

LEGAL REFORM OF THE SECURITIES MARKET IN UZBEKISTAN: INSTITUTIONAL CHANGES AND THEIR IMPACT ON THE INVESTMENT ENVIRONMENT

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Abstract

The article discusses the main changes made to the Law of the Republic of Uzbekistan "On the Securities Market," with a focus on the transformation of the Central Depository, the liberalization of the issuance of international bonds by residents, and the increase in information disclosure requirements. The prerequisites and objectives of legislative innovations, their potential impact on the country's investment attractiveness, as well as the challenges associated with the implementation of these reforms, are considered. Special attention is paid to legal mechanisms ensuring transparency and protection of investors' rights.

Keywords: Securities market, Legal reforms of the Republic of Uzbekistan, Central Depository, bond issuance, disclosure of information, investor protection, investment climate.

Introduction

Modern economic transformations in Uzbekistan are accompanied by a wide reform of the legal framework regulating the financial sector. One of the main directions of reforms is the improvement of legislation on the securities market - an instrument ensuring the effective distribution of capital, investment activity, and the growth of financial transparency. The recent amendments to the Law "On the Securities Market" demonstrate the country's commitment to closer integration into international financial markets and strengthen the legal protection of market participants. Institutional changes: Central Securities Depository One of the central elements of the reforms was the change in the legal status of the Central Securities Depository. Previously operating in the form of a state unitary enterprise, the depository was transformed into a joint-stock company. Such transformation is aimed at: increasing operational efficiency; attracting private capital and international partners; forming a competitive environment and reducing monopolization in market infrastructure.

The legislation establishes the possibility for residents of the Republic of Uzbekistan to issue international bonds. This is an important step in the direction of: diversification of funding

sources; increasing the competitiveness of national firms in international markets; creating corporate debt as a real sector tool. However, the implementation of these norms requires the creation of infrastructure and legal conditions that meet international standards, including ensuring credit ratings, transparency of corporate governance, and a reliable system for protecting the rights of bondholders.

Strengthening of information disclosure requirements, the new provisions strengthen corporate transparency mechanisms, which include: mandatory disclosure of information about ownership of 5% or more shares in other legal entities; expanded obligations to notify about transactions with affiliated persons; reduction of reporting deadlines and unification of reporting formats. These measures are in line with international practice and are aimed at reducing information asymmetry, preventing abuse by insiders, and strengthening investor confidence.

The impact of reforms on the investment climate, as well as in the securities sector, is expected to change: will improve Uzbekistan's position in international investment attractiveness rankings; will strengthen the confidence of both local and foreign investors; will contribute to more active participation of the population in the financial market. Nevertheless, a number of challenges remain: the need to improve the qualifications of market participants, ensure law enforcement practice, institutional independence of regulators, and improve the system of judicial protection of investors. In addition, the legal protection of investors in the Republic of Uzbekistan is ensured not only within the framework of the legislation on the securities market, but also in accordance with "On Investments and Investment Activities." The law establishes a set of guarantees, including property protection, freedom of income transfer, access to judicial and international protection, and the principle of stability of the legal regime. These provisions create a favorable investment climate and contribute to increasing confidence in the country's stock market.

Conclusion

The reform of securities market legislation in Uzbekistan represents an important stage in the institutional transformation of the country's financial sector. The measures taken indicate a targeted state policy to create a modern and competitive stock market infrastructure. The transformation of the Central Depository into a joint-stock company, providing residents with the opportunity to issue international bonds, and strengthening information disclosure requirements are aimed at bringing the national legal system closer to international standards. In addition, it can be said that the development of the secondary securities market, support for the listing of new issuers, and improvement of the licensing mechanism for professional market participants play a significant role.

From the above, it can be expected that the combination of these measures will allow Uzbekistan to increase the capitalization of the stock market, expand companies' access to debt financing, reduce dependence on bank lending, and strengthen integration into regional and global capital markets. Nevertheless, the success of reforms requires a systematic approach to law enforcement practice, improving the financial literacy of the population, the sustainable

institutional development of regulatory bodies, and the introduction of effective mechanisms for the judicial and administrative protection of investors' rights.

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