

IMPROVING THE REGULATION OF THE STOCK MARKET IN THE NATIONAL ECONOMY

Sultanov Sherali Nuralievich

Tashkent Financial Institute

Associate Professor of "Finance" Department (PhD)

Abstract

The main component of the financial market is the stock market. The stock market is a sphere of securities issuance and trading, and a set of financial relations in the circulation of securities. Its main task is to launch the "savings-investment" mechanism, extended repetition It consists of collecting and distributing financial resources necessary for production and technical development, attracting investments of legal and physical persons, increasing it further and ensuring the modernization of the economy by directing it to economic sectors. Also, the stock market and the intermediaries operating in it are a component of the financial system and provide an opportunity to accelerate the process of redistribution of excess funds from investors to consumers. In the stock market, on the one hand, there are capital suppliers, individuals with free funds, legal and natural persons who wish to invest and increase these funds, as well as the state as a separate entity. is enough. On the other hand, there are market entities that need initial or additional capital necessary for starting new production, providing works, services, or modernizing, expanding, and renovating production. It should be noted that enterprises, organizations, residents, as well as the state can directly participate as applicants for capital.

Introduction

In order to attract funds in the stock market, those who feel the need for capital issue securities and, as a result of their sale, receive funds for the implementation of the production process (effective organization of trade and financial activities). The relationship between applicants for capital (issuers) and suppliers (investors) is carried out on the basis of the terms of repayment, solvency or property (material-spiritual) ownership rights.

The stock market helps accelerate capital accumulation and centralization. This market facilitates the transformation of financial resources needed to finance investments from certain market subjects to others.

It is known from the world experience that securities participate as a means of gathering financial resources, creating a capital budget, forming an investment portfolio, allocating and managing financial risks, developing ownership relations, and redistributing the market, state and joint-stock companies. (corporations) are issued in order to finance their debts. The experience gained in our country confirms that there are opportunities for active investment of the funds of various enterprises, organizations and the personal savings of the population for the expansion and modernization of the production infrastructure.

The state independence of Uzbekistan opened a new page in the formation and development of the stock market. During this period, large-scale reforms aimed at the formation of a multi-system market economy were carried out in the country. In this regard, special attention was paid to the formation of a stable growing stock market.

In our opinion, having studied the formation process of the stock market over a period of almost 30 years, its development can be divided into the following stages and expressed on the basis



of Table 1. It covers the period from the beginning of the privatization process, from the establishment of the "Tashkent" republican stock exchange to the development of the stock market.

Table 1 Development stages of the stock market in Uzbekistan

Steps	Content of comments and approaches
I stage (1991-1993)	At this stage, the stock market of Uzbekistan and the first official institution of securities circulation - the stock department of the Tashkent Stock Exchange, which organizes securities trading, started working. Negative experience was gained from the official regulation of the state's securities market and its participation in the market as an issuer (by issuing 12% domestic yield bonds).
II stage (1994-1996)	This was a stage of development in the rising level of the stock and bill market. In this regard, the adoption of the main laws "On the mechanism of operation of the stock market" and "On the protection of the rights of joint-stock companies and shareholders" on the regulation of the national stock market is the legal basis for the development of this stage. served as a foundation.
III stage (1997-2000)	During this period, the emergence and development of the short-term government bond market was associated with the formation of special infrastructure (investment institutions) and the regulated over-the-counter market of securities.
IV stage (2001-2006)	At this stage, the adoption of financial instruments of new segments of the stock market was manifested by the introduction into circulation of the market of deposit certificates, corporate bonds, Central Bank bonds and medium-term treasury obligations of the State.
V stage (2007-2016)	This stage is characterized by the strengthening of the participation of commercial banks as the main issuer and investor in the stock market, the introduction of new financial instruments into practice, in particular, the strengthening of the conditions for issuing corporate bonds, the introduction of the liberalization of the activities of professional participants of the stock market.
VI stage (from 2017 to....)	As the current stage of the strategic development of Uzbekistan's economy, important steps have been taken to fundamentally reform the stock market. The President of the Republic of Uzbekistan dated February 7, 2017 "On the strategy of actions for the further development of the Republic of Uzbekistan", January 14, 2019 "Measure to radically improve the regulatory system of state asset management, fight against monopoly and the capital market" The Decree on "events" was adopted. The State Assets Management Agency of the Republic of Uzbekistan was established. The Capital Market Development Agency of the Republic of Uzbekistan was established. Government bonds were reissued on the stock market and sold to commercial banks through the currency exchange. For the first time in the independent history of Uzbekistan, in 2019, 5-year 500 million dollar eurobonds were placed at 4.75 percent, and 10-year 500 million dollar eurobonds were placed at 5.375 percent.

The initial stage of reforms was related to the implementation of a number of measures aimed at forming the organizational and legal foundations of the stock market and its foundations. Under the conditions of strategic development, the creation of a stock market system corresponding to the demand of the times was carried out step by step and this process is being continued consistently.

There was no attempt to artificially accelerate the process of liberalization and development of the stock market in Uzbekistan, on the contrary, the main attention was paid to the quality of



the reforms and their timely implementation. In particular, large-scale privatization processes started in the country served as the main ground for its formation.

Reforms were carried out based on the new version of the law of the Republic of Uzbekistan "On Expropriation and Privatization", "On Securities and Stock Exchange".

The adoption of these laws is considered a strong factor for both quantitative (increase in the number of joint-stock companies and "investment" institutions) and qualitative development (expansion of the activities of business entities that carry out operations related to securities).

In short, forming a comprehensive strategy for the development of the capital market and implementing a unified state policy in this area, assisting in the creation of an effective infrastructure of the capital market, rapidly developing the secondary securities market and expanding its scope, improving the corporate governance system, it is explained by reforms in the field of corporate governance and capital market regulation. The stock market, which is a component of the capital market, ensures the efficient functioning of the entire economy, helps economic entities to attract investors' financial resources, and investors to increase their savings by investing their financial resources in financial instruments, and helps the state implement economic policy.

The stock market is one of the mechanisms that provides exchange by meeting the seller and buyer of financial assets.

The stock market performs a number of functions. They can be conditionally divided into two groups:

A universal market function that applies to all markets;

A special feature that distinguishes the capital market and the stock market from other markets.

The following can be included as functions related to the general market function: commercial, that is, the function of profiting from the activity in this market; price, i.e., the function of ensuring the status and formation of prices in the market, their constant change due to market conditions; information, that is, the market prepares and delivers information about trading objects and participants to its participants; coordination, that is, the market develops the rules of participation and trading in it, the procedure for allowing disputes between participants, appoints management or supervisory bodies.

Special functions of the stock market include the following: distributive and redistributive functions, in turn, this function can be divided into four groups:

- distribution and redistribution of financial resources between sectors and branches of market activity;
- transfer of savings, first of all, population savings from non-production to production form;
- covering the existing deficit of the state budget in a non-inflationary way, i.e. without releasing additional money into circulation;
- money supply management.

One of the main functions of the stock market is to determine the price of financial instruments, that is, the market determines such a price that reflects all the information about this financial instrument.

The tasks of the stock market can be divided into main and additional tasks. The main tasks of the stock market include the following: attraction of temporary free financial resources in sectors of the economy; effective distribution and redistribution of financial and investment



resources to promising sectors of the economy; servicing the national debt; redistribution of ownership of means of production; serving the mutual balancing (balanced) monetary and credit and tax-budget policy implemented by the state; achieve financial globalization.

Additional tasks of the stock market include: optimization of the issuer's cash flow; forming a positive image of market participants; protection of economic interests of the issuer; business development and creation of additional jobs; integration into the world financial system; instrument of political pressure, financial and economic stress, financial regression and currency intervention; ensuring the return of financial funds placed by investors, providing investors with the opportunity to increase the invested funds. The purpose of the stock market is to accumulate financial resources and redistribute them among various participants of the market by carrying out various transactions with securities. That is, mediation in the flow of temporary free money from investors to issuers of securities.

In addition to the above-mentioned tasks, the stock market performs the following tasks: mobilization of temporarily idle financial resources for specific investments; formation of market infrastructure that meets world standards; secondary market development; activation of marketing research (research); development of ownership relations; improvement of the market mechanism and management system; ensuring the implementation of real control over the capital of the fund based on state coordination; reducing investment risks; formulation of portfolio strategies; development of price formation; determination of promising directions of development

The stock market performs a number of important macroeconomic and microeconomic functions in a developed economic environment.

First, the stock market plays the role of coordinator of investment flows, providing the optimal structure of resource use for society. It is through the stock market that the main part of the flow of capital to sectors with higher profitability for financial investments is carried out.

The price of the stock in the secondary market, which fluctuates based on supply and demand in the market (naturally, investors try to get rid of low-yielding securities by directing their funds to more profitable projects), which is important for production determines the price of the primary market. Enterprises will have the opportunity to get the necessary capital for development only in the primary market. In developed markets, the success or failure of a newly formed enterprise depends on the attitude towards its securities, i.e. the rate of acquisition.

Secondly, the stock market ensures the public nature of the investment process. That is, it allows a voluntary economic agent with free funds to invest in production by purchasing securities. The concentration of securities circulation on the stock exchange and between professional intermediaries allows the investor to simplify the investment process.

Thirdly, the stock market quickly reflects the changes taking place in the social, political, foreign-economic and other spheres of society. In this regard, the general indicators of the state of the stock market are the main indicator when thinking about the economic situation of the whole country. A narrow analysis of the situation in the stock market can be evaluated for the activity of a particular region, industry and specific enterprise.

Fourthly, the democratic principles of managing the economy at the micro level with the help of securities are manifested. For example, when decisions are made by voting of shareholders,



that is, when one vote corresponds to one share, the one who has more shares has a greater advantage in making decisions immediately (speed). will have influence.

Fifth, the state implements its structural policy by buying shares of privately owned enterprises. Purchases shares of strategic enterprises and thus invests in production that is important from the point of view of the development of society.

Sixth, the stock market is an important instrument of state financial policy. The main instrument in the implementation of this function is the market of state securities. Through the stock market, the state influences the money supply, GDP growth or decline.

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