

# THE CHANGING OF STOCK MARKET REGULATOR: POSITIVE OR NEGATIVE?

<https://doi.org/10.5281/zenodo.11397422>

*Kakhramon Chinkulov*

*associate professor, PhD. The department  
of “Finance”, Tashkent State University  
of*

**The abstract:** *In the thesis, the author reacted to the fact that the regulatory function of the stock market was transferred to the National Agency for Prospective Projects. Also, the fifth change of the stock market regulator in the history of independent Uzbekistan, and the third change in the last five years, was not evaluated positively. It was noted that any investor, be it foreign or domestic, likes stability in the management of the stock market.*

**Key words:** *stock market, regulator, investor, management of the stock market, capital market, Republican Stock Exchange.*

On September 2, 2023, an important change took place in the system of state regulation of the stock market of Uzbekistan. By the decision of the President of the Republic of Uzbekistan [1] No. PQ-291 dated September 2, 2023, the powers in the field of state regulation of the capital market were transferred from the Ministry of Economy and Finance to the National Agency for Prospective Projects. It should be noted that this is the fifth change of the stock market regulator in the history of independent Uzbekistan, and the third time in the last five years. By comparison, the US Securities and Exchange Commission (Securities and Exchange Commission) [2] was established in 1932 and is still the permanent regulator of the world's most developed stock market.

In the early years of independence, the Ministry of Finance of the Republic of Uzbekistan was entrusted with the regulation of the securities market. Since 1992, the Ministry of Finance organized the certification of stock market specialists,

supervised the activities of the first official institution of the country's stock market – “The Tashkent Exchange” fund department, and later the Republican Stock Exchange. In September 1995, the Securities and Exchange Commission was established under the Ministry of Finance. In March 1996, in accordance with the Decree of the President of the Republic of Uzbekistan No. PF-1414, the functions of the authorized body for the regulation of the stock market were transferred to the State Property Committee, under which the Center for Coordination and Control of the Activities of the Securities Market done. This period can be considered a relatively stable and productive period.

Since the beginning of 2019, the authorized state body in the field of regulation of the securities market has become a separate, independent agency from the state body that performs the functions of managing state assets and ensuring antimonopoly regulation. In accordance with the decree of the head of our state "On radical improvement of the state assets management system, measures to regulate the capital market against monopoly" [3], three state bodies were established on the basis of the State Competition Committee of the Republic of Uzbekistan. In particular, the tasks, functions and powers of the defunct State Competition Committee in the field of securities market and regulation were transferred to the Capital Market Development Agency.

Unfortunately, the hopes that the Capital Market Development Agency, freed from the supervision of the state property management body, will rapidly develop its activities and ensure the rapid development of the stock market in Uzbekistan have not been fulfilled. Despite the fact that the Agency was tasked with developing and approving the Capital Market Development Strategy within a year, it failed to do so. In addition, during the activity of this agency as a regulatory body of the stock market, the requirement for stock market specialists to have initial basic knowledge and to improve their qualifications periodically has been canceled.

By the decision of the President of the Republic of Uzbekistan dated April 13, 2021 "On measures to further improve the capital market regulatory system" No. PQ-5073, the Capital Market Development Agency was abolished, and its tasks,

functions and powers transferred to the Ministry of Finance of the Republic of Uzbekistan. The Department of Capital Market Development was established within the central apparatus of the Ministry of Finance. Thus, everything returned to "normal" and the body managing the stock market began to function not only under some ministry or department, but also became part of the Ministry of Finance, which is considered an authoritative organization, and directly subordinated to it.

However, the state of the stock market, while important to any country's Ministry of Finance, is not of primary importance. According to the Decree of the President of the Republic of Uzbekistan No. PF-6207 "On Measures for the Further Development of the Capital Market" adopted on this day, the main directions of the development of the capital market, in particular, increasing the competitiveness of the capital market and the level of capitalization by 2023 45 trillion soums by the end, to create an effective financing mechanism alternative to bank lending. Also, with this decree, the Capital Market Development Program for 2021-2023, the target indicators to be achieved as a result of the implementation of the Capital Market Development Program for 2021-2023, the "road map" for the implementation of the Capital Market Development Program for 2021-2022, the list of enterprises whose shares are scheduled for public placement through the stock exchange in 2021-2023 and a number of other important documents were approved.

However, in the second half of 2023, it became known that a significant part of the tasks will not be fulfilled. Therefore, by the decision of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, the powers in the field of state regulation of the capital market were transferred from the Ministry of Economy and Finance to the National Agency for Prospective Projects.

In our country, a certain trend can be observed in the change of the regulatory bodies of the stock market. If at the earlier stages of the development of the republic's economy, the competent state body for the regulation of the securities market was subordinated to the ministry (office), in the following years it was directly subordinated to the government, and now to the body operating under the Presidential Administration. is waking up.

This indicates that the role of the stock market in the development of the country's economy is recognized by the higher levels of power [4].

In conclusion, we can say that we are not opposed to the transfer of the regulatory function of the stock market to the National Agency for Prospective Projects. However, in the history of independent Uzbekistan, we cannot positively evaluate the fifth change of the republic's stock market regulator, and the third time in the last five years. A very rapid change in the stock market regulator reduces the likelihood of investors investing in the stock market. That is, any investor, whether foreign or domestic, likes stability in the management of the stock market.

#### **BIBLIOGRAPHY:**

1. Resolution of the President of the Republic of Uzbekistan dated September 2, 2023 No. 291 "On additional measures for the development of the capital market".
2. <https://www.sec.gov/>
3. Decree of the President of the Republic of Uzbekistan dated January 14, 2019 No. PF-5630 "On radical improvement of the state asset management system, measures to regulate the capital market against monopoly".
4. Chinkulov K. Functions of joint stock companies in the economy and improvement of their financing. *Journal of Innovations in Economy*. 2021;4(8):26-34.