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Article



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ASPECTS OF THE DEVELOPMENT OF THE INSTITUTION OF BANKRUPTCY IN THE EXAMPLE OF ECONOMIC MODERNIZATION

Abstract: The article deals with the important conditions for the development of the national economy is the formation of the mechanism of bankruptcy of insolvent businesses.

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Introduction

In the context of Uzbekistan, the impact of the Institute of Bankruptcy on the state and development of the economy is very uncertain, especially in relation to the activities of industrial enterprises. An analysis of the state of the industry and development trends shows that the share of loss-making enterprises in most sectors remains much higher. The main result of the global economic crisis was a significant deterioration in the financial and economic situation of most Uzbek enterprises. At the same time, despite the legal possibilities of expanding the mechanisms of doing business and restoring the solvency of business entities, provided by the legislation on bankruptcy, most bankruptcy cases end with the liquidation of the debtor and the sale of his property.

One of the important conditions for the development of the national economy is the formation of the mechanism of bankruptcy of insolvent businesses. Bankruptcy applies not only to budgetary organizations, but also to all business entities.

The Institute of Bankruptcy provides an opportunity to liquidate the commercial activities of insolvent debtors and to restructure the economically insolvent business entities and restore their solvency. This, in turn, will lead to a healthier economy.

In this regard, it is necessary to emphasize the importance of the Law "On Bankruptcy". As it is the only piece of legislation that legally analyzes the economic insolvency of business entities in a market economy formed.

It is noteworthy that after the adoption of this law, a lot of work has been done in the economic courts of the country in connection with the bankruptcy process.

If we look at the international experience in this regard, scientific research will focus on various measures to rehabilitate bankrupt enterprises. Most researchers have noted that there are about 30 types of enterprise rehabilitation.

The practice of enforcing bankruptcy procedures shows that there is a set of serious problems associated

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with changing competitive conditions. In particular, the integration of Uzbekistan into the world economy requires more effective work of local organizations. The path of economic modernization announced by the country's leadership requires the improvement of the Institute of Bankruptcy and its transition to a more systematic application.

In a competitive economy, the bankruptcy of business entities has a positive impact, as the liquidation of non-competitive market entities, as well as measures are being taken to restore the solvency of organizations facing temporary financial difficulties, which will help to restore their operations and increase their efficiency. In the conditions of imperfect competition in Uzbekistan, the insolvency of business entities is due to the underdevelopment and even inefficiency of market institutions and their mechanisms. Deficiencies in the regulation of insolvency relations lead to the instability of economic relations, the unhealthy position of business entities, the unreliability of the participants in the turnover or inconsistency of their requirements.

One of the main tasks of the Bankruptcy Institute is the timely identification of enterprises in dire financial straits, the prevention of their bankruptcy and the financial recovery of insolvent organizations. There are no effective solutions to this problem, which is macroeconomic and in many respects crucial for the economy of our country. Statistics show all participants in business activities are unsatisfactorily working on the financial recovery of enterprises, including the bankruptcy procedure, as well as the problems of the institutional environment in which the Bankruptcy Institute operates.

The majority of debtor organizations are currently in the process of bankruptcy proceedings, which characterizes the fact that the implementation of bankruptcy procedures is mainly competitive. However, the liquidation of an enterprise and the sale of its assets are not always justified in terms of the efficient functioning of the national economy and should in fact indicate that the opportunities associated with the use of the assets within the existing assets are exhausted. This process is often accompanied by the irreversible destruction of accumulated production capital. In addition, not every insolvent business goes through formal bankruptcy proceedings, and not every business that declares bankruptcy is actually insolvent. We are talking about the illegal use of the Institution of Bankruptcy as a means of redistribution of property.

Bankruptcy (bankruptcy) legislation focuses on a developed market economy with a relatively small share of business entities that need to apply bankruptcy procedures. The Uzbek economy is characterized by a small number of successful enterprises that can compete in accordance with international standards, most of which are inefficient and unprofitable. Therefore, the way out of the crisis

should be a differentiated approach to bankrupt enterprises. In this regard, the urgent task of economics is to improve the existing mechanisms of public administration, methods and technologies of management of insolvent industrial enterprises, to restore their solvency and increase their competitiveness by the effective use of the Institute.

The economic rationale for improving bankruptcy legislation can be substantiated in the following areas:

- increase the effectiveness of rehabilitation (financial rehabilitation) procedures and the introduction of judicial protection of creditors' agreements, which gives the debtor time to resolve financial problems;
- expansion of opportunities for debt restructuring of enterprises and introduction of opportunities to consolidate cases of bankruptcy of a group of companies;
- extension of the moratorium on debt collection and the national regime of bankruptcy proceedings on foreign assets of enterprises (cross-border bankruptcy).

Other socio-economic areas should be taken into account in the development of bankruptcy legislation:

- development of specific criteria by the state for the declaration of bankruptcy of indebted enterprises, which affect only a limited part of industrial enterprises and, accordingly, can be strictly applied in practice. At present, the principles governed by the state (its governing bodies) in initiating bankruptcy proceedings are "unclear" not only for market participants, but also for the governing bodies themselves, this dramatically increases investment risks because the application of bankruptcy is unpredictable;

- of large, economic and social importance, as well as the conduct of business of strategic enterprises. One of the most effective mechanisms for conducting business of large enterprises may be the exchange of corporate debts for shares issued to creditors in the bankruptcy proceedings. The previous law on insolvency does not address the issue of additional issuance of shares. However, this mechanism has been used in practice;

- to determine the characteristics of the bankruptcy of enterprises and revise the criteria for classifying enterprises into urban enterprises - in these cases, it is advisable to use such criteria as the share of the enterprise in total taxes. Taxes levied on the relevant calculation, the presence of a dominant position of the enterprise in the commodity market.

In short, one of the most important institutions of a market economy, the effective use of bankruptcy, is of great importance. Because bringing economically insolvent business entities out of the crisis or liquidating their unpromising ones and creating a healthy property sector instead is carried out exactly with the help of the Institution of Bankruptcy. It is

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important for the economy as a whole to take timely measures to rehabilitate or liquidate economically insolvent enterprises.

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