

Theoretical and Legal Aspects of Liquidation of Business Entities in the Republic of Uzbekistan



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ABSTRACT: This article is devoted to the theoretical and legal aspects of the liquidation of business entities in the Republic of Uzbekistan and the analysis of positive statistics achieved as a result of improving the regulatory framework to simplify the procedure for the liquidation of business entities and interdepartmental integration directly involved in the liquidation. business entities. The article provides theoretical and legal basis for the classification of the improved legal framework and their membership, simplifying the procedure for liquidation of business entities, and develops proposals of important practical significance.

KEYWORDS: Systematic measures, citizens, Performing Financial and Economic Activities, Bankruptcy of economically, law.

INTRODUCTION

Currently, one of the most pressing problems is improving the regulatory framework to simplify the procedure for liquidating business entities in order to further improve the position of the Republic of Uzbekistan in international rankings and indices of doing business.

In recent years, the country has undergone important organizational and legal reforms in the fight against corruption. Systematic measures have been taken to increase the legal awareness and legal culture of the population, to form an intolerant attitude to corruption in society.

As part of the reforms, the mechanisms were improved to ensure the protection of the rights and interests of citizens, the transparency of public administration, public and parliamentary oversight, and the legal framework of the law enforcement and judicial system was reformed.

At the same time, the solution of strategic tasks to further grow the economy, increase the welfare of the people, improve the investment climate in the country requires new systemic measures to ensure the effective implementation of public policy in the fight against corruption and eliminate the causes and conditions of corruption.

THE MAIN FINDINGS AND RESULTS

Therefore, one of the most important steps in further improving the position of the Republic of Uzbekistan in international business rankings and indices is to improve the legal framework for simplifying the procedure for liquidation of business entities in the Republic of Uzbekistan and the development of the most convenient mechanism for its implementation.

In order to increase the transparency of the liquidation of business entities, prevent the formation of corruption-related factors, further simplify and improve procedures and procedures, approved by the Decree of the President of the Republic of Uzbekistan dated 17.01.2019 No PD-5635 "Five priorities for 2017-2021" Paragraph 77 of the State Program "On the implementation of the Action Strategy for the Year of Active Investment and Social Development" sets the task to develop a draft regulatory document to improve the procedure for liquidation of business entities.

In order to simplify the implementation of this Program and the liquidation of business entities, to eliminate unnecessary administrative restrictions on businesses in the liquidation process, to further improve the position of the Republic of Uzbekistan in international business rankings and indices, the President of the Republic of Uzbekistan on 07.06.2019 Decree PD-5739 "On measures to simplify the procedures for liquidation of business entities" was adopted.

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Pursuant to the above Decree of the President of the Republic of Uzbekistan, the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 21.08.2019 No 704 "On the procedure for voluntary liquidation of business entities and termination of their activities" and Regulations on the Procedure for Exclusion of Business Entities Not Performing Financial and Economic Activities from the State Register. These Regulations establish the procedure for voluntary liquidation of business entities - legal entities and termination of business entities - individuals and exclusion of business entities - legal entities from the single state register of business entities that do not carry out financial and economic activities.

In addition, Article 53 of the Civil Code of the Republic of Uzbekistan introduces the concept of liquidation of a legal entity, the liquidation of a legal entity entails the termination of its rights and obligations in the order of legal succession without transfer to another person. In accordance with Article 49 of this Code, reorganization of a legal entity, ie merger, acquisition, division, separation, change may be carried out in accordance with the decision of its founders or the body of the legal entity represented in the constituent documents. As a result of reorganization of a legal entity in the form of merger, the legal status of the business entity is considered terminated and removed from the state register.

Legal aspects of this procedure are determined by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 09.02.2017 No 66 in accordance with the requirements of the Regulation "On the procedure for state registration of business entities", clause 26 of the Regulation stipulates that in case of reorganization by merger - re-registration of the business entity in which the merger is carried out, related to the constituent documents of the legal entity, with the entry of the termination of the merger in the Register.

Also, Article 49 of the Law of the Republic of Uzbekistan "On guarantees of freedom of entrepreneurial activity" stipulates that the liquidation of a business entity is a decision of its founders or the body of the legal entity authorized by the constituent documents or the court or registrar.

At the same time, the Bankruptcy Law of the Republic of Uzbekistan adopted to regulate the relations in the field of bankruptcy of legal entities, individual entrepreneurs and individuals who have lost the status of individual entrepreneurs, liquidates business entities that are economically insolvent and insolvent on the basis of bankruptcy.

Liquidation of business entities in accordance with the above regulations applies to all commercial organizations, regardless of their organizational and legal form.

According to the current legislation of the Republic of Uzbekistan, legal entities, ie commercial organizations engaged in financial and economic activities, have the following organizational and legal forms:

- ✓ Limited Liability Companies established in accordance with the Law of the Republic of Uzbekistan dated 06.12.2001 "On Limited Liability and Additional Liability Companies";
- ✓ Private enterprises established in accordance with the Law of the Republic of Uzbekistan "On Private Enterprise" dated 11.12.2003;
- ✓ Joint-stock companies established in accordance with the Law of the Republic of Uzbekistan dated 06.05.2014 "On joint-stock companies and protection of shareholders' rights";
- ✓ Family enterprises established in accordance with the Law of the Republic of Uzbekistan "On Family Business" dated 26.04.2012;
- ✓ Business companies established in accordance with the Law of the Republic of Uzbekistan dated 06.12.2001 "On business companies";
- ✓ Farms established in accordance with the Law of the Republic of Uzbekistan dated 26.08.2004 "On farms";
- ✓ Investment funds established in accordance with the Law of the Republic of Uzbekistan dated 25.08.2015 "On investment and mutual funds";
- ✓ State-owned enterprises established in accordance with the requirements of the Regulation "On State Enterprises", approved by the Cabinet of Ministers of the Republic of Uzbekistan dated 16.10.2006 No 215.

Based on the current legislation in the Republic of Uzbekistan there are 4 types of liquidation of all the above business entities:

- Voluntary liquidation of business entities;
- Exclusion from the state register of business entities that do not carry out financial and economic activities;
- Bankruptcy of economically insolvent and insolvent business entities;
- Termination on the basis of re-registration in the form of merger.

It is not possible to rehabilitate the liquidated business entities in 1-3 of the 4 types of liquidation of the above-listed business entities.

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Only in the case of reorganization by merger - re-registration of the business entity in which the merger is carried out - the legal entity related to the constituent documents of the merger is terminated and allowed to be re-established by further separation..

However, there are some contradictions in the current legislation of the Republic of Uzbekistan. In particular, Article 49 of the Civil Code of the Republic of Uzbekistan stipulates that reorganization in the form of separation of a business entity merged from the previously reorganized legal entity may be carried out in accordance with the decision of its founders or constituent documents, according to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 09.02.2017 No 66 "On the order of state registration of business entities" In case of reorganization by addition, division and amendment in paragraph 4 of paragraph 26 of the Regulation - the state registration of a newly formed business entity - a legal entity, ie a separate business entity with a new TIN (taxpayer identification number) It is planned to be established with TIN. The existence of such contradictions in the current legislation will inevitably lead to the harassment of business entities, which are reorganized as a result of mergers, and then reorganized by separation, ie to apply to the courts.

Based on the above, the requirements of the Regulation "On the procedure for state registration of business entities" by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 09.02.2017 No 66, it is expedient to make changes and additions to paragraph 4 of paragraph 26 of the Regulation.

As a result of the development of theoretical and legal aspects to simplify the liquidation of business entities in the context of the development of a market economy in the Republic of Uzbekistan and the establishment of specific procedures and regulations, we can see from the table below, voluntary liquidation of business entities with the share of inactive enterprises in the total number of registered enterprises as of 01.04.2021 amounted to 6.6%, due to the simplification of the process by the legislation, 4,044 existing business entities in the process of liquidation were liquidated and removed from the state register.

Information on non-operating and liquidated business entities in the Republic of Uzbekistan by economic sectors

Networks	Registered	No activity	Percentage of total inactivity,%	Finished	Percentage of graduates compared to inactive,%
	01.04.2021y.			In January-March 2021	
Total	462 835	30 377	6,6	4 044	13,3
Agriculture, forestry and fisheries	47 071	3 936	8,4	652	16,6
<i>Industry</i>	91 435	5 987	6,5	740	12,4
Construction	44 649	2 495	5,6	281	11,3
Trade	150 228	9 545	6,4	1 421	14,9
Transportation and storage	18 629	1 043	5,6	93	8,9
Accommodation and meals	33 666	2 825	8,4	314	11,1
Information and communication	10 348	753	7,3	70	9,3
Health and social services	8 260	269	3,3	40	14,9
Other species	58 549	3 524	6,0	433	12,3

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CONCLUSION

In short, the current legislation of the Republic of Uzbekistan covers all stages of the liquidation process, the theoretical and legal aspects of the liquidation of business entities, and there are opportunities to further simplify this process and improve the legal framework.

In particular, with the current state of integration of the electronic system between state structures, there is still human intervention in the process of liquidation of economic entities. This, in turn, requires additional time and money from the entrepreneur.

In order to further improve the position of the Republic of Uzbekistan in international business rankings and indices, and most importantly to improve the legal framework for simplifying the procedure for liquidation of business entities in the Republic of Uzbekistan, it is desirable to eliminate human intervention and establish an interagency electronic integration system.

For this, it is advisable to create a single electronic platform for the liquidation of economic entities in organizations directly involved in the liquidation process: commercial banks, tax authorities, local governments, public service centers, economic courts, law enforcement agencies and archives.

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