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ANALYSIS OF THE LEGAL REGULATION OF DIVIDEND PAYMENTS IN DEVELOPED FOREIGN CORPORATE GOVERNANCE SYSTEMS

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Annotation:
This article analyzes the advanced experience of foreign countries on the legal regulation of the payment of dividends in joint-stock companies, various models and features of the dividend policy , as well as the main directions for improving the legal regulation of decision-making and the payment of dividends and the phased introduction of this experience into the national system.
However , analyzed topical issues on the taxation of dividends, as well as for the wide attraction of investors to joint-stock companies in the Republic of Uzbekistan, optimal models of dividend policy are proposed based on the experience of foreign countries.

Key words: joint-stock company, share, dividends, dividend policy, corporate taxes, corporate governance.

In recent years, systemic reforms have been carried out in the Republic of Uzbekistan to create a favorable investment climate, protect the rights and legitimate interests of private property owners. In particular, in order to attract investors to joint-stock companies and develop the securities market, it is being improved in regulating the activities of joint-stock companies and improving their management, one of the key tasks is the formation and implementation of an effective dividend policy aimed at using the financial resources and resources of the company. In this regard, in order to form effective corporate governance to optimize the dividend policy in joint-stock companies of the Republic of Uzbekistan, a detailed analysis of the experience of advanced foreign countries and the phased introduction of this experience into the national system is required.
Dividend policy and the general procedure for paying dividends is one of the important indicators for foreign companies and world leaders in production. Many of them carefully plan their dividend policy in order to create a high-quality image of the company, attract more investors, and ensure the attractiveness of their shares on the stock exchange.

In foreign countries, the regulation of dividend payments by joint-stock companies is carried out by laws on these companies. Also, the provisions on the dividend policies of each business entity, which are adopted by their management structures, play a leading role. For the purposes of this study, we consider it appropriate to analyze in detail the procedure for paying dividends in the UK, France and Germany.

Companies in these countries approach the issues of determining the size and procedure for paying dividends with great responsibility, because their attractiveness for investors and their reputation in the market and for consumers largely depend on this. In particular, it is worth noting that ordinary and preferred shares are traded on the UK market . At the same time, ordinary shares are also divided into 2 types: shares of classes A and B. These ordinary shares differ in the amount of rights that are granted to them when voting at a general meeting: ordinary shares of A class have more rights than shares of B class. Also, this classification is characterized by the fact that the original shareholders who entered the company earlier are granted a greater amount of rights than the shareholder who became members later. Such a division is mainly provided for in the Charter of a joint-stock company.

At the same time, another type of shares - preferred shares are also divided into several types. **Preferred shares of British companies there can be four types** - cumulative, for which dividends not paid by the company are accumulated and compensated; non-cumulative; participation shares, which, in addition to ordinary dividends, give the right to receive a part of the company's excess profit, which is additional income for the owners of shares, and redeemable shares by the issuer. With all the variety of types of shares, most of the shares of English companies are nominal (registered), the registration of rights for which is carried out by issuers or registrar companies. Shares in the register of shareholders can be registered both in the name of the owner and in the name of the nominal holder. Consequently, each share has its own owner and is valid only when the share is presented by the owner. At the same time, the shareholder register may indicate the person who owns the share, as well as the person who owns it at the moment. For example, the shares of most institutional investors are registered in the registers in the name of local banks as nominal holders, who actually own them, but are not owners.

In turn, the direct payment of dividends by British companies is made every six months, and in some other companies - quarterly, that is, every 3 months, depending on the results of the company's quarterly reports. Dividends are paid in cash, by transferring funds through the **BACS electronic payment systems** (Bankers ' Automated clearing System) is one of the main interbank payment systems operating in the UK. Companies publish information about the payment of dividends in advance through the news service of the London Stock Exchange. The payment of dividends itself is made within a month after the date of fixing the rights to income, that is, the announcement of the company about the payment of dividends and registration in the register of shareholders.

the experience of Germany deserves special attention . The basis of the legislative system of the German securities market is a series of regulations, including the Stock Exchange Act (Börsengesetz), the Credit Operations Act (Kreditwesengesetz), the Securities Trading Act (Wertpapier handelsgesetz), the so-called Fourth Financial Market Development Act (Vierten Finanzmarktförderungsgesetz), Law on Custody and Acquisition of Securities (Gesetz uber die Verwahrung und Anschaffung von Wertpapieren) and some other laws. These laws define the most important foundations for the operation of the securities market, the movement of funds and capital in this market, through the purchase and sale of shares of companies, investing in the stock and capital market, as well as receiving income by owners of securities placed on the market.

Three types of shares are traded on the German stock market: ordinary shares, preferred shares and certificates of participation in profits. This classification differs from the one we have considered above, because here, in addition to the two main types of shares found in many countries, there is another type of shares. At the same time, defining the features of each type, we can say the following:

- Ordinary shares (Stammaktien) give their holders the right to vote at the general meeting of shareholders on the principle of "one share - one vote". Holders of ordinary shares have a pre-emptive right to subscribe for new share issues in proportion to the number of shares they already own. Thus, the owners of such shares can vote at the general meeting of shareholders, and also have the pre-emptive right to purchase new issued shares.
- Owners of preferred shares (Vorzugsaktien), unlike ordinary shares, have a pre-emptive right to profit in the form of dividends from the company. These, in turn, are non-voting shares, but this does not deprive such shareholders of the right to attend the general meeting when discussing important business development issues. The holders of preferred shares may receive the right to vote when deciding to increase or decrease the size of the authorized capital in terms of preferred shares, as well as in case of non-payment of dividends by the issuing company for two consecutive years. This means that such shares give the owners the pre-emptive right to receive dividends and profits in the first place. However, they are not deprived of the right to participate in the general meeting of shareholders and may vote on issues of increasing or decreasing the authorized capital of the company, in terms of preferred

shares. they have the right to take precedence in the issuance of preferred shares by the company.

A very interesting type of shares is **a certificate of participation in profits.** Such profit sharing certificates (Genussscheine) are similar to bonds in certain respects. They do not give the right to vote at the general meeting of shareholders, but allow the owner to receive a share of the company's profits. Such shares may not have an impact on the company and its policies, but may entitle the owners to receive a share of the company's profits for the reporting period of work.

Along with this, we emphasize that in accordance with the laws and practices of dividend payments issued by German companies, dividends are paid annually. This means that the payment procedure similar to the English model does not apply in Germany. On the one hand, this is convenient, because, according to the results of the reporting year, the picture of the company's activities is always clearer, the condition of profitability or unprofitability of the business is better analyzed. The date of payment of dividends is determined by the general meeting of shareholders. As a rule, the dividend payment date coincides with the ex-dividend date (ex-date / ex-dividend date) is the date from which each new buyer acquires shares without the right to receive a declared dividend, and is the business day following the annual meeting of shareholders. It follows that the date of payment of dividends depends on the date of acquisition of new shares and this date is the next after the meeting of shareholders. The dividend amount allocated for the shareholder is calculated as of the end of the business day preceding the ex-dividend date. From the income paid on securities serviced in CBF, the issuer or its paying agent deducts the appropriate tax and transfers the dividends to the central depository (CBF), which in turn credits the dividends to the accounts of its clients, who are waiting to receive their profit from holding shares. This means that taxes are levied before the dividends are received by the owner of the shares. In our opinion, this is a more convenient way to levy taxes on dividends, although it is worth considering the risk of double taxation if the owner is a non-resident.

In addition, taxes on dividends in Germany are very diverse. In accordance with German law, dividend income is subject to **taxation, the nominal rate of which is 25%.** Additionally, a so-called solidarity tax (Solidaritätszuschlag) introduced to cover the cost of rebuilding East Germany is levied, equal to 5.5% of the basic tax rate. Thus, the total tax rate on income from shares is 26.375%. This is a fairly high rate of tax on dividends among the countries we studied. This phenomenon is due to the fact that this country is aimed at strong social protection of the population and therefore it directs taxes from the additional capital of citizens who have additional income to maintain the well-being of all segments of the population so that there is no sharp increase in the representatives of the upper stratum. The issuer or its paying agent acts as a tax agent, that is, the tax is levied before the shareholder receives dividends. A refund of dividend tax is possible if the investor is a resident of a country that has signed an agreement with Germany on the avoidance of double taxation, that is, in this situation, the overpaid amount will be returned to the owner of the shares. As we can see, the tax rate in Germany is very high, but double taxation of dividends is eliminated by refunding the tax paid, if Germany has a double tax treaty with a resident of this state.

At the same time, in **France ,** large corporations pay dividends to their shareholders. "New Economic Standards" for shares of French companies issued to bearer, that is, considered nominal (Nouvelles regulations économiques , NRE), which began operating in 2001 in France, has a system for identifying shareholders, including foreign issuers. This system aims to increase the transparency of all information about the owners of the company's shares, to protect their rights and interests, implemented by them through custodians . To comply with Euroclear law France has developed a system for identifying holders of bearer shares - Titres au porter Identify able (TPI), through which about 500 issuer requests are processed annually. For example , the issuing company gives a request to Euroclear France to obtain information about the owners of all types of shares in a given company. This system transmits the specified request to its depositors - financial intermediaries (custodians), who have all the information on the clients who own the shares of the companies. Collected all information must be transferred to financial intermediaries within 10 working days after receiving the request. If the information is not provided on time or is not provided at all, then the shareholder may lose dividend payments and the right to vote at a meeting in the company.

Most French companies pay dividends on shares once a year, usually in the spring, because during this period the financial year ends and net proceeds are distributed to the needs of the business. All data on future dividend payments are published daily in a special bulletin - **BALO (** Bulletin des Announcements Legales et Obligatoires), as well as on the Euronext websites Paris and Euroclear France . With the introduction of Euroclear France of the ESES settlement system in November 2007, the sequence of dates associated with the payment of mandatory dividends was changed, which was an important change in this process. The first in a series of such dates, the issuer determines the ex-dividend date (ex-date), which previously coincided with the payment date, two business days after the ex-dividend date, the date of fixation of rights follows (record date), and on the next working day after the date of fixing the rights, the date of payment (payment date). This means that in order to pay dividends, it is necessary to first announce their establishment, so that shareholders are registered to receive dividends on their shares. At the same time, dividend payments should be made clearly within the time period indicated above, because time is very important for business and profits must be correctly distributed and the company should benefit from its distribution by increasing shareholder confidence.

The distribution of dividends can be carried out by one of two methods: **the classical method (paiement classique):** on the date of fixing the rights , Euroclear credits the shareholder's depo account with the so-called coupons , which, in fact, are securities securing the shareholder's right to receive a dividend, that is, first a document is issued confirming the receipt of dividends. This coupon is transferred to the account of the paying agent appointed by the issuer in order to receive cash dividends on them. The agent then transfers the money to the shareholder's account.

Another method of payment is called **the direct method (paiement direct):** on the payment date, the dividend income is directly credited by the paying agent to the shareholder's account, without coupons and delaying the transfer of funds.

It is noteworthy that since 1994 French companies have been entitled to pay additional dividends on registered shares, the owners of which are registered in the issuer's registry system for two years (primes de fi delite). That is, trust has already been established in them and their funds have been accumulated for the needs of the company over this period. Additional dividends are quite an interesting phenomenon, because not all countries and not all companies are willing to pay their shareholders the basic dividends to which they are entitled by law. Additional dividends can be up to 10% of the amount of mandatory dividends. At the same time, the number of shares for which they can be paid is limited to 0.5% of the shares that make up the capital of the company. These dividends are paid using the classical method using coupons to credit funds. On the other hand, this type of dividend can become an additional leverage for attracting new investors-shareholders to the company.

Income from shares of French issuers is subject to withholding tax at a rate of 25% and is credited to the holders' euro accounts. They reach their owners already in their pure form, without the need to pay taxes. French legislation provides for the possibility of obtaining tax benefits before the payment of income, which means that tax benefits can be applied to dividends, which may provide for a reduced tax rate. In this case, the non-resident holder of securities receives the amount of income minus tax calculated at a preferential rate. In the event that the owner of the securities failed to submit documents for obtaining tax benefits within the established time limits, he is entitled to a refund of the excess withheld tax. Thus, the state can levy taxes on dividend payments before they go to the shareholder. If double taxation occurs, the excess withheld amount will be returned to the shareholder.

Thus, we can conclude that the issues of regulating the payment of dividends in foreign countries are regulated differently. It depends on many factors, including the dividend policy of companies chosen for a given period, the stability of their financial condition, the prospects for the development of their business, etc. The experience of dividend payments on shares in Germany, Great Britain and France, where a large number of developed companies with global name. Let us pay attention to the fact that dividends in these countries are taxed at high rates, which is quite understandable from the point of view of government policy and the direction of development of the economy and the capital market. P through analysis and comprehensive study of both national legislation and practice, and foreign experience, it is proposed to reduce the percentage of the tax rate on dividends for non-residents of the Republic of Uzbekistan , which is set at 10%. You can reduce it to 7 percent, thereby attracting foreign investors to make investments more profitable and attractive.

It is necessary to consolidate the mandatory use of international financial reporting standards for the purpose of determining the amount of net profit when paying dividends, including within large companies and holdings.

It is recommended to create a unified system of payments and accrual of dividends to shareholders, together with the country's banks, in order to monitor and control operations with dividend payments, because they are paid only in a non-cash form.

Thus, we concluded that shares are a document confirming the owner's right to participate in the management of a joint-stock company by contributing property or money to it for the development of production. The goal is to receive profit in the form of dividends, according to the results of the reporting period, from the company's net profit. The payment of dividends is a right of a joint-stock company, but not an obligation, therefore, shareholders cannot demand a mandatory payment of dividends even if the net profit was received by the company in a good amount. But if the company has already announced the payment of dividends, then it cannot refuse to do so, which will be the reason for the shareholders to go to court to force the payment. Therefore, the company's dividend policy is determined by the company itself and can serve as the basis for attracting capital and investment.