



JOINT-STOCK COMPANIES - AS A SUBJECT OF CIVIL LAW

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Article history:	Abstract:
Received: March 21 st 2023 Accepted: April 26 th 2023 Published: May 26 th 2023	This article describes in detail the organization of the joint-stock company, the founding meeting and the charter, the founders of the company, the state registration of the company, the shares of the company, and the corporate management bodies of the company.
Keywords: Joint-stock company, stock, founding meeting, charter, founders, shareholders, nominal value of shares, deed of transfer, balance sheet, ordinary and preferred shares, etc.	

From the very first days of independence, the Republic of Uzbekistan set the establishment of a democratic state based on civil society as its priority and developed measures necessary for the implementation of these tasks.

As a result of the economic-social, political-legal reforms implemented in our country, citizens have been given wide opportunities, all types of legal relations in which they can participate have expanded, especially business activities with or without the establishment of a legal entity.

In the course of the market reforms implemented in our country, almost all large enterprises are transformed into various economic societies and companies. In particular, as noted by the first President of our country, Honorable I.A. Karimov, - "Proper study of the corporate management system is one of the important strategic directions of today."

As a gradual continuation of the reforms in the years of independence, more attention is being paid to the development of entrepreneurship today.

As our head of state Sh.Mirziyoev also noted, it is time to eliminate restrictions on business activity and remove artificial barriers. Attracting foreign investors to joint-stock companies, creating favorable conditions for their active participation in corporate management, modernization of production, technical and technological re-equipment, organization of high-quality, competitive product production and export to foreign markets, as well as the charter of joint-stock companies Radical reduction of the state's participation in the economy due to the reduction of state assets and shares in capital has been defined as the main criterion of the economic reforms carried out in our country.

Honorable President Sh. Mirziyoev said, "Critical analysis of the current state of attracting foreign investments, first of all foreign direct investments, is required. They mentioned that the share of investments fell by 30%.

At the time of writing this article, one of the main goals of our scientific work is to study the issues of proper establishment and further improvement of the activities of joint-stock companies in the field of corporate management, as well as to further strengthen and expand the legal guarantees of the participants of joint-stock companies, to study the legal basis and nature of their relations.

Article 64 of the Civil Code of the Republic of Uzbekistan is devoted to the joint-stock company. According to this article, a company whose charter fund is divided into a certain number of shares is a joint-stock company; the participants of the joint-stock company (shareholders) are not responsible for its obligations and are responsible for the damage related to the company's activities within the value of the shares owned by them. Shareholders who have not paid the share price in full shall be jointly and severally liable for the obligations of the shareholder company within the unpaid part of the value of the shares belonging to them.

In the company name of the joint-stock company, the name of the company and the fact that this company is a joint-stock company should be expressed.

The legal position of the joint-stock company and the rights and duties of the shareholders are determined by this Code and other laws.

According to the Law of the Republic of Uzbekistan No. 370 dated May 6, 2014 "On the protection of joint-stock companies and the rights of shareholders", a joint-stock company is a commercial organization whose authorized capital (authorized capital) is divided into a certain number of shares confirming the rights of shareholders in relation to the joint-stock company.

The society is a legal entity, it owns separate property, which is accounted for in its independent balance sheet, including the property assigned to its authorized fund (authorized capital), receives and implements property and personal non-property rights on its own behalf, undertakes obligations, is a claimant in court. and may be liable.



The society acquires the status of a legal entity from the moment of state registration. The society is established for an unlimited period of time, unless otherwise stipulated in its charter.

The society has the right to open bank accounts in the territory of the Republic of Uzbekistan and beyond.

Society is outside itself liy-legal form will have the specified full company name and may have an abbreviated name.

Article 64 of the FC of the Republic of Uzbekistan defines the basic principles of a joint-stock company, its rights and obligations as a legal entity, including the rights and obligations related to the individualization of the joint-stock company in civil proceedings.

A joint-stock company can be established by establishing or reorganizing (adding, dividing, separating, changing) a legal entity.

The establishment of the society by incorporation is carried out according to the decision of the founders (founder). The decision to establish the society is made by the founding meeting. If the society is founded by one founder, the decision to establish the society is taken by this founder individually.

The founders of the society draw up a mutual founding agreement on its establishment, in the agreement, the procedure for their joint activities related to the establishment of the society, the amount of the authorized fund (authorized capital) of the society, the types of shares that must be placed between the founders, the amount of the fee to be paid for them and the procedure for its payment, the rights and obligations of the founders regarding the organization of the society are determined.

The decision to establish the society should reflect the voting results of the founders and the decisions made by the founders regarding the issues of establishing the society, approving its charter, and forming the management bodies of the society.

When a state organization is transformed into a joint-stock company, the decision to establish a joint-stock company is made by the body authorized to dispose of state property.

The number of participants of a limited liability company is determined not to exceed 50, while the number of founders and shareholders of a joint-stock company is not limited.

Who are the founders of the society? What kind of people can be the founders of the society? Who can not?

The founders of the society

Legal entities and individuals who signed the founding agreement on the establishment of the society are recognized as the founders (founder) of the society.

If the law, the decision of the President of the Republic of Uzbekistan or the Cabinet of Ministers of the Republic of Uzbekistan does not provide otherwise, state bodies cannot be the founders (shareholders) of the society.

The founders of the society shall be jointly and severally liable for the obligations related to the establishment of the society until the state registration of the society. The company is responsible for the founders' obligations related to the organization of the company only if the actions of the founders are subsequently approved at the general meeting of shareholders.

What is the constituent assembly of the society? What are his powers? What is the constitution of the society? What issues are included in it?

We get the answer to these questions from the Law of the Republic of Uzbekistan dated May 6, 2014 No. 370 "On Protection of Joint-Stock Companies and Shareholders' Rights".

The founding meeting of the joint-stock company has the following powers:

- makes a decision on the establishment of the society and approves its charter;
- approves the contracts concluded by the founders during the establishment process;
- determines the procedure for payment of shares by the founders;
- determines the types and number of shares to be issued;
- elects the monitoring board, audit commission (inspector) of the society;
- forms the executive body of the society (elects, \

If the society consists of one founder, the founding meeting is not held.

The charter of the society is the founding document of the society, which should contain the following information:

- full (abbreviated if any) company name, address (postal address) and e-mail address;
- field of activity (main directions) and purpose;
- amount of authorized fund (authorized capital);
- number, nominal value, types of company shares (ordinary, preferred);
- the structure of the management of the society, the number of members of the supervisory board of the society, the audit commission and the executive body, the order of formation of these bodies, their powers.

The charter of the company may set limits on the maximum amount of shares owned by one shareholder in the company's charter fund (authorized capital).

At the request of a shareholder or any interested person, the company must give them the opportunity to get acquainted with the charter of the company, including amendments and additions to the charter,



within three working days. At the request of the shareholder, the company must give him a copy of the charter of the company.

State registration of society

Resolution No. 66 of February 9, 2017 of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to implement the Resolution of the President of the Republic of Uzbekistan "On improving the system of state registration and accounting of business entities" dated October 28, 2016 PQ-2646 so The procedure for state registration of business entities is given in the decision.

For state registration and re-registration of business entities, state duties are paid at the rates stipulated in the Law of the Republic of Uzbekistan "On State Duty". When state duties and fees are paid through electronic payment systems, an intermediary fee is deducted from the applicant in the amount of one percent of the payment amount, which is distributed proportionally according to the procedure established in the regulation of cooperation between the registration bodies and authorized organizations in the state registration of business entities.

The applicant for state registration selects "business registration" - state service and forms an application for state registration according to the established procedure.

Forming the questionnaire by the applicant is carried out step by step. The applicant forms the questionnaire by entering the requested information and selecting the information offered by the System from the general directory. The applicant has the right to stop or continue the formation of the questionnaire at any stage.

The information contained in the state information resources is automatically generated by the System, taking into account the applicant's real personal data obtained from the Unified Identification System. The system saves the data generated in the questionnaire at each stage.

The verification of the uniformity of the choice of the company name by the applicant is carried out automatically by the system, when a questionnaire is formed from free company names in the Latin alphabet. The name of the company selected when the questionnaire is created is stored by the System in the name of the applicant for 60 calendar days.

If the applicant does not send the completed questionnaire to the registration body within the period specified in this paragraph, the mark of the company name chosen by the applicant will be canceled by the System. In this case, the other information formed by the applicant is stored by the System in the user's personal cabinet or "personal cabinet of the business

entity", as appropriate, with the possibility of viewing, changing and continuing to form the questionnaire.

The following shall be attached to the appropriate questionnaire for state registration through the system:

- constituent documents in the state language;
- transfer document - when attached;
- distribution balance — in division and allocation.

The deed of transfer and the distribution balance sheet must contain provisions on legal succession for all obligations to all creditors and debtors of the legal entities being reorganized, including obligations disputed by the parties — for business entities that are being reorganized.

If the distribution balance does not allow to determine the legal successor of the reorganized legal entity, then the newly created legal entities shall be jointly and severally liable for the obligations of the reorganized legal entity to its creditors.

The applicant has the right to formalize the constituent documents based on model forms or in other forms, at his discretion, taking into account the requirements of legal documents.

For legal entities, the notification in the form of a link (hyperlink) to the certificate of registration, founding documents is automatically signed with the digital signature of the System user - the responsible officer of the registration body and sent to the "personal office of the business entity" as well as to the e-mail address specified in the questionnaire.

Shares of society

Shares are issued securities bearing the owner's name, which can be common or preferred depending on the type.

The share is indivisible. If the share belongs to several persons based on common property rights, all these persons are recognized as one shareholder and use the rights confirmed by the share through their common representative.

One type of share gives each shareholder who owns it the same amount of rights as other owners of the same type of shares.

Common shares cannot be exchanged for preferred shares, corporate bonds or other securities.

Shares are owned by any legal entity or individual based on property rights or other tangible rights, that legal entity or individual is recognized as the owner of the share - shareholder.

Ordinary shares are voting shares, which give their owner the right to receive dividends, participate in the management of the company.

Preference shares give their owners the right to first receive dividends, as well as funds invested in the shares when the company is liquidated. Preference



shares give their owners the right to receive certain dividends, regardless of whether the company makes a profit or not. Vote for the shareholder who owns the share ordinary and preferential share that gives the right to vote in the resolution of an issue is a voting share of the company.

Of course, every organization should have its own governing bodies that implement its activities, internal discipline, and management.

The management bodies of the joint-stock company are as follows:

- general meeting of shareholders;
- supervisory board;
- executive body.
- The general meeting of shareholders is the supreme governing body of the company.

The general meeting of shareholders is led by the chairman of the company's supervisory board, and if he is absent for good reasons, by one of the members of the company's supervisory board.

The company is required to hold a general meeting of shareholders every year.

The annual general meeting of shareholders shall be held within the terms specified in the charter of the company, but no later than six months after the end of the financial year.

If at the time of completion of the registration for participation in the general meeting of shareholders, shareholders holding more than fifty percent of the total number of voting shares of the company are registered, the general meeting of shareholders shall be quorum.

The general meeting of shareholders exercises the powers specified in the Law and the founding documents of the company.

- The supervisory board of the society carries out general management of the society's activities.

In a company where the number of shareholders holding voting shares is not less than thirty, the tasks of the company's supervisory board may be assigned to the general meeting of shareholders by the company's charter.

Members of the company's supervisory board are elected by the general meeting of shareholders for a period of three years in accordance with the law and the company's charter.

Members of the company's management and director, persons working under the employment contract in its branches and subsidiaries, and members of the management bodies of these companies cannot be elected to the company's supervisory board.

- The executive body of the company organizes the implementation of decisions of the general meeting of

shareholders and the supervisory board of the company.

The director of the company (chairman of the board) acts without a power of attorney on behalf of the company, including representing its interests, concluding transactions on behalf of the company, appointing the head of the company's branch or representative office, approving staff, issuing orders and giving instructions that all employees of the company must follow.

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