

RESEARCH ARTICLE	Formation and Development of rent, leasing in Uzbekistan	
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Abstract		
This article describes the conditions that led to the formation of leasing relations in the Republic of Uzbekistan, the formation of leasing relations, its regulatory framework. Theoretical literature and scientific works of scientists on leasing relations are analyzed. Recommendations are also given for the accounting of leasing relationships. Various ways of developing the economy and investing in it are widely used. One such way is to use leasing operations. Because today we can see in practice that leasing is an effective mechanism for investing in the modernization of the production capacity of small businesses, the expansion of private entrepreneurship and the organization of compact production on its basis. Leasing is beneficial for both investors and entrepreneurs. Because it allows investors to spend money without excessive risks, and entrepreneurs to attract this money to expand their activities and modernize production.		
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## I. Introduction.

In the context of modernization of the economy, the use of leasing methods of investment financing is important. Indeed, leasing is one of the most effective types of financial services widely used in all countries of the world. Over the past 15 years, the total volume of leasing operations in developed countries has increased by 5 times. This shows that leasing plays an important role in the economies of all countries around the world, and today special attention is paid to the development of these financial relations.

In order to equip the economy with modern high-tech equipment, increase the role of leasing in the sale of equipment and machinery produced by domestic enterprises, Uzbekistan has created a strong and effective regulatory framework governing the industry. In this regard, the Law of the Republic of Uzbekistan "On Leasing", the Resolution of the Cabinet of Ministers of May 21, 2011 "On measures to further develop and regulate leasing services in the Republic of Uzbekistan" and other regulations were adopted.

## II. Materials and Methods

Today, the growing volume of leasing operations in the gross domestic product is one of the indicators of the development of leasing in Uzbekistan.

In the first half of 2019, the volume of new leasing transactions amounted to 1.189 trillion sums, the total portfolio of leasing operations exceeded 4.351 trillion sums, but the total portfolio does not include the portfolio of the National Bank for Foreign Economic Activity of 967 billion sums. The analysis of the leasing market of the Republic of Uzbekistan was prepared on the basis of official data provided to the Association of Lessor of Uzbekistan by leasing companies and commercial banks. During the preparation of the rating of lessors of Uzbekistan, it was found that 44 lessors were actively engaged in leasing activities, 15 of which are banks.

With regard to the share of leasing market participants in the Republic of Uzbekistan, we can see that the growth trend of new leasing transactions is distributed among leasing market participants as follows (Table 1).

Table 1

#### Analysis of the share of leasing market participants in the Republic of Uzbekistan

№	Indicators	2016	2017	2018	2019	2020
1.	Leasing companies: Property value, bln. sum	630,6	963,3	1912,9	1809,8	3518,7
	Share	64,8%	62,0%	72,6%	78,5%	64,8%
	Commercial banks					
	Property value, bln. sum	342,5	590,3	721,9	495,7	1911,4
	Share	35,2%	38,0%	27,4%	21,5%	35,2%
	<b>Total</b>	<b>973,1</b>	<b>1553,6</b>	<b>2634,8</b>	<b>2305,5</b>	<b>5430,1</b>

As can be seen from this table, the implementation of leasing operations has increased from year to year. In 2020, the total amounted to 5430.1 billion soums, including the share of leasing companies on average 70%. There will be a total of 44 lessors in this leasing market in 2020, of which 14 will be commercial banks. During the reporting period, the total portfolio of leasing operations amounted to 5 trillion. 430 billion we can see that the sum. During the reporting period, lessors concluded 4,785 new leasing agreements worth \$ 1 trillion. 269 billion soums, which is 8.8% or 102.7 bln. soums more than last year. soums more.

We can see that the leased facilities accounted for 39.0% of agricultural machinery, 29.7% of vehicles, 21.6% of technological equipment. In addition, we can see that in recent years in our country a great deal of attention is paid to construction, as the share of construction equipment is 7.6%. In turn, it should be noted that real estate leasing is at a very low level, ie in 2020 it was 2.1%. The largest participants in the leasing market in the analyzed period were JSC "Uzagroleasing" (456.2 billion soums), JV JSC "Uzbek Leasing International A.J." (167.9 billion soums), Fincom Leasing Group (157.4 billion soums), JV Kamaz Asia Leasing (118.8 billion soums), and Nano Leasing Company (115.3 billion soums). billion soums). During the reporting period, the largest lenders were PJSC "Turkiston" (15.6 billion soums), PJSC "Orient Finance Bank" (8.0 billion soums), JSCB "Invest Finance Bank" (7.3 billion soums), PJSC "Davir-Bank" (6.4 billion soums), and ATIB "Ipoteka Bank" (2.8 billion soums).

The great attention paid by the Republic of Uzbekistan to the leasing market has given impetus to its development. As a result, the leasing portfolio has grown from year to year.

At the same time, the analysis of its structural structure plays an important role in the development of the leasing market. In particular, it is necessary to analyze to which sector the leased property is transferred. Because as a result of the analysis it is possible to identify priority areas.

Table 2

Industry analysis of leased property in Uzbekistan and their value (in millions of US dollars)

Leasing facilities	2019		2020	
	Number of transactions	Value	Number of transactions	Value
For light industry	91	6,4	50	6,8
In the production of food products	51	3,8	98	6,7
Polygraphy	9	3,6	22	3,8
Construction and manufacture of construction products	117	17,8	171	22,2
Other production equipment	53	2,89	6	0,7
Trade	12,5	0,2	10	0,6
Computer. office equipment	36	1,3	50	3,7
Agricultural machinery	34223	46,1	38157	60,1
Truck transport	12354	2,78	18723	4,7
Light motor transport	45178	1,1	68421	2,5
Real estate and property complexes	38	2,4	98	36,2
Others	33	1,3	47	8,2
<b>Total</b>	<b>4078</b>	<b>80,5</b>	<b>5970</b>	<b>268,8</b>

It can be seen from this table that the agricultural sector has a large share in leasing relations. In 2019, 34,223 leasing agreements were concluded by enterprises of this sector for equipment and facilities worth \$ 46.1 million, and in 2020, 38,157 leasing agreements worth \$ 60.1 million were signed. Also, in the years of analysis, the number of lease agreements for the purchase of light vehicles is the highest. In 2019, the number of lease agreements for passenger cars will be 45,178. This figure was 68,421 in 2020, an increase of 151.4% over the previous year. However, the total cost of this type of leasing agreements is not high compared to other industries.

Thus, these processes show that leasing relations have been formed and are developing in Uzbekistan. In this regard, the adoption of the "Law on Leasing" in order to regulate leasing relations in our country shows its importance.

In general, we can see that the concept of leasing is given many definitions. Including leasing - long-term lease of machinery, equipment, vehicles, production facilities; has been described as one of the forms of crediting the export of durable goods. There are mainly financial and simple types of leasing. Financial Leasing is a payment that is sufficient to cover the lessor's capital costs for a certain period of time and provides the owner with a certain amount of profit. Normal Leasing - Property

leased during the lease period is partially depreciated. The leasing company buys the equipment and leases it to the leasing company, usually for 1 to 10-15 years. Leasing is the purchase of equipment by the lessee at the residual value at the end of the lease term (in which case the ownership passes to the new owner); extension of the contract on the basis of a new agreement; return of tangible assets to leasing companies, etc. may be envisaged. The parties have no right to terminate it during the period specified in the lease agreement. Leasing companies use personal and borrowed funds to purchase machinery and equipment. The state usually provides them with preferential terms for borrowing from a bank.

Leasing is a promising direction in financing the investment process. Leasing allows the company to renew fixed assets with less money, to create a technical base for the production of new products, to gradually pay rent from the proceeds from the sale of manufactured products.

The first leasing companies in Uzbekistan in 1994 began to be formed from. In 2003, 6 leasing companies started their operations. Leasing relations in the Republic of Uzbekistan It is regulated by the Law on Leasing, adopted on April 14. Article 2 of this Law defines leasing as follows: "Leasing is a special type of financial lease in which one party (lessor) on behalf of the other party (lessee) owns property (leased object) conditioned by the lease agreement from a third party (seller). and provide it to the lessee for a period of more than twelve months for possession and use for a fee under the terms of this agreement." This article stipulates that the lease agreement must meet one of the following requirements:

- 1) upon expiration of the lease agreement, the leased object becomes the property of the lessee;
- 2) the term of the lease agreement is more than eighty percent of the service life of the leased object or the residual value of the leased object after the expiration of the lease agreement is less than twenty percent of its initial value;
- 3) upon expiration of the lease agreement, the lessee has the right to purchase the leased object at a price lower than its market value, based on the value of the leased object on the date of exercise of this right;
- 4) the current discounted (accounting) value of lease payments for the period of the lease agreement exceeds ninety percent of the current value of the leased object at the time of leasing. The current discounted (accounting) value is determined in accordance with the legislation on accounting.

We can see that this Law also defines the objects of leasing. Any non-consumable items used for business activities, including enterprises, property complexes, buildings, structures, equipment, vehicles and other movable and immovable property may be leased.

Land plots and other natural objects, as well as other property leased objects that have been withdrawn from circulation or limited in circulation, may not be.

In addition, the subjects of leasing are also identified and listed in it. Lessor, lessee and seller are leasing entities.

A lessor is a person who acquires the object of leasing for the purpose of future transfer to the lessee under the lease agreement.

A lessee is a person who receives a leased object under a lease agreement for possession and use.

The lessor from whom the lessee receives the object of leasing is recognized as the seller.

If the leased object is received at the expense of the lessee's credit (debt), the lessor is not allowed to act in relation to the specific leased object in the person of the creditor and the lessee.

A separate Article 6 of this Law deals with the issue of additional leasing. In particular, this issue is defined as follows: The lessee has the right to sublease the leased object to a third party for temporary possession and use with the written consent of the lessor, while remaining liable to the lessor under the lease agreement. In this case, the provisions of this Law shall apply to the lessor, lessee and seller, respectively, in respect of the additional lessor, additional lessee and seller in the sublease agreement.

The term of the additional lease agreement may not exceed the term of the lease agreement.

One of the issues to be considered in this Law is lease payments. We can see that Article 22 of the law defines lease payments as follows. Lease payments consist of the lessor's reimbursement of the value of the leased asset to the lessor, as well as the lessor's interest income. Leasing payments are distributed over the entire term of the contract and are paid in installments. The amount and frequency of lease payments are determined by the lease agreement.

### III. Results and discussion

We know that leasing transactions are processes in which risk is present and their nature must be taken into account. All risks associated with the leased object, including the risk of its accidental loss (destruction) or accidental damage, as well as theft, premature wear, damage are transferred to the lessee in the manner prescribed by the lease agreement. Risks The lessee shall be liable for any loss or damage to the leased asset from the last minute during the term of the lease agreement.

If the time of transfer of risks from the lessor to the lessee is not specified in the lease agreement, the risk is transferred to the lessee from the moment he receives the object of leasing.

If the proposed leased object does not comply with the lease agreement and this gives the lessee the right to abandon the leased object, all risks are borne by the lessor until such discrepancy is eliminated or until the lessee receives the leased object.

The risks of the seller's insolvency or incompatibility of the leased asset with its intended use shall be borne by the lessee, except in cases where the lessor selects the seller or leased object or the lessor illegally forces the lessee to choose a particular seller or leased object.

Thus, these concepts were introduced into the practice of the Republic of Uzbekistan long ago. We can see that relevant research has been done on its essence. In particular, we can see the definition given by economist T. Utanov: "In English, there is a concept of operative and financial leasing. According to our legislation, an operating lease means a "lease". Financial leasing means "financial lease" or "lease".

One of the ways to develop entrepreneurship in the new scenario in the Republic of Uzbekistan requires the development of leasing relations and its application in practice, the widespread use of foreign leasing experience. To understand the essence of the leasing relationship requires a worthy contribution to the development of the new Uzbekistan on the basis of a detailed study of its nature. Because the lease is not a simple lease, unlike a lease, it usually involves three or more entities, ie the supplier of equipment (seller), the leasing company (lessor) and the lessee (lessee).

There are other definitions in this regard in foreign literature:

In particular, by V.D. Gazman, "Leasing has similarities with credit, in which the difference is that the parties are three. "In addition, by some economists, leasing is a special type of lease."

There is also the idea in some literatures that a property relationship that arises as a result of the private purchase of property and its subsequent temporary transfer for a certain payment is called a lease.

In this regard, the economist-scientist Utanov T. to express its full meaning, not just one aspect of a financial leasing relationship: will be needed.

Thus, there is a need to take into account the leasing relationship at the macro and micro levels and take into account its specific features. Because today we can see that leasing relationships have been established, from large planes to cars. In our view, a lease relationship is a lease that includes operational or service, financial, capital or direct leasing and repayable leases, and can be leased from large buildings, aircraft, ships to ordinary vehicles.

In general, Gozibekov DG, Sobirov O.Sh., Muminov A., Kuljanov O.M. modern classification of them has been carried out by and on this basis the leasing relationship can be regulated. At the same time, we can see that they are categorized by period of use, market sector, sources of funding, type of ownership and composition of participants.

Thus, summarizing the above points, based on the study of financial leasing on an international scale, we can classify it on the basis of the following characteristics:

- 1) the leased object becomes the private property of the lessee upon termination of the lease agreement and there is no debt obligation under the lease agreement;
- 2) the term of use of the leased object covers a longer period than the term of the contract and is used thereafter;
- 3) the lessee has the right to purchase the leased object at a price lower than the market price or at the expiration of the lease agreement, as well as at the residual value and uses this opportunity;
- 4) the total amount of lease payments (excluding taxes) during the lease agreement must be equal to or greater than the value of the leased object;
- 5) the lessee must not change the operational characteristics of the leased object.

Thus, the development of leasing operations in the Republic of Uzbekistan and the development of a broader leasing relationship in recent years necessitates scientific work in this area. In particular, the rapid development of leasing operations has led to the need to pay more attention to the issues of its accounting, analysis and audit. We can see that certain work has been done on this issue since independence.

In particular, the first work on accounting in this area was conducted by economist-scientist Kuljanov O.M. Candidate's dissertation on the solution of the problem of improving the accounting of leasing transactions in the context of economic liberalization:

- In this case, the development of proposals for amendments and additions to the legal and regulatory documents on leasing operations (the Law "On Leasing" and the National Accounting Standard (BHMS) №6 "Lease";
- Development of relevant recommendations and proposals for the harmonization of accounting for leasing operations with international financial reporting standards;
- Recommended draft model of subleasing agreement in order to improve the accounting of leasing operations;
- Development of proposals for the use of mathematical formulas in the process of leasing, the procedure for calculating lease payments and the most optimal and concise option for their determination;
- Systematized a new chart of accounts for the lessee and lessor on a scientific and practical basis on the basis of operations on the organization of accounting in the leasing process (IFRS 21);
- Work has been done on the development and implementation of standard forms of initial documents related to leasing operations.

One of the next works on this issue was the economist-scientist Yuldashev M.A. Candidate's dissertation is devoted to the directions of improvement of accounting of leasing operations in Uzbekistan.

- The definition of leasing and lease payments has been studied and improved definitions have been developed;
- practical recommendations on leasing and rent indicators on separate lines in the financial statements;
- Development of improved posting of accounts correspondence to reflect leasing transactions in accounting;
- Development of practical recommendations for improving the methods of calculating lease payments;
- Development of new accounts 0198 - "Leased fixed assets" and 0298 - "Depreciation of leased fixed assets" in the chart of accounts;
- The development of guidelines for the revaluation of leased property is significant in that this work has addressed important issues.

Further work in this area is the work of Ismaylova Sulukhan Sarsenbaevich on the economy of the agro-industrial complex. We can see that this work is devoted to the economic basis for the development of leasing in the agro-industrial complex of Uzbekistan. In this work we can see that work has been done on the following scientific innovations:

- Analysis of the factors influencing the classification of leasing types in agriculture and their development on the basis of the characteristics of their use in agriculture;
- Development of an improved definition of the nature, types and object of leasing relations and leasing activities;

- Development of a methodology for calculating the net profit of the lessee, taking into account the total costs associated with the lease and the use of leased facilities;
- Development of methods for calculating lease payments and methods for determining the income of the lessor in any period of the lease period according to the amount of periodic payments;
- It is characterized by the development of organizational, economic and legal framework for the leasing of fixed assets in the agricultural sector.

Candidate's dissertation on improving the accounting and audit of leasing operations in commercial banks Utanov T.N. This work is mainly devoted to the issue of accounting and auditing the process of leasing operations by banks. The following scientific innovations have been developed in this dissertation:

- Development of proposals to improve the accounting and audit of leasing operations of commercial banks;
- Development of a procedure for accurate recording of leasing operations on fixed assets in banks in the accounts;
- The organization of the audit of leasing operations in commercial banks and the development of an analysis of the effective use of leasing facilities;
- Development of a procedure for recording leasing transactions in bank accounts;
- correct reflection of leasing operations in the accounting policy and financial statements of commercial banks;
- Development of a methodology for auditing leasing operations and developing its program;
- Development of a methodology for auditing leasing operations in commercial banks.

However, the above-mentioned works are much older and do not address the issue of international financial reporting standards. In addition, the urgency of this issue is determined by the fact that during this period, significant changes have been made in the field of accounting, auditing and analysis of leasing operations.

#### IV Conclusions

Thus, in our opinion, the organization of leasing operations determines the need to conduct its accounting on the basis of international financial reporting standards and the analysis of its activities on the basis of methods adopted in world practice. In addition, the decline in public confidence as a result of fraud and deception in leasing operations in recent years requires the proper organization of internal control in this area. Therefore, the development of a separate system of internal control in the Republic of Uzbekistan for leasing operations, ie rules for combating money laundering, terrorist financing and proliferation of weapons of mass destruction in leasing companies, is important.

Thus, the development of the leasing process should allow it to organize the accounting system clearly and transparently through the proper organization of accounting and the application of international financial reporting standards in practice. In this regard, first of all, it is necessary to organize the accounting and financial statements of leasing companies in accordance with the requirements.

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