



Ways of Development of Stock Market in the Economy of Country

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Abstract: *This article discusses the issues of establishing the necessary organizational structure for determining and controlling the achievement of strategic goals in the activities of Joint-stock companies, as well as ensuring the possibility of making decisions related to the development of the stock market, the totality of relations between the management system of Joint-stock companies and other interested parties, including the management of Joint-stock companies.*

Keywords: *stock, securities, financial market, Joint-stock company, dividends, percent, corporate governance, stock exchange, capital.*

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Introduction

Today in our national economy, we can observe that the problems related to the development of the securities market, which have a significant impact on the level of capitalization of joint-stock companies, are not sufficiently solved. Today in our national economy, we can observe that the problems related to the development of the securities market, which have a significant impact on the level of capitalization of joint-stock companies, are not sufficiently solved. As a result, the income of joint-stock companies in the form of dividends and interest from securities occupies a very small part of the gross income of joint-stock companies.

In the current period, when deep economic reforms are being carried out in every sector of our country, the implementation of the priority tasks set in the Action Strategy Program on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, approved by the Decree of the President of the Republic of Uzbekistan No. 5953 dated March 2, 2020. Also, based on the tasks defined in the "Program of measures for fundamental improvement of the corporate management system" approved by the decree of the President of the Republic of Uzbekistan dated April 24, 2015 No. PF-4720 "On measures to introduce modern corporate management methods in joint-stock companies", national in our economy, it is important to develop scientific and practical proposals and recommendations aimed at determining the scientific basis of the reform of problems related to securities of joint-stock companies.

Literature Review

One of the most important methods of state regulation of the securities market is the registration of securities for circulation.. At this stage of the securities movement, the regulatory body must make sure that the issuance of securities can be carried out on the basis of a specific investment project, that the funds of investors will be spent in accordance with an efficient, pre-developed business plan and will then bring profit.

It should be noted that as a result of the analysis of the literature on the topic and the study of the scientific activities of economists, the securities of joint stock companies and their interrelationship with their trading were considered in various studies.

For example, among the American economists who studied the territorial problems of the stock market, we can mention Capecchi, Cluff, Morton, Muna, Stotsky and Farnam.

In particular, economists M. Hessel [7] and R. Yaushev [9] stated that the interaction between the primary and secondary markets depends on the development of economic relations, the formation of the stock market, its "age", as well as the different types (structure) of securities in circulation.

The last stage of the economic reforms implemented in our republic, a new stage in the development of the securities market is being implemented. In particular, special attention is now being paid to the stock market. In particular, the stock exchange, that is, the secondary market of securities, was established. In order to rapidly organize the stock market infrastructure, investment companies and funds, clearing houses and stock shops, advertising firms and XIFs (private investment funds) were formed [3].

I. L. Butikov divided the stock market into two types:

The financial market is a system of economic relations arising from the distribution of temporary free funds between market participants. The financial market mainly consists of the money market and the capital market, and first of all, the capital, that is, the stock market and the stock exchange, have a great role and importance in the economy. The financial market serves the money market and the capital market, showing the position of the stock market in the financial market [1].

D.N. According to Vladislavlev, in the conditions of a market economy, the distribution between subjects with temporary access to financial resources and users who do not have financial resources is carried out through the mechanism of financial markets. The financial market is a system of economic relations arising on the distribution of temporary free funds between market participants [2].

In the scientific literature, the above-mentioned famous economists have given general opinions about the stock market, in particular, that the role of the stock market in a developing country can be viewed from two sides, on the one hand, to increase the efficiency of the economy - the idle money and other funds of the population, enterprises and organizations, and the state. it is said that mobilization and their orientation to various sectors of the national economy will be ensured. On the other hand, the resolution of a number of important problems of a social nature with the help of the stock market is reflected. In terms of the integration of the current global economy and the entry of large investment funds into our country and their placement of their assets in this market, the implementation of a systematic analysis of the stock market is one of the most important issues today.

Methodology

In this article, the scientific works of the economists of Uzbekistan and foreign countries devoted to the analysis of the sources that provide financial support for the development of the securities market are studied. As a research methodology, methods of comparative literature analysis and hypothesis substantiation, induction and deduction, analysis and synthesis, structural analysis, statistical analysis, abstract-logical thinking, and expert evaluation were used.

Data Analysis

In the conditions of new Uzbekistan, among a number of issues in society, the elimination of problems related to securities of joint-stock companies was fully analyzed, and an organizational and legal assessment was given to it.. On this basis, the head of our state adopted a number of

decrees and decisions aimed at fundamentally changing the image of the industry, bringing its activity to a qualitatively new level, and specific measures were determined.

Despite the fact that the necessary economic conditions and a favorable legal framework have been created for the activities of joint-stock companies in the stock market of our country, due to various factors, their activity in the stock market is not noticeable. In this regard, we can indicate the following factors that have a negative impact on the increase in the role of joint-stock companies in the stock market:

- the general situation in the national securities market, i.e. the underdevelopment of the secondary securities market, the existence of an information gap on securities, and the illiquidity of the financial position of securities issuers;
- that the policy of joint-stock companies related to emission, dividend, investment and professional activities in the securities market is not carried out in an integral relationship;
- the lack of highly liquid securities in the secondary securities market of our country, this situation is especially evident in the absence of government-guaranteed corporate bonds and bills recalculated in the Central Bank.

The coronavirus pandemic is also negatively affecting the activities of financial sector institutions through the real sector of the economy. As defaults increase as corporates face more difficulties, credit markets may experience a sudden halt, particularly in riskier segments such as the high-yield market, syndicated loan markets, and private debt markets. But in some developing countries, in particular, in Uzbekistan, only a simple credit market has developed. In the current conditions of the world economy, international financial institutions are making recommendations for regulating the activities of joint-stock companies.

Table 1. STOCK LIFE CYCLE [4]

№	Stock life cycle guides	Implementation process
1.	Preparation for emission (pre-emission) feeder	Researching and justifying the appropriateness, market trend, conditions of the securities to be issued, their size and value based on the level of equivalence to the base; development of emission tactics and strategy; discuss it and make a decision on its release (by the competent authority).
2.	State registration and placement (issuance) of the issue prospectus	The issue brochure is registered with the state, it is advertised and placed among potential investors in accordance with the legal documents and the brochure, and a report on the results of the issue is made.
3.	Stage of market circulation	Placed securities are freely traded in the secondary market depending on its conjuncture, for which the issuer continuously ensures their equivalence level and monitors their market rate. In this case, the transparency of the issuer and the market is of great importance.
4.	Deactivation switch	Decommissioning (extinguishing) securities in accordance with the conditions of their prospectus and (or) in the cases and in the order established by law.

Based on the above table, the level of development of the stock market in our national economy is one of the important factors determining the development of the country's financial market. In the development of the stock market, the level of capitalization of trading systems, high turnover, profitability of securities, and liquidity of instruments in circulation are of great importance.

International Monetary Fund experts (Tobiasom Adrianom and Aditya Narain) have expressed their opinion that this fund, taking into account its global advantage and previous experience, can offer a number of additional recommendations for further actions to its regulators in the system of joint-stock companies [5]. In particular, in accordance with the Decree of the President of the Republic of Uzbekistan dated January 14, 2019 "On measures to fundamentally improve the management of state assets, anti-monopoly regulatory system and the capital market", coordination of the State Committee for Assistance to Privatized Enterprises and Development of Competition of the Republic of Uzbekistan and the Securities Market under this committee and development center. Also, 3 independent institutions were established on the basis of the State Asset Management Center - the State Asset Management Agency of the Republic of Uzbekistan, the Anti-Monopoly Committee of the Republic of Uzbekistan and the Capital Market Development Agency of the Republic of Uzbekistan. This, in turn, laid the foundation for a new stage of development of the stock market system in our country.

Also, in accordance with the Law of the Republic of Uzbekistan "On the Securities Market", the life cycle processes of corporate securities (shares and bonds of joint-stock companies, derivatives of enterprises) are coordinated and controlled by the authorized state body that regulates relations related to such securities. In this case, the organizers of securities trading, the Central Depository of Securities and the professional participant of the securities market keep records of all transactions and transactions they carry out on the securities market, and ensure that the documents related to their accounting are kept in accordance with the law.



Figure 1. The number of signed transactions of the "Tashkent" Republican Stock Exchange in February 2021 [10]

From the data of Figure 1, it can be seen that the signed contracts of "Tashkent" RFB in February 2021 amounted to 4,354. The volume of transactions is 40.58 billion. amounted to soum. We can see that the number of transactions reached a high in the first ten days.

The stock market is an important means of accumulating free money in the economy and directing it to investment processes. The Capital Market Development Agency was established as the first stage of reforms in this regard. Government bonds were reissued on the stock market. But the mechanism of issuing securities and selling them on the stock market is not being used effectively.

The total value of shares on the stock market is 25 trillion soums, which is less than 6% of the GDP. This figure is 188 percent in Singapore, 112 percent in Malaysia, and 34 percent in Russia. Government bonds issued in our country this year were sold only to commercial banks through the currency exchange. The number of professional stock market participants is less than a hundred. Therefore, it is planned to develop a stock market development strategy in 2020-2025. It is intended to increase the ratio of total securities in free circulation to GDP to at least 10-15 percent by the end of 2025 [11].

Islamic finance, whose total global assets are expected to reach 3.96 trillion US dollars by 2024, despite the obstacles caused by the pandemic, the supportive policies of governments, and the high demand for Islamic finance products, their participation in the financial markets has deepened, and the Islamic finance network has expanded to all continues to expand on the fronts.

The draft decision of President Shavkat Mirziyoyev "On measures to introduce securities based on the principles of Islamic financing" was announced.

Discussions

According to the draft resolution, the Capital Market Development Agency, the Ministry of Investments and Foreign Trade and the Committee on Religious Affairs under the Cabinet of Ministers:

- the necessary infrastructure in the republic for the introduction of securities based on the principles of Islamic financing and the application of English law standards in the field of determining and selling (transferring) beneficial ownership, which creates the possibility of evaluating and selling (transferring) the right of economic control over controlled property and property rights create;
- Designation of the Capital Market Development Agency as an authorized state body that regulates the issuance, placement and circulation of securities on the territory of Uzbekistan based on the principles of Islamic financing;
- Proposals to designate the Committee on Religious Affairs under the Cabinet of Ministers as an authorized body for confirming the compliance of the issuance of securities with the principles of Islamic financing are approved.
- The decision also specifies the following:
 - sukuk securities - issued based on the principles of Islamic financing, which confirm the indivisible right to the ownership of property and the use of property and (or) income from their use, the services or property of certain projects issued for the purpose of financing these securities securities;
 - Suquq al-Ijara securities (Suquq al-Ijara) are securities issued by a special financial company based on the principles of Islamic financing, with a fixed term in advance, and their owners have the right to receive income under the lease agreement (financial lease);
 - sukuk participation securities (sukuk al mudaraba/musharaka) - use of the funds raised by a special financial company based on the principles of Islamic financing for the establishment of a new investment project, with an ordinary partnership agreement or a joint-stock company or a limited liability partnership. securities issued for the purpose of developing an existing investment project or developing business activities by forming a legal entity;
 - repurchase securities with extended payment (suquq al murabaha) - securities issued by a special financial company based on the principles of Islamic financing with a fixed term in advance, in which the originator is given property with an extended payment;

- originator - a legal entity that provides property and (or) property rights to a special financial company on the basis of an appropriate contract or agreement - a resident of Uzbekistan;
- a special financial company - a legal entity that is established only for the purpose of issuing legal securities and, in the case of being established in the territory of Uzbekistan, is organized in the form of a joint-stock company or a limited liability company and is included in the list of special financial companies managed by the Agency - residents of Uzbekistan;
- Beneficiary right (economic control right) - physical right of an individual or legal entity that ultimately disposes of property and (or) property rights of the controlled legal entity, confirmed by a notarized declaration of the controlled legal entity.
- The following are also defined:
- equity financing provides that investors who purchase equity securities receive a non-guaranteed return on the proceeds of the event being financed, assuming no interest on the loan;
- the issuance of legal securities is carried out through the establishment of a special financial company and the issuance of a special financial company (issuer) on the foreign and domestic platforms of securities trading organizers, in two ways - asset-backed and unsecured (asset-based). is increased;
- Beneficiary property right (right of economic control) to the property of the originator when issuing sukuk lease securities (sukuk al ijara) Beneficiary property right (right of economic control) for the period of repurchase of lease securities (sukuk al ijara) in exchange for the financing involved) undertakes to sell it later with refinancing.

In particular, until December 1, 2021, RFB "Tashkent" and the organizers of foreign securities trading were assigned the task of selecting the originators who expressed their desire to participate in the experience of issuing sukuk securities, and in the future to confirm the list of originators on a quarterly basis [12].

Conclusion

In conclusion, in order to develop modern directions of actions related to the development of the stock market in our national economy, we believe that the following actions should be carried out:

- In order to improve the circulation of securities issued by joint-stock companies in the Republic of Uzbekistan and the accounts kept on them, it is necessary to teach the foreign experience of securities circulation to students and graduates studying in the field of banking in the higher education system. The main reason for this is the sharp increase in the practice of working with securities of future personnel;
- it is necessary to improve the activity of stock exchanges in the country. It is impossible to expect the development of securities in the activities of joint-stock companies without improving the stock market;
- It is necessary to carry out wide campaigns among the population on the preference of securities. It is necessary to inform the population and organizations about the advantages (possible benefits) of securities and to improve their financial literacy;
- It is necessary to develop ways to use the experience of developed foreign countries in managing securities issued by joint-stock companies and keeping their accounts;
- taking into account that the majority of the population of our country is made up of citizens who believe in the religion of Islam, it is necessary to accelerate the process of issuing sukuk securities by RFB "Tashkent" and foreign securities trading organizers.

In our opinion, the implementation of the above suggestions will allow the activity of joint-stock companies of Uzbekistan and the rise of the stock market, and this, in turn, will have an effect on the deepening of the process of equity in the real production sector of Uzbekistan.

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