



IMPROVEMENT OF INTERNAL AUDIT IN BUSINESS SUBJECTS WITH FOREIGN INVESTMENT PARTICIPATION ON THE BASIS OF INTERNATIONAL STANDARDS

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Abstract

This article provides information on improving internal audit in business subjects involving foreign investment in Uzbekistan on the basis of international standards. It is known that attracting foreign investments to the economy of our country and increasing the efficiency of their use will allow the production of highly liquid competitive products and the protection of the real sector of the economy from the negative effects of the global financial and economic crisis.

Keywords: investment process, business subject, social policy, domestic investment program, foreign investment, bilateral contracts and agreements, national legal order, internal audit.

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1. Introduction

Systematic expansion of cooperation with international financial institutions, attraction of long-term investment loans and direct foreign investments occupy a leading place in the program of anti-crisis measures in Uzbekistan. The following figures provide the most reliable information in this regard: investment within the framework of the program developed for the implementation of important projects aimed at modernization, technical and technological re-equipment in 2009-2014 and approved by the decision of the President of the Republic of Uzbekistan on March 12, 2009 for the implementation of projects, it was planned to attract loans and investments of international financial organizations, bilateral agreements and leading foreign companies in the total amount of more than 22 billion dollars. Currently, specific sources of investment and financing of more than 80 projects with a total value of more than 19 billion dollars have been determined, and contracts have been signed with foreign partners. Among these partners, Asian Development Bank (ADB), World Bank (DB), Islamic Development Bank (IDB) and other international financial institutions have a special place. The economic strategy of Uzbekistan is aimed at ensuring continuous macroeconomic stability, high rates of economic growth, consistent implementation of structural changes, as well as gradual modernization of the economy and its basic and social infrastructures. creates a basis for a more rapid growth of the scope of cooperation with institutions. Generally speaking, in the conditions of the world financial and economic crisis, the basis of the successful and stable development of the economy of Uzbekistan is a unique and suitable model of economic reforms, which are deeply thought out and fully take into account the peculiarities of Uzbekistan. The consistent implementation of this program will ensure that our country's economy becomes a modern economy that is diversified, competitive on the world market, comes out with a wide variety of finished products, is prone to continuous high-speed economic growth, has serious official factors and an impeccable credit history. provides. This, in turn, made it possible to develop and implement a large-scale complex program of anti-crisis measures aimed not only at mitigating the negative consequences of the crisis, but also at turning the economy of Uzbekistan into a stronger and more durable economy. The most decisive task in this regard is to fundamentally modernize the production base of the economy, to re-equip it technically and technologically, in exchange for attracting foreign investments and long-term

investment loans. In order to achieve these goals, in 2009, based on the decisions of the President, a number of decisions and programs aimed at the development of infrastructure in the republic were adopted and widely implemented.

2. Material and methods

The implementation of measures aimed at deepening the reforms of the market economy, liberalizing the economy and strengthening the protection of property rights has a positive effect on the improvement of the investment environment in our country and the attraction of increasingly large foreign investments. While recognizing the importance of attracting foreign investments, it is appropriate to understand its economic nature. All types of tangible and intangible assets and rights related to them, including intellectual property rights, any income received from foreign investments, which foreign investors add to business activities and other types of activities not prohibited by law, mainly for the purpose of obtaining income (profit). It is recognized as foreign investment in the territory of the Republic of Uzbekistan. The importance of foreign investments in the development of the national economy is extremely high, and it is explained by the following:

- firstly, foreign investments introduce modern techniques and technologies into the production and develop the production of products intended for export;
- secondly, it makes it possible to start the production of goods that replace imports and for this purpose to direct foreign investments to the priority sectors of the economy and ultimately to ensure the standard standard of living of the population;
- thirdly, it provides jobs for the growing population by developing small businesses and accelerating agricultural production;
- fourthly, outdated production of enterprises renews its capacities, material and technical base and re-arms it technically.

The experience of developed countries confirms that an active investment policy occupies a central place in their economic growth. Therefore, the goals of socio-economic development of Uzbekistan require full reflection in its investment policy. In 2010, at the meeting of the Cabinet of Ministers dedicated to the most important priority areas of socio-economic development of Uzbekistan, in the report entitled "Our main task is to further improve the development of our country and the well-being of our people" - "The potential, power of our country intended for the long-term and the next important priority, which will be of

decisive importance in increasing the competitiveness of our economy, is to carry out an active investment policy for the implementation of strategically important projects aimed at the modernization of the main leading industries, technical and technological renewal, development of transport and infrastructure communications. Since independence, our country has been on its own path of transition to a market economy. Investment policy is very important in this way. Because the investments stimulate structural changes in the economy, technical and technological updates, renovation of enterprises, and create an opportunity to increase the country's export and import potential. In this regard, Uzbekistan is conducting its own structural investment policy. Structural investment policy consists of investment policies of regions, industries and enterprises, and they are interrelated. Regional investment policy is a set of measures carried out in the region that allows for effective use of investment, taking into account the interests of the population, the region and investors. The network investment policy is to support the development of industries, export of industrial products, import substitution production, scientific and technical development through investment. In the structural investment policy of the state, the organization and development of new sectors, the achievement of the high level of demand for consumer goods and workplaces of the population in a short period of time are following the following tasks:

- gradual elimination of outdated products;
- supporting local producers;
- creation of production structures with solvency and in accordance with demand;
- to ensure the highest possible use of production resources and scientific and technical potential;
- ensuring and strengthening the ecological and economic security of the country;
- harmonizing the development of efficient, competitive productions, market infrastructure, service sector and intellectual activities;
- development of priority branches of the economy and establishment of new branches;
- to increase employment and economic activity of the population;
- complete formation of the social infrastructure of the regions.

3. Result and discussion

Important strategies have been developed in the implementation of the structural investment policy, the essence of which is to support the development of small economic entities. It is important to attract foreign investments in the implementation of these works. Political stability in our country, very

comfortable investment environment are the basis for foreign investors to create long-term investment projects. In addition, conditions such as providing guarantees for attracted foreign investments and loans, concessions on tax and customs tariffs, subsidizing loan and interest rates are being created, dozens of legal documents are in force.

Among the main directions of the investment policy implemented in Uzbekistan, the following can be highlighted:

- strive to create legal conditions for investment attraction that conform to international standards and conventions and are recognized by investors from industrialized countries;
- consistency of the open door policy for investors who supply the republic with world-class technologies and help create a modern structure of the economy implementation with;
- to help make investments related to production;
- supporting the country's creditworthiness;
- to help make investments aimed at solving social and ecological problems in some regions of the country.

Forms of attracting foreign investments to the national economy and the world experience of its regulation

The policy of attracting foreign investments for the development of priority sectors of the economy in the Republic of Uzbekistan is aimed at the effective use of available funds, time and opportunities, the effective deployment of resources based on the existing conditions, and thus the rise of the republic's economy, its integration into the world economic system. aimed at joining, attracting investments to the priority sectors of the economy by means of incentives and their effective use. Today, there are several forms of attracting foreign investment. One of the most common forms of attracting foreign investment through the establishment of joint ventures is the establishment of joint ventures in cooperation. In the Republic of Uzbekistan, a joint venture is defined as an enterprise in which at least 30% of the charter capital belongs to foreign investors and the foreign investor is only a legal entity, the minimum amount of the charter capital is equivalent to 150 thousand US dollars. The statutory fund of an enterprise with foreign investment should not be less than 150,000 US dollars in order to prevent excessive influx of small joint ventures specializing in the sale of low-quality products and their import to the republic. Attracting foreign investments through the establishment of foreign enterprises is expanding today. Enterprises with foreign investment in Uzbekistan can be established in various sectors of the economy. Large foreign companies and enterprises can separate part of their assets and open subsidiaries. Such subsidiaries are

also subject to the same requirements as joint ventures. Two or more countries or enterprises can form international organizations by pooling their capital. Concession contracts are contracts concluded for the extraction and utilization of natural resources and certain minerals. A leasing contract is a long-term rental of equipment, machinery and technology with the participation of foreign investments. Tenders are the involvement of investors in the financing of investment projects on the basis of a selection. A free economic zone is an area in which foreign investments can enter freely and a number of benefits have been established for them. In the Law of the Republic of Uzbekistan "On Free Economic Zones" the free economic zone is defined as follows: "Free economic zones are created in order to attract domestic and foreign capital, promising technology and management experience for the rapid socio-economic development of the region, is a specially designated area with clearly defined administrative boundaries and a separate legal order". In the process of establishing free economic zones, the state should be the main reformer as a supporter, encourager and controller. The participation of the state as the main reformer is clearly reflected in foreign experience, for example, the Chinese government mobilized \$4 of its own funds to attract \$1 of foreign investment. As a result, national and mainly foreign investors began to invest in the regions, which, in turn, served as a foundation for the development of the country's economy. Free economic zones created in Russia include Nakhodka, Kaliningrad region, St. Petersburg city and others. In 2009, as one of the main objects of the free industrial and economic zone established in the Navoi region, major works were carried out in connection with the construction of an intermodal center for international transportation at the base of the Navoi city airport. Navoi free industrial-economic zone - attracting foreign investments, first of all direct investments, for the organization of production based on modern high technology, which meets world standards and ensures the production of products in demand in world markets in order to create favorable conditions for development, as well as to develop the industrial potential, production, transport-transit and social infrastructure of the Navoi region, according to the decree of the President of the Republic of Uzbekistan on December 3, 2008 "Establishment of a free industrial and economic zone in the Navoi region" was established on the basis of the decision. The main direction of activity of economic entities in the territory of Navoi free industrial and economic zone is the production of high-tech, competitive products in world markets due to the introduction of modern foreign high-performance equipment and machinery,

technological lines and modules, innovative technologies. Over the past year, more than 330 flights on international routes were made from this airport with modern transport planes leased by our national airline company from the "Korean Air" company, and nearly 8,500 tons of cargo were transported. This made it possible to integrate the airport of Navoi city into the global logistics network. Financial assets are securities that are issued to attract foreign capital, obtain foreign loans and attract foreign capital to bank deposits. In order to carry out investment activity and actively attract foreign investment, it is considered appropriate to analyze and calculate investment attractiveness ratings not only in regions, but also in industries, as well as in subjects and objects of investment activity. Developed countries implement international capital movement mainly by promoting capital export-import at the national and international levels. The state policy on the movement of capital in the form of loans, portfolio investments, etc. is carried out in order to remove all restrictions on its movement. The state reserves the right to impose any restrictions on all foreign investors, as it is related to national economic security. This is because the outflow of capital is less regulated than its attraction. The creation of a favorable investment environment has been the main factor in the consistent implementation of structural changes in our country. In 2009, the volume of investments in the economy amounted to 8.2 billion dollars, which is 24.8% more than in 2008. The volume of attracted foreign investments increased by 68%, most importantly, the main part of them were direct investments, which increased by 1.8 times. The role of foreign investments, first of all, direct investments, is incomparable in the implementation of programs for further deepening of structural changes in the economy, acceleration of investment activities of enterprises, modernization of production, technical and technological rearmament. In this way, it will be possible to implement advanced technologies, create new jobs, and on this basis, ensure the stable and uniform development of the country's economy. The experience of developed countries shows that the attraction of foreign investment was one of the decisive factors in the high level of development of these countries. The table below shows the dynamics of changes in foreign investments attracted to our country, as well as direct investments by years. The state should organize the investment process and serve as the main investor - from the point of view of social policy, this is its main task. Quantitative growth of investments is provided by the internal investment program (mobilization of funds due to reduction of non-production costs). The increase in the quality of investments is ensured by means of internal

(implementation of scientific and technical achievements) and appropriate external investment program (attraction of foreign investments-higher in terms of technical composition and characteristics). Both the internal investment program and the external investment program imply the need to attract different forms of investment from different sources of investment. The essence and content of the investment program is to find the most convenient legal means - investment process and legal regulation of investment. There are two means of legal regulation at the disposal of the state implementing the rational investment program: national-legal and international-legal. The foreign investment program of the state consists in creating a favorable legal environment for foreign investments from a legal point of view. (bilateral and multilateral treaties and agreements) provides for the use. In all this, both internal and external investment policies must be taken into account. The main objective-oriented and scientifically based task of the

investment program is the activity of the state on the mobilization of investment funds to organize the production of material and spiritual wealth in the society. Investment activity (eng. investment activity) is a set of practical actions on investment and investment implementation. The investment program envisages a system of measures to strengthen the investment activities of the subjects of investment relations (states, legal entities and individuals, including foreign) by individual countries. Investment activity is the sum of the activities of its subjects related to the implementation of investment. The investment program is of particular importance in terms of improving commodity-money relations. This policy is not very important in developed commodity-monetary relations. Because in the conditions of a self-managing economy, the investment program will have mainly regulatory significance. The target program of investment projects is developed every year and includes the necessary list of investment projects based on the main sources of financing.

Proven audio network programs of modernization, technical and technological rearmament

Networks	Number of projects, pcs	Cost of projects, mln. dollar
Cotton ginning industry	41	129,7
Textile industry	65	477,7
Oil industry	63	31,7
Chemical industry	30	291,7
Automobile industry	26	255,1
Building materials industry	36	343,1
"Ozmetkombinat" joint-stock production association	9	49,0
Pharmaceutical chain	45	26,5
Navoi Mining and Metallurgical Combine	26	892,1
Almalyk Mining and Metallurgical Combine	13	405,3
Agricultural machinery	13	28,0
Railway network	18	1734,2

4. Conclusion

In particular, the program of measures for the implementation of important projects for the modernization of production, technical and technological rearmament in our country for 2009-2014 has a total cost of 42.51 billion. includes 852

investment projects worth USD. In 2009, 690 investment projects were implemented within the investment program and network programs on technical modernization, and 303 of them were successfully completed. As a result, 22 large production facilities, including 8 in the oil and gas, chemical, and metallurgical industries, 9 in the machine-building industry, and 5 in the

construction industry were commissioned. In addition, more than 480 new production enterprises operating in the field of small business were established in our regions, primarily in the building materials industry, food, light industry and other sectors. In order to rapidly develop the economy and improve the well-being of our people, special attention is paid to the issues of development of production and social infrastructure in the regions of our country. At this point, it is appropriate to emphasize once again how important strategic investment projects for the establishment of electricity and gas networks are for our country.

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