

*Camp Thymos*

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## ***Development of the legislation of Republic of Uzbekistan on corporate governance***

**Abstract:** In the article are considered corporate governance development in the Republic of Uzbekistan.

**Keywords:** corporate governance, joint stock company, legal regulation, investments, dividends, investors.

The condition of corporate relations in the Republic of Uzbekistan (RUz) includes two basic aspects: a condition legislatively - the normative base and practice of its application and a condition the of business [1].

Environments, character of practice of corporate relations. The corporate right can be considered as institute of the enterprise right. The corporate right is a part of individual right industries. As practice has shown it is necessary to improve laws in force and acts, developments of standards and rules for adjustment of aspects of practice of corporate governance. It is necessary to provide application and execution of the accepted laws and regulations. Rates of improvement of a condition of corporate governance in RUz substantially will depend on improvement правоприменительной systems as a whole. Interrelation comprehension between prospects of economic growth, attraction of investments and substantial increase of efficiency of execution of laws and regulations is the important factor. A basis of system of corporate governance is process of effective realization of the internal control of activity of managers of the company on behalf of its owners. It is possible to allocate three levels of management in the companies: shareholders meeting, and managers. Existence of these three levels is connected with necessity to divide responsibility for company activity between the various groups interested in its effective activity and to provide possibility to final owners, to perform the control of the group exercising direct administration. Distribution of powers between the specified three levels of management is fixed in the corporate charter and in the



federal act «About joint stock companies RUz». The questions carried to the competence of shareholders general meeting, cannot be transferred to the decision to a society executive office, and also that the questions carried to the competence of shareholders general meeting, cannot be transferred to the decision to board of directors to the supervisory board) societies, except for some questions. To the exclusive competence of shareholders general meeting can be carried modification and additions in the charter of a society or the statement of the charter of a society in a new wording; society reorganization; society liquidation, appointment of liquidation committee and the statement of intermediate and definitive liquidating balances; determination of a quantitative railroad train of board of directors of a society, election of its members and the preschedule termination of their powers; determination of quantity, a face-value; increase in authorized capital of a society by increase in a face-value of the stock etc. the Questions carried to the competence of board of directors of a society, cannot be transferred to the decision to a society executive office. A basis of system of the corporate right is the law «About joint stock companies RUz».

The available is standard-legal base in the field of corporate governance is presented mainly by acts that generates contradictions and discrepancies in system of its adjustment that is why development of the consolidated acts on separate institutes of corporate governance is necessary. Adequacy of legal regulation of corporate relations appreciably bears regulative loading, and it is assigned to local intra corporate acts which with accounting discretion of legislations in the field of corporate governance, are capable to meet effectively enough existing lacks, and correctly using flexible legislative designs mobile to react to changing economic situation. This mechanism remains while not involved by the domestic companies. Development of some positions could specify in details the rights, powers, functions and actions of participants of corporate governance, and also it is essential to strengthen protection of the rights and legitimate interests of shareholders. In this connection, it is offered to develop and accept at legislative level the Model code of corporate behavior and Sample Positions "About shareholders general meeting", "About the supervisory board", "About the general director and board (or about an executive office)", "About dividend policy", "About the information policy", "About carrying out of checks of financial and economic activity of a society by a revision committee". It is necessary to consider the current legislation and modern



international principles of corporate governance. To give to the given initiative standard character, and equally taking into account the essential importance of the present question for domestic system of corporate governance it is necessary to bring the requirement to joint stock companies in time no more than six months as of the date of the state registration to prepare and confirm at shareholders general meeting the above-stated positions. It is necessary to perform transition to international standards of the financial reporting, which are aimed at raising a transparency of financial results of activity of the companies for all investors, having released from them from difficulties in understanding of the indicators connected with national standards of accounting.

Reasonably legislatively to fix application of rules of the financial reporting, and in these purposes to implement the requirement of International standards of the financial reporting (ISRFR) in practice of activity of domestic joint stock companies. Application of ISRFR by domestic joint stock companies will allow foreign investors to make objectively decisions on injections of RUz economy [2]. The carried out comparative analysis of systems of corporate governance in various jurisdictions and domestic system has shown that in RUz the basic loading in the field of protection of the rights and legitimate interests of shareholders to lay down on state structures, and it is necessary on administrative measures. In legislation RUz on protection of shareholder rights the certain legal base is already created, it is offered to develop a state policy of development of self-regulation and the control of joint-stock company which should include creation or attraction of private specialized information both analytical agencies and creation of the specialized not state self-adjustable organizations, such as committees of protection of the rights of minority shareholders, the various associations which activity is directed on consolidation of efforts on protection of the rights and interests of shareholders. For achievement of it the state policy in the given sphere should be directed on stimulation of institutional transformations in a direction of increase of a role of processes of self-control. Many problems of functioning of joint-stock company it has appeared it is impossible or to overcome inefficiently only by market adjustment that has begun forming of new industries and sciences of corporate governance and the corporate right. The primary goal of corporate governance - determination of strategic targets of joint-stock company, means of their achievement and control methods over its activity. We



suggest entering into educational standards of economic and legal high schools RUz profound studying of bases of corporate governance and the corporate right.

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