

## LEGAL STATUS AND PRIVATE PROPERTY OF PRIVATE ENTERPRISES IN UZBEKISTAN

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### ABSTRACT

*The article provides a legal analysis of the legal status of private enterprises and the specifics of enterprises. The issue of state protection of private enterprises and the opportunities created for them have been studied. A private enterprise shall have separate property in its possession, may have property and personal-non-property rights on its own behalf and may exercise them, fulfill its obligations, be a plaintiff and a defendant in court. Currently, the most common type of legal entity in the organizational and legal form of a private enterprise are farms.*

**KEYWORDS:** *Private Enterprise, Enterprise Charter, Charter, Business Entities, Plaintiff, Defendant, Entities, Charter Capital, Contract, Financial Resource, Investment.*

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### INTRODUCTION AND SIGNIFICANCE

As a result of economic and legal reforms in the Republic of Uzbekistan, the role of private enterprises is growing. A private enterprise is established by the owner; the owner transfers the property belonging to him and approves its charter.

The constituent document of a private enterprise is its charter. The charter of a private enterprise must contain the firm name of the enterprise, information on its location and postal address, list of main activities, surname, name, patronymic and place of residence of the owner, the amount of the charter capital.

A private enterprise acquires the status of a legal entity from the moment of its state registration.

### METHODS AND LEVEL OF LEARNING

The Law of the Republic of Uzbekistan “On Private Enterprises” [1] adopted on December 11, 2003 established the legal status of a commercial legal entity in a new organizational and legal form.

Pursuant to Article 3 of this law, a commercial organization created and managed by a single individual owner is recognized as a private enterprise. Private enterprise is an organizational and legal form of business entities. A private enterprise shall have separate property in its possession, may have property and personal-non-property rights on its own behalf and may exercise them, fulfill its obligations, be a plaintiff and a defendant in court. A private enterprise is liable for its obligations with all its property. In case of insufficiency of the property of the enterprise, the

owner of the private enterprise shall be subsidiary liable for the obligations of the private enterprise with the property belonging to him in accordance with the legislation.

## **RESULTS OF THE RESEARCH**

The charter capital of a private enterprise is indivisible and is determined by the owner. Money, securities, other monetary-valued property or property rights or other rights granted to another person may be contributions to the charter capital of a private enterprise. The owner independently assesses the property he contributes to the charter capital of the private enterprise.

The owner of a private enterprise manages the enterprise as a manager, acts on behalf of the enterprise without a power of attorney, represents its interests, manages the funds and other property of the private enterprise, concludes contracts, including employment contracts, issues power of attorney, opens bank accounts, approves states, issues orders and gives instructions that are binding on all employees of the enterprise [2].

The owner of a private enterprise must form the charter capital and manage the enterprise independently.

In case of temporary absence of the owner of a private enterprise, a written decision shall be made to entrust the performance of management duties to another individual during this period.

A private enterprise carries out any activities in accordance with the legislation. Profits of a private enterprise are transferred to the ownership of the owner of the enterprise after payment of taxes and other mandatory payments and are not taxed.

The owner of a private enterprise has the right to sell, gift, bequeath or transfer the private enterprise as a complex of property to another person in a special way.

Currently, the most common type of legal entity in the organizational and legal form of a private enterprise are farms. The formation of farms in this organizational and legal form was originally defined by the Decree of the First President of the Republic of Uzbekistan PF-3226 of March 24, 2003 "On the most important directions of deepening reforms in agriculture." This was later consolidated in the new version of the Law on Farms, adopted on August 26, 2004 [3].

A farm is an independent economic entity engaged in the production of agricultural goods using leased land plots.

Based on the requirements of the rules (norms) established by the Law of the Republic of Uzbekistan "On Private Enterprises", the specific features of the enterprise can be considered as follows:

1. The condition that the owner of a private enterprise personally manage the enterprise as a manager;
2. The profits of a private enterprise shall be at the disposal of its owner after payment of taxes and other obligatory payments and shall not be subject to taxation;
3. It is very easy to register and liquidate an enterprise, lack of formal paperwork;
4. The owner of the enterprise has the opportunity to move completely freely.

5. The income of the entrepreneur comes directly from his productive activity in the field of business, which in turn encourages him to run an effective business;
6. Significant shortage of financial resources;
7. Insufficient capital of the entrepreneur to start a business; the difficulty of expanding the work he has begun;
8. The liability of a private enterprise is not limited, ie the entrepreneur risks himself with all his property, and in comparison with the shareholders, they risk only with the assets of the firm, and not with their own property;
9. The owner must be the head of the enterprise. This, in turn, creates problems for him to become an entrepreneur, limiting his ability to invest in other projects, as the management of a private enterprise takes up a certain period of his working life.

### CONCLUSION

In conclusion, as stated in Articles 53-54 of the Constitution of the Republic of Uzbekistan, private property, like other forms of property, is inviolable and under state protection. [4,5]

The owner owns, uses, and disposes of the property at will. These rules serve as a legal basis, a guarantee for the further development and improvement of market relations.

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