

## **Historical Analysis of the Foundations of Finance and Business Law**

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**Abstract:** In this article, starting from the political independence of the Republic of Uzbekistan, until now, the Republic of Uzbekistan, along with other independent countries, has not only achieved political independence, but also achieved economic independence, that is, it has its own finances and its own national income. Finance of the Republic of Uzbekistan is an important and integral part of the economic system of our country, its structural element. The development of the economy of our country determines the direction of growth and has a positive effect on the strengthening of its finances. National income is one of the final indicators of the development of our economy.

**Keywords:** Finance, monetary and credit system, state budget, economic information function, personal insurance, monetary unit, municipal property.

The constitutional basis of the financial system in the Republic of Uzbekistan is defined in Article 122 of the Constitution as "The Republic of Uzbekistan has its own financial and monetary system." The concept of finance is a very broad concept, and it is considered one of the economic categories according to its essence. "Finance" is a Latin phrase that means money payments. But it is not enough to explain finance as money payments, because this phrase expresses its external appearance and does not express its internal content. Such payments are, on the one hand, the transfer of taxes, fees, payments to the budget, insurance bodies, and on the other hand, the provision of funds from the state budget and funds, and money in the case of cash payments made through banks. while expressing his actions, social relations are reflected in these actions. Economic development requires funds. With the help of the financial system, the state collects the money it needs - creates a money fund and redistributes this collected money fund. Every country should have its own independent finances. The growth of the national income is caused by the continuous development of industry, agriculture and other sectors of our country. Strengthening finances is one of the most difficult tasks, without fulfilling this task, it is impossible to protect our country, ensure its economic and cultural development, and take a big step towards the conditions of a market economy.

Economic relations arising from the creation of monetary resources, their accumulation, distribution and accumulation are called finance. Although finance is monetary relations, it depends on production. Finding funds, their distribution and for what purposes and in what ways they are used make up the financial system. If the object of finance is money, its subjects, i.e. participants, will be: firms, public organizations, state agencies, various institutions, various families and some individuals. All of them are faced with the inflow and outflow of money, thus entering into financial relations. The meaning of finance is expressed in the tasks it performs.

Finance performs the following tasks:

- 1) The task of distribution is various created national products and accumulated national wealth distributed in the form of money, converted into various financial funds.
- 2) Promotion task - economic activity is supported by means of finance.

Tax exemptions are given for this. If the taxes are reduced, the cost of the firm will be reduced and its

benefits will increase. This allows you to spend the profit for the development of production.

Providing financial support to enterprises and organizations by the state is also their job encourages.

3) The task of economic information - the end of economic activity is summarized in finance, and this is it takes the form of financial indicators. This is the amount of profit, profitability, liquidity of the enterprise, such as the amount of his money and debt. Depending on this, the company's finances condition is assessed. Finance performs its tasks through financial instruments, such as taxes, various payments, subsidies, money funds. Total financial instruments are referred to as financial instruments. Finance in Uzbekistan consists of a number of links, a single financial system organizes. This system includes: State banks store money of enterprises, organizations and citizens. Banks can lend the money given to this storage for short or long term loans to companies, organizations and citizens in need. By lending, the bank earns interest on the borrowed amount. State credit and bank credit, in their turn, constitute a prominent part of the financial system.

The constitutional basis of the monetary system in the Republic of Uzbekistan. It is regulated on the basis of the decree of the Republic of Uzbekistan "On introducing the national currency into circulation" and normative legal acts issued by the Cabinet of Ministers of Uzbekistan and the Central Bank of the Republic of Uzbekistan. The role of the Bank of the Republic of Uzbekistan in the implementation of monetary policy in the territory of the Republic of Uzbekistan is very large. The organization of the monetary system and money circulation is carried out by the Central Bank of the Republic of Uzbekistan. The official currency of the Republic of Uzbekistan is the soum. One soum consists of one hundred tineys. The soum is the only, unlimited and legal means of payment in the Republic of Uzbekistan. Starting from July 1, the national currency of the Republic of Uzbekistan - "soum" of the Central Bank of the Republic of Uzbekistan is worth 1, 3, 5, 10, 25, 50, 100 and 200 soums since 1996, 500 soums since 2000, since 2001, banknotes of 1000 soums and metal coins of 1, 3, 5, 10, 20, 50 tinyas and cash have been put into circulation. The Central Bank has the absolute right to issue banknotes and coins as a legal means of payment in the territory of the Republic of Uzbekistan, their forgery and illegal preparation is the reason for prosecution according to legal documents. Banknotes and coins in circulation are the fixed liabilities of the Central Bank and are secured by its total assets. At the same time, the Central Bank does not compensate for the destroyed, fake, artificial and invalid banknotes and coins. The Central Bank approves the samples of banknotes and coins, as well as their design, in agreement with the Council of the Oliy Majlis. The design of banknotes and coins is the property of the Central Bank. The Central Bank publishes information on the circulation of new banknotes and coins, as well as their description, in the mass media. Money is such a special commodity that it acts as a general equivalent for all other commodities. Like all goods, money and value have a consumption value. In this sense, it does not differ from other ordinary goods. Money is an important factor of market economy. Today's economic life, especially the market economy, lives on money. There cannot be a market economy where there is no money. The market economy consists of the movement from the production of goods and commoditized services to their consumption, which is carried out by means of money. Production resources are purchased in the market for money, goods are created and consumed in exchange for monetary income. Whether goods are used for consumption or investment (production), they are always moved with the help of money. In the conditions of the market economy, economic relations such as organization of money circulation, exchange of money, their storage, distribution, giving free money, i.e. selling it, organization of finance by means of money become stronger and more complicated. Funds in the form of money are converted into resources through the market, and with their participation goods are created and sold to earn money. The need to introduce the Uzbek soum. After the disintegration of the former Union, the new countries of the CIS did not need to maintain a single currency. At the same time, independent countries began to conduct separate financial policies. In such circumstances:

1) It may happen in the financial sector in the ruble zone republics it has become difficult to predict changes;

2) Movement of funds without cash, payments by transfer are much more limited;

- 3) The difference between interest rates between regions increased;
- 4) Currency devaluation of individual republics, including the government of Uzbekistan started to get out of control.
- 5) Cash and loans to CIS countries by the Central Bank of Russia non-observance of the regularity of giving, lack of funds and economic activity leads to instability.
- 6) In different republics, the devaluation of money in different levels of consumer goods in the region reduced it.
- 7) Lack of trust and cooperation between governments, and often very little actions on non-important issues aggravated the situation.

When introducing the soum, Uzbekistan followed the path it chose. These are the features consists of:

- 1) first of all, it is not similar to the experience of other countries.
- 2) The money recognized as honest work has become exchangeable.
- 3) The ratio of new and old money is 1:1. In other countries, it was different: 1:100, 1:50, 1:10 and so on.

The "one to one" ratio is economically the cheapest and psychologically the most comfortable.

Constitutional foundations of the budget system in the Republic of Uzbekistan With the termination of the former union government, the state and economic situation of the Republic of Uzbekistan changed radically. Uzbekistan became an independent sovereign state. This led to changes in the budget, which is an important attribute of statehood. According to the legislation of the Republic of Uzbekistan, budgets are divided into two:

➤ state budget, - local budget. According to Article 122 of the Constitution of the Republic of Uzbekistan, the state budget of Uzbekistan consists of the republic budget, the budget of the Republic of Karakalpakstan and local budgets. According to the Civil Code of the Republic of Uzbekistan, state property consists of republican property and property of administrative-territorial structures (municipal property). Means of the relevant budget and other state property, if they are not attached to the state enterprise and institution, form the state treasury of the Republic of Uzbekistan, the regional treasury. The property of the republic is formed from taxes, levies and other mandatory payments to the budget of the republic, as well as other revenues in accordance with the bases provided for by law. Municipal property - property of local bodies of state power, local budget funds, as well as housing fund and communal economic enterprises and other property complexes, public education, culture, healthcare institutions, as well as other property consists of property. Municipal property is formed from taxes, levies and other mandatory payments to the local budget, as well as other revenues in accordance with the bases provided by legislation. Thus, the state budget consists of the republican budget, the budget of the Republic of Karakalpakstan, which is part of the republic, and the budget of the regions. The local budget is organized at the level of district, city, village and other administrative-territorial structures. Regardless of the level of the budget, the budget can be understood in three ways:

- a) in an economic sense;
- b) materially;
- c) in a legal sense. In the economic sense, the budget means the system of economic (monetary) relations related to the organization, distribution and use of budget funds at different levels. In the material sense, the budget means a centralized monetary fund organized at one or another level in order to ensure the functions of state or local authorities. This aspect of the budget is meant when we talk about the financing of documents, one or another event from the budget, provision of bodies and institutions from the budget funds, transfer of the source of income to the budget account. In the legal sense, the budget is a financial plan for the organization, distribution and use of the centralized monetary fund of the relevant territory, approved by the representative body of the relevant state

power. The budget approved in the manner established by the law is the main financial and planning act of the state or the financial and planning act at the local level. As a basic financial plan, the budget has the following characteristics:

a) the budget is considered a universal financial plan, social and economic with its indicators covers all areas of development. This feature of universality is another financial are not found in the plans, because they act in a very narrow circle.

b) the budget is indicative in comparison to other financial plans. Referral - through the correlation of the budget indicator with the indicator of other financial plans is done. Mandatory payments to the budget in the financial plans of enterprises the size and funds allocated from the budget are indicated.

All that is necessary for state budget organizations to carry out their activities they receive the funds from the expenditure part of the relevant budget (depending on their subordination).

All aspects considered above complete the concept of budget. Budget is - organization of funds in order to ensure the functions of state authorities and is a form of spending. It is clear from this concept that: firstly, the budget is a form of organizing and spending money, and secondly, the budget ensures the functions of state authorities. So, the budget is the main financial plan for the establishment, distribution and use of centralized monetary funds, approved by the representative body of the state power, and serves to ensure all tasks and functions of the state. The state budget is approved every year and is active from January 1 to December 31. The legal norms that regulate the relations that arise as a result of the use of the budget in the economic and social development of the state, create a special group of norms, and constitute the budget law, which is a branch of the financial law. Budget authority includes several financial institutions. The norms of budget law are an integral part of the financial system and regulate the social relations that arise in the process of creating, distributing and using the budget. That is why budget law is a set of financial and legal norms that regulate social (financial) relations arising as a result of the organization, distribution and use of state and local budgets on the territory of the republic. The subject of budget law is the relations arising as a result of the organization, distribution and use of budget funds. These relationships include:

a) establishing the budget structure and budget system in the republic;

b) establishing the structure of the budget system's incomes and expenses and differentiating them distribution between budgets on the level;

b) demarcation of the scope of budget authority (that is, between the state and its subjects);

c) with the organization of the budget process, i.e. budget preparation, review, approval and on the introduction of the procedure of execution, as well as the execution of relevant budgets review and approval of reports,

d) relations related to the organization of budget execution control. One group of the above-mentioned budget relations includes a set of relations that are clear in themselves, they are interdependent. For example, the budget system, the relations that arise on the establishment of the structure of income and expenses cannot be implemented without the relations that arise on the establishment of this system, in turn, the relations of these two groups are the state on the establishment of the budget system. it cannot be done without determining the competence of the bodies. Groups of social relations regulated by the norms of budget law are considered as budget legal relations. These relations, different from other legal relations, have their own characteristics. These relations arise in the process of budget activity, that is, in the activity of budget organization, distribution and use. Another feature of budget relations is that, unlike other subjects of legal relations, their range of subjects is very narrow. Constitutional foundations of the banking system in the Republic of Uzbekistan Enterprises that can provide the economy of an independent state with sufficient credit resources, that have appeared in different ownership and organizational and legal forms, that ensure the continuous implementation of calculations in the course of economic activity, in the first years of independence It was necessary to organize a banking system from the very beginning, which would create an opportunity to attract investments to the economic sectors that the Republic of Uzbekistan demanded to develop first, and

which could provide services to the external activities of enterprises in the conditions of liberalized foreign trade relations. Reforms in the banking system were an integral part of the economic reforms carried out after the independence of the state. Establishing a banking system that meets the requirements of international standards was one of the goals of reforming the financial sector. The President of the Republic of Uzbekistan, I.A. Karimov, in his book "Uzbekistan on the Way to Deepening Economic Reforms" wrote "a banking system managed by the Central Bank and including independent and private banks

He emphasizes that "the creation of good conditions for the opening of branches and representative offices of large foreign banks in the territory of the Republic of Uzbekistan" is one of the main activities of the first stage of the transition to the market. The reform of the banking system is being carried out under the leadership of the Central Bank of the Republic of Uzbekistan. In September 1992, the republic branch of the State Bank of the former Soviet Union in Uzbekistan was transformed into the Central Bank of Uzbekistan, which organizes and manages the banking system in Uzbekistan. At the first stage, the foundations of the modern banking system will be created: the necessary regulatory documents will be adopted, institutional reforms will be carried out, bank supervision will be organized, newly established banks will be provided with material and technical support. The Law of the Republic of Uzbekistan "On Banks and Banking Activities" played an important role. He gave the Central Bank independence from the executive bodies, created a legal basis for the establishment and operation of commercial banks in the republic. The transition of the republic to its own currency from July 1, 1994 was also important for banking reforms. The President of the Republic of Uzbekistan, I. Karimov, in his work entitled "Uzbekistan on the Way of Deepening Economic Reforms", from July 1, 1994, introduced the national currency - the som as the only means of payment - into circulation in the territory of Uzbekistan. writes that it was a revolutionary step. The introduction of the national currency required the holding of many events under the auspices of the Central Bank of the Republic of Uzbekistan. Funds in the account sheets of all legal entities registered in the territory of Uzbekistan by bank organizations, regardless of their ownership and legal-organizational form, all fixed and circulating funds and other material assets, creditor and debtor debts, republican and local budget balances value is recalculated. By 1995, a two-tier banking system will be formed in the Republic of Uzbekistan. The Central Bank, which occupies the highest position in the banking system, leads the banking system, establishes rules in the field of banking services, and supervises commercial banks. The second tier of the banking system is made up of various commercial banks. It is universal, that is, all banking operations The principle of leading reforms by the state is one of the five principles proposed by the President of the Republic of Uzbekistan and used during reforms in society. Based on this principle, the Central Bank leads reforms in the financial sector and actively participates in reforms in other areas. During the implementation of reforms, the Central Bank of the Republic of Uzbekistan also uses market instruments in addition to its administrative powers. These are its operations on the open market (for example, trading operations of government securities), refinancing interest (these interest are interest paid for loans taken by commercial banks), mandatory reserve requirements established for commercial banks (commercial banks charge third parties are measures to regulate the amount of the received funds at the percentage set by the Central Bank of the Republic of Uzbekistan. The development of foreign relations and the implementation of the state policy aimed at comprehensive integration into the world economy led to a sudden increase in currency transactions and international settlements. According to Article 40 of the Law "On Central Bank" and the Law "On Regulation of Currency", the Central Bank of the Republic of Uzbekistan is the main body of currency regulation and currency control and regulates foreign relations. has intensified its activities in the field of The structure of the Central Bank has changed a lot. He established structures for currency regulation, bank control, and securities market regulation. Measures for the training and retraining of employees of the Central Bank of the Republic of Uzbekistan are constantly being implemented. If we call the first stage of banking reforms the stage of quantitative reforms, the second stage of reforms started in 1995-1996 focused on the quality of reforms. The second stage of banking reforms began with the adoption of two new banking laws, the Law "On Central Bank" and the Law "On Banks and Banking Activities". These two laws were adopted with the participation of leading experts of

international financial organizations after studying the world experience of legal regulation of banking activities. The activities of the second stage of banking reforms are mainly aimed at increasing the quality of banking services up to international standards, transitioning to a payment system that provides an opportunity to integrate into the world payment relations, and attracting foreign investments to the banking sector. The activities of commercial banks are developing in the securities market, foreign exchange market, banks are developing new types of banking operations - leasing, factoring, safes and special rooms. The interest of the leading world banks in the economy of Uzbekistan is increasing. Some of them opened their representative offices and branch banks in Uzbekistan. Joint banks are being established in Uzbekistan. Special attention is paid to providing the banking system with information, scientific and personnel. Academy of Banking and Finance was established to train specialists for top management in the banking system.