

A Turning Point in the Development of the Stock Market in Uzbekistan

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Annotation. The stages of development of the stock market in Uzbekistan, the features of this modern turning point, expanding the possibilities of using financial instruments of the stock market for various organizational and legal forms of enterprises, the main directions for the further development of this segment of the financial market are considered.

Keywords. Securities market, stock market, investments, government securities, stocks, bonds.

Introduction

It is known that the securities market plays a crucial role in the economy of any country. Market-developed countries of the world, such as the USA, Germany, Great Britain, Japan and others, have well-functioning and developed stock market systems that allow attracting temporarily free money and other funds of the population, enterprises, organizations and the state itself and directing them to finance the development of their own national economies.

The Republic of Uzbekistan, as a country with a developing market economy, is also taking steps towards the integral formation, development and improvement of its own stock market.

Since 1993, the legislative base for the functioning of the stock market and its infrastructure have been formed and improved, investment institutions have been created, separate educational institutions have begun to function to train professional personnel for the securities market, etc.

The formation and development of the modern (after Uzbekistan gained independence) stock market in the Republic of Uzbekistan is largely interconnected and interconnected with the formation and development of market relations in general. It is carried out, first of all, under the influence of the evolutionary development of legislation in the field of the stock market, financial and credit relations, based on the

five principles of the Uzbek model of reforming the domestic economy proclaimed by the President of the Republic of Uzbekistan.

Analyses

Analysis of the evolutionary development of the legal framework of the stock market as a whole, as well as the chronicle of actual events on it over the past 30 years, allow us to highlight the following stages of institutional formation and development of the stock market of the Republic of Uzbekistan.

The first stage (1991-1993) of the infrastructural formation and development of the stock market as a whole in the Republic of Uzbekistan is directly caused by the beginning of the transition to market relations in the economy, the initial stage of creating a regulatory and legal framework for a market economy, associated with the emergence of the stock market of Uzbekistan as such. This stage is associated with a gradual transition from the administrative-command system to market relations in the economy, and, accordingly, with the beginning of the creation and reform of the banking system of Uzbekistan, which meets market conditions. Commercial banks have become, in our opinion, one of the first representatives of institutional investors in the emerging stock market of Uzbekistan.

During this period, the first official institution (organizer of trading in securities) of the securities market appeared - the Stock Department of the Republican Commodity and Stock Exchange "Toshkent". This stage can be defined as the stage of formal state regulation of the stock market and the acquisition by the state of negative experience of participation in the market as an issuer. In particular, this is the release in May 1992 of government bonds of a twelve percent winning domestic loan of the Republic of Uzbekistan for the population, which ended very unsuccessfully due to the galloping inflation that began immediately after the release, caused by the collapse of the USSR and the excessive release of paper banknotes by the Soviet government into circulation. This stage was also marked by the beginning of the formation of the composition of the stock market participants: issuers, institutional and individual investors, professional participants, bodies authorized by the state to regulate this market.

At this stage, certification of individuals - professional participants in the securities market is being introduced, and this stage is characterized by the adoption of the first law in the field of regulation of the securities market in Uzbekistan (Law of the Republic of Uzbekistan "On Securities and Stock Exchange" dated September 2, 1993).

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The second stage (1994-1996) of the infrastructural formation and development of the stock market of the Republic of Uzbekistan was marked by the rapid development of the stock market associated with the beginning of large-scale privatization, as well as the circulation of bills. In March 1996, for the first time, a bonded loan for enterprises and organizations in the form of government short-term bonds (GKO) was issued.

During this period, the main laws were adopted to regulate the domestic stock market (Laws of the Republic of Uzbekistan "On the mechanism of functioning of the securities market" dated April 25, 1996 and

"On Joint Stock Companies and Protection of Shareholders' Rights" dated April 26, 1996).

This stage is also characterized by the formation of a depository system and the formation of a class of owners - individuals and legal entities. So in 1994, the main institutions of the securities market infrastructure were created: the Republican Stock Exchange "Toshkent", a network of brokerage offices and stock stores, as well as the National Depository "Vakt" - the first organization designed to confirm the facts of the existence and nature of legal relations into which subjects of civil circulation in relation to securities, that is, relations associated with the rights enshrined in securities, and with rights to securities as property.

For the first time, the accounting system in the stock market was designed to ensure the accounting of capital owners who have predetermined rights (property and non-property rights associated with them) and corresponding obligations in relation to the user of this capital (issuer). At the same time, the development of the accounting system itself can be divided into 3 stages:

1 stage of development of the accounting system. In 1994, the Resolution of the Cabinet of Ministers "On measures to ensure the efficiency of the activities of the RSE" Toshkent "dated July 8, 1994, No. 285, was issued, which laid the foundation for the creation of the first accounting institution in the securities market - the depository of OJSC" National Depository "VAKT".

In 1996, with the adoption of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" and the Regulation "On the Register of Shareholders of JSCs" dated August 16, 1996, No. 274, a mandatory norm was introduced for maintaining the register of shareholders of JSCs.

2nd stage of development of the accounting system. In 1998, the Law of the Republic of Uzbekistan "On the activities of depositories in the securities market" and the Resolution of the Cabinet of Ministers "On the organization and activities of the Central Securities Depository" dated May 21, 1999, No. 263, was adopted, which

initiated the creation of a 2-level depository system, consisting of Central Securities Depository (at the first level) and second-level depositories.

The beginning of the third stage of development of the accounting system was laid by the release in September 2008 of the Resolution of the President of the Republic of Uzbekistan "On measures for the further development of the securities market", according to which, on the basis of

4 laws ("On securities and the stock exchange" No. 918 dated 02.09.1993, "On the mechanism of functioning of the securities market" No. 218-I dated 25.04.1996, "On the activities of depositories in the securities market" No. 672 -I dated 29.08.1998, "On the protection of investors' rights in the securities market" No. 262-I dated 30.08.2001.), Previously regulating the securities market of the republic, a single Law of the Republic of Uzbekistan "On the securities market" was developed and entered into force ".

The third stage (1997-2000) of the infrastructural formation and development of the stock market of the Republic of Uzbekistan is characterized by the formation and broader development of the market for state short-term bonds (GKO), the formation of a special infrastructure (investment institutions) and an organized over-the-counter securities market, the strengthening of the role of securities as the instrument of the return movement of value. This period is marked as the stage of the abolition of bills and circulation of bills, the restoration and increase of the state share in joint-stock companies created on the basis of state ownership.

The fourth stage (2001-2007) of the infrastructural formation and development of the stock market of the Republic of Uzbekistan is characterized by a slowdown in the development of the over-the-counter unorganized and organized stock market and the simultaneous development of new segments of the securities market: the market of certificates of deposit, corporate bonds, government bonds of the Central Bank and state medium-term treasury commitments (GSCO).

It is characterized by the dynamic development of the secondary market for corporate securities, competition of underwriters, the revitalization of the primary market for shares of privatized enterprises due to the introduction of mechanisms for a step-by-step price reduction at exchange auctions, a decrease in the Central Bank's refinancing rate and a decrease in the yield of debt securities.

The fifth stage (2008 - 2018) of the infrastructural formation and development of the stock market is characterized by the unification of the norms of four laws regulating the stock market in one law "On the Securities Market", their approximation to international standards, the creation of a fundamentally new accounting system of the securities market, integration of the national market into the

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international capital market, accelerated development of the secondary stock market, activation of banking participation in the securities market. This stage is the stage of reanimation of the over-the-counter securities market, including the organized one, the introduction of new types of financial instruments (mortgage bonds, derivative securities, depositary receipts), the tightening of the conditions for issuing the corporate bond market. It is characterized by the abolition of restrictions on the combination by investment institutions of depositary, consulting activities, the activities of an investment intermediary, the creation of the Central Registrar and the activation of the activities of rating agencies in the securities market. This stage is characterized by a significant increase in the role of the body that carries out state regulation of the securities market, the creation of a more effective system of supervision over the activities of professional participants in the stock market.

We believe that the sixth (2018 - present), in our understanding, a turning point in the development of the stock market of Uzbekistan has come.

Undoubtedly, a new, turning point in the development of the stock market, we associate, with the release of the Decree of the President of the country Shavkat Mirziyoyev "On measures to radically improve the system of state assets management, antimonopoly regulation of the capital market." To improve the management of the stock market of Uzbekistan, on the basis of the State Competition Committee of the Republic of Uzbekistan, the Agency for State Assets Management of the Republic of Uzbekistan, the Antimonopoly Committee of the Republic of Uzbekistan and the Agency for the Development of the Capital Market were created with the transfer of staffing to the latter, as well as the tasks, functions and powers of the abolished State Competition Committee in terms of regulation. the securities market, including the organizers of trading in securities, the Central Securities Depository and the development, which is very important, of corporate governance.

The creation of the Agency for the Development of the Capital Market made it possible to withdraw from the subordination of the authorized state body in the field of regulation of the securities market (the State Committee for Competition) and become an independent, independent Agency subordinate to the Cabinet of Ministers of the Republic of Uzbekistan.

What changes are taking place in the development of the stock market at the present time?

First, the government securities market was revived. which, since 2011, the state (Central Bank of the Republic of Uzbekistan) suspended the issue and circulation of these securities.

The modern financial market cannot be imagined without government securities, which are one of the most important components of the capital market. The issue of government securities is used as instruments of monetary policy, influencing the money supply in the country's economy and, of course, attracting free funds of enterprises, the population, financial institutions for the needs of the state and local budgets, and to a certain extent is a kind of alternative to external borrowing.

Finally, an understanding came (from the Ministry of Finance) that government securities are issued not only when it is necessary to cover the state budget deficit. This type of securities, perhaps even to a greater extent (as the world practice shows), is used precisely for the implementation of important state investment programs, especially those programs that are aimed at solving social problems.

Let's hope that these are just the first steps towards the development of the government securities market. The next steps should be related to the expansion of the groups of investors admitted to this secondary market for these securities, including not only commercial banks, but also legal entities-residents of the country, foreign institutional investors, and subsequently, individuals, like this takes place in international practice.

Another direction in the development of the government securities (GS) market could be the transfer of placement and circulation of government securities on the platform of the RSE "Toshkent", where a modern automated trading system has been introduced, which allows investors to participate in trading in real time, taking into account the most modern requirements of the securities market papers.

Secondly, an impetus was given to expand opportunities in the issue of corporate bonds, as well as infrastructure bonds. By the order of the director of the Agency for the Development of the Capital Market of the Republic of Uzbekistan, amendments and additions were made to the "Rules for the Issue of Securities and State Registration of Issues of Equity Securities" (annex to the order of the Director of the Agency for Development of the Capital Market of the Republic of Uzbekistan dated November 4, 2020, No. 2020-14) ... Among the main newly introduced provisions, the following should be especially noted:

1) corporate bonds - now not only joint stock companies, but also limited and additional liability companies can issue.

2) within the limits of the equity capital of the issuer as of the date of the decision on their issue. If the amount of corporate bonds exceeds the amount of the issuer's equity capital, then the issuer is obliged to provide collateral in excess of the amount (that is, to be able to attract a third party).

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This procedure is important in attracting investments for limited liability companies, of which there are a lot in our republic (as an example - light industry, Uztekstilprom, where the overwhelming majority of enterprises are limited liability companies).

Corporate bonds in the new edition of the Rules must also be issued subject to the following conditions:

issuers with positive indicators of profitability, solvency, financial stability and liquidity over the last year;

availability of an auditor's report with a positive opinion on the financial statements for the last year preceding the bond issue;

with the participation of commercial banks acting as payment agents for the payment of funds due to investors by issuers.

At the same time, for the placement of corporate bonds by open subscription, the following conditions must be met:

a) in case of exceeding the amount of equity capital, the issuer provides one of the following collaterals to third parties in excess of the amount:

collateral for real estate;

monetary or equivalent funds;

bank guarantee;

insurance policy of an insurance organization;

b) the presence of an independent rating assessment;

c) mandatory involvement of an underwriter (group of underwriters).

As for infrastructure bonds, they must be issued subject to, among other things, the main condition:

within the limits of the equity capital of the issuer as of the date of the decision to issue them. If the amount of infrastructure bonds exceeds the amount of the issuer's equity capital, then the issuer is obliged to provide collateral in excess of the amount;

At the same time, it is important to note that the declaration of these and other directions in the development of the stock market will not automatically yield results. More important is the development of real mechanisms for the implementation of these innovations. And then it will really allow to expand the list of groups of investors, lead to a significant increase in the volume of investments in government securities, which means it will increase the liquidity of the stock market, attract additional capital to the economy and ensure more efficient attraction of resources.

The main thing in the modern development of the stock market in Uzbekistan is that a start has been given for real market transformations in this important segment

of the financial market, which all participants in the domestic securities market have been eagerly awaiting for the past two decades.

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