



PROSPECTS OF ISLAMIC FINANCE IN UZBEKISTAN

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Abstract

Nowadays, Islamic finance, which is improving more and more, has become the main branch of financing in Islamic countries around the world. In our country, there are opinions and considerations about the benefits of implementing this model in practice.

Key words

Islamic finance, sukuk, takaful, Shariah rules, Islamic banks, usury, riba.

Introduction

Trading in securities and shares in Islamic finance is one of the permissible practices. The reason is that shares are a document that determines the stake in enterprises. But it is not possible to trade shares of all enterprises. The first principle is that business activities must meet Islamic requirements. That is, there should be no alcohol, weapons production or depraved entertainment industries. If this requirement is met, there are several further requirements. By examining the financial statements of the enterprise, it is possible to determine whether it meets these requirements.

Islamic banking is a financial activity that complies with the principles of Shariah. The main feature of Islamic banking is the prohibition of charging interest or rates based on the amount and duration of the loan. This prohibition is explained by Muslim laws of social justice and equality. Islamic banking activity is a financial activity that conforms to the principles of Shariah.

In particular, the company's debt funds are obtained from a specific source. It can be enterprise, capital owners funds and debt funds. Loans must not be interest-bearing loans. The coefficient that our modern scholars say is that if money is attracted to the enterprise through sources such as bank loans, bonds or certificates of deposit, and the value of these funds in relation to total assets exceeds 33 percent, it is said that it is impossible to buy the shares of this enterprise.

Review of literature

Muhammad Taqi Osmani, one of the famous scholars of Islamic finance, made the following comments explaining sukuk and its features: - one of the convenient ways to finance large projects that cannot be managed by one investor; – a convenient tool for directing investments and withdrawing the investment if necessary due to its liquidity, thus the secondary market also develops; – a better way to manage liquidity for banks and Islamic financial institutions; – a fair means of wealth distribution, as it allows investors to enjoy an equal share of the profits of business activity.



Renowned scholar Ibrahim Warde said that sukuk can be called investment certificates that comply with Sharia principles.

The essence of riba can be understood more clearly through economic indicators. Added value is the difference between the cost of the purchased product (that is, the cost of the goods purchased by each producer (firm) from another) and the total revenue from its sale. Monetary value is associated with purely financial transactions. Monetary value is associated with purely financial transactions. It also includes the acquisition and sale of financial instruments that do not provide payment for actual goods or services. The difference between the purchase price of financial instruments and their sale price represents the additional monetary value. These transactions do not change the amount of GDP (gross domestic product) and are the result of redistribution of funds between economic agents. This monetary added value is the ribbon itself (excluding the exchange of one currency for another and money transfers).

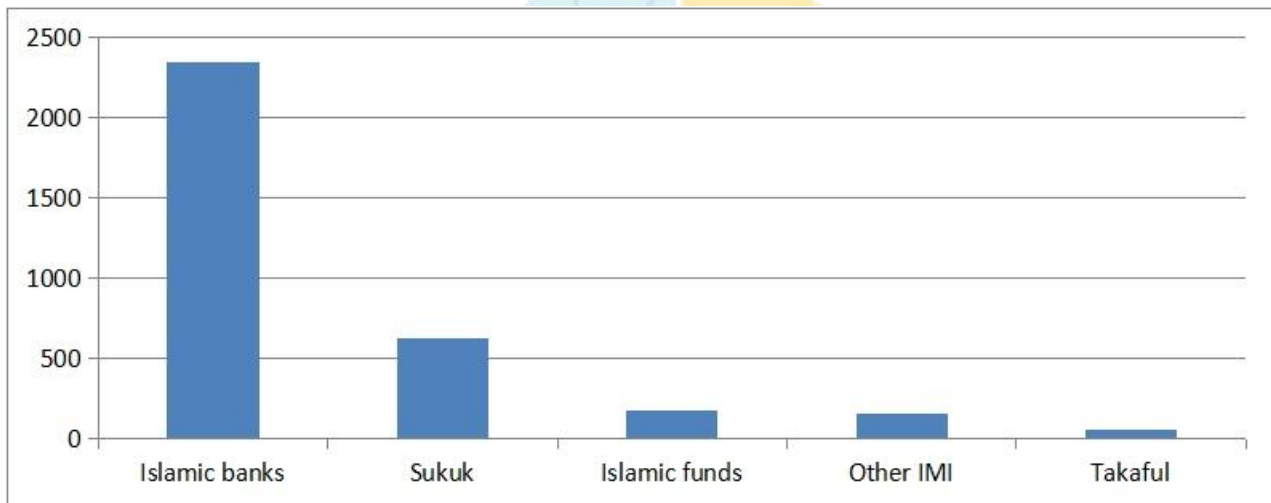
Research methodology

In this scientific article, based on the world experience of the transition to the Islamic financing system, it is introduced in Uzbekistan, as well as the benefits, benefits and advantages of the country's economy, and the difficulties and problems that can be expected. Tasks have been set for management. In the course of the research, methods of empirical research observation, induction, deduction, summation and determination of connections between data sources, and methods of analysis and synthesis of theoretical research were used.

Analysis and results

It can be considered that efforts to introduce Islamic finance mechanisms into the economy of Uzbekistan have begun. During the past period, about 300 laws and more than 4,000 decisions of the President of the Republic of Uzbekistan aimed at radical reform of all spheres of state and community life were adopted within the framework of the Action Strategy for the five priority areas of development of our country in 2017-2021. Regarding the reform of the national economy, measures were taken to liberalize foreign trade, tax and financial policy, support entrepreneurship and guarantee the inviolability of private property, organize deep processing of agricultural products, and ensure rapid development of regions. We can see that normative and legal frameworks are being developed for the introduction of Islamic finance and Islamic securities in Uzbekistan, and several steps have been taken before that. When introducing Islamic finance into the economy of our country and taking into account the specific risks of issuing Islamic securities, it is necessary to develop a perfect legal framework, studying the experiences of the world, including the experiences of the Middle East countries.

2020-yil yakunlariga ko'ra, global jihatdan islom banklarining aktivlari 2 349 milliard AQSh dollariga, Sukuk 631 milliard AQSh dollariga, islom fondlarining aktivlari 178 milliard AQSh dollariga, boshqa islomiy moliya institutlarining aktivlari 154 milliard AQSh dollariga, Takoful aktivlari esa milliard AQSh dollarini tashkil etgan.



Islamic banks-2349

Sukuk-631

Islamic funds-178

Another IMI-154

Takaful-62

The above problems can be solved through non-commercial instruments in Islamic finance. (See Figure 3)

- 1) Zakat - Every year (once a year, mainly in Ramadan) up to 2.5% of the wealth of the rich is given directly to the poor.
- 2) Almsgiving – The rich give alms to the poor (monthly, weekly, etc.). Simply put, this instrument performs the function of redistribution.
- 3) Karz ul Hasan is a guaranteed interest-free loan. It is given to individuals or legal entities for a certain period without any interest.
- 4) Waqf - solves macroeconomic and social problems. Historically, roads, educational centers, and caravanserais have been built with this money.
- 5) Takoful is collective mutual assistance. Similar to insurance companies in ordinary finance.



Summary

In conclusion, it can be said that the government's ability to use sukuk in financing real investment projects allows, firstly, to attract the idle funds of the population to the economy and direct them to the development of the economy. Secondly, it causes projects implemented at the expense of the majority to be carefully executed under active public control.

List of used literature

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