

Prospects for the Introduction of Islamic Securities in the Stock Market of Uzbekistan

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Abstract: The Islamic financial system is part of the Islamic ecosystem, which includes economic relations in accordance with the rules of Islamic law in the use and distribution of funds. In this article, due to the focus on reforming the financial market in our country, the problems that hinder the introduction and use of Islamic financing and Islamic securities and suggestions for their elimination are given.

Keywords: Sukuk, certificates of ownership, salam certificates, istisna'a certificates, murabahah certificates, musharakah certificates.

Nowadays, interest in Islamic finance is increasing in Uzbekistan. Uzbekistan is an important country of Central Asia with more than 35 million inhabitants, 93 percent of its population are Muslims. Currently, the three countries where Islamic finance is best established are Saudi Arabia, Iran, and Malaysia, which account for 66 percent of the global market size.

"Islamic banking and finance" organization in Uzbekistan according to The growth of the Islamic finance industry in the CIS countries is slower than in other countries, but due to the growing opportunities in this region, it is attracting the attention of the global international banking industry. If the governments of the CIS countries take the initiative to develop this sector, the work of Islamic banking will grow significantly in the next five years. Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan are likely to be key players leading this expansion of Islamic banking and finance in the CIS, the statement said.

In Islam, profit from lending or borrowing is prohibited, and all financial processes must be based on genuine economic activity. It is not allowed to finance industries that can harm a person - for example, gambling, alcohol, tobacco products, etc. Islamic banks benefit from project financing. Unlike traditional banks, where depositors only focus on dividends and do not know what their funds will be invested in, in Islamic banks, the depositor can see the future movement of funds, where the funds are invested in the business and the profit goes to the bank and divided between depositors.

One of the rules of Islamic financing models is risk sharing. Neither the bank nor the customer will make a profit if the business is not profitable. But if there is a profit, it will be distributed among the depositors in proportion to the investment.

According to the decree of the Republic of Uzbekistan No. PF-6207 of 2021 "On measures for further development of the capital market", the main goal of this program is to fundamentally improve the state policy, which involves deepening the implementation of reforms aimed at

bringing the ratio of the total volume of freely traded securities to the country's gross domestic product to 5%.

The instrument of the Islamic finance market, i.e. security, is called sukuk, and the advantages of Islamic finance are as follows:

- there is a ban on charging interest. But such a ban applies only to banks with guaranteed income;
- opportunities to receive income from participation or rent on the basis of a share;
- non-existence of the bond market. But a special type of bond works by allowing you to earn income based on your share of the project's financing;
- it is prohibited to make investments in the business related to the production of gambling and alcohol products;
- absence of derivative financial instruments. For example, derivatives cannot be used for immature wheat;
- application of the principles of assistance to the needy. In this, each Islamic bank and its customers establish a special fund on the basis of allocation of Islamic tax for the benefit of poor Muslims at the expense of reserve capital and profits.

Investment Sukuk are certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or the assets of particular projects or special investment activity, however, this is true a receipt of the value of the Sukuk, the closing of subscription and the employment of funds received for the purpose for which the Sukuk were issued. In this standard, Sukuk have been designated as Investment Sukuk in order to distinguish them from shares and bonds. Types of Investment Sukuk Investment Sukuk are of different types, and among these are:

Certificates of ownership in leased assets are certificates of equal value issued either by the owner of a leased asset or a tangible asset to be leased by promise, or they are issued by a financial intermediary acting on behalf of the owner with the aim of selling the asset and recovering its value through subscription so that the holders of the certificates become owners of the assets.

Certificates of ownership of usufructs. Certificates of ownership of usufructs of existing assets are of two types: Certificates of equal value issued by the owner of an existing asset either on his own or through a financial intermediary, with the aim of leasing the asset and receiving the rental from the revenue of subscription so that the usufruct of the assets passes into the ownership of the holders of the certificates.

Certificates of equal value issued by the owner of the usufruct of an existing asset (lessee), either on his own or through a financial intermediary, with the aim of subleasing the usufruct and receiving the rental from the revenue of the subscription so that the holders of the certificates become owners of the usufruct of the asset.

Salam certificates (Salam Sukuk) are certificates of equal value issued for the purpose of mobilizing Salam capital so that the goods to be delivered on the basis of Salam come to be owned by the certificate holders.

Istisna'a certificates (Istisna'a Sukuk) are certificates of equal value issued with the aim of mobilizing funds to be employed for the production of goods so that the goods produced come to be owned by the certificate holders.

Murabahah certificates (Murabahah Sukuk) are certificates of equal value issued for the purpose of financing the purchase of goods through Murabahah so that the certificate holders become the owners of the Murabahah commodity.

Musharakah certificates (Musharakah Sukuk) are certificates of equal value issued with the aim of using the mobilized funds for establishing a new project, developing an existing project or financing a business activity on the basis of any of partnership contracts so that the certificate holders become the owners of the project or the assets of the activity as per their respective shares, with the Musharakah certificates being managed on the basis of participation or Mudarabah or an investment agency.

Sukuk can play an important part in the development of an Islamic market and banking system. The main advantage of sukuk is to comply with Sharia while boosting the standard of living in Islamic society and developing these societies' economies. However, sukuk also bring several other important benefits. Sukuk provide an ideal way of financing large projects for the public good that would otherwise not be possible. There are many economic activities or projects that are out of reach of individuals, companies, or, in the case of various developing Islamic economies, governments. In these cases, sukuk are perfect for financing these projects without falling into interest-based debt.

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