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THEORETICAL ASPECTS OF CAPITAL MARKET REGULATIONS

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ABSTRACT

A number of scientific researches related to the field have been studied in researching theoretical aspects of capital market regulations. Specific aspects of capital market, regulatory authorities and regulations are analyzed. Conclusions and proposals are developed based on the conducted research.

KEYWORDS: *Capital, Capital Market, Capital Market Regulations, Stock, Bond, Legal Regulations.*

INTRODUCTION

Based on the state of the capital market and the level of provision of financial resources, it regulates decision-making by joint-stock companies regarding the attraction of financial resources. Based on the average interest rates of the resources directed to the corporate sector, determining the limit amount of debt funds of joint-stock companies, the significance of the determined characteristics can be differentiated depending on the nature of the development of the national economy. The amount of resources attracted to the capital market, the practice of attraction and attracting financial levers, are inextricably linked with the components of the capital market and their specific characteristics. The capital market has already become an important component of the world economy. There is an inextricable connection between the level of development of the world economy and the capital market. Currently, the importance of finance in the socio-economic and political life of the society has moved far beyond the scope of indicators describing the role of the financial sector in creating the world gross domestic product. That is why it is important to study the directions of development of the capital market in Uzbekistan, use advanced foreign experience in this field and analyze the real situation and solve the problems.

Literature Review

In Western economic literature, financial markets are presented as a set of market institutions that direct the flow of funds from savers to borrowers. Frederic Mishkin notes financial markets that serve to transfer money from people with excess funds to those who do not have enough funds. Based on the given definitions, it can be noted that the financial market is a market in which temporary redistribution of free money through financial intermediaries takes place based on the use of financial instruments. The capital market is a market where long-term capital and debt obligations are collected and circulated. In a market economy, the capital market is the main type of financial market, with the help of which business entities and governments can find sources of financing for their activities. At this point, it should be noted that the capital market, which is considered an important component of the financial market, circulates funds and instruments with a maturity of more than one year.

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There is no clear or comprehensive tariff in fully explaining the nature of the capital market, including, from a microeconomic point of view, working capital and 12 fixed capital, considered as a component of the capital market, and from a macroeconomic point of view, the market of real assets (real estate market, means of production and b.) and the financial market, which includes the stock market, stock market, credit market, currency market as a whole. German economists L.Perridon and M.Steyne give the following definition to the capital market in their scientific work entitled "Finance of companies" "Capital market is an organized stock exchange that trades securities for a period of more than one year". According to R.R. Rubsov, the author of many scientific works on the fundamental principles of regulating the financial market and securities circulation in the Russian Federation, the financial market is a set of economic relations and institutions related to the movement of money capital. According to V.V. Ivanova, the author of the scientific monograph on the modern aspects of the financial market and its structural segments, the capital market is the sphere of financial transactions using financial instruments.

In global practice, by attracting financial resources from the national and international capital market to the corporate sector of the economy, ensuring the continuity of production and service processes, maintaining the financial stability of joint-stock companies, ensuring the employment of the population, introducing new financial instruments of financing into practice. It is considered one of the most urgent issues, especially in the context of the global pandemic. Currently, in the world economy, scientific research is being carried out in important areas of introducing modern instruments of attracting financial resources from the capital market to the corporate sector of the economy, improving the financing mechanism, and applying modern methods of econometric modeling in the process of making financial decisions.

In the action strategy for the further development of the Republic of Uzbekistan, "Development of the stock market as an alternative source of attraction of capital and deployment of free resources of enterprises, financial institutions and the population and further development of international economic cooperation, including expansion of relations with leading international and foreign financial institutions, "Continuation of well-thought-out foreign debt policy, effective use of attracted foreign investment and loans" are mentioned as priorities. The corporate sector is an intermediary between the capital market and the corporate sector on the basis of a medium- and long-term strategy for the development of business in joint-stock companies, the elimination of economic and financial restrictions related to the formation of financial resources, and the development of the country's financial market. it will be necessary to improve mutual financial relations.

There is no clear or comprehensive definition to fully explain the essence of the capital market, including, from a microeconomic point of view, working capital and fixed capital, considered a component of the capital market, and from a macroeconomic point of view, the market of real assets (real estate market, production means, etc.) and the financial market, which includes the stock market, stock market, credit market, currency market as a whole.

Based on the state of the capital market and the level of provision of financial resources, it regulates decision-making by joint-stock companies regarding the attraction of financial resources. Based on the average interest rates of the resources directed to the corporate sector, determining the limit amount of debt funds of joint-stock companies, the significance of the determined characteristics can be differentiated depending on the nature of the development of the national economy. The volume of resources attracted to the capital market, the practice of attraction and attracting financial

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levers, are inextricably linked with specific segments of the capital market and their specific characteristics.

Analysis and results

It is a well-known fact that domestic funds are not enough to finance the economy at the current stage of the market economy. At a time when the population and needs are constantly growing, there is a need to attract additional financial resources from external sources to the funds of business entities and governments in the complex development of high technological development, ensuring food safety and other areas. In such conditions, one of the important sources of financial resources and capital attraction for economic entities is the financial market and the capital market, which is considered to be its element.

Hedging when attracting financial resources means the need for effective risk management and includes the following:

a) Identification (separation into categories) and assessment of the risks of raising capital in relation to the segment of the capital market, the method of raising and the financial instruments used;

b) Use of methods of justifying risks and reducing them;

d) Use of derivative financial instruments to reduce risks;

e) If a decision is made to attract financial resources from the international capital market, to attract financial resources based on political stability and the state of the economic situation, to assume foreign currency obligations based on existing foreign currency income. The use of this principle allows to reduce negative consequences in some companies and, on this basis, to increase their investment attractiveness and market value.

In general, the state performs the following functions in regulating the financial market (Table 1).

Table 1 Functions of the state in regulating the capital market

№	Functions	Icluding:
1.	Defining the strategy	The concept of capital market development, programs for its implementation are developed
2.	Legal regulation	Regulatory and legal documents on capital market activities will be developed
3.	Administrative function	The activities of capital market participants are subject to direct administrative regulation
4.	Encouragement	In order to develop the capital market and attract free funds to economic sectors, the use of all financial instruments is encouraged through economic levers.
5.	Control	Possible violations by capital market participants are prevented
6.	Arbitration	Disputes between capital market participants are resolved

It should also be noted that the state, in addition to being an institution that regulates the financial market, is also an important participant in the financial market. In this case, the state can become a participant in the financial market as an issuer of securities and a large investor. From this point of view, the state itself has certain obligations and rights in the financial market.

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In our opinion, the goals of attracting financial resources from the capital market to the corporate sector of the economy can be divided into economic, financial and marketing directions. There are structural aspects that represent the main characteristics of each of them, and for economic purposes:

a) Development of the main activity of the company (directing investments to non-current assets);

b) Increasing its market share based on the expansion and modernization of the company's activities at the expense of financing the renewal of its main funds.

Financial goals:

a) Creating the opportunity to have different sources of financial resources;

b) Reducing costs related to servicing the current capital structure;

d) Refinancing of current debt;

e) Compensation for cash outages;

f) Regulation of seasonality and uneven cash flows;

g) Taking over the market (agreement on mergers and acquisitions);

h) Increasing the market value of the company based on the implementation of the correct financial strategy of borrowing.

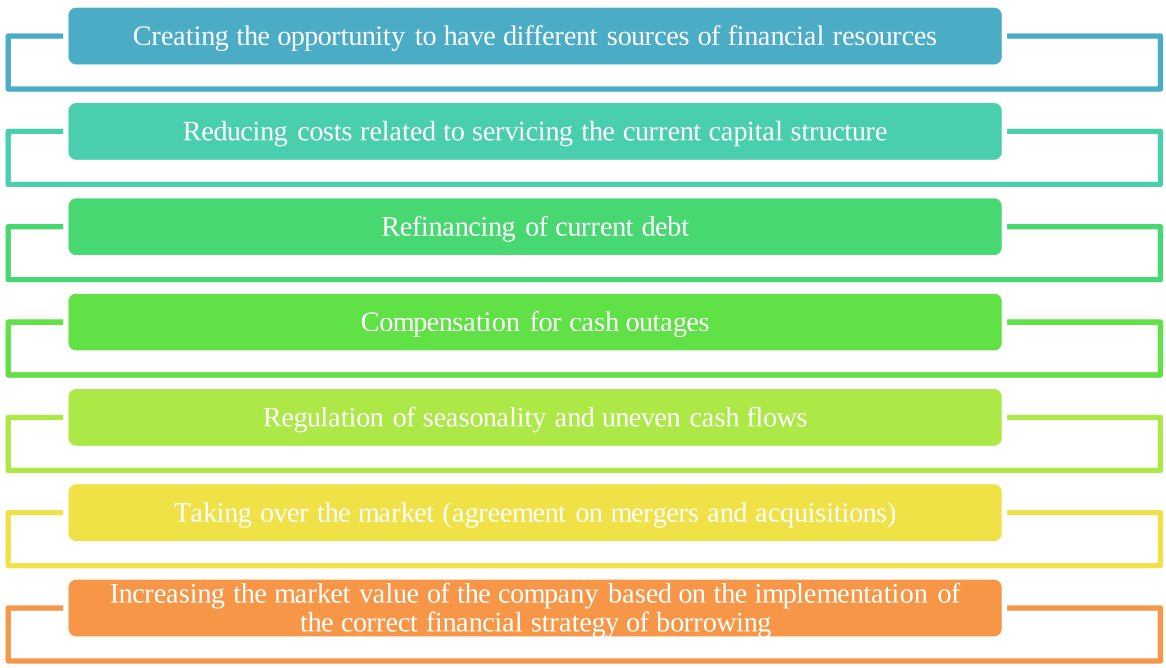

Figure 1. Financial goals of attracting financial resources in capital market

Marketing goals include:

a) increasing the value of the company's brand on the basis of achieving recognition by leading financial institutions in the local, national and world capital markets;

b) Recognition through specialized mass media, access to network reviews, access to stock exchange quotations to achieve recognition and increase of the company's image;

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d) Gaining the trust of partner companies and clients with experience in attracting financial resources in the global segments of the capital market.

Based on the volume of attracting financial resources from the capital market, enterprises can be divided into large, medium and small enterprises. In this case, the volume of capital attraction is relative, and depending on the type of capital and financial potential, they will have local, national and international manifestations. Based on the principles of capital diversification and optimality of value, attracting large amounts of capital can be carried out in global and national capital markets. It is desirable to attract medium-sized capital from national markets, and to attract small-sized capital from local markets.

It should be noted that in re-attraction of capital, if the company has achieved positive financial opportunities, the amount of capital is no longer important. For example, additional issuance of shares and additional issuance of bonds, credit limits (number and/or volume) may be small compared to their first issuance.

CONCLUSIONS

The analysis of theoretical aspects of capital market regulations can give the following conclusions:

- First, the methods of attracting financial resources differ depending on the goals of financial management;

- Secondly, the methods of attracting financial resources have their own characteristics according to the segments and types of the capital market;

- Thirdly, the ways of attracting financial resources are determined on the basis of the used financial instruments;

- Fourthly, the approaches of attracting financial resources depend on the following parameters: the goals, size and conditions of attracting financial resources, organizational and economic characteristics of the company.

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