

Sultonboeva Munira Bakhodirovna
Turin Polytechnic University in Tashkent

INVESTMENT FUNDS: INTERNATIONAL EXPERIENCE AND PROSPECTS OF DEVELOPMENT IN UZBEKISTAN

Abstract: The article describes the concept, types, structure of mutual funds. The basic advantages that provides an investment fund to investors, compared with individual investment.

Keywords: investment funds, mutual funds, investor, investment fund, institutional investors, investment share, mutual fund securities

Concept of further deepening democratic reforms and formation of civil society in the country should increase the share of non-state sector of the economy and attract investments for these purposes. As mentioned the first president of the Republic of Uzbekistan I.A. Karimov, “... require the adoption of other new laws that contribute to the further advancement towards a free market economy, such as “On activity of credit bureaus and exchange of credit information”, “On the pledge registry”, “On Investment and mutual funds”, “On the innovation and modernization of the economy” and other laws demanded by the logic and dynamics of the market reforms implemented in Uzbekistan.

In this article, we will consider “Investment and mutual funds”

Not so long ago accepted the law by the President of the Republic of Uzbekistan, opened great opportunities for investors by investing their funds in the business and at the same time made transparent processes credit turnover in the financial market. It should be noted that the law of the Republic of Uzbekistan “On investment and mutual funds” is an important step in enhancing the investment activity of the population, especially the investment of their funds and other assets in the economy, particularly in manufacturing plants.

Although available in the world complex and contradictory experience of formation of investment funds, they are one of the main institutions through which you can send free funds of the population in the real economy. We have in the country, though small, the experience of creating different purpose funds, such as the privatization investment funds, pension funds, etc. However, all the issues of the collective investment market mechanisms is impossible without timely creation and development of the legal framework that ensures the uniform principles of work and regulating their activities. And so today, the work in this area focuses on the issues of active formation of the republic the legislative framework to ensure the development of investment funds.

Investment funds are an effective mechanism by which the general public and businesses will have access to the professional management of resources, the ability to reduce investment risks and costs, as well as diversify their investments. It should be noted that the investment scheme through investment funds should be built in

accordance with the international experience of collective investment schemes. In practice allocated equity and mutual funds. Equity investment fund can only be created in the form of open joint-stock company, with the presence of his features for registration and operation of the following nature:

- the exceptional object of the fund is investing in property securities and other objects. At the same time until the beginning of the issue of shares must be approved by the Society of the so-called investment declaration, which defines all the objects of investment;

- special legal regime of property of the company. The fact is that in practice the existing property stock investment fund is subdivided into the following types. This property is intended for investment, the so-called investment reserves. It said property transferred in trust management company. In addition, there is property designated for the operation of management bodies and other bodies of the joint stock investment fund;

- fund may conduct activity only on the basis of special permits (licenses) and has no right to take other types of entrepreneurial activity.

It should be said about the peculiarities of attracting investments for the implementation of activities, as equity investment fund may issue only ordinary registered shares by closed subscription only. In practice, the existing shares of stock investment fund may only be paid in cash or property, provided investment declaration. Unlike “normal” joint-stock company, the share in the investment fund is not permitted partial payment for the shares at their placement.

In this way, the investment fund - property complex located in the joint-stock company owned or jointly owned by individuals and legal entities, use and disposal of which is carried out exclusively by the management company in the interests of shareholders of the company or trust management of founders.

World practice of investment funds shows that they are today one of the most effective mechanism to attract collective investment. The law project should formulate and review the general situation, the subject of regulation and the essence of the concepts that are directly related in some way with the funds, as well as the types and range of instruments authorized as an investment object. The disclosure of the legal provisions regarding the establishment and operation of joint-stock investment funds, it is necessary to give the basic requirements to them, as well as to formulate the basic provisions of the placement mechanism and redemption of fund shares.

The existing practice of one of the most important institutions of regulation of investment processes are mutual funds. At the core, the fund is an organization, but not a legal entity, which collects money from a group of people and putting them in stocks, bonds or other securities. This fund is a separate property complex, consisting of the property transferred in trust management company founder (s).

Accordingly, in the practice of property constituting the mutual investment fund, owned by the owners of the rights of the common property.

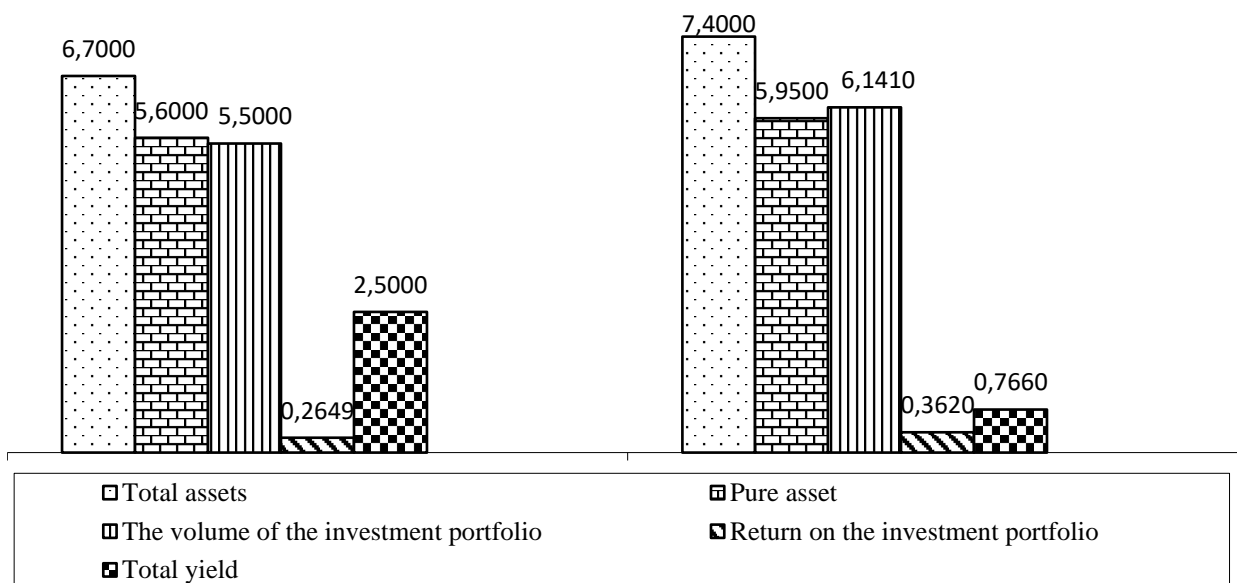
Like any corporation, joint stock investment fund shall have a Board of Directors (Supervisory Board) and executive bodies, as well as to carry out the general meeting of shareholders. All these features of the functioning of stock investment fund management bodies are also mentioned in the law project "On investment and mutual funds", although many aspects of these provisions are described in the Law of the Republic of Uzbekistan "On Joint Stock Companies". In addition, the project should reveal the main legal provisions on reorganization and liquidation of joint stock investment funds.

Next Investment Fund, the main points to be covered in the law project - a mutual fund. It should give the position on establishment, merger or change in the shape Fund. In addition, it is necessary to present the main components of the unit investment fund mechanisms to enter into an asset management agreement, the state registration of the shares, while defining the rights of their holders. Of particular importance in the law project will be the formation of the legal provisions related to the management of investment fund assets, providing storage and accounting, as well as aspects of the disclosure of information about the fund.

Practice functioning of investment funds has shown that the development of the law project "On investment and mutual funds" in our country need to consider all the legal provisions relating to the determination of the effectiveness of management of these funds. This includes the introduction of a mandatory disclosure to investors of uniform criteria, reflecting the effectiveness of the trustees of the risk factors and the dynamics of the stock market.

In addition, it makes sense to consider a range of issues relating to the establishment of compensatory rights protection mechanisms for institutional investors. The development of these mechanisms in relation to the risk of bankruptcy trustees and poor governance risks is an organic component of the organizational, legal and financial management mechanism. A special place in the law project should be allocated to indicate the position of the legal responsibility of the parties for violations related to non-compliance of any activities with the investment fund.

Chart №. 1



Investment funds in key indicators of billions of UZS.

In this chart №.1 displaying five investment funds as of January 1, 2016 net assets of 5.95 billion. UZS.

The investment portfolio of investment funds amounted to 6.141 billion as of January 1, 2016. UZS as of 1 January 2015, comparisons of 5,500 billion UZS were increased revenues to 0.641 billion UZS. With some investment portfolios of investment funds 25.72% (137 800 000. UZS), reaching highest level.

Features selection of investment funds of certain investment assets, depending on their type are presented in Chart №. 2

Chart № 2

TYPES OF ASSETS	TYPES OF INVESTMENT FUNDS			
	Equity Investment Fund	Open-investment fund	Closed-investment fund	Interval Unit Investment Fund
Cash, including foreign currency	+	+	+	+
Government securities	+	+	+	+
Municipal securities	+	+	+	+
Shares and bonds of Uzbek business entities	+	+	+	+
Securities of foreign countries	+	+	+	+
The shares of foreign	+	+	+	+

corporations and foreign commercial organizations bonds				
investment shares of mutual funds	+	+	+	+
Mortgage-backed securities	+	+	+	+
Uzbek Depository Receipt	+		+	
Real estate and property rights to real estate	+		+	+
Other property	+	+	+	+

From the composition and structure of assets of the fund depends on the fund category: Money Market Fund, the mixed investment fund, etc. Total legislator provides for the creation of 16 different categories of investment funds:

- 1) Money Market Fund - investing mainly in short-term highly liquid instruments;
- 2) Bond Fund - investing mainly in debt instruments, fixed income instruments;
- 3) Equity Fund - investing mainly in shares;
- 4) Mixed investment fund - invest mainly in liquid securities;
- 5) Private equity fund - direct investment - a significant part in the authorized capital, investments in associates and subsidiaries;
- 6) Fund high-risk (venture) investments - investing primarily in securities, high-risk;
- 7) Fund of Funds - invest primarily in securities issued by investment funds;
- 8) Rental fund - invest mainly in real estate ready or related rights;
- 9) Real estate fund - invest mainly in real estate under construction or related rights;
- 10) Mortgage Fund - investing mainly in demand for the obligations secured by pledge, mortgage-backed securities;
- 11) Index fund (with index) - investing primarily in securities, for which the code number;
- 12) Credit fund - invest mainly in assets, the yield of which depends on the changes in interest rates;
- 13) Commodity market fund - invest mainly in precious metals and derivative securities whose underlying assets are commodities;
- 14) Hedge fund - investing in illiquid high-risk assets; 15) the fund of artistic values - investing in the artistic and cultural values;
- 16) Long-term equity fund - a substantial equity participation, investment in associates and subsidiaries in the long term.

The composition and structure of assets of investment funds should be reflected in the investment declaration of the fund, which, like the agreement on trust management of the fund is in the public domain. Investment declaration of the Fund determines the list of investment targets and requirements for the structure of assets. Name of the investment fund must contain an indication of the composition and structure of assets (the fund reflect the category), and the discrepancy between the composition and / or structure of the requirements of the fund's assets must be removed within 1 month.

In conclusion, the Law "On investment and mutual funds" in respect of investment funds has always been, the legislative framework that has served and serves the formation of them as effective tools for mobilizing temporarily free funds and the implementation of specific investment projects in the sectors of the economics.

BIBLIOGRAPHY

1. On investment and mutual funds (Collection of legislation of the Republic of Uzbekistan, 2015, number 34, p. 450) Adopted by the Legislative Chamber on June 29, 2015 Approved by the Senate of August 6, 2015
2. Iskandarov, T. Legal guarantee of investment and mutual funds: [Materials III plenary session of Senate of Oliy Majlis of Uzbekistan] / Turgun Iskandarov // National word. - Tashkent. - 2015 - July 28 (number 147). - P. 1, 2.

INTERNET RESOURCES

1. <https://www.gazeta.uz/ru/2017/01/31/book/>
2. <https://www.mf.uz/>
3. <http://www.mfer.uz/ru/investments/investment-projects/>
4. http://lex.uz/pages/getpage.aspx?lact_id=2731865
5. <https://webcache.googleusercontent.com/search?q=cache:rpR6KQxX8VoJ:https://soliq.uz/download.php%3Ff%3Df99af7e0dc6bd6bb8e850d831781822d.doc%26i%3D6616+&cd=5&hl=ru&ct=clnk>