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# Improvement of The Legal Framework for Accounting and Asset Management Under Enforcement Documents, As Well As Mechanisms for Automated Control of Assets in Enforcement Proceedings of The Republic of Uzbekistan

Zafarbek Atadjanov

Master's student, Academy of the General Prosecutor's Office of the Republic of Uzbekistan, Tashkent, Uzbekistan

**Abstract:** The improvement of the legal framework for accounting and asset management under enforcement documents in the Republic of Uzbekistan focuses on enhancing the efficiency and transparency of enforcement proceedings. This involves updating laws and regulations related to the management, tracking, and accountability of assets seized during enforcement actions. Additionally, the introduction of automated control mechanisms aims to streamline the enforcement process by reducing human error, improving accuracy in asset tracking, and ensuring compliance. These reforms are intended to create a more effective and reliable system for asset management, ultimately contributing to a fairer and more efficient enforcement system in Uzbekistan.

**Keywords:** Legal framework, Accounting, Asset management.

**Introduction:** Effective enforcement of judicial acts and other bodies is the cornerstone of the legal system, aimed at restoring violated rights and protecting the legitimate interests of citizens and legal entities. In the Republic of Uzbekistan, this area is regulated by the law "On the Execution of Judicial Acts and Acts of other

bodies", as well as a number of regulatory documents, including resolutions of the Cabinet of Ministers (for example, Resolution No. 18 of 12.01.2022, Resolutions No. 200 and No. 132 of 2009, Resolution No. 3024-son of 19.06.2018) and document PF 1 of 03.01.2024. Despite the reforms carried out, the problem of ensuring full accounting and management of debtors' assets in enforcement proceedings remains, which leads to a decrease in the effectiveness of recovery and generates corruption risks. This article examines the main problems faced by law enforcement practice in the field of enforcement of enforcement documents in the Republic of Uzbekistan, covers critical aspects of foreclosure on debtors' property. Problematic valuations and storage, sale and control of assets not only reduce the effectiveness of enforcement proceedings, but also create prerequisites for corruption risks and violations of the rights of participants in enforcement proceedings. In this article, we will look at each category of problems in more detail and also suggest ways to improve the regulatory framework and introduce modern information technologies, which will create a single electronic database of enforcement proceedings and ensure transparency of processes.

### **Problems of assessing the debtor's property**

One of the most acute problems is the assessment of the debtor's property. Unsettled contractual relations between Enforcement Bureaus (hereinafter referred to as Bureaus) and valuation organizations, which are expressed in the absence of a legally established procedure and form of contracts for property valuation, is a significant gap. The reference to the Resolution of the Prosecutor General's Office and the State Asset Management Agency No. 3297 of 05.05.2021 only partially addresses the procedural issues, without solving the problem of the lack of uniform standards and transparent mechanisms for concluding contracts. Because of this, ambiguous conditions are set for evaluating the debtor's property, which leads to discrepancies in determining its market value. This leads to ambiguity in determining the market value of property, a decrease in the objectivity of the assessment and, as a result, to inefficient debt collection. The result is a possible overstatement or understatement of the value of assets, which negatively affects the procedural outcome of enforcement proceedings. The lack of an automated information base for accounting and control of property transferred for evaluation worsens the situation. As a result, the process of tracking the condition of property, the timing of valuation, and interaction between Bureaus and valuation organizations becomes difficult and opaque. This, in

turn, leads to:

- Delaying the terms of enforcement proceedings: Inefficient interaction and lack of operational control increase the time required to conduct an assessment.
- Increase the risks of abuse and corruption: Non-transparency of procedures and lack of automated control create a favorable environment for unfair actions at various stages of the assessment.
- Увеличению Increase in the number of outstanding enforcement proceedings: Delays and problems at the stage of property assessment prevent further sale of property and satisfaction of claims of recoverers.
- Inability to analyze the performance of evaluation organizations: The lack of systematic data and analytical tools does not allow us to assess the quality and timeliness of the work of various evaluation organizations, which makes it difficult to improve the evaluation system.

International practice shows that the use of common assessment standards and the mandatory involvement of independent experts allows achieving objectivity. For example, in Germany and the United States, standards developed by international organizations are used, which reduces the risk of corruption abuses.

### **Problems with property storage**

The second group of problems is unclear storage conditions for property. The legislation does not contain detailed rules governing the conditions and responsibility for the safety of property seized in the framework of enforcement proceedings. The absence of regulated storage requirements (for example, contractual relations between creditors, enforcement agencies and specialized custodians) leads to loss or damage to property, a decrease in its market value, and an increase in corruption risks. In addition, there are no modern information systems that allow automated accounting of property at all stages-from withdrawal to sale, which aggravates the situation.

The problem of the lack of an automated control system for property transferred for storage is particularly acute. As a result, visual control of property transferred to debtors, recoverers or their family members becomes difficult, and real control over storage conditions is almost impossible. Inappropriate storage conditions, in turn, lead to:

- Loss of consumer properties of the property: Failure to observe the temperature, humidity, safety conditions and other storage parameters can lead to damage to goods, equipment failure, deterioration of vehicles, etc.
- Снижению Decrease in the market value of property: Property that has lost its consumer properties or has been damaged loses its value, which negatively affects

the ability to satisfy the recoverer's claims.

- Risk of damage, destruction or theft of property: Improper storage conditions and lack of control increase the risk of physical damage to property, its destruction due to adverse factors or criminal actions.
- Increase in the costs of enforcement proceedings: Damage to property, the need for its disposal or restoration lead to additional costs that put a burden on enforcement proceedings.
- Снижению Reduced confidence in the enforcement system: Failure to ensure the safety of the debtor's property undermines the trust of recoverers and society in the effectiveness of the enforcement system.

### **Problems with the sale of seized property**

The process of selling seized property, especially in terms of off-auction sales, also faces a number of serious problems related to the lack of proper automation and information exchange. The lack of automated inventory and the inability to quickly track the condition and characteristics of property transferred to trade organizations create an information vacuum.

The lack of rapid electronic information exchange between Bureaus, trade organizations and other interested structures (for example, tax authorities, cadastral services) throughout the entire sales cycle—from the transfer of property for sale to the moment of its actual sale—leads to the following negative consequences:

- Затрудн Difficulties in accounting and controlling property offered for sale: The lack of an automated accounting system makes it difficult to maintain accurate statistics on property under sale, its types, condition and terms of sale.
- Risk of loss or damage of property in the course of sale: Insufficient control over the property being sold increases the risk of its loss, damage or misuse by trade organizations.
- Задерж Delayed receipt of undiruvchiga funds: The lack of operational information on the sale of property and receipt of funds delays the process of transferring the proceeds to recoverers.
- Lack of transparency in the implementation process and potential abuse: Insufficient automation and transparency of sales processes create conditions for possible abuse at various stages—from determining the initial price to distributing the proceeds.
- Снижению Reduced efficiency in the sale of property: All of the above factors together lead to a decrease in the speed and efficiency of the sale of seized property, which ultimately negatively affects

the overall level of execution of enforcement documents.

### **Problems of accounting and control of property converted to state revenue:**

A separate and important problem is the lack of an automated system of accounting and control of property turned to the state income by court decisions. This category of property requires special attention, since revenues from its sale are an important source of replenishment of the state budget. The state executor looking up from work should look for the location of assets converted to state income.

This makes it difficult to monitor enforcement proceedings, prevents the adoption of timely recovery measures, and leads to an increase in the number of outstanding enforcement documents.

The lack of an automated information base that tracks all stages of handling such property—from the moment of withdrawal (acceptance) to the completion of enforcement proceedings (sale, transfer, destruction, etc.), leads to:

- Недостаточ Insufficient control over the movement of state property: The lack of an automated accounting system makes it difficult to monitor each stage of the movement of property turned into state revenue, which increases the risk of its misuse or loss.
- Problems with accounting and reporting: Manual accounting and reporting of state-funded property is a time-consuming and error-prone process.
- Непро Lack of transparency and potential abuse in the implementation process: The lack of an automated control system creates conditions for possible abuse at the stages of receiving, storing, selling and distributing funds received from the sale of state property.
- Снижению Decrease in revenues to the state budget: Inefficient management of property turned into state revenue and possible abuses can lead to a decrease in revenues to the state budget from its sale.

### **Ways to improve the regulatory framework and introduce modern technologies**

To solve the above problems, we propose a set of measures aimed at improving legal regulation and introducing modern information technologies:

1. In order to improve the procedure for control, accounting and sale of property, as well as funds subject to circulation to the state income, it is proposed to create and integrate a single electronic database for accounting and asset management between the Bureau of Enforcement under the Prosecutor General's Office of the Republic of Uzbekistan, the State Security Service, customs and border authorities.

органами, State Tax Service of the Republic of Uzbekistan, the Department for Combating Economic Crimes under the Prosecutor General's Office of the Republic of Uzbekistan, the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan), which will record all enforcement documents, information on confiscated assets subject to conversion to state income or its destruction. The creation of an integrated platform for automated control of debtors' assets, will allow the state executor to avoid wasting time searching for assets for дальнейшего further execution of writ of execution, as well as increase the transparency and efficiency of the asset accounting and storage procedure.

Creation of a single electronic database for accounting and asset management should provide

- automated accounting and control at all stages of work with seized property-from the moment of seizure to the completion of enforcement proceedings,
- ensure transparency of the processes of valuation, storage and sale of property for all interested parties, including participants in enforcement proceedings, regulatory authorities and the public,
- automatization of processes and prompt access to information will allow the Bureau's employees to perform their functions more effectively and reduce the time required for enforcement proceedings.
- ntransparency and automated control significantly reduce the likelihood of abuse at all stages of working with seized property.

2. Establishment of uniform standards for concluding contracts with appraisal organizations.

Develop and adopt a regulatory act that regulates the procedure for concluding contracts between enforcement bureaus and appraisal organizations online through electronic networks under the executive document for which the assessment is made, and also defines uniform standards for evaluating debtors' property. This will eliminate discrepancies and ensure an objective determination of the market value of assets. In this context, it is advisable to focus on foreign experience (for example, in Poland and Kazakhstan), where there are common assessment methodologies.

### Foreign experience and its application

In a number of countries, such as Germany, Great Britain, Poland, as well as in Kazakhstan and Ukraine, automated control systems for executive production are being actively implemented. For example, in Germany, there is a centralized electronic database that allows you to track the assets of debtors and

conduct trades on specialized online platforms. Kazakhstan and Ukraine have implemented national registers of debtors that integrate with banking systems and cadastral registers. Such systems significantly increase the efficiency of recovery and ensure transparency of enforcement procedures.

The experience of foreign countries demonstrates that the use of modern information technologies in the field of enforcement proceedings allows:

Reduce the time required for inventory and valuation of property;

Ensure prompt data exchange between state authorities;

Reduce corruption risks by automating processes;

Increase confidence in the judicial system and enforcement agencies.

The application of these practices in the Republic of Uzbekistan is possible through the adaptation of international standards and the development of relevant regulations.

### CONCLUSION

Improving the legal framework for asset accounting and management in enforcement proceedings is crucial for improving the efficiency of the execution of judicial acts and other enforcement documents in the Republic of Uzbekistan. The availability of modern information systems, automated electronic databases and transparent procedures for assessing, storing and selling property will ensure timely satisfaction of claims of claimants, increase state revenue and reduce corruption risks. The adoption of the proposed amendments to the legislation, based on international experience and modern technologies, will be an important step towards modernizing the executive system and strengthening confidence in the country's legal system.

Further development of this area requires active cooperation between government agencies, specialized assessment organizations, credit institutions and other participants in enforcement proceedings, as well as constant updating of the regulatory framework, taking into account global trends and innovative technologies.

Thus, the introduction of new asset accounting mechanisms and improvement of their management system is a strategically important measure that can ensure effective enforcement of judicial acts, protect the rights of citizens and legal entities, and contribute to the economic stability and legal development of the Republic of Uzbekistan.

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