



## FUNDAMENTALS OF ORGANIZING TREASURY ACTIVITIES IN UZBEKISTAN

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<https://doi.org/10.5281/zenodo.14684525>

**Abstract:** This article explores the fundamental principles of organizing treasury activities in Uzbekistan, focusing on their legal, operational, and technological aspects. It highlights the evolution of the treasury system, its role in fiscal management, and the legal framework underpinning its operations. Furthermore, the article discusses recent reforms aimed at enhancing transparency, efficiency, and alignment with international standards.

**Keywords:** treasury system, public finance, fiscal management, transparency, budget control, legal framework, economic reforms, digital treasury, international standards.

**Introduction.** A robust treasury system is crucial for effective public finance management in any country. In Uzbekistan, the treasury system plays a pivotal role in ensuring the efficient allocation and utilization of public resources, maintaining fiscal discipline, and promoting economic stability. The system operates within a well-defined legal framework that establishes clear guidelines for managing revenues, expenditures, and financial reporting. This article examines the organization of treasury activities in Uzbekistan, focusing on their legal foundations, operational mechanisms, and ongoing reforms.

**Main part.** The treasury system in Uzbekistan is governed by a comprehensive legal framework, which includes:

1. **The Constitution of Uzbekistan**
  - Provides the foundational principles for state governance, including the management of public finances.
2. **The Budget Code of Uzbekistan (2013)**
  - Serves as the cornerstone of the country's public finance management system, defining the structure of the state budget, the roles of various institutions, and the procedures for revenue collection and expenditure management.
3. **Presidential Decrees and Resolutions**
  - Outline specific policies and reforms aimed at improving treasury operations, such as digitization, transparency initiatives, and fiscal discipline measures.
4. **Anti-Corruption Legislation**
  - Ensures accountability and transparency in financial operations, reducing the risks of misuse of public funds.

### Organizational Structure and Key Functions

The treasury system in Uzbekistan operates under the Ministry of Finance, which oversees its activities through a centralized structure comprising:

1. **Central Treasury**
  - Responsible for overall coordination, policy formulation, and monitoring of treasury operations nationwide.
2. **Regional and Local Treasury Offices**

➤ Implement treasury functions at the sub-national level, ensuring compliance with national policies and procedures.

### 3. **Automated Treasury Systems**

➤ Facilitate real-time management of public funds, enabling accurate financial reporting and monitoring.

The core functions of the treasury system include:

- Revenue collection and allocation.
- Execution of budgetary expenditures.
- Cash flow management and forecasting.
- Financial reporting and auditing.
- Ensuring compliance with fiscal regulations.

### **Digital Transformation of the Treasury System**

Recent years have seen significant strides in modernizing Uzbekistan's treasury system through digital transformation. Key developments include:

#### 1. **Introduction of an Electronic Treasury Platform**

➤ Enables real-time monitoring of financial transactions and improves the efficiency of budget execution.

#### 2. **Implementation of E-Government Initiatives**

➤ Integrates treasury functions with other government systems, fostering inter-agency coordination.

#### 3. **Adoption of International Standards**

➤ Aligns Uzbekistan's treasury practices with global benchmarks, such as the International Public Sector Accounting Standards (IPSAS).

### **Challenges and Prospects**

Despite considerable progress, the treasury system in Uzbekistan faces challenges such as:

- Capacity building for treasury personnel.
- Ensuring the security and reliability of digital systems.
- Strengthening regional offices to ensure uniform implementation of policies.

To address these challenges, ongoing efforts are focused on:

- Enhancing training programs for treasury staff.
- Upgrading digital infrastructure to safeguard against cyber threats.
- Establishing stronger links between the central treasury and regional offices.

**Conclusion.** The treasury system in Uzbekistan serves as a cornerstone of the country's public finance management framework. Guided by a robust legal foundation, the system has undergone significant reforms to enhance its efficiency and transparency. However, continued efforts are needed to address existing challenges and fully realize the potential of a modern, digitized treasury system.

By aligning its practices with international standards and leveraging technological advancements, Uzbekistan is well-positioned to strengthen its fiscal management and contribute to sustainable economic development.

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