

**CIVIL LEGAL STATUS OF LEGAL ENTITIES IN MARKET ECONOMY  
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**Annotation:** theoretical ideas of the legal status of legal entities are analyzed in the context of further deepening of the market and liberalization of the economy

**Key words:** legal entity, characteristics of a legal entity, types of legal entities, concept of a legal entity, emergence of a legal entity.

The reform of the institution of a legal entity and the formation of a national concept of legal entities began with the adoption of regulatory legal acts, such as the law “On Enterprises”, “On Business Companies and Partnerships”, and “On Public Associations”. The adopted laws confirmed that the civil law theory of legal entities in its development followed the traditional path. Traditionally, the concept of “legal entity” was derived from the characteristics inherent in a given subject of law. With the adoption of the Civil Code of the Republic of Uzbekistan in 1997, scope opened up for the creation of various commercial and non-profit legal entities.

The characteristics of a legal entity are such inherent properties, each of which is necessary, and all together are sufficient for the organization to be recognized as a subject of civil law. In this context, the word "features" was used in a narrower sense than usual, and this was in accordance with legal tradition.

Research in this area was also carried out by such domestic scientists as Kayumova A.S. [1], Burkhanova L.M. [2-27], Shorahmetova U.Sh. [28-35], Karakhodzhaeva D.M. [36-51], Eshchanova D.A. [52- 57] and others.

All legal entities in Uzbekistan undergo state registration, the vast majority of them have stamps and open bank accounts, but all these external attributes do not reflect the essence of the legal entity. In fact, both citizen-entrepreneurs and some non-legally subject organizations (i.e., those without the status of a legal entity), for example, branches and representative offices of foreign companies, are subject to mandatory state registration. They can also have their own seals and bank accounts, but this does not make them legal entities.

Legal doctrine traditionally identifies four fundamental features, each of which is necessary, and all of which taken together are sufficient for an organization to be recognized as a subject of civil law, i.e. legal entity.

1) The organizational unity of a legal entity is manifested, first of all, in a certain hierarchy, subordination of management bodies (sole or collegial) that make up its structure, and in the clear regulation of relations between its participants. Thanks to this, it becomes possible to transform the desires of many participants into a single will of the legal entity as a whole, as well as to consistently express this will externally.

Instead of the natural unification of the interests of an individual by the unity of his thinking and will (in a legal entity), we have an artificial union in which part of the interests of individuals is dissolved, then pretending to be a higher unity-community of interests. Thus, many persons united in an organization act in civil circulation as one person, one subject of law.

The organizational unity of a legal entity is secured by its constituent documents (charter and/or constituent agreement) and regulations governing the legal status of one or another type of legal entity.

2) If organizational unity is necessary to unite many persons into one collective entity, then separate property creates the material basis for the activities of such an entity. Any practical activity is unthinkable without the appropriate tools: equipment, knowledge, and finally, simply money. The combination of these instruments into one property complex owned by a given organization and its delimitation from property owned by other persons is called property separation of a legal entity.

Property isolation is inherent in all legal entities without exception from the very moment of their creation, while the appearance of separate property in a particular legal entity, as a rule, is timed to coincide with the formation of its authorized (share) capital. All property of an organization is accounted for on its independent balance sheet or carried out according to an

independent cost estimate, which is where the property isolation of this legal entity is externally manifested.

The personal composition of participants in several legal entities and their management bodies, as well as their competence, can sometimes completely coincide, so from a purely organizational point of view it is difficult to distinguish between them. In this case, it is the property belonging to this legal entity and only it, separate from the property of all other legal entities, that allows for accurate identification.

3) The principle of independent civil liability of a legal entity is formulated in Article 39 of the Civil Code of the Republic of Uzbekistan. According to this rule, participants or owners of property of a legal entity are not liable for the obligations of the former, in other words, each legal entity independently bears civil liability for its obligations. A necessary prerequisite for such liability is the presence of separate property in a legal entity, which, if necessary, can serve as the object of claims of creditors. Existing exceptions to the rule on the independent liability of a legal entity do not in any way shake the general principle, since the liability of other subjects of law for the debts of a legal entity is only subsidiary (i.e., additional to the liability of the legal entity itself).

4) Acting in civil circulation on one's own behalf means the ability, on one's own behalf, to acquire and exercise civil rights and bear civil responsibilities, as well as act as a plaintiff and defendant in court. This is the final characteristic of a legal entity and, at the same time, the purpose for which it is created. The presence of an organizational structure and separate property, on which independent responsibility is based, makes it possible to introduce into civil circulation a new association of persons and capital - a new subject of law.

Based on this, the legislator of the Republic of Uzbekistan in Article 39 of the Civil Code recognizes as a legal entity an organization that has separate property in ownership, economic management or operational management and is liable for its obligations with this property, can, on its own behalf, acquire and exercise property and personal non-property rights, bear duties, to be a plaintiff and defendant in court.

Of course, when interpreting the above norm, it is necessary to perceive the characteristics of a legal entity contained in it only in the aggregate, because each of them individually can be inherent in other subjects of law. However, with all this, the definition of "legal entity" given in the Civil Code does not fully reflect the essence of the legal entity. In particular, the following feature can be added to the characteristics of a legal entity - a special

legal mechanism for forming the will of a legal entity as an indivisible subject, the essence of which lies not simply in the form of external expression of will, but also in the order of its formation. The latter cannot be ignored, since the legislation provides for some legal consequences for persons whose will, as founders who find themselves in the majority, has been transformed into the will of a legal entity.

It seems useful to point out other secondary, but no less important, features of a legal entity, such as:

the presence of individualizing features of a legal entity, for example, specific constituent documents, name, location, trademark or service mark; the method of formation of a legal entity as a subject of law, the meaning of which comes down not simply to the features of registration, but to the very method of formation and emergence of the legal personality of a legal entity; the specifics of the functions performed by a legal entity, namely: registration of collective property interests, pooling and managing capital, limiting business risk.

In addition, the very wording given in the Civil Code requires some adjustments. In particular, it is difficult to apply the word “organization” to a notary engaged in private practice, although according to the Law of the Republic of Uzbekistan “On Notaries”, he is recognized as a legal entity. From the literal interpretation of the legislative definition, it follows that a legal entity vested with the right of operational management cannot have property by right of ownership. And such features as the ability “to acquire and exercise property and personal non-property rights on one’s own behalf, bear responsibilities and be a plaintiff and defendant in court” are rather characteristic of legal entities not as such, but as characteristic of all subjects of civil law.

It is necessary to legislate a single, legal, priority concept of a legal entity. The concept of a legal entity contained in other legislative acts should not contradict the concept of a legal entity enshrined in civil law (for example, tax law gives a broad interpretation of a legal entity, including in their variety - branches and representative offices that are not represented in the Civil Code as a legal entity) .

It seems that Part 1 of Article 39 of the Civil Code of the Republic of Uzbekistan proposes to exclude the categories of economic management and operational management as outdated. The proposed wording suggests a wide range of real rights for legal entities. The wording “to be a plaintiff and defendant in court” is also proposed to be deleted as unnecessary, since a legal entity in the Civil Code is positioned as an independent entity, which by default has

this status. Part two of Article 39 of the Civil Code is proposed to be deleted as not relevant and not related to the sphere of civil relations. In these conditions, legal entities do not use estimates as an accounting institute. As for the balance sheet, the sign of isolation implies that any individual economic entity has its own balance sheet, the category of which, again, does not apply to civil legal relations. And it is proposed to legislate the concept of a legal entity in the following wording: “A legal entity is an organization that has separate property with which it can be liable for its obligations, can acquire and exercise civil rights and bear responsibilities.”

In many ways, the understanding of the essence of the institution of a legal entity is facilitated by the classification of legal entities on one or another basis. Legal entities are divided: depending on the form of ownership, into private and public; depending on the purpose of activity into commercial and non-commercial, depending on the volume of proprietary rights to legal entities based on the right of operational management, on the right of economic management or on the right of private property. But for legal science, as a science that comprehends the legal essence of phenomena, as well as for practice, the most important thing is the division of legal entities depending on the type of organizational and legal form. Thus, legal entities can be divided into the following types:

Joint-stock companies, business companies (with limited and additional liability), partnerships (full and limited), etc. It seems that this list of organizational and legal forms should be exhaustive, since any other forms, including a production cooperative, a subsidiary and dependent business company, a collective and leased enterprise, are only variations of the above forms that do not have any significant specificity. In addition, the specified restriction in the legal regulation of organizational and legal forms of legal entities will avoid clutter and legal incident.

An important part of the legal nature of legal entities, which for a long time remained in the shadows in civil law, is the issues of formation and development within organizational civil legal relations. These include issues related to:

- with the establishment of a legal entity, in particular, issues of concluding a constituent agreement, as a special type of civil law contract, issues of distribution of shares (shares), fulfillment of obligations to form the authorized capital and other aspects, including those related to the registration of legal entities.

- with the activities of legal entities, in particular, issues related to emerging issues are subject to civil regulation, that is, issues such as the election of participants to the governing

bodies of a legal entity, issues of paying dividends, providing reports to founders, changing founders, their responsibility as founders, etc. .d.

- with the liquidation and reorganization of persons, considered through civil law rules governing issues of succession, distribution of property remaining after liquidation.

Issues related to the characteristics of legal entities as subjects of civil law, arising from the uniqueness of the emergence and termination of civil law and legal capacity, and hence the issues of obligation relations, civil liability, are subject to separate theoretical consideration.

In conditions of market relations, legal entities are an organizational and legal form in the form of an association of capital (JSC, LLC), or a combination of efforts of entrepreneurs (general partnership, production cooperative). When forming a civil society, there is also no alternative to legal entities. Various subjects of civil society - political parties, public associations, trade unions, public foundations, etc. also operate in certain forms of legal entities. That is why the institution of a legal entity should be the focus of legal science.

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