

PRACTICE OF THE INSTITUTE OF BUSINESS OMBUDSMAN OF UZBEKISTAN

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Abstract

This article describes in detail the experience and practical significance of the Business Ombudsman of Uzbekistan in the field of protecting the rights of entrepreneurs, the stage of development of the institution, the powers of the Business Ombudsman and the results achieved since the date of formation.

Basic concepts: Business Ombudsman. Methods for protecting the rights of entrepreneurs, the experience of the Business Ombudsman.

Entrepreneurship is a driving force of any country's economy. An entrepreneur not only supports the financial activity of his company but also contributes to GDP by manufacturing products and satisfying the population's demand for quality services and products.

Today, supporting conscientious entrepreneurs who operate legally, providing them with the necessary benefits and encouraging their activities solves many social problems in developing countries.

In the current processes of globalization, as well as at a time when digitalization and modern technologies are rapidly developing, state support for the development of entrepreneurship is becoming increasingly important in proportion to these changes.

In addition, the political and socio-economic changes taking place in the world, in turn, require the need to promptly analyze existing obstacles for their elimination and provide support to entrepreneurs.

In recent years, the regulatory legal documents adopted in Uzbekistan in terms of supporting entrepreneurship are aimed at solving systemic problems in all areas of entrepreneurship, removing any barriers that may hinder its activities.

Along with supporting the development of entrepreneurship in the Republic of Uzbekistan, the institution of the Business Ombudsman was introduced to improve the mechanism of illegal interference in the activities of the private sector, prevent obstacles, and take quick and effective measures in such situations.

The Business Ombudsman is an official appointed and dismissed by the President of the Republic of Uzbekistan, ensuring the protection of the rights and legitimate interests of business entities, the observance of these rights and legitimate interests by state bodies, including law enforcement and control bodies.

This institution was introduced in Uzbekistan in 2017 according to the Decree of the President. Also in the same year, the main law regulating its activities was adopted, thereby ensuring its full compatibility with the status of human rights institutions enshrined in the Paris Principles.

The main functions of the Business Ombudsman are participation in the formation and implementation of state policy in the field, supervision of the observance of the rights and legitimate interests of entrepreneurs, providing legal support in checking their activities, assessing the effectiveness of the

impact of regulatory legal documents on entrepreneurial activities and preparing proposals for improving legislation, aimed at stimulating their activities.

Over the past five years, 11,331 appeals received by the Business Ombudsman have been resolved in favor of entrepreneurs. In addition, 673 lawsuits worth 189 billion soums (16.6 million US dollars) were sent to the courts in the interests of entrepreneurs, 4,834 administrative protocols were filed against officials for violating the law, as well as 833 submissions and 401 warnings were made.

To ensure the inviolability of the activities of the Business Ombudsman, the independent exercise of his powers and without being subordinate to state bodies and their officials, the Basic Law establishes his accountability to the President of the Republic of Uzbekistan.

The Business Ombudsman of Uzbekistan differs from the Business Ombudsmen of many countries of the world in that the business entities under its protection are not limited in shape and size. That is, whether it is a small business, medium or large, or an enterprise with foreign investments, all of them can benefit from the protection of the Business Ombudsman.

First of all, it should be noted that when it was created, only 8 people worked at the office of the Business Ombudsman according to its structure.

Later, the composition of the Office was expanded twice, in 2019 and 2022.

In March 2019, a Decree of the President of the Republic of Uzbekistan was adopted on the fundamental improvement of the business protection system, according to which the structure of the Business Ombudsman was expanded, and the number of its employees reached 86 people.

Regional branches were also created to ensure close interaction with business entities in the whole republic.

According to the Decree, the Business Ombudsman is entrusted with additional functions of coordinating inspections of the activities of business entities and monitoring the legality of their conduct by regulatory authorities.

The sphere of supervision over inspections carried out in the activities of business entities has also been radically reformed, remote control has been established by the Business Ombudsman through the information platform of the Unified State Control.

Representatives of the regulatory body and business entities have the right to use this platform.

All planned and conducted inspections and their results must be entered into this system in full, including the protocol on the results of the inspection, legal measures applied to entrepreneurs.

Coordination of the legality of inspections is also exercised through the mechanism of agreement and notification. In other words, all inspections are divided into two categories: conducted by agreement (permission) of the Business Ombudsman or by his notification. This mechanism ensures that the Business Ombudsman is aware of all the inspections conducted in the activities of business entities.

In case of violation of the procedure for conducting an inspection in the activities of entrepreneurs, the Business Ombudsman has the power to bring a lawbreaker to administrative liability.

Out of 10,816 requests of controlling bodies sent to the Business Ombudsman to conduct inspections, 5,217 (48%) were rejected due to the lack of legal justification.

2091 administrative protocols, 129 submissions, 374 disciplinary sanctions were issued, 20 officials were dismissed from their positions as a result of conducting illegal inspections and violating the procedure.

Also, by the aforementioned Decree of the President, the Business Ombudsman and his Office are authorized to draw up administrative protocols in relation to officials of state bodies under ten articles of the Code of Administrative Liability of the Republic of Uzbekistan. Administrative protocols are sent to courts for consideration after their completion.

Administrative penalties for issued administrative protocols Business Ombudsman range from \$900 to \$1,900.

Last year, the Business Ombudsman of the Republic of Uzbekistan and employees of his Office, to ensure the timely protection of the rights of entrepreneurs, were given the authority to consider cases of administrative offences and apply administrative penalties in the form of fines in accordance with nine articles of the Administrative Liability Code.

This:

- ◆ Violation of the legislation on appeals of individuals and legal entities in terms of violation of the rights of business entities (Article 43);
- ◆ Illegal seizure of a land plot - violation of the rights of business entities (Article 200²);
- ◆ Violation of the right of private property (Article 241¹);
- ◆ Violation of the procedure for conducting inspections and audits of the financial and economic activities of business entities (Article 241²);
- ◆ Illegal suspension of activities of business entities and (or) operations on their bank accounts (Article 241³);
- ◆ Forced involvement of business entities in charity and other events (Article 241⁴);
- ◆ Unlawful refusal, non-use or obstruction of the use of benefits and preferences (Article 241⁶);
- ◆ Illegal request for information on the availability of funds in the accounts of business entities (Article 241⁸);
- ◆ Demanding documents from business entities in violation of the law (Article 241¹⁰).

Virtual office of entrepreneurs

The system of working with appeals of entrepreneurs was also reformed by the Decree of the President of July 27, 2022. Particularly, the single interactive portal formerly known as "business.gov.uz" was transformed into the "Virtual Office of Entrepreneurs" and transferred to the Business Ombudsman.

This portal was created to receive the appeals of business entities around the clock, and provides mechanism for controlling processes of working with the appeals by governmental bodies.

The portal allows to organize thematic online discussions and questionnaires with involvement of state bodies and organizations, as well as business entities. It helps to identify systemic problems that hinder entrepreneurial activity and develop proposals on eliminating them. The portal also provides entrepreneurs such services, as sending collective appeals, obtaining licensing and permits. It is possible to connect to information systems that allow obtaining loans, subsidies, compensations and guarantees, tax and customs administration.

Appeals received via the portal are sent automatically or by the Business Ombudsman to the relevant authorities for consideration and resolution. The competent authorities consider appeals received through the portal in the manner and within the time limits established by law, and provide full information on the results on the portal.

The Business Ombudsman establishes digital control over the procedure and terms for considering appeals received via the portal, and applies appropriate legal measures in cases of violation of the law. Also, procedural laws regulate the procedural rights of the Business Ombudsman to file lawsuits in the interests of business entities and appeal court decisions that have entered into force at any stage of the trial.

The Business Ombudsman of Uzbekistan can protect the interests of entrepreneurs in economic, administrative and civil courts, the immunity of the Business Ombudsman of Uzbekistan is regulated by criminal procedure legislation.

According to the Law "On Regulatory Legal Acts", all draft regulatory documents directly or indirectly related to entrepreneurial activity must be coordinated with the Business Ombudsman at the legislative level without fail.

By the beginning of 2023, the office of the Business Ombudsman conducted a legal review of 985 regulatory legal acts, and made 1,587 proposals on them.

In general, the main goal of the Business Ombudsman of Uzbekistan is to put an end to bureaucracy and corruption in the business sector through comprehensive support and coordination of entrepreneurship, to open up opportunities for entrepreneurs to operate freely to expand the ranks that contribute to the economic development of the country, increase their self-confidence and faith in the state.

Undoubtedly, these measures will create the basis for the implementation of the universal idea of "Man - Society - State" which is aimed at the achievement of the well-being of our people.