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Prospective Technologies for the Transition to International Financial Reporting Standards Improving the Mechanism of Attracting Financial Resources from the Capital Market

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Abstract: This article describes the issues of improving the mechanism of prospective technologies for the transition to international financial reporting standards improving the mechanism of attracting financial resources from the capital market. Also, the improvement of the international capital market requires individual countries to develop the financial market and its main segments accordingly. In the practice of foreign countries, the corporate sector is one of the main sources of state budget revenue formation, providing employment to the population and developing the country's economy. In addition, scientific approaches to finance, financial management and capital market, its structure and characteristics are widely studied and analyzed. In addition, the financial infrastructure of the capital market and the institutional and organizational structure of attracting financial resources from the capital market to the corporate sector are scientifically based. The following main conclusions were formed as a result of scientific research on improving the mechanism of attracting financial resources from the capital market in the context of the transformation of the digital economy.

Keywords: *digital economy, transformation of digital economy, capital market, financial resources, international capital market, corporate sector*

Introduction

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, especially in the context of a global pandemic. is considered one of the urgent issues. 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[1].

In the Action Strategy for the further development of the Republic of Uzbekistan in 2017-2021, "development of the stock market as an alternative source of capital attraction 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, priorities for continuing the implementation of a well-thought-out foreign debt policy, effective use of attracted foreign investment and loans. To ensure the effective execution of these tasks, to further develop business in the joint-stock companies of the corporate sector of our country in accordance with modern trends, to eliminate economic and financial "obstacles" related to the formation of financial resources, to develop medium- and long-term strategies and roadmaps for the development of the financial market of Uzbekistan A positive solution to such problems requires the development of a scientific proposal and practical recommendations for the implementation of measures aimed at further improving mutual financial relations between the capital market and the corporate sector [2].

Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017 "On the Strategy of Actions for Further Development of the Republic of Uzbekistan", No. PF-5630 of January 14, 2019 "Measure to fundamentally improve the regulatory system of state asset management, anti-monopoly fight and the capital market" -measures" [3], dated April 24, 2015 No. PF-4720 "On measures to introduce modern corporate management methods in joint-stock companies", No. PQ-4127 dated January 24, 2019 "On the capital market of the Republic of Uzbekistan on the organization of the activities of the development agency", No. PQ-4141 of January 31, 2019 "On measures to organize the issuance of international bonds of the Republic of Uzbekistan and maintain the sovereign credit rating", No. PQ-4258 of April 2, 2019 "On the organization of the issuance of international bonds of the Republic of Uzbekistan on the effective use of funds from the placement of the first sovereign international bonds", decisions of July 21, 2018 No. PQ-3877 "On additional measures to diversify sources of external financing", Cabinet of Ministers of the Republic of Uzbekistan dated May 10, 2017 "Public offering of shares on the Stock Exchange This study serves to a certain extent in the implementation of the tasks defined in the decision No. 268 "on organizing the transfer" and other regulatory legal documents related to this activity [4].

LITERATURE REVIEW

According to V.V. Kovalev, the author of scientific works on finance and financial management, "the capital market is a market where long-term capital and debt obligations accumulate and circulate. This market is the main type of financial market, with the help of which companies will have the opportunity to find sources of finance for their activities. Dvoretskaya A.E., who conducted scientific research on the role and importance of the capital market in ensuring economic growth. , "the capital market is a mechanism for optimal distribution of funds and effective transfer of national savings to investments" [5].

The authors of scientific articles on the capital market, its structure and characteristics, Lapshina Z.V. and Pracht K.S. , "the capital market is a part of the financial market, where funds with a term of more than one year are traded." Kasimova M.I. states that "The capital market forms the economic relations between the subjects of economic activity - on the one hand, the demand and, on the other hand, the supply of investment goods" [6].

German economists L.Perridon and M.Steinel in their scientific work entitled "Finance of companies" define the capital market as follows: "The capital market is an organized stock market that trades securities for a period of more than one year." According to R.R. Rubtsov, the author of many scientific works on the fundamentals of the regulation of 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 Ivanova V.V., the author of the scientific monograph on the modern views of the financial market and its structural segments, "the financial market is the sphere of financial transactions using financial instruments." According to F. Mishkin, the author of many scientific literature on the international financial market and institutions, their organizational and economic foundations, "the financial market is a market that serves to transfer money from people with surplus funds to those who lack funds" [7].

It should be noted that many economists are conducting research on the capital market and its institutional foundations and main features in our country. In particular, Professor Shokha'zami Sh.Sh. according to , the financial market is a system that manifests itself as a complex that creates the necessary market conditions for economic entities, which is provided by an organized economic-legal mechanism related to financial instruments equivalent to the monetized real investment base.

The mechanism of this system is activated by all subjects of the economy within the scope of their special goals[8].

S.P.Abdullaev stated that "With the help of the financial market, the flow of money in the economy is ensured, as well as the "non-stop" formation of financial resources, their effective use and investment. It ensures free movement of investment money between different areas of economic activity, free and rational use of financial resources. On the other hand, the mobilization of money as capital for production strengthens the economic potential, accelerates innovations, scientific and technical progress and, on this basis, serves to further increase the well-being of the people" [9].

Professor S. Elmirzaev states that the financial market is a generalization of the following markets: credit market, money-credit market, securities market, precious metals market, insurance and private pension market. The financial market is divided into the money market and the capital market according to the term of the instruments in circulation. Cash, short-term means of payment, and short-term savings up to one year are organized in the money market. In the capital market, the circulation of "long money" is organized, in which mainly stocks and bonds are valid. The duration of the transaction is more than one year[10]. The main difference between the capital market and the money market is explained by the use of long-term investments.

Methods

Thus, analyzing the development trends and features of the financial infrastructure of the capital market, it is possible to form the following conclusions about this market: the complexity of its internal structure; the need to expand its functions; the need to increase its role in ensuring mutual cooperation between the corporate sector of the economy and the capital market[11].

Table 1

Financial infrastructure of the capital market

Areas of activity	**Functions**
Basic infrastructure	
Trading system	- creation of conditions for concluding transactions in the capital market; - protection of rights and interests of capital market participants.
Billing system	- recording and taking into account the transfer of property rights to financial instruments as a result of their transaction; -clearing operations with financial instruments, keeping cash accounts.
Regulatory infrastructure	
Institutions of regulation and control by the state	- regulatory and legal provision of activity in the capital market; - formation of conditions for the development of the capital market; - protection of rights and interests of capital market participants; - controlling the capital market; - information supply; - regulatory and legal initiatives; - education and training.
Supporting infrastructure	
Consulting	- consulting and analytical services; - information-analytical support; - legal support.
Licensing	- licensing; - control of conformity of requirements of market participants; - training of capital market participants.
Ranking	- evaluation and monitoring of capital market participants; - analytical support;

	- determining the credit rating.

The financial infrastructure of the capital market can be classified according to the main types as follows[12]:
1. Basic infrastructure:
- the presence of a global financial market for the corporate sector anywhere in the world;
- imbalance of cash flows in the capital market (including state funds);
- a wide range of participants: TMK, MK, banks, states, insurance companies, pension funds, brokerage organizations, dealers, etc.;
- increase in the volume of transactions with derivative securities.
2. Regulatory infrastructure[13]:
- openness of the corporate sector to the international capital market;
- regulation based on the choice of the participants of the financial center is based on the national regulation and the rules of the national regulation;
- strengthening of the national regulatory practice and control mechanisms over it;
- increasing the level of protection of market participants from manipulation by financial institutions.
3. Supporting infrastructure[14]:
- creation and use of hybrid financial instruments in the corporate sector;
- concentration (merger) of financial intermediaries in leading financial centers of the world;
- use of IT technologies in market operations (for example: Reuters, Bloomberg, CRM, etc.).

Results and Discussion

Based on the main conclusions stated above, we believe that it is necessary to clarify the institutional and organizational structure of the capital market by segmenting the credit and securities market in accordance with the used methods and financial instruments, which allow to ensure the attraction of financial resources to the corporate sector of the economy (Fig. 1) [15].

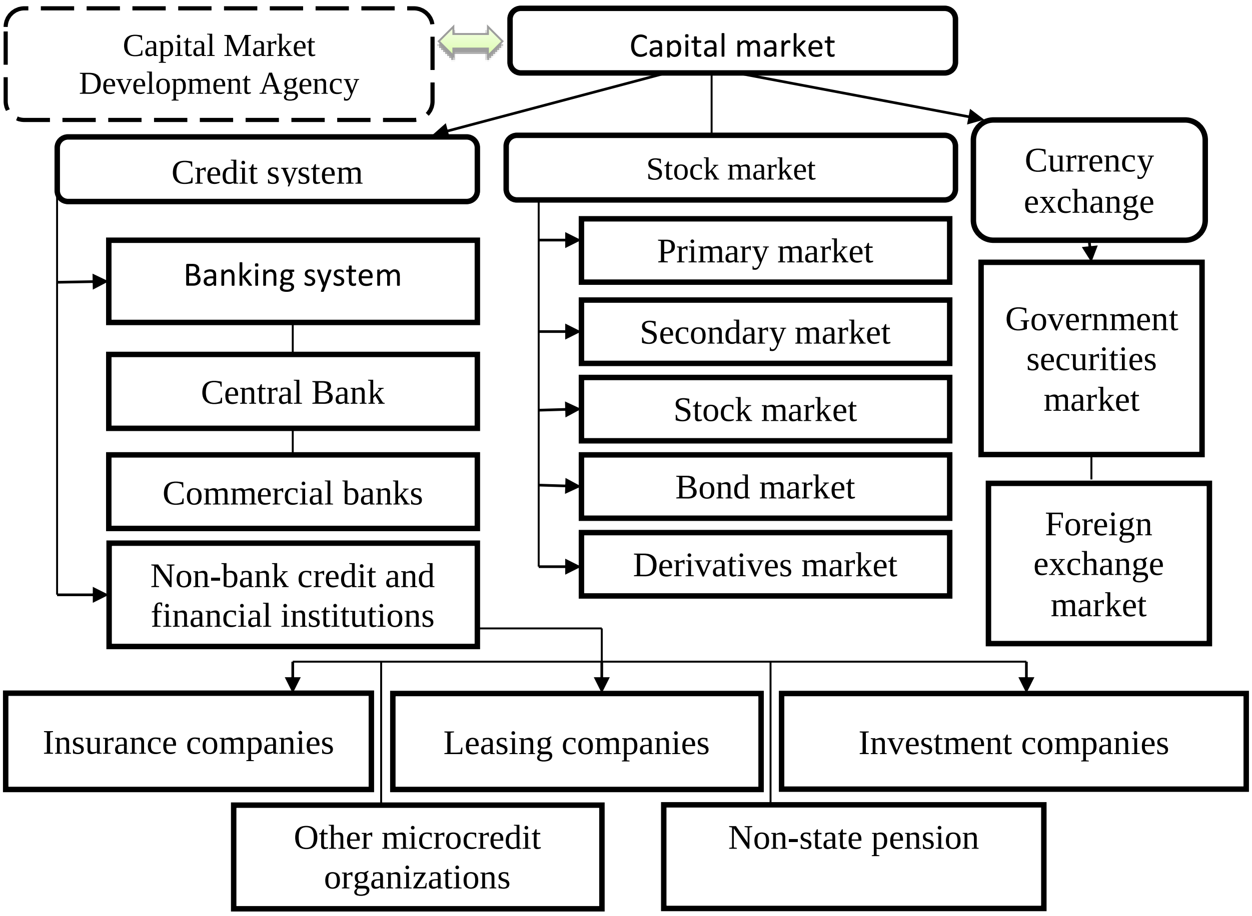

Figure 1. Institutional and organizational structure of attracting financial resources from the capital market to the corporate sector

Among the principles of attracting financial resources from the capital market to the corporate sector, in our opinion, the following principles are important: the principle of diversification, the principle of optimization, the principle of hedging, the principle of compatibility[16].

Table 1

Features of the principles of attracting financial resources from the capital market to the corporate sector of the economy

Principles	**Description of principles**	**The importance of principles for the corporate sector**
The principle of freedom of transactions in the capital market	Freedom of capital market participants to express their will in concluding transactions	In attracting financial resources, the economic interests of the interested parties should be aligned
The principle of legal regulation of the capital market	Operations are carried out in accordance with regulatory legal mechanisms for ensuring the legality of transactions in the capital market	State regulation allows to ensure the stability of the capital market and protect the economic interests of market participants
Capital market participants the principle of competition	The conclusion of transactions in the market is carried out on the basis of offering the best conditions for attracting financial resources	The best terms of attraction allow to significantly reduce the cost of capital
Efficiency principle for capital market participants	Effective companies, financial intermediaries, financial instruments and terms of engagement are determined in the process of concluding transactions in the capital market	Subjects of the corporate sector of the economy use the capital market to increase the efficiency of attracting financial resources
The principle of disclosure of information about capital market participants	Disclosure of information is necessary to reduce the risks of transactions in the capital market	The organization of the corporate sector takes responsibility for the reliability of information about the financial and economic situation of the participants.

The mechanism and model of its regulation is one of the factors indirectly affecting the stability of the capital market in providing the corporate sector with financial resources. In the USA, large stock exchanges belong to non-governmental organizations, and a single mega-regulator is used to regulate their activities (Figure 2). In Japan and Russia, a single mega-regulator is used to regulate the activities of the capital market, and the state has an indirect share in the control of the stock exchanges. Within the Asia-Pacific region, each country has its own system of capital market regulation. For example, the Japanese capital market is characterized by its "Twin Peaks" regulatory model[17]. The second part of the risk analysis model of attracting financial resources from the capital market includes risks that have negative financial consequences for the company. We consider the risks of the second part common to all three methods of attracting financial resources and include the following risk groups in these risk groups: management, operational, legal, equity, interaction with the capital market, force majeure risks.

Management risk when attracting financial resources from the capital market occurs as a result of the wrong choice of the following in the management activities of the company's management: the wrong choice of the type of capital market, the method of attraction, financial instrument, the period of attraction, the currency of attraction of financial resources, the occurrence of financial risk and the loss of these financial resources can bring. When attracting financial resources from the capital market, the operational risk arises as a result of technical errors related to the incorrect provision of information necessary for the processes of issuing shares, placing bonds, attracting loans by market participants and the company.

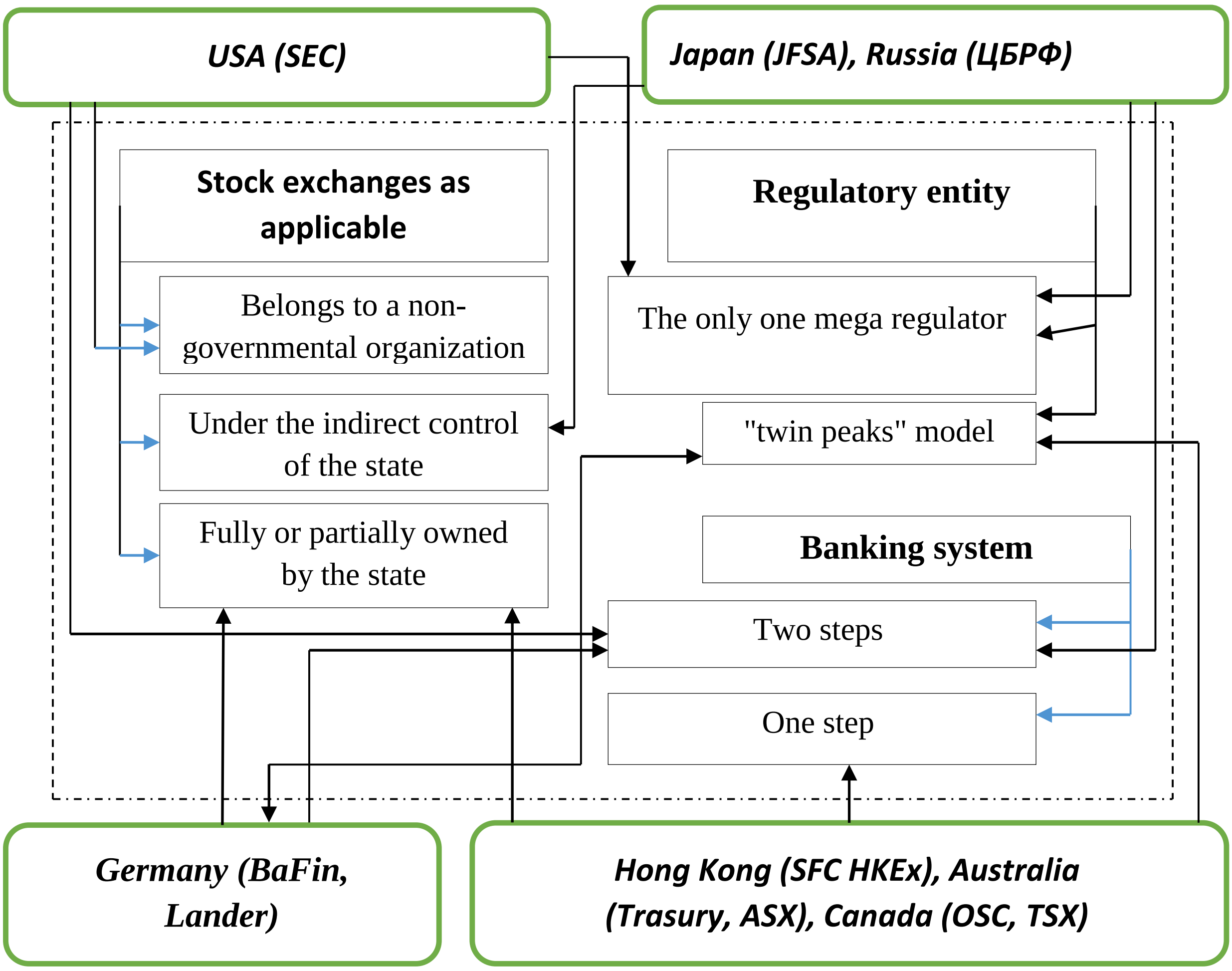

Figure 2. Classification of capital market activities in foreign countries by types of regulation

Within this model, a single mega-regulator (JFSA) performs the function of securities registration, while the tasks of publishing current information and trading rules about issuers and their securities have been transferred to the National Stock Exchange (TSE)[18].

Regulation of the Hong Kong capital market is carried out through the mechanisms of the stock exchange (HKEX), the regulatory body (Securitirsand Futures Commission) is responsible for the protection of the rights and interests of its participants and the supervision of brokerage activities[19]. The stock exchanges of Shanghai and Xinjiang (China) are partially closed to foreign capital, and their activities are regulated by the China Securities Commission (CSRC) and the National Bank of China (PBC).

Conclusion

The following main conclusions were formed as a result of scientific research on improving the mechanism of attracting financial resources from the capital market in the context of the transformation of the digital economy:

1. The corporate sector of the economy is of particular importance in the economic and social development of the country, ensuring the employment of the population and ensuring social well-being through the development of this sector, optimizing the price of products by applying innovative approaches to production processes, and attracting financial resources from the international capital market. allows for further development of integration processes of societies.

2. Approaches to the methods and mechanisms of attracting financial resources by the corporate sector of the economy in accordance with the modern features of the development of the capital market have not been sufficiently researched in scientific research. In order to develop the scientific basis of the state program for the development of the capital market and corporate financial strategies, it is appropriate to single out that the capital market is an important element of the financial market that performs special functions (directs capital from savings to investment) and makes targeted use of financial resources attracted by market participants.
3. The development of the corporate sector of the economy based on modern international approaches can be achieved by introducing hybrid instruments of financing and gradually expanding the methods of attracting financial resources. The implementation of the practice of financing the activities of joint-stock companies through the "Mezzanine" method in attracting financial resources from the capital market will serve to increase the number of joint-stock companies attracting financial resources from the capital market, as well as optimizing capital attraction from the point of view of the interdependence of risk and profitability.
4. The practice of attracting financial resources from the capital market is a unique complex, multi-factorial process, and by introducing methods of quantitative assessment of the weighted average value of the capital attracted by joint-stock companies and the level of risk, it is possible to apply the international method of assessing the economic efficiency of investment projects to the practice of national joint-stock companies. increases.
5. Today, in the conditions of developing the practice of attracting financial resources from the international capital market by the joint-stock companies of our country, it is necessary to involve not only commercial banks, but also enterprises of the real sector of the economy in these processes. By improving this practice, it will have a positive effect on the gradual reduction of the state's share in the authorized capital of these joint-stock companies, the strengthening of integration into the international financial market, the acquisition of independent international rating indices, and the development of a modern corporate governance mechanism.

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