

ISSUES OF IMPROVING THE DIVIDEND POLICY IN STATE-OWNED ENTERPRISES IN UZBEKISTAN

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Annotation. In the financial mechanisms of state-owned enterprises, the dividend paid by them is of particular importance. The mechanism of payment of dividends to the state budget and shareholders from the profits of state-owned enterprises and state-owned enterprises is unique, and this article describes the mechanism of payment and collection of dividends from the state and its enterprises in Uzbekistan.

Keywords: Dividend, dividend policy, distribution, payment, collection, state, enterprise, state enterprise, state-owned enterprise, finance, financing, state property management, net profit.

One of the important differences between a state-owned enterprise and its enterprises from other enterprises is that such enterprises pursue a dividend policy, and this policy plays an important role in the financial policy of the enterprise. According to the data 1, the word dividend is the Latin word “ dividendum ” which means the process of distribution. In essence, it means that part of the profits received by business entities is distributed between the shareholder (shareholder) and the issuer of the security (enterprise) on certain terms . According to the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" (Chapter 6), a dividend is a part of the company's net profit distributed among shareholders and paid by cash or other legal tender or securities of the company possible. However, dividends on the company's preferred shares are not allowed to be paid in securities and the dividend is distributed among the shareholders in proportion to the number and type of shares owned by them.² According to the law, when paying dividends, dividends are paid first on preferred shares, and then on ordinary shares. The company has no right to refuse to pay dividends to the owners of such shares, provided that there are sufficient profits to pay fixed dividends on preferred shares. If the company refuses, the shareholders can sue for dividends. In case of insufficient profit or loss of the company, dividends on preference shares may be paid by the company only at the expense of the reserve fund of the company established for this purpose and within this fund (Article 51). The terms and procedure for payment of dividends are determined by the company's charter or the decision of the general meeting of shareholders. The period for payment of dividends shall not be later than sixty days from the date of such decision . So how are the profits of state-owned enterprises distributed in Uzbekistan? If we look at the current legislation, ³after the payment of all taxes and other mandatory payments to the State Budget of the Republic of Uzbekistan and state trust funds, as well as the net profit of the state enterprise after deductions to the State Budget of the Republic of Uzbekistan and the founder, the enterprise retains used. A state-owned enterprise may establish a reserve fund and other funds at the expense of net profit at its disposal in the manner prescribed by the enterprise's charter and in the amounts approved by the founder.

Table 1.

¹<https://ru.wikipedia.org/wiki/%D0%94%D0%B8%D0%B2%D0%B8%D0%B4%D0%B5%D0%BD%D0%B4> .

² Law of the Republic of Uzbekistan "On joint-stock companies and protection of shareholders' rights", Article 48.

³ Approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 16, 2006 No 215 [HYPERLINK "javascript:scrollText\(\)" "On measures to ensure effective management of enterprises with state share in the Charter Fund and the necessary accounting of state property" State enterprises about NIZOM "](#)

Analysis of net profit and dividend payments to the budget of state-owned enterprises by the end of 2020⁴

No	Business name	State share, total (%)	Net profit (at the end of 2020) (mln. Soms)	Net profit on state share (million soms)	On a budget transfer (%)	Dividends payable and allocation (million soms) 96% (5% tax)
	TOTAL	X	9,77,617.9	6 827 061.6	X	3 518 960.8
	Uzbek neftegaz AJ	99.9	3 432 116.0	3 430 056.7	55	1 140 493.9
	External i economic activity national bank AJ	41.5	1,182,139.2	490 706.0	7 5	349 628.0
	Uzpromstroybank _ _ AJ	12.8	809 135.5	103 569.3	75	73 793.2
	JSC " People's Bank"	27.3	505 132.9	138 103.3	75	98 398.6
	« Asaka » JSC » JSC	10.4	350 322.7	36 503.6	75	26 008.8
	Fergana nitrogen AJ	57.9	292 598.8	169 444.0	75	120 728.8
	JSC " Uzbekistan Metallurgical Combine "	81.6	218 457.5	178 152.1	7 5	126 933.3
	HUDUDGAZTAMINOT JSC	100.0	211 171.1	211 171.1	7 5	150 459.4
	Koskom LLC	100.0	199 756.8	199 756.8	75	142 326.7
	« Agrobank » AJ	18.7	179 608.2	33 568.8	75	23 917.8
	JSC " Aloqabank "	14.6	170 053.2	24 827.8	75	17 689.8
	« Ozshahar qurilish invest »MChJ	61.0	168 818 8	102 979.5	75	73 372.9
	Uzavtosanoat JSC _ _	100.0	160 306.8	160 306.8	50	76 145.7

Analysis of the data in Table 1 shows that in 2020, budget allocations from state and state-owned enterprises, which are among the largest enterprises in Uzbekistan, will increase from 35% to 75%, according to 5current documents dividends, calculated on the basis of the state's share, are now collected in the state budget.

In 2021, Uzbekistan plans to pay a total of 11,454.1 billion soms (1.2 times more than in 2020) in dividends and deductions from the net profit of 1,233 state-owned enterprises in Uzbekistan by November 1, 2021. As of today, 1,017 enterprises have paid dividends and deductions to the state budget in the amount of 8,063.1 billion soms (70.4%), which is 1.3 times more than in the same period last year (6,391.1 billion soms). 89% of these dividends were paid by 5 large enterprises (Navoi MMC - 5,789.5 billion soms, Almaty MMC - 996.6 billion soms, Uzbekneftegaz - 179.3 billion soms, Coscom LLC - 142.3 billion soms, and JSC "Uzbekistan Metallurgical Combine - 131.3 billion soms).

It should be noted that today, according to the Resolution of the President of the Republic of Uzbekistan dated 26.06.2018 No PP-3802 " On measures to radically improve the activities of the State Tax Service", dividends on state shares and net profit of state unitary enterprises. The right to collect contributions to the

⁴State of the Republic of Uzbekistan assets management based on agency data.

⁵ President of the Republic of Uzbekistan dated 26.06.2018 " The state tax service authorities activities radically improvement measures about " PQ – 3802 - final decision

state budget of the Republic is vested in the state tax service, but at present the methodological issues underlying the correct calculation of dividends and deductions to the state budget, their timely payment have not been fully resolved. This is a major obstacle to the collection of dividends and deductions by the State Tax Service at the level of legal requirements and taking into account the decisions of the management of enterprises on the calculation of dividends and deductions. In this regard, in our opinion, it is expedient to develop a "Regulation on the procedure for collecting dividends on state shares and net profit of state unitary enterprises."

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