Proceedings of the 8th International Scientific and Practical Conference «Science in the Environment of Rapid Changes»
(May 6-8, 2026).
Brussels, Belgium

No
293

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Digital Manat Concepts Azerbaijan Impact on the Economy: Opportunities and Risks Analysis

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Abstract. Articles, the main purpose of digital manat economic mechanism of influence theoretically analyze it in the Azerbaijani economy, which can create opportunities and possible risks, identify. For these purposes, in accordance with digital currencies, the economic essence, their financial system, and the impact on the functions of various countries in this area have been studied. The conducted analyses show that the introduction of digital manat payment systems, improving the efficiency of non-cash payments, expanding the financial modernities and increasing the transparency of economic relations in terms of raising important potential. However, in the banking sector, financial intermediation, weakening probability, cybersecurity, problems and regulatory issues like certain risks also exist. Research, scientific novelty of the digital manat on the economy of Azerbaijan is a systematic mechanism that explains the conceptual models associated with the preparation. The results of the study show that the digital manat implementation of the country's financial system modernization and digital economy, the contribution to development can give. But this process is successful for the implementation of the appropriate legal and technological infrastructure, which is important. Research, one of the main goals of the Central Bank for regulatory framework, technological architecture, cybersecurity, measures and phased application of strategies related to policy recommendations - present..
Keywords: *Azerbaijan, economy, digital manat, central bank of digital currency, CBDC, digital economy, financial system.*

Enterance

In recent years, in the global economy, the acceleration of the financial system process and important changes have caused. Information and communication technologies, the development of payment relations, new forms of financial transactions, faster and more efficient implementation have created conditions. As a result of these changes, many countries of the money turnover in accordance with the modern requirements of new forms of creation began to conduct research.

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At the current stage of states ' financial policy, the focus of which is one of the main issues the central bank has allowed digital currencies to be created. This money is in the form of traditional cash and non-cash money in circulation, complementing the new financial instrument as considered. In many countries of the world, research is being conducted in this direction, and some states have already started implementing such monetary systems.

Global economic relations are changing rapidly in the digital money environment the introduction of countries ' systems of financial stability, strengthening, payment systems and economic development, transparency in terms of increasing are essential. At the same time, this process in the financial sector of new management adjoining formation and monetary policy in the implementation of new opportunities leads to the emergence.

Azerbaijan is taking important steps in the direction of the changes taking place in the global economy, taking into account the financial system. Within this framework, the Central Bank of Azerbaijan is working on the "digital manat project" development and implementation of the study of opportunities in this direction. Introduction of the country's financial system to modernize the payment infrastructure and develop the digital economy in terms of expansion is important.

This article, the main purpose of digital manat application to the economy of Azerbaijan, can explore the impact of its financial system, monetary policy, and for the banking sector, which can create opportunities and challenges analysis is to. As a result of the investigation of the digital money implementation system from the point of view of economic development, the importance and in this process must be taken into account the main issues identified.

General information about digital manat

At the present stage in the global economy, the financial system process taking place in the digital process has new approaches to shaping the economy. Information and communication technologies, as a result of the rapid development of the payment system, more quickly and efficiently began to operate, money in the circulation of new forms for the emergence of new ones. From this point of view, central banks allowed in the digital monetary units of the financial system in the development of important areas is considered one of.

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Digital manat is a state-approved and central bank-backed digital money that is available as a form of payment. This is the central bank's monetary unit, reflected in the balance sheet, and the state's obligations, based on digital financial instruments. Digital money, only in an electronic environment becomes available and financial transactions in digital platforms help create an opportunity for implementation. These features of digital manat cash and non-cash money circulation are new money as a form of payment. International financial organizations research noted that the central bank side of the issued digital money, payment systems, speed, increase the transparency of financial transactions, strengthen and financial services reachable in terms of expansion, is important [1, p. 5].

In recent years, most of the world's central bank digital money systems have been conducting research on the creation of such systems. According to the Bank's international calculations, in 2024, central banks, most of this area of research and testing, continued to work. A number of countries have already received money, projects, and tests in the past, and in the coming years they have begun to use the opportunities to evaluate them. According to research, in some central bank countries, digital monetary systems are considered possible to be phased in until 2030[2, p. 10-12].This process of global payment systems as a new stage in development is being evaluated.

Azerbaijan in the global financial system, these changes are taking place, given that digital money research projects are active. In 2022, the Central Bank of Azerbaijan in the country "digital manat concept " over research is being conducted in this direction of initial conceptual work, which was noted. [4] At the same time, on July 31, 2024, the central bank has the opportunity to guide the country's current digital currencies if desired, and there is no specific plan for withdrawing them, but international experience, carefully noted studies and research topics are under review. And this shows that Azerbaijan for the digital manat project is still in its early research and evaluation stage[5].

At the same time, in the country of payment systems, the development of digital money, projects in the future for the use of certain technical capabilities, the formation of infrastructure. The Central Bank of Azerbaijan, created in real time, operating payment systems of instant payment platforms for financial transactions faster and more securely, creates conditions for implementation. This infrastructure of the digital financial system, contributing to the development, along with giving, in the future, the digital manat, for the application of the technical base can play a role[3].

From this point of view, the digital manat in the modern financial system is a new form of money in circulation, as well as its application to the country's finances, the development of payment system infrastructure, and the improvement of the digital economy in terms of expansion can be important.

Global experience

In recent years, central banks ' digital money systems aimed at creating research, the number has increased significantly. International financial organizations, surveys conducted show that around the world, many countries, central banks of digital money are working on projects and in this direction at different stages, they are acting. International Settlements Bank 2024-2025 by research, mainly doxsandan many countries - the central bank of digital money in projects related to research or in the trial stage is involved. These projects ' goals, from country to country, fərqlənsə and, in general, payment systems, accelerating access to financial services, expanding the national monetary protection system and the economy of digital are the main goals as shown [6. sec. 18].

In the global practice of digital money, projects, most of them are still at the testing stage. In this area, the widest range of applications is one such example-in the People's Republic of China, implemented in the digital yuan project. This project has been implemented in various cities of the country in order to test its use in everyday payment transactions to a certain extent. Many other countries, as well as in digital money systems, have the technical structure, legal regulation and application mechanisms working. International practice shows that digital monetary systems can be formed in two main directions: for the population, the envisaged system and finance between the structures used in the system. These two models, purpose, apply mechanisms and risks differ from each other[7. sec. 9].

In European countries, there is more money invested in projects, and it is being implemented in stages and systematically. The European Central Bank has developed a digital euro into a project in this area that attracts attention and initiatives is one of. The project implementation consists of several stages: preliminary research phase, preparatory phase, technical testing phase and legislative decisions, adoption phase. Until 2025, by the end of the European Central Bank project, the preparatory stage of completion and technical preparation, the transition stage to consider what is reported. At this stage, the main goal-the legal framework for the formation of a unified training system rules and financial services structure, suitable for technical standards, is to determine [8. sec. 14].

European approach one of the main features of monetary policy, stability and protection of the payment system, operating independent financial structures for coordination is to provide. However, the user's personal data protection from financial transactions qanunauyğunluğuna control the balance between the creation and the important issue as dealt with. In European countries, both technical compliance issues and for the legal framework for the formation of digital money, project implementation is considered one of the main priorities [9. sec. 22].

In the United States of America, a central bank digital money application issue is not yet a final decision of the stage has not been preserved. In the United States, the Federal Reserve System conducts research in this regard and submits various policy documents to prepare the issue for public and legislative discussion. In the US, a more cautious approach is considered, and here the national currency's international reserve money status, protection of commercial banks in the financial system and role in maintaining and protecting citizens ' personal data and ensuring top priorities are both perceived. For this reason, in the United States, digital money, in connection with the draft final decision making for a broad economic and legal assessment of conducting continues [10. t. 7]. Ultimately, global experience shows that the central bank's issued digital money projects in different countries, in contrast to the development of levels. Some states have already completed a trial phase, while others are still undergoing legal and technical training. This experience shows that digital money systems implementation is widespread in economic, technological and legal training that require a long-term process.

Azerbaijani economists and experts digital manats on their positions

In Azerbaijan, in recent years, economists and the financial sector, specialists in digital monetary systems, possibly related to the application of various scientific and analytical ideas have put forward. In general, these positions are digital money, the economy of projects created for the opportunity is positive along with the assessment of possible risks and attention, and also emphasizes the importance. The Azerbaijani economist and expert opinion shows that the digital manat project introduces both economic development and financial system stability in terms of thoroughly investigated.

Azerbaijan MP and economist expert Vugar Bayramov assesses non-cash payments, expanding the country's economy, and increasing transparency as an important factor. In his opinion, the growth of the share of non-cash payments of economic activity is even more clearly realized and the shadow economy helps to reduce. The expert notes that by using digital financial development tools, the client bank makes operations faster and safer, and creates conditions for implementation. This approach of digital manats as a new financial means of economic justification (feasibility study), which positively affects important factors, is considered one of [11. sec. 10].

Center for Economic Research, economist expert Rovshan Hasanov, and in digital payment systems, the expansion of modern economic development, which is important, emphasizes. In his opinion, states in the digital economy are developing strategies for financial stability, protection as the main priority should be taken into account. The expert notes that the central bank from the side of issued digital money systems in the banking sector, the level of liquidity and the population deposit behavior can affect. For this reason, such systems during application to the banking sector that affect risks in advance, modeling and developing regulatory preparation mechanisms is considered mandatory [12. sec. 18].

Samir Aliyev, an expert of the Center for Digital Payment Systems, Economic Development, and Economic Growth, has a positive impact on the economy. In his opinion, non-cash payments, the expansion of the tax collection increase efficiency and economic relations than transparent, create conditions for implementation. The expert also notes that in electronic financial services and alternative payment methods, the development of competition in the banking sector,

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the strengthening and quality of financial services contributes to growth [13. sec. 9-11].

The digital economy and technologies operating in the field of expert Elvina Qəribli digital manat project pays more attention to the technological parties. In his opinion, digital money systems offer modern technological solutions based on building operations that increase security and reliability. The expert notes that public services digital, electronic public services and online trading platforms, integration with the digital monetary system, increasing efficiency is one of the main factors [14. sec. 6].

Azerbaijani economist among scientists, Professor Elshad Mammadov monetary policy, new financial instruments, the application of emphasizing the importance of specialists, is one of them. In his opinion, the economy of the state, economic management, expands opportunities and money, and the implementation of policies is more flexible. The professor notes that the central bank's allowed-in digital monetary system monetary policy impact on the economy by strengthening mechanisms can play an important role. However, such systems during the application of monetary stability protection, one of the main conditions should be considered as [15. sec. 27].

The Central Bank of Azerbaijan, in official documents and digital monetary systems, the study of the issue is given attention. Central Bank, financial stability, reporting and digital payment strategiyalarında notes that the central bank side of the issued digital money systems, the possibility of applying international experience taking into account are being studied. These documents highlight digital money, projects, possible models, payment systems, impact, and financial stability issues that affect risk assessments. At the same time, cybersecurity, the protection of personal data and the banking system, and ensuring the stability of the main priority areas, as shown [16. sec. 32].

Thus, the general analysis of Azerbaijanis, economists and experts ' opinions shows that the digital manat project is generally positive for its application under certain economic and technological risks, which is considered mandatory. Based on the experts ' opinion, it can be noted that the introduction of digital money systems for non-cash payments, the expansion of the shadow economy, the reduction of state financial control, and the strengthening of financial services in terms of development can give positive results. However, in the banking sector deposits, risk reduction, money management, policies affecting the new factors on the emergence of personal data, security issues and technical infrastructure, development issues such as carefully must be taken into account. For this reason, digital manat project phased implementation and economic impact assessment in advance is essential.

Main purpose of the study

The purpose of this study is the digital manat concept in the economy of Azerbaijan, it is possible to study its impact on economic opportunities and potential risks.

Research to achieve the goal below shown implementation of implementation provides:

- digital money of the central bank digital currency concepts theoretical basis of study;
- in the world of digital currencies on the application of available experience, analyze;
- In Azerbaijan, digital payment systems and non-cash economy are available to assess the state;
- digital manat applications for Azerbaijan's economy that may create opportunities to identify;
- digital manat in connection with the application of potential economic and technological risks, analyze;
- the results obtained are based on digital manats in connection with the application of a general assessment.

Research Methodology

In this study, the digital manat contribution to the Azerbaijani economy has potential implications for the study, mainly theoretical and comparative research methods were used. It should be noted that in Azerbaijan, the digital manat has not yet been applied to the legal framework of non-forming and the official stage in this area of application has not yet begun. For this reason, on the topic of empirical data and statistical indicators, the lack of empirical analyses restricts maintenance. Therefore, research within the framework focuses on theoretical approaches to studying international experience and analytical approaches.

Research forms the methodological basis of scientific literature, system analysis, comparative analysis and conceptual modeling. In the first phase, central banks digital currency (CBDC) in connection with international research articles, analytical reports and international financial institutions materials were analyzed. This approach of digital currencies in the economic system, the impact on the mechanisms and their application, the resulting opportunities and risks, made it possible to determine.

Methodologies for the next stage of various countries ' digital currency initiatives on OT are comparatively studied. In this context, digital currencies on the application of implemented pilot projects and conceptual approaches, their economic and institutional results are analyzed and evaluated. A comparative approach through these practices for the Azerbaijani economy's potential application opportunities have been identified.

Research within the framework, at the same time a conceptual model approach was used. This model of digital manat in the economic system, the mechanism of influence to explain the purpose of the project. Digital manat models the economic impact of payment infrastructure, banking sector, behavior, monetary policy, transmission mechanism and financial technology ecosystem as intermediary factors through an emerging multi-level process is considered as.

Thus, the research methodology is mainly theoretical analysis, comparative analysis and conceptual modeling, methods-based. This approach of empirical data, limited in the context of digital manat economic impact on a scientific basis to assess, and for Azerbaijan possible development scenarios can be determined.

Azerbaijan's digital manat situation

In Azerbaijan, digital manat-related processes are currently mostly research-based and under preparation. The Central Bank of Azerbaijan's financial system reqəmsallaşdırılması aimed at various strategic documents were adopted. In these documents, payment systems, information modernization, strengthening of security and financial technologies, and development were identified as priorities.

The Central Bank of Azerbaijan, according to official data, has significantly developed the country's payment infrastructure in recent years. The number of bank cards, electronic payment services, usage and online trading operations is steadily growing. And this is the digital payment environment, the expansion and future of digital money, projects that create favorable conditions for.

According to official statistics, in 2024, bank cards through transactions carried out, the total turnover of 126 billion rubles. This figure has also increased by about 27 percent compared to last year.27 faiz artmışdır The majority of non-cash payments are accounted for, and this figure in the country of digital financial services has increased interest in the show. At the same time, the electronic volume of trading operations has increased rapidly in recent years [17].

At the same time, there has not yet been a large-scale pilot program or official application of digital money in Azerbaijan in connection with the project. At this stage, the main focus is on technological capabilities, research, study of international experience and the national payment system is aimed at improvement.

On the other hand, the country's ongoing digital transformation and initiatives in this direction play an important role. "Digital Azerbaijan" concept of smart city and smart village projects, as well as e-government, expansion of services in the country's digital economy, development accelerates. These initiatives of financial services and digital give a boost and further central bank that can be digital money for the institutional and technological base form.

Thus, at this stage in Azerbaijan, the digital manat concept is characterized by basic processes, analytical research, implementation of payment infrastructure and financial technology development, as well as the study of international experience.

Digital Manat applications and economic effects by generalized reviews

In the modern era of digital technologies, the rapid development of the financial and banking sector in new innovative approaches, the introduction of necessary technologies. In the world of digital transformation, the processes of expanding the monetary system to a new stage, the transition to which. In this context, many countries are conducting research on the creation and implementation of national digital currencies. In Azerbaijan, certain initiatives put forward by the digital manat in this direction have already been put on the agenda.

”Cashless economy: reliable, safe and sustainable on the theme " of the 5th International Banking Forum, it was noted that work has begun on creating a digital manat in the country. It was noted that monetary systems in the history of development of three major revolutionary changes occurred and the last change blokçeyn based on technology kriptovalyutaların emergence. Currently, the Government of

Azerbaijan, the digital manat in connection with the application of discussions are underway and research is continuing in this direction.

Digital manat in the application of one of the main security issues and cybersecurity is their prevention. According to experts, digital currency systems of effective functioning for a strong cybersecurity infrastructure and a stable banking system, the formation is important. Cyber crime is growing rapidly in the modern era of financial systems kiberhücumların prevention, data protection and continuous monitoring the creation of mechanisms is essential. From this point of view of Azerbaijan in digital currency, the transition to a certain preparatory stage and then it may be possible [18].

Global experience shows that many countries are implementing Central Bank digital Currencies (CBDCs) aimed at creating extensive research and pilot projects. This process is the main goal of the financial system, improving the efficiency of non-cash payments, contributing to the improvement of the digital economy and supporting development. For example, the People's Bank of China digital yuan project applied started, the European Central Bank, and the digital euro in the direction of creation is conducting research. Taking into account the international experience, the Central Bank of Azerbaijan also appreciates the possibility of using the digital manat and international organizations, with technical support, carry out research in this area [22].

Digital Manat introduction One of the main conditions for making non-cash payments widely, is distribution. Currently, in Azerbaijan, the share of non-cash transactions in the total amount of money in circulation is about 10-15 percent, and cash in circulation still prevails. For this reason, an increase in the volume of non-cash payments is considered mandatory for the use of digital currency [19].

During the pandemic period, online contactless payments, as well as increased interest in Azerbaijan and non-cash payments have contributed to the expansion. According to the data of the Central Bank of Azerbaijan, $ 14.126 billion in non-cash transactions were conducted in the country in January-August, which is 2.5 times more in previous years compared to the same period2,5 dəfə çoxdur. Of this amount, 10.621 billion manats of e-commerce, 3.485 billion manats of electronic commerce. manats, POS-terminals, 0.02 billion manats, and ATMs, operations were carried out through [20].

In addition, the volume of bank card transactions conducted in the country is growing. According to statistics, the operation was carried out in Azerbaijan with 38 billion rubles of bank cards, which is11.5 billion manats (30.3 %) of non-cash payments , and this figure has increased by 79.6% compared to last year. Conducted transfers increase by 80% (60.4 million transactions), the volume, and 73% (163.1 billion manats) digital banking is carried out through the internet [23].

There are a lot of bank cards in Azerbaijan, most of them are debit cards. There are 88.87% of active bank cards in the country, or 18,181,786 numerical exactly debit cards. Credit card count of 2,278,124 is equal to that in total card count of 11.13 % - this means that.Of the population using multiple debit cards, 18.63%-ni or 3,387,683 from the social card (pensions, benefits, etc.), 15.99%-nii or 2,906,633 from a salary card is. The remaining 11,884,470 debit cards, as well as additional use for banks, receiving debit cards. These cards are 65.38 % equal in total debit cards.This year, during January-March, the volume of non-cash transactions carried out in the country amounted to 20.6 billion rubles. in the same period last year, compared to 27.2%, or 4.4 billion manats more [24].

Digital manat application of economic impact and as for research show that, digital payment systems, expansion increases the transparency of the economy, tax evasion cases, reduces and state budget revenues, growth, positively affect. The impact of the cashless economy on the development of the sağlamlaşmasına banking sector, electronic banking operations and the volume of e-commerce contribute to the expansion. At the same time, digital financial services of citizens, financial transactions are more quickly and conveniently implemented by them. At the same time, digital financial systems are accompanied by the development of certain risks. In particular, cyber fraud cases and financial data security issues in this area are considered one of the main problems. According to experts of financial literacy, and users without attention, such behavior increases risks. From this population perspective, improving financial literacy and secure digital payment skills formation is essential [21].

In general, international practice shows that central banks of digital currencies do not need to apply a powerful technological infrastructure, a perfect legal framework and a broad cashless payment system in the ecosystem. In Azerbaijan, the digital manat application is considered a promising direction, despite the fact that further development is necessary for the implementation of the financial system, modernization of the national payment infrastructure and digital banking services.

Digital Manat applications for Azerbaijan's economy that can create opportunities

Currently, Azerbaijan's information and communication technologies market, electronic transactions market, as well as the digital services market (digital radio broadcasting, digital television and other services) is at the stage of formation. This market, the institutional structure is still fully not developed digital economy, the potential is not fully real. At the same time, in the country, the existence of a shadow economy, as a result of generating some tangible and intangible products, official statistics, in particular, gross domestic product (GDP) in the structure fully reflects the desired. This makes it difficult to assess the real dynamics of economic growth. On the other hand, the regions of digital services and digital products in the market are generally unequal [31].

In recent years, the global financial system has been undergoing digital transformation, and the process of central banks of digital currencies to create a new trend is being shaped. Central Bank digital currency monetary policy, improving the efficiency of payment systems, modernization and finance modernities in terms of expansion of important potential . Currently, in many countries of the world, research is being conducted in this direction, and some states have already implemented pilot projects.

Azerbaijan's global digital financial transformation process does not stand aside and the digital manat concept for the preparation of research and institutional preparatory work is underway. Digital manat applications for the country's economy can create a number of important opportunities.

First of all, digital manat payment operations, acceleration and efficiency improvement can serve. Digital payment infrastructure development of operational costs, reduced payment processes, simplified and electronic means of payment integration with more efficient implementation can allow [30].

Other important financial preferences modernities with the extension is related. A digital wallet, based on the principle of operating through the bank account system of a smaller group of people in digital financial services, to use the opportunity can get. And this, in the financial system of even wider masses of the population, the attraction and development of the digital economy can have a positive impact on [27. s, 45].

Digital manats, as well as the region within payment systems, improving competitiveness in terms of can also play an important role. Rapid and down expense digital payment mechanisms of the country, the creation of regional trade links and the development of the financial technology sector, expansion can create conditions.

A central bank digital currency is an important feature of a programmable, money-capable mechanism. This function of state payments, social transfers, subsidies and tax operations, a more transparent and automated method of implementation allows you to create a new one. As a result of public funding in governance, transparency and efficiency, the level may rise [28. s, 72].

Digital manat in connection with the application of the main risks and difficulties

Digital manat due to the application of potential opportunities, along with certain risks and institutional difficulties are also available. First of all, it should be noted that the central bank of digital currency in the economy of Azerbaijan has not yet fully evaluated the possible consequences from a scientific point of view. Its monetary policy, banking sector, payment systems, financial modernity and macroeconomic stability effects related to systemic research are limited in number [26. sec. 85].

The main one of the risks in the banking sector is financial intermediation, a weakening assumption. If the population is in turn the head of the League of protection of commercial banks, out of digital manat directs of these banks, liquidity, reduced level and ability to issue a loan limitation may be the reason. As a result, the banking sector may face certain risks in financial stability [25].

Other important information security risks are related. Digital currencies infrastructure and large-scale technological systems can become a potential target. From this point of view, the sustainability of the backup system, the creation of mechanisms and emergency situations, the restoration of training plans is of particular importance [29. s, 28].

Privacy of information the issue of digital currency systems in the application is one of the key. Digital payment transactions, remains the possibility of financial transparency of increasing also, the user's personal data related to the protection of legal and institutional mechanisms of formation is necessary [27. s, 45].

In addition, the digital manat application requires certain technical and financial costs. Creating an infrastructure, banking system with integrated and other financial institutions to coordinate complex and long-term processes is considered [30].

Risk management overall assessment

The risk	Explaining
the Bank's disintermediation capabilities is reduced.	The population deposits CBDC in, if, banks, issuing a loan
Cyber attacks	CBDC centralized system, where the strategic goal may be.
Confidentiality of information	In digital transactions, tracking the regulatory framework requires.
Operational risks	of the System, problems in the payment system can create large-scale shutdowns.

In opinion, digital manat to use and important economic opportunities, but also creates certain risks. For this reason, its application is phased to carry out the economic, legal and technological aspects of integrated research should be carried out.

Azerbaijan for special moments

Digital manat when applying should be considered, being one of the main issues of its use in the model is set correctly, is. Central bank digital currency has two main forms that can be applied: retail models and wholesale models. The retail model is mainly widely used in everyday payment transactions for the use provided, the wholesale model, and mainly in interbank settlements and financial institutions, between the implementation of payments pursues the goal. These two approaches have risks and benefits in terms of the distinctive features a country has and the selected model's financial system impact on scale determines [32].

Another important issue of digital currency technical structure is related. From this point of view, two main approaches exist: the capital account model and the capital

Proceedings of the 8th International Scientific and Practical Conference «Science in the Environment of Rapid Changes»
(May 6-8, 2026).
Brussels, Belgium

tokens model. The capital account of the centralized system user authentication model is performed using the registration system via the internet operation. Token-based model A, in a certain sense, resembles cash and digital transfer units based on the act principle. Both models have a high level of technological requirements and from the point of view of security, it has distinctive features [33].

Digital manat during the application of the deposit market in order to maintain certain restrictions on the application is considered mandatory. For example, for users, daily or monthly balance setting limits, interest rate policies, regulation or digital currency for special accounting, implementation mechanisms in the banking sector and possible liquidity risks can help prevent [34].

Recommendations

Digital manat application in the process of a number of strategic approaches to implementation is considered appropriate.

First of all, it is recommended to implement the process in stages. To this end, initially a pilot program implementation, then a limited user-between-group test phase implementation and, consequently, a system wide application is considered appropriate .

However, improving the legal and technical infrastructure is essential. In particular, information privacy, dirty money laundering, anti-user warfare, authentication and cyber security in the area of regulatory frameworks, strengthening is not required.

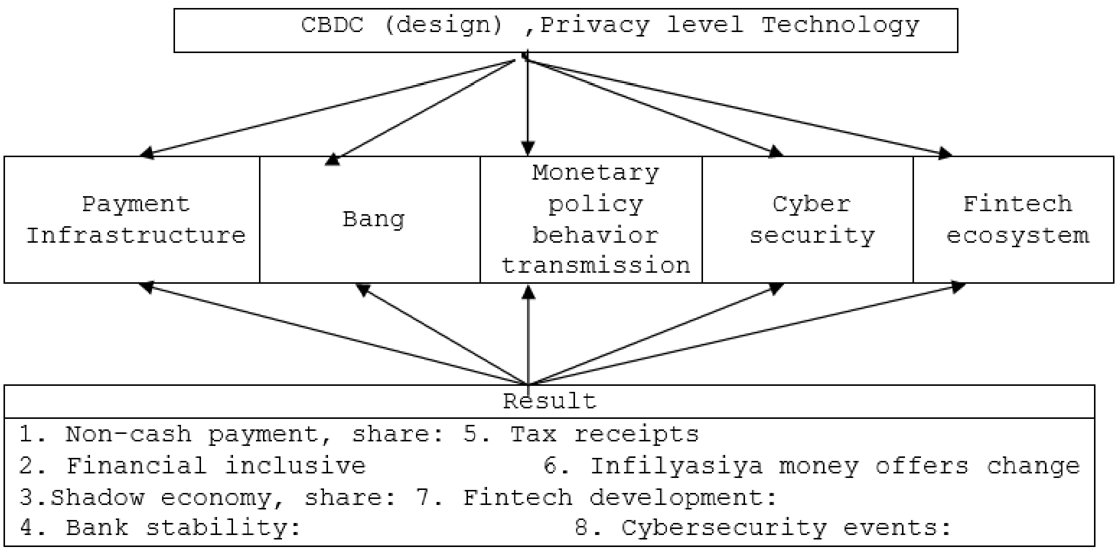
Digital manat systems for the efficient operation of commercial banks and other financial institutions in close cooperation with is also important. This cooperation of liquidity mechanisms regulating the deposit base and the protection of financial stability from the point of view of collateral can play an important role.

At the same time, the use of digital financial instruments to raise awareness of the implementation of measures is also necessary for the population. In particular, those living in the regions, the population and the older generation, for the digital wallet of electronic payment systems associated with the use of special programs, the implementation of the financial inclusive extension can contribute to [35].

Digital manat as a result of application in the country, non-cash payments level is expected to increase. In a short time, this process of commercial banks, deposits in the database determine the pressure to create, then in the long term, the financial stability of the system can lead to strengthening. At the same time, digital manat monetary policy, a transmission mechanism that enhances the effectiveness of monetary policy in a more flexible way, can create opportunities.

In addition, in digital payments, expanding the volume of the shadow economy and reducing tax revenues, growth can have a positive effect. Digital manat financial inclusive can enhance the digital economy, expand and develop the financial technology sector and provide an additional incentive.

In this context, the digital manat is the application of national economic indicators, direct and indirect, that can affect the integrated economic mechanism acts as. It affects payment infrastructure, banking sector modernization, behavior, monetary policy, transfer mechanism, financial technology ecosystem, tax transparency and cyber security as intermediary factors are being formed.**Photo: 1** Digital concept models



Digital Manat Economic Impact mechanism conceptual model and research hypothesis

The author model was developed

Digital manat contribution to the Azerbaijani economy possible consequences of system analysis for research purposes, within the framework of a conceptual model formed. The central bank Digital currency (CBDC) model has an impact on the economic system that explains the main mechanisms and results of dəyişənlərini to determine the direction.

Conceptual models, mainly in the digital manat economic system, do not directly involve a number of intermediaries, institutions and technological mechanisms, through influence. These mechanisms between the payment infrastructure, banking sector, behavior, monetary policy, transmission mechanism, financial technology ecosystem and cybersecurity environment are becoming particularly important. These factors in digital currency on the economic integration system that provides the main channels as favored.

The digital manat framework model applies the following main economic consequences and is intended to affect:

- non-cash payments of share growth;
- financial incluive extensions;
- shadow economy, reduction of volumes;
- tax revenues, growth;
- banking sector stability impact;
- monetary policy and the reinforcement mechanism;
- financial technologies for the development of the sector;
- cybersecurity risks of formation.

This approach is mainly in the digital manat economic system of the new financial infrastructure as an element of the new payment mechanisms of modernization and the digital economy, the expansion can affect. At the same time, the banking sector, behavior and monetary policy mechanisms applied may be subject to certain changes.

A conceptual model, according to the research under the following main hipotezlər was put forward:

H1. Digital manat introduction of non-cash payments in Azerbaijan may have a positive effect on increasing the share.

H2. Digital manat financial inclusive expansion and public access to financial services opportunities can lead to growth.

H3. Digital manat application transparency of the economy by increasing the shadow economy, reducing the volume may affect.

H4. Digital manat of monetary policy, the mechanism of data transfer and monetary policy, efficiency can increase.

H5. Digital manat widespread application in the banking sector of deposit behavior affect and financial agent can create certain risks.

H6. Digital manat The application of financial technologies (fintech) can stimulate the development of the sector.

In opinion, presented a conceptual model of the digital manat economic mechanism of influence sistemləşdirərək research, analytical framework, forms the potential opportunities and risks for the Azerbaijani economy of this new financial instrument, assess the theoretical basis.

In the global financial system, the acceleration of central banks ' digital currencies (CBDCs), the creation and implementation of the financial system in the development of important areas have turned. The conducted research shows that the digital manat is the application of payment systems in the Azerbaijani economy, the modernization of financial services to enhance and stimulate the development of the digital economy in terms of critical potential.

Research in accordance with the objectives of the digital manat economic impact on the mechanisms analyzed and its application in possible economic outcomes were evaluated. The conducted research shows that the digital manat application of non-cash payments, the expansion of financial inclusive growth and economic relations, and increased transparency can have a positive effect. And this, in turn, can create conditions for the shadow economy to reduce tax revenues to the state budget and increase them.

As a result of the investigation, it becomes clear that the digital manat of state payments and social transfers can allow for more efficient and transparent implementation. Programmable transfer of money through the mechanisms of financial transactions, more effective management, it becomes possible that the state, finance, management, quality improvement has a positive impact on.

At the same time, the analysis shows that the growth of the manat is accompanied by certain risks. Risks in the banking sector of financial intermediation, weakening probability, deposits of commercial banks on digital currency orientation, problems of cybersecurity and personal data protection includes issues related to For this reason, the digital manat application in the process of financial stability, protection and reliable technological infrastructure creation is of particular importance.

Research, scientific novelty of the digital manat in the economy of Azerbaijan impact systematically, which explains the conceptual models associated with the preparation. The proposed models of digital manat economic impact on the payment infrastructure, banking sector, monetary policy, transmission mechanism and financial technology ecosystem, through the formation of the economy.

In general, studies have been conducted, as a result, it can be concluded that the digital manat application of Azerbaijan's financial system, modernization and digital economy, can create new opportunities for development. At the same time, this is a process that is considered mandatory for the successful implementation of improving the legal framework, a strong technological infrastructure, the formation of the banking sector to coordinate and ensure financial literacy of the population. In this direction, measures will be implemented to increase the manat's economic efficiency by increasing the stability of the country's financial system, which can make an important contribution.

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