to increased income by strengthening the risk management mechanism and reducing potential risks. In addition, conditions are created to further improve the competitive environment in the banking sector, reduce the level of risk and increase the efficiency of lending. Also, the liquidity of assets, especially receivables (the ability to easily monetize assets) is improving, and the provision of secured loans by non-bank credit institutions in the financial services sector increases competitiveness with the formation of opportunities. Thus, the state register of encumbrances on real estate creates conditions for increasing access to credit, strengthening the control mechanism and reducing credit costs, providing access to more financial resources for entrepreneurs and increasing the number of customers for credit institutions.

The sharp drop in oil prices also responded to the continued depreciation of the currencies of major trading partners in Azerbaijan after 20 years of financial stability and the transition to a floating exchange rate regime regulated by the Central Bank in December 2015. As a result of the successful financial policy of the state, the stability of the financial markets has been established since the second quarter of this year, after the transition to a new regime against the background of the manat's desire to reach equilibrium. For comparison, neither Russia nor Kazakhstan has been able to reduce the temperature of financial markets in such a short time. In the second quarter of this year, reserves increased modestly, as a result of fiscal tightening and monetary support measures, the Central Bank's process of melting strategic foreign exchange

reserves was stopped. Although the weakening of our currency began in the first quarter of this year, given that monetary policy has achieved its main goals and fully controlled the exchange rate of the manat and inflation, the unfavorable situation in world markets has not gone unnoticed by the real sector and banks.

The following measures taken by the government helped to maintain the growth rate of prices:

- ⊗ Production of wheat flour and bread, sale, import and sale of wheat from VAT exemption.

- ⊗ Maintaining stable prices in the commodity markets applied by the Tariff Council (state-registered medicines, electricity, fuel, etc.).

Although there were liquidity problems for commercial banks, declining medium and long-term liquidity in the market had a positive impact on exchange rates, inflation and price stability. Thus, the access of entrepreneurs to financial resources is limited.

Subsequent financial control through the analysis and audit of financial and accounting documents is to assess the results of financial activities of economic entities, the effectiveness of the implementation of the proposed financial strategy, to compare financial costs with forecasts, etc. The control, which is characterized by an in-depth study of the economic and financial activities of enterprises over the past period, allows to identify shortcomings in the initial and current control.

As financial control is one of the management functions, it has general management principles on which public administration and the process of management of a specific enterprise and organization are based. In this regard, the following principles can be distinguished:

- The principle of planning - is determined in advance by the nature of the organization of management and the need to set goals. In this regard, control entities carry out their work on the basis of annual, quarterly and monthly plans for control measures.

- The principle of consistency means that all aspects of the control object and the entire system of its interaction along the vertical and horizontal lines of the control structure must be taken into account when implementing control measures.

- The principle of sustainability - means that all control objects (managed system) are subject to continuous initial operational and periodic follow-up control carried out by control subjects (management system) for a specified period of time, depending on the conditions, nature and characteristics. It provides constant control over the implementation of plans and tasks, takes measures to correct the activity in case of deviations from the regulated values (conditions).

- The principle of legality is based on the Constitution, which ensures that the state, all its bodies (including oversight bodies) operate on the basis of the rule of law and protect the interests of society and citizens.

- The principle of objectivity - predetermines the correct, complete and objective interpretation of the results of control based on the comparison of the content of the audited facts with the laws, main provisions, instructions and orders of the governing bodies regulating the audited activities.

- The principle of independence - determines the inadmissibility of any violence, material or moral impact on the subject of control.

- The principle of transparency - stems from the nature of control exercised in the interests of the state. The results of the control are brought to the attention of the

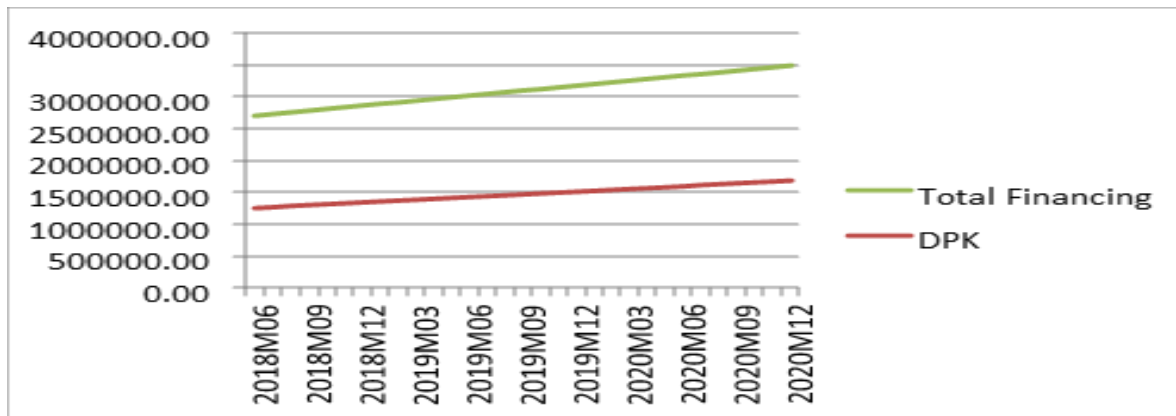
audited team, senior management bodies and, if necessary, the media. Communication of the results of control and decisions made on them to the public mobilizes them to eliminate the identified negative factors and the successful implementation of the tasks assigned to them, educates them to comply with existing laws and regulations.

- The principle of efficiency (effectiveness) - manifests itself in the timely and complete identification of deviations from control, their causes and causes, as well as in the promptness of the elimination of cases.

The main priority of banks in allocating funds is financing. The reason for this is that the source of bank funds is from the community, so as the bank's function is as a financial intermediary, the bank must redistribute the funds of third parties collected in the form of financing to the public. Increased funding and public fundraising is evidence of efforts to continue operations and financial activities in Islamic banking.

Thus, the results of these forecasts show that East Java BPRS is able to perform its mediation function well. However, the FSA is expected to monitor opportunities for risks that could destabilize the financial system.

The research is related to the definition of the goals, methods and techniques of financial and legal regulation of the financial market and its control. The financial market can be defined as a set of economic and legal relations between different entities that use money as a means of collection (deposits), payment, credit (credit), as well as transactions in securities, derivatives and other financial instruments. Elements of the financial market are the services of the financial market infrastructure that enable the circulation of financial instruments (for example, the transfer of funds or securities).



Forecasting Financial Inclusion in East Java through BPRS Using Usage Indicator

The modern financial market is characterized by the principle of consistency, so it is quite reasonable to talk about the financial market system. The financial market system is the natural development of those market (literally) relations between market participants that are reproduced as financial instruments. A financial market system is a structured whole based on the interaction between the use of cash, securities, derivatives and other financial instruments, as well as the provision (acceptance) of financial services in accordance with the price objectives.

The following functional subsystems are distinguished in the financial market system:

- 1) an institution that includes all economic entities that provide services in the financial market or sell financial products;
- 2) products, including all financial instruments and services;
- 3) normative-legal combining elements of regulation of private law and public law;
- 4) regulator and control, which is an organized union of monetary policy bodies and bodies exercising control over the financial market as a whole or its individual segments.

The financial market system also has a number of subsystems that differ in product (monetary system, national payment

system) or institutional (banking system) characteristics. The financial market system is not the same as the financial system and cannot be considered as a subsystem of the financial system. The similarities between these two phenomena are shown below. As in the financial market system, decentralized monetary funds are formed in the financial system.

The financial system communicates with the financial market system through bodies that regulate and supervise or perform other functions related to ensuring the stability of the financial market. In addition, the financial market system acts as a mechanism that allows financial institutions to efficiently save and increase financial resources. The difference between a financial market system and a financial system is as follows. Decentralized funds have different meanings for the financial system and the financial market system. An important point is that the financial market system is a market environment characterized by a combination of methods of public law and private law regulation, emphasizing the impact of economic and information.

Supervision of the financial market system is aimed at preventing violations of the rights and legitimate interests of a wide range of users of the services of financial institutions, as well as protection of other

public interests, in order to ensure compliance with the requirements of the law by all controlled entities.

At the same time, the way to achieve compliance with the law and legitimate interests is to monitor how financial institutions manage specific risks, how to ensure their stability, and how honestly they build relationships with customers, especially consumers of financial services.

Also, the most important task of control today is the development of controlled objects - the banking system, payment system and other sectors of the financial market. This task is solved with the help of a form of control, such as observation, as well as in the implementation of ensuring the availability of financial services.

The nature of control in the financial market today is that control cannot be effective without effective protection of the rights of consumers of financial services. The main feature of the Bank as a body that protects the rights of consumers of financial services is that it carries out this area of activity simultaneously with another, more traditional area of financial regulation and supervision - ensuring financial stability.

The effectiveness of financial market control and monetary policy is achieved, among other things, through the application of coercive measures against the general public. Bodies exercising monetary policy and (or) control over the financial market should, first of all, have broad powers to influence financial institutions, which is done using two main methods - persuasion and coercion. Through persuasion, the correct behavior of the subjects of social relations without the threat of violence or aggression is stimulated and encouraged. In the field of monetary policy, the role of legal

forms of persuasion in the system of supervision in the financial market is growing.

Persuasion measures in the financial market are aimed at eliminating shortcomings in the activities of financial institutions, as well as stimulating the efforts of financial institutions to identify and prevent risks and create systems to adapt to changes in the external environment. The application of an obligation depends on the type of special legal relationship in which a party, a ruling entity, a state, a specific body or an official affects the subject. Within the framework of this legal relationship, the ruling entity applies coercive measures to the controlled entity, as defined by law (such as independent norms or legal norms), with methods of limiting personal, organizational or property influence.

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Анализ и оценка финансовой доступности в финансовых учреждениях

Резюме

Məqalədə cari məzənnədən istifadə edilir, hökumət maliyyə kursunu düzgün istiqamətdə dəyişmək üçün maliyyə müdaxiləsi edə bilər. Nəticə etibarlı ilə qurum maliyyə bazarlarının düzgün işləməsini, investorların və sığortalıların hüquqlarının müdafiəsini təmin edən tarixdə ilk hüquqi şəxsdir.

Açar sözlər: inflyasiya, maliyyə sistemi, dünya bazarı, məzənnə, bank işi, inteqrasiya, analitiklər

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Maliyyə institutlarında maliyyə inklüzivliyinin təhlili və qiymətləndirilməsi

Xülasə

В статье используется текущий обменный курс, правительство может вмешаться финансово, чтобы изменить финансовый курс в правильном направлении.

В результате организация является первым юридическим лицом в истории, обеспечивающим надлежащее функционирование финансовых рынков и защиту прав инвесторов и страхователей.

Ключевые слова: инфляция, финансовая система, мировой рынок, валютный курс, банковское дело, интеграция, аналитики.

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