DEVELOPMENT OF THE SUPERVISORY BOARD ACTIVITIES IN JOINT STOCK COMPANY OF UZBEKISTAN

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Annotation: *The article discusses the development of the activities of the supervisory board in joint stock companies of Uzbekistan, as well as the improvement of the system for assessing the effective performance of the supervisory board in joint stock companies. It is recommended to continuously develop the activities of the Supervisory Board as the most important body of corporate governance Recommendations for the implementation of a management system based on the specifics of companies for improving the activities of the council in joint stock companies have been developed.*

Key words: *supervisory board, joint stock company, corporate governance assessment, investor company, manage ment.*

Introduction

In the global economy, corporate governance is one of the factors determining the socio-economic development of a country, and today it is being improved in both developed and developing countries. According to research by the Organization for Economic Co-operation and Development (OECD), in recent years the share of countries with a concentrated ownership structure in global market capitalization has increased from 20% (1998-2002) to 34% (2013-2015), and the reason for this was the sharp development of capital markets in developing countries. Therefore, the quality of the corporate system governance of the country is crucial for competitiveness and dynamic development of its corporate sector.

Large-scale scientific research aimed at studying and developing corporate governance problems. In particular, these include improving the system of activities of the supervisory board on the basis of international standards and principles, creating balanced mechanisms for the activities of the supervisory board in the economy, modeling the processes of the activities of the supervisory board, identifying the relationship between the effectiveness of the activities of the supervisory board and factors influencing the formation of its mechanisms, the creation of economic and legal mechanisms for managing the corporation. In this regard, the implementation of theoretical and practical research to improve the system for assessing the effective activities of the supervisory board in joint stock companies is a very pressing issue [3]. In recent years, Uzbekistan has been implementing large-scale reforms to radically change approaches to the corporate governance system, including activities supervisory board, worldwide compliance

recognized management principles, such as fairness, responsibility, transparency and accountability, widespread attraction of foreign investment, acceleration of processes to increase the country's competitiveness. The Action Strategy for five priority areas of development of the Republic of Uzbekistan in 2017-2021 identified priority tasks for "... the introduction of modern international standards and methods

of corporate governance, strengthening the role of shareholders in the strategic management of enterprises...", "...development of corporate law and the introduction of modern principles of corporate governance, taking into account international experience...". The effective solution of these problems determines the improvement of the organizational and economic mechanism for assessing the activities of the supervisory board of corporate governance in joint-stock companies.

In our country, the denationalization and privatization of property, increasing the efficiency of the activities of the National Tax Service in joint stock companies, in normative and practical terms, are important. An important factor is the critical assessment of activities NS in joint stock companies, their comparison with such enterprises in developed countries, a radical reduction in state participation in industries and sectors of the economy, wide involvement of specialists and the population in the activities of NS [5].

In-depth analysis of international experience in improving institutional aspects activities of the council in the joint-stock company, widespread introduction of modern CG methods, increasing efficiency production, investment, logistics, financial and labor resources, creation joint stock companies with foreign capital,

it is important to increase the competitiveness of the economy by addressing issues such as attracting foreign direct investment in equity society, radical increase in efficiency activities of the board in joint stock companies and raising it to a qualitatively new level [1]. Behind In recent years, a lot has been done in our country work to create a reliable legal framework for changes in a market economy. Consequently, according to world practice, in joint stock companies the owners, that is, shareholders, are separated from the management of the company. Property owners delegated the management of their property to hired managers. Supervision over the activities of managers is assigned to institutions that are part of corporate governance.

General meeting of shareholders – SB, audit commission, corporate secretary, corporate governance institutions. It is in these economic entities that the improvement of NS institutions is recognized as one of the ways for the sustainable development of our economy. Another important aspect of NS institutions is that they are based on the principles of transparency, honesty and responsibility.

In view of the above, improving the activities of the National Tax Service in the real sector of the country is of great importance for ensuring the sustainable efficiency of the national economy. This is due to the fact that the introduction of institutions of independent members of the National Assembly makes it possible to solve such priorities as protection rights and interests of shareholders, clear definition powers of public administration, increasing investment attractiveness, ensuring speed and accuracy of data. The institutions of independent members of the SB help attract investment into business as well as into the national economy in order to strengthen the basis for long-term economic development and competitiveness in various areas.

This can be further explained in more detail as follows. The introduction of institutions of independent members of the SB will improve the quality of business management. Allows managers of business entities and tax authorities to develop a well-thought-out strategy for business entities, provides rewards to managers of business entities in connection with the results of business activities. The introduction of such practices in the area of NS activities will help enterprises attract investments on mutually beneficial terms and increase the overall efficiency of the business. In general, such investors can serve as an important source of attracting large long-term investments into the national economy. This strengthens ongoing confidence and provides high returns on investment for the country, which in turn stimulates employment and economic growth in national economy. As part of the effective activities of the National Assembly, social-labor relations in

economic entities are correctly established taking into account the interests of employees of economic entities.

The institutions of independent members of the SB must adhere to the principles of interaction between the heads of business entities and employees (compliance with labor legislation, including labor protection and hygiene, hiring, remuneration, promotion, clear discipline, participation in trade union activities, respect for rights workers, etc.). The fact that economic entities take into account social and labor relations helps solve employment problems in the national economy.

In our opinion, the criteria that should be taken into account when electing members of the SB are: information about the diversity (gender, ethnicity, social background) of SB members and executive managers should be disclosed. The term of membership on the board shall be reviewed from time to time. Reveals the procedure for nominating and electing candidates for council members. The implementation of the above ideas in practice will be a key factor in increasing investment activity at the level of business entities, reducing the risk of financial and economic crises in the global context in achieving sustainable economic growth in the national economy [2].

The board seeks to focus on overseeing management's behavior and monitoring the company's past performance and sustainability. An alternative view goes beyond behavioral control framework and recognizes that a well-balanced board is critical and can be a competitive advantage for a company in terms of innovation and value creation. More innovative companies now include a wide range of people who work in collaboration with the company's CEO and other senior managers to develop new business strategies. Leaders help the firm remain relevant, including different points of view that are directly relevant to the company. A more collaborative model of relationships between the board and senior management (and company investors) will ensure that these prospects are incorporated into decision-making processes in ways that add real value to the company's business operations. At the beginning of 2020, under the chairmanship of the Prime Minister of the Republic of Uzbekistan and his deputies, they studied the activities of 2965 enterprises with state participation, of which 1710 SUE (state unitary enterprises), 990 LLC (limited liability companies) and 257 JSC (joint stock companies). In the Republic of Uzbekistan Provide a strategy for the ownership, management and reform of enterprises in Uzbekistan with state participation for 2020-2025, which notes that more than 1000 state-owned companies will be transferred (sold) to a private investor. Plans also include improving existing management practices in companies that remain with a dominant share states. In particular, issues of increasing the powers of the executive body and the board of companies from one to three years, the transition to international financial reporting standards, further development of the institution of independent council members [4]. Taking into account the above, assessing the effectiveness of the council as the most important corporate governance body is one of the most pressing tasks.

Investors, regulators, other company stakeholders, and governance experts challenge boards to examine and explain the work and composition of the board.

Boards must address this issue - first and foremost through a dedicated and effective assessment process. In doing so, boards can work to identify areas for growth and change to improve productivity and optimize the composition in a way that increases long-term value. It is necessary to introduce high-quality assessments of councils, taking into account global experience. Councils need to engage in a more open and detailed manner informing about the assessment process and its results. Council evaluation reports must contain an action plan and indicate recommendations for improving the work of the SB.

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