

**GENERAL PROSECUTOR'S OFFICE OF THE REPUBLIC OF
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**SCIENTIFIC AND EDUCATIONAL CENTER FOR COMBATING
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**IMPROVING MECHANISMS TO PREVENT CORRUPTION IN
BUSINESS ASSOCIATED WITH SPONSORSHIP**

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DISSERTATION

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INTRODUCTION

In the following years, large-scale work was carried out in the field of development of entrepreneurship in the Republic of Uzbekistan, creation of a favorable environment for attracting investments and doing business, strengthening the legal guarantees of protecting the legitimate interests of entrepreneurs.

In particular, the tax system was radically reformed, the procedure for obtaining permits was significantly simplified, planned inspections not related to the financial and economic activities of business entities were canceled.

Today, by 2021, through the single Interaction portal of Public Services in the Republic, 430470 businesses came in person, 5136 entrepreneurs were registered online¹, and they took the main place in the economic life of the country, providing the country's internal market with necessary products and services, increasing the welfare of the country's population and ensuring employment.

In accordance with the appeal of President Shavkat Mirziyoyev to the parliament on December 29, 2020, the term of payment of 20 thousand entrepreneurs' 400 billion sums of land and property taxes was imposed until the end of 2021. In addition, within the framework of Public Procurement up to 1 billion sums, the amount of the advance payment was increased by 30 percent and entrepreneurs were determined to have working capital up to an additional 1.5 trillion sums.

The increase in the production of industrial products by 8 per cent, agricultural products by 7 per cent, construction and installation works by 18 per cent is also an inseparable link to the development level of small business and private entrepreneurship.

Business entities also pay special attention to the processing of agricultural raw materials, the development of infrastructure for storage of agricultural products. In 2020, 230 agricultural processing enterprises, 114 new refrigeration chambers with a capacity of 77,800 tons were established and modernized. The total storage

¹ YAIDXP Business Entity Registration Module of the portal: https://fo.birdarcha.uz/s/uz_landing

capacity of fruits and vegetables in our country has reached 832,000 tons. This allows to ensure uninterrupted supply of the population with the main types of agricultural products, to expand the export of these products, to maintain price stability, without allowing a sharp seasonal increase in prices throughout the year.

Taking wide advantage of the benefits created, the business entities are organizing activities that are beneficial to the society with a sense of "*social responsibility*". That is, the social support and protection of citizens, including the improvement of the material situation of the socially unprotected and underemployed categories of the population, the social rehabilitation of the unemployed, disabled and other persons who cannot independently exercise their rights due to their physical or mental characteristics, other circumstances and who cannot protect their legitimate interests, and similar activities are being These events are usually organized in the form of sponsorship or charitable actions. For example, the general movement "*Saxovat va ko'mak*"², put forward by President Shavkat Mirziyoyev, actively participates in it with the help of entrepreneurs themselves. In addition, allocating grants for education in 2020 "mesenat.uz"³ the platform is created in which young, educated, talented students are paid money by entrepreneurship entities.

Despite the ongoing reforms, there are still a number of barriers to entrepreneurship and sponsorship. These barriers are related to the existence of the corruption scourge.

The relevance of the analysis of corruption in relation to the sponsorship of business entities is reflected in the following factors:

First, the fact that the **normative and legal acts** regulating the implementation of sponsorship activities by business entities do not currently fully cover the relationship between the entrepreneur and the sponsor, creates the basis for corruption in these relations.

² The official web page of gazette.uz: <https://www.gazeta.uz/oz/2020/04/23/fond/>

³ The official web page of the platform of metsenat.uz: <https://metsenat.uz/>

Second, there is **no clear mechanism** for reviewing reports of involuntary sponsorship of business entities.

Third, the lack of adequate **incentives** for sponsorship by businesses has hampered the voluntary nature of sponsorship by entrepreneurs. This, in turn, leads to cases of involvement of sponsorship by the relevant officials outside the scope of their authority.

Fourth, offenses involving the illegal involvement of business entities in sponsorship may be **latent offenses**. This is due to the fact that no such illegal situation has been observed, despite the fact that the supervisor, law enforcement and an official or employee of another state body and state organization are responsible for the involuntary involvement of business entities in sponsorship and other activities related to the allocation of funds and other valuables.

In addition, failure to prevent the factors mentioned above can result in the following consequences.

First, as a result of unlawful sponsorship of business entities, there is a lack of **trust in public administration**, public authorities and their officials. As a result, law enforcement, when the legitimate rights and interests of the people are violated, begins to try to restore them through various other means, not to the organs.

Secondly, it undermines the national **economy**. Because, there is a great deal of conflict of interest between an entrepreneur and an appropriate official who has carried out an illegal sponsorship activity. In any case, the economy of the state will suffer in this case. For example, in 2018, the share of small business and private entrepreneurship accounted for 62.9% of the gross domestic product of the Republic of Uzbekistan, this figure is 51.3% by 2020. The share of exports in 2018 amounted to 27.2%, which decreased by 2020 to 22.3%. In addition, in 2018, 76.3% of the population is employed, by 2020 73.8% of the population is covered by business entities (full indicators are indicated in Annex 1)⁴

⁴ The official web page of state statistical office: <https://stat.uz/uz/rasmiy-statistika/small-business-and-entrepreneurship-2>

Third, there may be cases of **bureaucracy** in government agencies. As a result, formalism, arbitrariness, authoritarianism intensify.

Fourth, there may be cases of **dishonesty** and indifference on the part of an **official, violation of the procedure** for consideration of proposals, applications and complaints of citizens and entrepreneurs. As a result, it can seriously damage the interests of the state and society, the rights and interests of business entities protected by law.

Based on the factors analyzed above, the issue of preventing corruption and improving the mechanisms in relation to the illegal involvement of business entities in sponsorship requires scientific research.

Object and subject of research. Object - is a social relationship to improve the mechanisms for preventing corruption in relations related to the involvement of business entities in sponsorship.

Normative legal acts on improving the Prevention of corruption in relations with the involvement of business entities in the sponsorship, the practice of law enforcement, International and national standards are studied as a **subject of interpretation** of the legislation and practice of foreign developed countries, scientific-theoretical views and legal categories.

The purpose of the study is to identify, analyze and develop proposals and recommendations aimed at eliminating corruption cases and violations of the law in the promotion of entrepreneurship in relation to the promotion of sponsorship of entrepreneurs, as well as the promotion of entrepreneurship in relation to the promotion of entrepreneurship.

In order to achieve the set goals, it will be necessary to carry out the following **tasks** during the proceedings:

- Coverage of cases of corruption, their forms and specific features in relations with respect to the involvement of sponsor entities in the fight against corruption;

- Analysis of the causes and factors of the occurrence of corruption in the relations of entrepreneurship subjects to attract sponsorship on the basis of practical examples and statistical data;
- To examine the positive experience of some foreign countries in preventing cases of corruption-related activities in relations with the promotion of sponsorship of business entities and to discuss the issues of introduction into the national system;
- To develop proposals to improve the Prevention of cases of corruption in the relations of attraction of business entities to sponsorship.

Scientific novelty. This master's dissertation is the first work based on theoretical and practical sources on the issues of identifying and eliminating corruption cases that may arise in the sponsorship of business entities. In addition, the master's dissertation describes the concept of the relationship of sponsorship of business entities and the analysis of corruption offenses in this relationship, as well as their features that distinguish them from corruption offenses in other areas.

In this study, the causes and factors of corruption in the sponsorship of business entities are analyzed, and the experience of foreign countries in the field is studied. Most importantly, proposals have been made to amend and supplement a number of existing laws to improve the mechanisms for preventing corruption, as well as to develop the necessary regulations.

Review (analysis) of the literature on the research topic. The issues of detection and elimination of corruption in the relations related to the sponsorship of business entities have not been studied in our country as an object of independent research. As the fight against corruption is a new field of study on the basis of scientific approaches, there are only general theoretical sources, including: B. Ismailov, R. Zufarov, U. Khusainov, N. Salaev, B. Khidoyatov, G. Tulaganova, S. Niyazova. Nubia Evertsson⁵, Eugene Soltes, Brian Tilley, Jelena Budak, Edo Rajh⁶,

⁵ Legal bribes? An analysis of corporate donations to electoral campaigns© Nubia Evertsson, Stockholm 2013 140 pages

⁶ Corruption as an Obstacle for Doing Business in the Western Balkans: A Business Sector Perspective: Zagreb, December 2011. 20 page

Ulrich von Alemann, William Nelson⁷, A.Z. Kamiński, J. Stefanowicz⁸, Yu Liu, Zhuoqun Hao, Xiaoxue Zhao⁹ studied by researchers.

The origins of the concept of sponsorship go back to ancient Greece. This concept has long been referred to in marketing, management, and economic literature (e.g., Amis & Cornwell, 2005; Baumol, 1971; Beech and Chadwick, 2007; Bibby, 2009; Burton, Quester, and Farrelly, 1998; Cornwell, 1995; Engen, 2011; Murphy, 2004; Pope, 1998; Pope and Turko, 2001).¹⁰

However, although the general and specific aspects of the subject are covered in the scientific work of the above-named scientists, the issues of improving the mechanisms for preventing corruption in the relationship with the sponsorship of business entities have not been studied in a holistic way.

This master's dissertation is the first research work on improving the mechanisms for preventing corruption in the relationship with the sponsorship of business entities.

Description of the methodology used in the study. Methods such as comparative-legal, historical, systemic-structural, logical, clear sociological, complex study of scientific sources, induction and deduction, analysis of statistical data were used in the research.

Description of work structure. The master's dissertation consists of an introduction, three chapters, a conclusion and a list of references and appendices. The volume of the dissertation is 70 pages.

⁷ No Good Deed Goes Unpunished: Charitable Contributions and the Foreign Corrupt Practices Act. Volume 11 Issue 3 Spring 2013 378 pages

⁸ A.Z. Kamiński, J. Stefanowicz, *Polski biznes wobec korupcji (Polish Business against Corruption)*, Institute for Private Enterprise and Democracy, Warsaw 2010, p. 43

⁹ Political Connection, Corporate Philanthropy and Efficiency: Evidence from China's Anti-Corruption Campaign* Zhuoqun Hao Yu Liu Jinfan Zhang Xiaoxue Zhao{ March 6, 2020

¹⁰ Conceptual Foundations of Sponsorship Research Margaret A. Johnstona & George S. Spaisba University of Queensland, Brisbane, Australia Graduate Technological Educational Institute of Western Greece, Kozani, Greece Published online: 05 Jun 2015. Page 20

I CHAPTER. THEORETICAL ANALYSIS OF CORRUPTION SITUATIONS RELATED TO ENTREPRENEURSHIP AND THEIR CAUSES

1.1. The concept, types and all the basics of sponsorship of business entities

Sponsorship is one of the most rapidly growing areas of modern marketing¹¹. According to figures from Sponsorship Outlook in 2018, more than **65.8 billion dollars were spent on sponsorship worldwide**¹². One important reason for this growth in sponsorship seems to be that traditional marketing channels such as television, radio and magazine advertisements are becoming less effective than others, including sponsorship. Clearly, it is important to understand motives to the decision to sponsor¹³.

Consequently, an increasing number of firms see sponsorship as a natural and important part of their marketing mix. As a result, sponsorship for some firms constitutes the largest proportion of their total budget for marketing communication. For example, in Norway, sponsorship has become the thirdlargest communication channel (Thjømmøe, 2010). In line with this, Alexandris et al. (2012) state that sponsorship may be a more effective communication strategy than traditional advertising.

Moreover, **Helgesen** (in his research in 2004) observes that the primary **goal of** sponsorship is to strengthen companies' market positions on the long run. Clearly, sponsorship is a powerful medium for communicating and forming relationships with a specific target group¹⁴.

The first manuscript on the development of sponsorship and its benefits to the state economy was written by the Greek historian and philosopher **Xenophon**.

¹¹ Sponsoring the #FrenchOpen: An Examination of Social Media Buzz and Sentiment:. Elizabeth B. Delia University of Massachusetts Amherst, Cole G Armstrong San Jose State University March 2015.

¹² <https://www.statista.com/topics/1382/sports-sponsorship/>

¹³ Corporate Sponsorship vs. Traditional Advertising in Sports: An Empirical Comparison Jeremy Ungerman-Sears, 2015 61 page

¹⁴ Slåtten, T., G. Svensson, S. Connolly, C. Bexrud and T. Lægneid (2017) The Sponsorship Motive Matrix (SMM): A Framework for Categorising Firms' Motives for Sponsoring Sports Events. European Journal of Tourism Research 15, pp. 143-166

Meenaghan's 1983 publication in the European Journal of Marketing, "**Commercial Sponsorship**"¹⁵ After his article entitled, scientific interest in this field began.

In the foreign legal literature, sponsorship is defined as the concept of making a financial investment or providing economic or other assistance to an individual or event.¹⁶ In other literature, sponsorship is described as the main means of **advertising**¹⁷.

The term sponsorship is also often used in **Islamic rules**. The analysis of the concepts of sponsorship, charity, almsgiving is carried out through some verses of the **Holy Quran**, which is considered a holy book.

According to the relevant verses, patronage is one of the deeds done **to wash away the sins** committed in the way of God and **to purify the heart**.¹⁸

In contrast, there are elements of sponsorship that are mandatory in Islamic rules. For example, zakot is one of the Five Pillars of Islam, zakat is a religious duty for all Muslims who meet the necessary criteria of wealth to help the needy. It is a **mandatory charitable contribution**, often considered to be a tax.

The national legislation of the Republic of Uzbekistan gives a slightly broader definition of the concept of sponsorship. According to the Law of the Republic of Uzbekistan "On Sponsorship", sponsorship is the transfer of property, including funds, to other legal entities and individuals for sponsorship purposes, including on a non-refundable or preferential basis, for them to perform work, provide services and other the calculation of voluntary non-discriminatory assistance (activity), expressed in the form of support¹⁹.

In addition, the concept of "sponsorship" has a special meaning in civil law relations. That is, sponsorship is the placement of orphans and children deprived of

¹⁵ Meenaghan, J.A. (1983), "Commercial Sponsorship", European Journal of Marketing, Vol. 17 No

¹⁶ The impact of the effectiveness of sponsorship on image and memorizing: Leila Cheblia, Abderrazak Gharbi Role of congruence and relational proximity 2014 The Authors. Published by Elsevier Ltd page 3

¹⁷ Dolphin, R. (2003) Sponsorship: perspectives on its strategic role. Corporate Communications: An International Journal. 8 (3), 173-186.

¹⁸ The Concept of Charity in Islam: An Analysis on the Verses of the Quran and Hadith Salwa Amirah Awang, Fidlihan Muhammad Joni Tamkin Borhan, Mohammad Taquiuddin Mohamad, Journal of Usuluddin 45 (1) 2017: 141-172 172 page

¹⁹ Collection of Legislation of the Republic of Uzbekistan, 2007-y., 17-18 №, 174 articles;

parental care between the ages of fourteen and eighteen, as well as citizens with disabilities, in order to provide them with support, upbringing and education, and to protect their property and personal non-property rights and legitimate interests²⁰.

The legislation of the Republic of Uzbekistan does not **specify the types or forms of the concept of sponsorship**. An analysis of the foreign literature shows that the following forms of sponsorship are available. They are:

social responsibility (corporate, personal);

Donation;

Pro bono;

Art patronage;

Charity Initiatives (foodshareing, volunteering);

Ethical framework and believes that an individual has got an obligation to cooperate with other individuals and organizations for the benefit of society at large is considered to be **Social responsibility**²¹. In other word, this term is a duty for every individual has to do so as to maintain a balance between the social life as well as economy.

Corporate social responsibility is a type of business self-regulation with the aim of being socially accountable. There is no one "right" way companies can practice Corporate social responsibility; many corporate CSR initiatives strive to positively contribute to the public, the economy or the environment²². In today's socially conscious environment, employees and customers place a premium on working for and spending their money with businesses that prioritize Corporate social responsibility

As we speak about donations, a **donation** is a gift for organizations that specialized to assist others including, environment, people with disabled and so on.

²⁰ Collection of Legislation of the Republic of Uzbekistan, 24.07.2018-y., 03/18/486/1559-Nº

²¹ Hirst, Scott (2016-10-01). "Social Responsibility Resolutions". The Harvard Law School Program on Corporate Governance Discussion Paper. No. 2016-06.

²² Web page of an independently owned business media organization which provides a digital news service and fortnightly business magazine: <https://www.businessnewsdaily.com/4679-corporate-social-responsibility.html>

A donation can be given in any form, including money, alms, services, or goods. A donation may be faced in medical needs like blood or organs for transplant²³.

Moreover, **gifts in kind** is also has to be analyzed together donation. It is a made of sponsorship that, instead of giving money to purchase needed goods and services, the goods and services themselves have to be given. In this form of sponsorship goods are goes straightly to recipient. As a result, corruption risk may be cut on account of process without third partied²⁴. Gifts in kind are differentiated from gifts of cash. Some types of gifts in kind are appropriate, but others are not. Examples of in-kind gifts include goods like food, clothing, medicines, furniture, office equipment, and building materials. Performance of services, such as building an orphanage, providing office space or offering administrative support, may also be counted as in-kind gifts.

In the analysis of the concept of sponsorship, a special emphasis on the concept of charity will help to shed more light on the object of research. According to Article 511 of the **Civil Code of the Republic of Uzbekistan**, a gift made for public purposes is considered a donation²⁵.

The following **features of donation** can be distinguished:

a) in content it is a kind of gift. But unlike a simple gift, a donation is directed to a specific purpose;

b) is accounted for separately from other property of the legal entity; may be revoked in the cases provided for in this article being interpreted;

c) a simple gift cannot be revoked on grounds that can be revoked.

d) the subject of the donation may be only property, but not exemption from the performance of property obligations;

e) the purpose of donation - is common, that is, the property or right to a particular person not only for personal, family, daily consumption, but also the

²³ To cite this document: Muhammad Kashif Syamsulang Sarifuddin Azizah Hassan , (2015), "Charity donation: intentions and behaviour", Marketing Intelligence & Planning, Vol. 33 Iss 1 pp. 90 - 102 Permanent link to this document: <http://dx.doi.org/10.1108/MIP-07-2013-0110>

²⁴ Main website of the core ac UK the world's largest collection of open access research papers: <https://core.ac.uk/download/pdf/33183453.pdf>

²⁵ National database of legislation, 21.04.2021 y., 03/21/683/0375-№

interests of certain persons (for example, when donating a picture to an art museum) or indefinite persons (for boarding school students) is given for use in the path²⁶.

Sponsorship may also be made to citizens, medical, educational, social protection and other similar institutions, charitable, scientific and educational institutions, foundations, museums and other cultural institutions, public associations and religious organizations, as well as the state and other civil law entities.

Pro bono is short for the Latin phrase *pro bono publico*, which means "for the public good." The term generally refers to services that are rendered by a professional for free or at a lower cost. Professionals in many fields offer pro bono services to nonprofit organizations. These organizations include hospitals, universities, national charities, churches, and foundations. It is also possible to do pro bono work for individual clients who cannot afford to pay²⁷.

Art patronage activity means the sponsorship of the development of culture and art, as well as science, education and enlightenment in this field. A Art patronage can be an individual or a legal entity engaged in craft activities. Patronage is the provision of property, services, and other support by sponsors on a non-discriminatory or preferential basis²⁸.

Art patronage activity is aimed at creating conditions for the preservation, protection and use of cultural heritage sites in the country, participation in the implementation of state programs and other programs and projects in these areas, support for professional activities in the field of culture and arts, preservation of cultural heritage sites.

Charity initiatives are the organization of socially beneficial events sponsored by individuals and legal entities. Examples include volunteering and xashar.

²⁶Danindu Ariyathilake Udalamaththa Gamage CHARITABLE DONATIONS A Thesis Submitted to the Graduate Faculty of the North Dakota State University of Agriculture and Applied Science August 2017 61 page <https://library.ndsu.edu/ir/bitstream/handle/10365/28696/Charitable%20Donations.pdf?sequence=1&isAllowed>

²⁷ Financial website that provides investment dictionaries, advice, reviews, ratings, and comparisons of financial products such as securities accounts: <https://www.investopedia.com/ask/answers/08/pro-bono.asp>

²⁸ The official website of the gazette of "Xalq so'zi": <https://xs.uz/uz/post/metsenatlik-faoliyati-u-qandaj-amalgashiriladi>

Sponsorship can be divided into several types according to its purpose. They are:

- sponsorship related to environmental work
- sponsorship related to the support of the poor;
- sponsorship to the charity;
- sponsorship related to health;
- sponsorship related to assistance to persons with disabilities.²⁹

As an information **xashar** was usefully worked by Mongols. Mongols named their specific Mongolian units as xashar³⁰.

However, the invention of xashar does not belong to the Mongols, this practice is known from the most ancient times, but it was they who managed to put it in an incredibly mechanistic form, terrible in terms of its exploitation and effectiveness!

Originally, xashar is an Arabic term meaning “charitable work,” such as the voluntary help of Muslims to build mosques or city walls. Although the first uses of xashar in war are known among the Chinese, Tanguts and Jurchens.

The Mongols, having familiarized themselves with the phenomenon, understood it in their own way, using xashar as a human shield and free labor and brought it to perfection³¹.

In addition, sponsorship can be divided into the following types in terms of *scope of activities*.

1. Series sponsor is the highest status of sponsorship. Often the name and the logo of the sponsor is incorporated into the title of the. This status also allows companies to have a decisive voice on the issue of presence among sponsors of other companies operating in the same business, the priority right to use teams, team members, players, coaches, and the sanctioning body for conducting joint promotions, right of presence at all official events dedicated to a sports event,

²⁹ A European commercial social networking site for scientists and researchers to share papers, ask and answer questions, and find collaborators:

https://www.researchgate.net/publication/301888671_A_Simple_Act_of_Charity_The_Characteristics_and_Complexities_of_Charitable_Giving_in_the_United_Kingdom

³⁰ «Армия Монгольской империи» С. Тарнбул Издательство «АСТ» ISBN 5-17-019323-8

³¹ The Russian online journal of “History and life”: <https://leta-media.ru/hashar-mongolskie-smertniki/>

mandatory mentioning in all activities conducted on behalf of the team, highlighting the name of title sponsor in film credits, television programs which were created with its financial support, placement of logos and banners. Often a patch or sticker is required to be placed or worn on a highly visible item of every competitor, even if their personal sponsor is in direct competition with the series sponsor.³²

2. Title sponsor characterizes the most significant contribution to a company in organizing and hosting an event. Often the name of such sponsor is placed next to the name of competition, teams, individual athletes and is associated with it (for example, the logo of a title sponsor is placed in various places around the stadium or track (such as painted in the infield grass / pavement or walls, various places on the field, signboards on the sides of the field, etc.), the name in the title of an auto racing event's official name, or the name of an American football college bowl game). In case of title sponsor's presence, the general sponsor position may remain free.³³

3. General sponsor is a sponsor that makes one of the largest contributions (in absence of a title sponsor – usually more than 50% of all sponsorship funds raised) and that receives for it the right to use the image of competition as well as extensive media coverage. If necessary, the status of the general sponsor may be supplemented by the general sponsors for certain categories, as well as the main sponsor.

4. Team sponsor provides funds for individual teams. The more money provided (primary sponsor vs. secondary sponsor), the larger area and more visible location are allocated. In some instances, the team sponsor may be rotated between the primary and secondary sponsor roles. This usually occurs with auto racing teams that travel over a vast area. A team sponsor may take the primary sponsorship role at a race in an area where they are present, such as a store chain. That sponsor may take a secondary sponsorship role, or not even be on the car, in an area they have

³² "Cornwell, T. B., Humphreys, M. S., Maguire, A. M., Weeks, C. S., & Tellegen, C. L. (2006). Sponsorship-linked marketing: The role of articulation in memory. *Journal of Consumer Research*, 33, 312–321" (PDF). qut.edu.au. Archived (PDF) from the original on 4 March 2016. Retrieved 28 April 2018.

³³ "Sponsorship Lexicon and Glossary - Sponsorship Resources". sponsorship.com. Archived from the original on 22 August 2013. Retrieved 28 April 2018

little or no presence, or are prohibited by law to sell, such as alcohol or tobacco products.

5. The sponsor that makes a amount of money (within 20–25%) is called official sponsor. Normally, the given status may be granted by category. But, technical sponsor is believed to be a person that promotes events through the partial or full payment of goods as well as services

7. Participating sponsor is also mentioned in some business areas. It is a company, the sponsorship fee size of that normally does not exceed 10% of total money³⁴.

8. Informational sponsor is an organization that provides informational support through media coverage, conducting PR-actions, joint actions, etc.

Nowadays promotional sponsorship becomes more and more popular and may overcome media sponsorship in popularity soon. There are several reasons for that. Firstly, people prefer to go on social media rather than watch TV or listen to the radio. Secondly, the event promotion made by influencers looks more personal and followers tend to believe it. Moreover, people follow their bloggers because they like his/her lifestyle and events are a part of it. Overall, a promotion made by a person is more likely to deliver better results and attract a bigger number of potential attendees.

According to Doctor of Law X.Rakhmonkulov, the following can be **recipients of sponsorship**:

1. citizens. Donations for young children, minors, persons with limited or incapacitated rights may be received by their legal representatives, guardians, sponsors;

2. health, upbringing and education facilities (of any kind and form of ownership);

³⁴ Marcel Huettermann , Galen T. Trail , Anthony D. Pizzo & ValerioStallone (2020): Esports Sponsorship: An Empirical Examination of Esports Consumers' Perceptions of Non-Endemic Sponsors, Journal of Global Sport Management, DOI:10.1080/24704067.2020.1846906T <https://doi.org/10.1080/24704067.2020.1846906>

3. social protection institutions. This may include not only state and municipal, but also private, joint, cooperative institutions that aim to provide social assistance to large families, pensioners, the disabled, refugees, migrants and others;

4. Charitable organizations. The question of whether this or that institution is a charitable organization can be concluded from the fact that its activities comply with the Law on Sponsorship;

5. Scientific institutions (sectoral and private research institutes of the Republic of Uzbekistan);

6. funds. In this case, the fund means non-profit organizations whose activities comply with the Law "On Non-Governmental Non-Profit Organizations" and the norms of the FC;

7. public and religious organizations;

8. Museums, exhibitions, photo galleries, panoramas, theaters and other cultural venues³⁵.

Donations to charitable organizations can only be used for charitable purposes and cannot be used to support their activities.

In the analysis of sponsorship activities carried out by business entities, foreign entrepreneurs are also active actors in the implementation of these activities. For example, in 2019, the great Russian businessman Alisher Usmanov sponsored the secondary school No. 110 in Tashkent.

In addition, in 2020, Alisher Usmanov provided a one-time cash award of 100 billion sums (equivalent to 10 million US dollars) to the ambulance crews.

Moreover, Alisher Usmanov, donated US \$ 8 million worth of books collection to the Center for Islamic Civilization in Uzbekistan, in 2019³⁶.

The collection, according to the director of the center, Shoazim Minovarov, the collection includes "4,923 rare books on the Orientalist and Islamic influence on

³⁵ Review of the Civil Code of the Republic of Uzbekistan: Professional reviews. T 2. /Ministry of Justice of the Republic of Uzbekistan. — Tashkent: Baktria press, 2013. 912 6

³⁶The official website of the Uzbek journal of "Xalq so'zi": <https://xs.uz/uz/post/milliarder-alisher-usmonov-toshkentdagi-maktabga-homijlik-qilmoqda>

Europe in Latin, English, French and German languages, dating from the 13th century”.

“Among them is the first Latin translation of Avicenna’s Canon of Medicine”, he highlighted. Recall that the project of the Center for Islamic Civilization in Tashkent, financed by Alisher Usmanov, has been developed by the French Wilmott & Associés.

The complex will include a library, information and resource center, scientific departments, a conference room, office premises and other facilities. The foundation symbolic cornerstone was laid in June 2018 by the President of Uzbekistan.

Pursuant to Article 18 of the 2003 United Nations Convention against Corruption, any pressure exerted by a public official on business entities is recognized as a corruption offense³⁷.

In addition, in accordance with Article 241⁴ of the Code of Administrative Offenses and Article 192⁴ of the Criminal Code, **compulsory involvement of business entities in sponsorship** and other activities related to the allocation of funds and other material assets by an inspector, law enforcement and an official or employee of another state body and organization cases are reinforced to cause liability.

In addition, on August 13, 2019, No. 5780 on additional measures to radically improve the system of protection of private property and guarantees of property rights, the organization of work to support entrepreneurial initiatives, as well as expanding access to financial resources and production infrastructure of businesses. According to the presidential decree, the Council of Ministers of the Republic of Karakalpakstan, governor of regions, Tashkent city, districts and cities **have banned the following:**

First, the compulsory involvement of business entities in activities not related to their main activities, including sponsorship and charitable assistance, landscaping, landscaping, collection of scrap and waste paper, and other activities.

³⁷ Comments on the provisions of the UN Convention against Corruption <https://www.jus.uio.no/lm/un.against.corruption.convention.2003/18.html>

Second, to involve business entities in any form in seasonal work in agriculture (planting and harvesting) and other activities related to the allocation of labor resources, cash and other material resources.

Third, it is strictly forbidden to hold meetings and other events with the participation of business entities on a mandatory basis, including under the threat of administrative and other measures against them.

In our opinion sponsorship is the activity that supports an event, activity, person, or organization financially or through the provision of products or services.

It has been said that there had been no cases of unlawful involvement of government officials in sponsorship activities for six years, and that it was useless even if the victims did not have the opportunity to report the crime or reported it.

1.2. Factors causing corruption cases related to the sponsorship of business entities

Although corruption differs from country to country, it is possible to identify some of the key common driving forces that generate it.

As we know that corruption cannot be assessed unambiguously, since there is never only one phenomenon that is responsible for the occurrence and the development of it. Corruption always arises from an array of several, interrelated factors, which can differ considerably from one another. Among the most commonly mentioned factors that influence the development of corruption are: political and economic environment, professional ethics and legislation, as well as purely ethnological factors, such as customs, habits and traditions³⁸.

However, the factors that lead to corruption in the relationship of sponsorship of business entities are slightly different from the factors in the rest of the relationship. That is, the relationship has its own characteristics. They are

³⁸ The official website of Intechopen that leading global publisher of Journals and Books within the fields of Science, Technology and Medicine: <https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences>

Special subjects are involved as participants in this relationship. In turn, special subjects also have their own characteristics. They are:

- Legal entities engaged in entrepreneurial activities with state registration in accordance with the legislation of the Republic of Uzbekistan or Sole entrepreneurs operating without a legal entity.
- Officials who are able to directly or indirectly influence the above-mentioned business entities.

One of the main factors causing corruption in the relations related to the involvement of business entities in sponsorship is related to the legal awareness of business entities. Their lack of knowledge of the legal legal interests set out in the legislation, their inability to solve problems legally or where to get help, lead to the emergence of corruption offenders.

Human Development Index has assessed legal consciousness in 2020 and Uzbekistan's position was 106 (with 12.1) in 189.

Legal consciousness is a collection of understood and/or imagined to have understood, legal awareness of ideas, views, feelings and traditions imbibed through legal socialization; which reflects as legal culture among given individual, or a group, or a given society at large. The legal consciousness evaluates the existing law and also bears in mind an image of the desired or ideal law.

Legal consciousness of entrepreneurs is a state of being, legal socialisation is the process to Legal consciousness; where as legal awareness & legal mobilisation are means to achieve the same.

Presidential Decree No. 5618 of January 9, 2019 on radical improvement of the system of raising legal awareness and legal culture in society provides the **Ministry of Justice of the Republic** of Uzbekistan with legal advice additional tasks were assigned to introduce modern mechanisms for the implementation of the prayer.

In addition, a legal information system **Advice.uz** was created, which includes a free public consultation portal. The platform provides legal advice to entrepreneurs and information on tax benefits.

Raising the legal awareness of entrepreneurs can be done by government or non-governmental organizations.

For example, PLE (**Public Legal Education**) is the key to the main mechanism for raising legal awareness in Canada, which is rated high by international indexes that assess legal awareness. Public legal education (PLE) helps people engage with legal and social justice issues and does followings:

- public legal information
- community legal education (CLE),
- legal literacy,
- legal capability, or
- legal empowerment.

In Canadian law, legal awareness is used in conjunction with the concept of "**legal capability**". That is, legal consciousness is not only the ability to understand rights and obligations, but also the ability to understand legal problems and solve them quickly and effectively³⁹.

The fact that a business entity is sponsored by a government official in the course of its activities in violation of the requirements of the normative legal acts regulating the sponsorship relationship is a problematic situation for the entrepreneur.

In this problematic situation, the entrepreneur has a number of questions. They are:

Normative-legal documents regulating this situation;

A specially authorized body capable of resolving this issue;

In case of special appeal to the competent authority, its future fate; (Because entrepreneurs are often afraid to put more pressure on themselves than before).

The ability to find answers to the above questions is called legal capability.

SCORE, the nation's largest network of volunteer, expert business mentors, was founded in 1964 as a resource partner of the U.S. Small Business

³⁹ Levels of Financial Capability in the UK: Results of a baseline survey - FSA Consumer Research 47: <https://lawforlife.org.uk/wp-content/uploads/2013/05/legal-capability-plenet-2009-147-1-147.pdf>

Administration. SCORE has since educated more than 10 million current and aspiring U.S. small business owners through its free mentoring and free and low-cost workshops. In 2016, SCORE's more than 10,000 volunteer mentors helped their 125,000 clients create 54,072 small businesses, adding 78,691 non-owner jobs to the U.S. economy⁴⁰.

SCORE's core service offering is its mentoring program, through which volunteer mentors (all experienced in entrepreneurship and related areas of expertise) provide free counsel to small business clients. Mentors, operating out of 300 chapters nationwide, work with their clients to address issues related to starting and growing a business, including writing business plans, developing products, conceiving marketing strategies, hiring staff, and more. Clients access their mentors via free, ongoing face-to-face mentoring sessions or through email or video mentoring services.

In addition to mentoring, SCORE also offers free and low-cost educational workshops each year, both online and in-person. In 2016, clients attended 119,957 online workshop sessions, while 237,712 local workshop attendees benefited from SCORE's in-person educational programming .

3. The fact that the normative legal acts regulating the implementation of sponsorship activities by business entities do not currently fully cover the relationship between the entrepreneur and the sponsor, creates the basis for corruption in these relations.

The following cases were identified through the analysis of normative and legal acts regulating the implementation of sponsorship activities by business entities:

First, in accordance with the Regulation on the procedure for conducting anti-corruption examination of normative legal acts and their drafts, approved by the order of the Minister of Justice of February 22, 2021 2 mh, identification of normative legal acts and corruption factors in their drafts measures (examination)

⁴⁰ The official website of score: <https://www.score.org/about-score#:~:text=SCORE%2C%20the%20nation's%20largest%20network,more%20than%2011%20million%20entrepreneurs.>

should be conducted to develop recommendations and take measures to eliminate corruption.

However, research shows that the Law of the Republic of Uzbekistan "On Sponsorship", adopted on May 2, 2007, contains a corruptive norm.

In particular, according to Article 14 of this law, the state can support sponsorship in the following forms:

- Competitive state funding of sponsorship programs developed by sponsoring organizations;
- transfer of state property to sponsorship organizations on a free or preferential basis in the manner prescribed by law;
- granting benefits for the payment of rent for state-owned buildings, premises and other property;
- Assistance in strengthening the material and technical base of sponsoring organizations;
- Encourage sponsors, volunteers and sponsoring organizations.

As you can see, sponsors are encouraged by the government. However, questions may arise as to in what order, by whom, and by what authority. Absence or incompleteness of administrative procedures in accordance with the Regulations on the procedure for conducting **anti-corruption examination** of normative legal acts and their drafts, approved by the Order of the Minister of Justice of February 2, 2021 2 mh "The calculation of corruption factors related to administrative procedures has been strengthened.

Moreover, as a mentioned by **Law on sponsorship conflicts of interest** in this Law are transactions and (or) operations carried out between a sponsorship organization and interested parties (employees, including officials, members of the sponsorship organization's governing bodies, their close relatives or creditors, as well as legal entities and individuals who as a result of their relationship with a sponsorship organization, they may affect the organization's property management and which interact with the organization in person or through their representatives in order to obtain private benefits) regarding the management of the property of a

sponsorship organization that do not coincide or may not coincide with the interests and sponsorship purposes.

However, this norm does not cover all possible corruption cases. Because we know that a sponsorship organization is a non-governmental non-profit organization created to carry out sponsorship activities in the interests of society, certain categories of legal entities and individuals. Assistance to legal entities and individuals for the purposes specified in the sponsorship activities, including the transfer of property, including cash, on a non-refundable basis or on preferential terms, performance of work for them, provision of services and other forms of support It does not cover conflicts of interest between **individuals and stakeholders who have carried out charitable activities without forming an organization.**

An entrepreneur may also expect indirect assistance from a government official if he or she voluntarily sponsors. There is a saying in the Uzbek mentality that "*sizdan ugina bizdan bugina*", which can be recognized as an element of corruption.

Regulations on the procedure for use of funds of business entities in the form of charitable donations by budget organizations to budget organizations determines the order of receipt of funds and property in the form of charitable donations and sponsorship funds. According to it, the compulsory involvement of business entities in charitable activities and other activities related to the use of their funds is prohibited. Funds received by business entities in the form of charitable donations to budgetary organizations shall be accumulated and used in accordance with the established procedure in the relevant extra-budgetary treasury accounts of budgetary organizations opened in the information system of the *Ministry of Finance of the Republic of Uzbekistan*.

Funds received by budgetary entities in the form of charitable donations of business entities, unless otherwise specified in the contracts. strengthening the material and technical base of budget organizations.

However, the scope of this **charter is relatively narrow**, and there are no rules governing the conduct of sponsorship activities on a voluntary or service basis.

A great influence comes also from the **ineffective sanctioning** of corruption, which only increases the possibility of continuing the corruptive actions of those involved, creating at the same time a strong likelihood that others will join in the corruption due to this inefficient sanctioning.

Pursuant to Article **241**⁴ of the Code of Administrative Offenses and Article **192**⁴ of the Criminal Code, cases of compulsory involvement of business entities in sponsorship and other activities related to the allocation of funds and other tangible assets by an official or employee of a supervisor, law enforcement or other state body and organization The effect is reinforced. However, according to Supreme Court statistics, since Article 192⁴ was included in the Criminal Code, no criminal case has been filed under this article. Also, in 2017, two fines were imposed under Article 241⁴ of the Code of Administrative Offenses. No other violations were identified. This indicates the latency of corrupt practices.

3. Political and economic environment. The phenomenon of corruption in business related to sponsorship is strongly influenced by the political and economic environment. The more is the economic activity in the country regulated and limited, the higher the authority and the power of officials in decision making and the greater the possibility of corruption, since business entities are willing to pay or offer payment (as a sponsorship) in order to avoid restrictions. A great potential for corruption is especially there where the officials are under the regulation given the opportunity to decide on the basis of discretion.

On the other hand, however, ineffective and unclear regulations cause inhibition and therefore encourage natural persons to pay bribes in order to speed up the bureaucratic procedure.

The economy is unfortunately largely dependent on politics and often reflects the rule of law; various options for eliminating competition are exploited, and bribery is just one of the possible weapons in the struggle to gain a job. At the same time is the mentality of the economy sometimes: “The cost of a bribe is only a substantial business cost, an integral part of the contract,” or “Even if we stop the bribery, our rivals will not, so we must bribe in order to remain competitive, “or”

bribery and misleading behaviour are not really crimes, they are just part of the old business practice. They are part of the game and everyone does it.” On the other hand is the point sometimes simply the “lubricating” of the bureaucratic wheel by the private sector to do certain things faster or easier.

4. Insufficient benefits for the sponsorship of business entities prevent the voluntary sponsorship of entrepreneurs. This, in turn, leads to cases of involvement of sponsorship by the relevant officials outside the scope of their authority.

contributions to the funds of ecology, health and charity, culture, health, labor, physical culture and sports, educational institutions, local authorities, citizens' self-government, sponsorship and the amount of funds in the form of charity, but not more than two percent of the taxable profit.

Also, orphanages, specialized boarding schools, centers for children with disabilities, boarding schools for the elderly and young people with disabilities, as well as budget-funded medical institutions that receive (purchase) cars as sponsorship (non-discriminatory) assistance in obtaining vehicles and exemption from payment of the fee for temporary admission to the territory of the Republic of Uzbekistan.

In addition, there are tax breaks for sponsorship activities by foreign entities. That is, the import of goods imported as humanitarian aid in the manner prescribed by the Cabinet of Ministers of the Republic of Uzbekistan is exempt from value added tax.

However, it is clear from this legislation that all benefits are intended for legal entities. Given that the number of sole proprietors operating without a legal entity is more than 200 thousand, it makes sense to introduce incentives for sponsorship.

The above-mentioned factors lead to illegal situations in the relationship of sponsorship of business entities:

Compulsory sponsorship of business entities may be initiated by government officials in violation of the requirements of the Law on Sponsorship. That is, the sponsorship of entrepreneurs is carried out in violation of the principle of voluntariness.

Business entities are subjected to various forms of influence by government officials, directly or indirectly (for example, the use of tax inspectors to inspect business entities). For example, such an effect can be made by the State Tax Inspectorate through timekeeping.

CHAPTER II. NATIONAL AND FOREIGN EXPERIENCE IN PREVENTING CORRUPTION CASES IN ATTRACTION BUSINESSES TO SPONSORSHIP

2.1. Responsibilities of relevant government agencies and non- governmental non-profit organizations in combating corruption related to the sponsorship of business entities

The rights of business entities in the Republic of Uzbekistan are protected by the Constitution of the Republic of Uzbekistan. That is, the basis of the economy of Uzbekistan, which is aimed at developing market relations, is property in various forms. Taking into account the superiority of the right of consumers, the state guarantees freedom of economic activity, entrepreneurship and labor, equal rights of all forms of ownership and equal protection of legal aspects.

Private property, like other forms of property, is inviolable and protected by the state. The fact that the owner can be deprived of his property only in cases provided for by law and in order is strengthened⁴¹.

In violation of the rights of business entities established by law, several competent state and non-governmental bodies are working to identify and prevent corruption associated with compulsory involvement in the sponsorship.

The authorized state and non-state bodies can be conditionally divided into two groups. In the event that the first group has a common right to fight corruption (the bodies directly specified in Article 7 of the Anti-Corruption Act)⁴², the second group may include specially authorized state and non-governmental bodies in the protection of the rights of persons engaged in entrepreneurial activities.

⁴¹ The journal of "Xalq so'zi", year of 1992 15 december, 243 (494) №: <https://lex.uz/docs/-20596?otherlang=1>

⁴² The National legislative database, 16.01.2019 y., 03/19/516/2484 №: <https://www.lex.uz/docs/-3088008?otherlang=1>

The organs of protection of the right to fight corruption, which have a common competence, are as follows:

- Prosecutor General's Office of the Republic of Uzbekistan;
- The State Security Service of the Republic of Uzbekistan;
- Ministry of internal affairs of the Republic of Uzbekistan;
- Ministry of Justice of the Republic of Uzbekistan;
- Department for combating economic crimes under the Prosecutor General's Office of the Republic of Uzbekistan⁴³.

The non-governmental organs and public officials that protect the right of the business entities in combating against corruption. They are as follows:

- Uzbekistan Republic of Anti-corruption agency ;
- chamber of commerce and industry of uzbekistan;
- Representative for the Protection of the Rights and Legal Interests of Entrepreneurs under the President of the Republic of Uzbekistan.

The Procurator General of the Republic of Uzbekistan and his subordinate prosecutors shall exercise control over the accurate and uniform implementation of laws in the territory of the Republic of Uzbekistan.⁴⁴ **The Prosecutor General's Office of the Republic of Uzbekistan** performs the following tasks in the fight against corruption as defined by the legislation:

- to carry out the collection and analysis of information on the state of corruption and the results of the fight against corruption;
- review appeals of individuals and legal entities to corruption issues and take measures to restore their violated rights and protect their legitimate interests;

⁴³ National Legislative Database, 16.01.2019-й., 03/19/516/2484 №

⁴⁴ Рустамбоев М.Х., Никифорова Е.Н. Judiciary and Law Enforcement: A Textbook for University Students. -Т.: «Турон-Иқбол» edition, 2007. - 317 page

- participation in activities aimed at strengthening legal consciousness, legal culture and strengthening legality in society among the population;
- develop and implement measures to ensure timely receipt, detection and Prevention of corruption offences, eliminate their consequences, as well as possible causes and conditions⁴⁵.

Proceeding from these tasks in the field of combating corruption, certain works have been carried out by the authorities in the field of ensuring the rule of law in the country for 2017, strengthening the legality, protecting the rights and freedoms of citizens, the interests of society and the state protected by law, preventing and profiling offenses. During the implementation of these works, **special attention was paid to ensuring the protection of business entities**. In order to ensure the implementation of legislation in this area, 6.629 events on the promotion of laws were held, 543 TV shows, 459 radio performances were organized, 354 articles were published⁴⁶.

In addition, the electronic communication network of the call center of the Prosecutor General's office interacts with a number of ministries and departments and carries out systematic electronic control over the resolution of Appeals by means of information and communication technologies.

In 2017, the center received 102.009 appeals, of which 15.934 (15.6 %) were satisfied. As a result of consideration of Appeals 178 protesters were brought to illegal decisions, 120 presentations on the elimination of the causes of violation of the law and 5,6 billion to the courts. 383 applications for the collection of sums of money were submitted, and 720 persons were brought to disciplinary, administrative and material responsibility, including 165 criminal cases on cases of gross misconduct were initiated.

⁴⁵ National Database of Legislation, 16.01.2019 й., 03/19/516/2484 №

⁴⁶ Official website of the Prosecutor General's Office of the Republic of Uzbekistan: <https://www.prokuratura.uz/#/tadbirkorlik>

961 officials were brought to disciplinary, administrative and material responsibility, 44 criminal cases were instituted, **49.866 entrepreneurs' violated rights were restored** in the control measures to protect the rights of business entities, including unreasonable interference in their activities, conducting illegal inspections and preventing violations in the consideration of their appeals. In addition, as a result of the joint measures, the activities of 2.797 business entities were restored⁴⁷.

On the initiative of the Prosecutor General of the Republic of Uzbekistan, **anonymous bots** were launched in social networks within the framework of the region in order to remotely receive appeals on cases related to illegal interference and blocking in business activities, as well as express an urgent attitude towards them. For example, in 2020, the Fergana regional prosecutor's office launched Telegram bot channel @prokurorga_murojaatbot⁴⁸.

Business entities and citizens wishing to establish entrepreneurial activity or entrepreneurs carrying out entrepreneurial activity were provided with the opportunity to apply online to the Fergana regional prosecutor's office on the problems and obstacles in entrepreneurial activity, various corruption cases via this Telegram channel.

In accordance with the regulation "on the **Ministry of Justice** of the Republic of Uzbekistan" approved by the decree of the president of the Republic of Uzbekistan dated April 13, 2018 № 3666" on the Ministry of Justice of the Republic of Uzbekistan " the Ministry of Justice of the Republic of Uzbekistan within its competence to carry out **legal propaganda**, to convey, in this regard, the network is strengthened by increasing the effectiveness of the activities of ministries and departments . It is also stated by legislation that the Ministry of Justice should perform the following functions as a competent state body in the fight against corruption. Partridge:

⁴⁷ Official website of the Prosecutor General's Office of the Republic of Uzbekistan: <https://prokuratura.uz/#/tadbirkorlik>

⁴⁸ Official website of the National News Agency of Uzbekistan: <https://uza.uz/uz/posts/prokuratura-organlari-tadbirkorlarga-k-mak-beradi-13-06-2020>

- to carry out and coordinate activities related to legal propaganda aimed at strengthening legal consciousness, legal culture and legality in society among the population;
- to carry out the analysis of these documents and projects in order to determine the rules and norms that create conditions for corruption in the normative legal acts and their projects;
- to take measures to eliminate the causes and conditions that allow corruption⁴⁹.

The Ministry of Justice of the Republic of Uzbekistan may carry out other tasks in accordance with the legislation.

The Ministry of Justice has been carrying out a lot of practical activities in the field of preventing corruption in business activities, combating situations related to the involvement of entrepreneurial subjects in forced sponsorship in violation of the law, proceeding from their duties. For example, in 2019 year the project "friend to the Entrepreneur Of Justice" was carried out by the Ministry of Justice. This project is being implemented in the first half of the year in order to solve the problems of entrepreneurs in their activities by studying the opinions and suggestions of entrepreneurs on the basis of new concessions, to increase the financial and legal literacy of entrepreneurs, to further improve the system of providing public services and the legislation regulating this sphere.

In addition, more than 100 working groups were organized in the areas of implementation of the project and more than 10 thousand entrepreneurs were involved⁵⁰.

Indicators for assessing the level of development of entrepreneurial activity of each territory were developed and national ratings were compiled⁵¹.

⁴⁹National Database of Legislation of the Republic of Uzbekistan: <https://www.lex.uz/docs/-3088008>

⁵⁰Official website of the Ministry of Justice of the Republic of Uzbekistan: <https://www.minjust.uz/uz/press-center/news/98240/>

⁵¹ The official website of the automated online information system for calculating and evaluating indicators of the level of business development in the regions: <http://demo.b-indicator.uz/>

Indicators for assessing the level of development of entrepreneurial activity of each territory were developed and national ratings were compiled⁵².

In addition, within the framework of the project, the Ministry of Justice said that "**tadbirkorni homiylikka majburlama!**" the action was announced⁵³.

Through the action, surveys were conducted to identify cases of forced involvement of business entities in the work of rendering sponsorship and charitable assistance, meetings and other activities under the threat of using administrative and other measures against them.

In accordance with the decree of the president of the Republic of Uzbekistan on measures to radically increase the effectiveness of using budgetary funds and improve the fight against economic crimes", the Department for combating economic crimes under the Prosecutor General's Office of the Republic of Uzbekistan within its competence to combat corruption, eliminate their consequences, as well as the reasons and conditions, the tasks of carrying out extensive explanatory and profiling work on the Prevention of financing the financing of the financing of terrorism and the distribution of weapons of mass destruction are entrusted to⁵⁴.

– In addition, the Department carries out the following tasks in order to create more favorable conditions for doing business and attracting investments, to prevent cases of looting and inefficient use of budgetary funds, as well as to increase the effectiveness of combating economic crimes and corruption:

– to protect fair entrepreneurs, foreign investors from illegal interference of state bodies and organizations in their activities, to put an end to artificial bureaucratic obstacles and loopholes that hinder business development, to facilitate the optimization of imports and increase the export potential of local producers⁵⁵;

⁵² Official website of the Ministry of Justice of the Republic of Uzbekistan: <https://www.minjust.uz/ru/press-center/news/100893/>

⁵³ Official website of the Chamber of Commerce and Industry of the Republic of Uzbekistan: <https://chamber.uz/uz/news/5027>

⁵⁴ National Legislative Database, 24.05. year of 2018., 06/18/5446/1251 №

⁵⁵ The official website of the Department for Combating Economic Crimes under the Prosecutor General's Office of the Republic of Uzbekistan: <http://new-department.uz/uz/about/functions/>

– development and implementation of measures to ensure timely receipt, detection and Prevention of corruption offences, elimination of their consequences, as well as possible causes and conditions⁵⁶.

The Department for combating economic crimes under the Prosecutor General's office of the Republic of Uzbekistan may also perform other duties in accordance with the legislation.

The anti-corruption agency is a specially authorized body and is the responsible body for the formation and implementation of public policy in the field of prevention and combating corruption. The agency obeys the president and is accountable before the chambers of the Oliy Majlis⁵⁷.

- Its main tasks and directions of activity are as follows:
- to provide a systematic analysis of the state of corruption in the country;
- formation of an uncompromising attitude to all manifestations of corruption in society;
- coordination of activities of ministries and departments in the field of prevention and Combating Corruption, Organization of joint effective activities of state bodies, media, civil society institutions and other non-governmental sector representatives on these issues;
- To ensure the effectiveness of the anti-corruption expertise of the NHH and their projects, as well as to improve the legislation in the field of prevention and combating corruption;
- to take effective measures to assist public service in the implementation of the standard of honesty (halollik vaksinasi) and standards of conflict of interest resolution;
- to ensure openness and transparency of activities to prevent and combat corruption⁵⁸.

⁵⁶ Collection of legislation of the Republic of Uzbekistan, 2017 й., № 1, article 2

⁵⁷ National Legislative Database, 30.06.2020 year., 06/20/6013/1002 №

⁵⁸ National Legislative Database, 30.06.2020-y., 06/20/6013/1002-№

Trade and industry chamber of the Republic of Uzbekistan was established in order to ensure favorable legal, economic and social conditions for the implementation of the entrepreneurial initiative, to develop mutually beneficial partnership between the business community and the government bodies, other bodies and organizations, to guarantee the protection of the rights and legitimate interests of the business entities, to assist in all , non-profit organization that unites the subjects of entrepreneurial activity⁵⁹.

Decree of the president of the Republic of Uzbekistan on measures to ensure more effective organization of the process of acquisition of rights over land parcels and other immovable property as part of the South Caucasus pipeline expansion project more, The right to participate in ensuring the activities of the representative for the protection of the rights of entrepreneurs in the sphere of coordination of inspections carried out in the activities of business entities is strengthened by the implementation of public control over the legality of inspections carried out by the supervisory bodies of the Republic of Uzbekistan trade and industry⁶⁰.

The functions of the chamber are as follows:

- to assist with all measures to the development of private property and entrepreneurship, to ensure their priority role, as well as inviolability, to attract the population of the country to entrepreneurial activity, to ensure the protection of their rights and legitimate interests, to form a system of support for business entities, especially during the period of their establishment;

- assistance to business entities in the organization, conduct and development of business, creation and provision of conditions and opportunities for the use of services of government agencies and other bodies, as well as all types of market infrastructure subjects, providing advisory assistance and information⁶¹.

The chamber can also perform other functions in accordance with the legislation.

⁵⁹ National Database of Legislation of the Republic of Uzbekistan: <https://lex.uz/ru/docs/-3815461?ONDATE=11.10.2018%2000#-3816326>

⁶⁰ National Legislative Database, 16.03.2019 year., 06/19/5690/2772 №

⁶¹ National Legislative Database, 13.11.2019 year., 03/19/583/4016 №

The representative for the protection of the rights and legitimate interests of entrepreneurs under the president of the Republic of Uzbekistan is also a specially authorized official who has the authority to control this business process by identifying, analyzing, informing the relevant law-enforcement bodies about the corruption cases in the implementation of entrepreneurial activity.

The representative for the protection of the rights of entrepreneurs shall exercise his powers in a manner that is not subject to independent and state bodies, their officials and shall report to the president of the Republic of Uzbekistan in his activities⁶².

According to the final statistics of 2020, 1311 of the 3718 appeals received from the business entities to the representative for the protection of entrepreneurs' rights were positively resolved, 2027 appeals were given legal explanations, 256 of them were sent to the relevant organizations.

In addition, 193 submissions were made to the state bodies on the offenses identified in the places, 105 warnings, 37 conclusions were submitted to the relevant organizations, 120 claims of 47,2 billion sums were resolved for the benefit of entrepreneurs, as well as 16 decisions of the court entered into legal force were annulled and 498 declarations on administrative offenses against officials were⁶³.

The main tasks of the activity of the representative for the protection of the rights and legitimate interests of entrepreneurs under the president of the Republic of Uzbekistan are as follows:

- participation in the formation and implementation of public policy in the field of development of entrepreneurial activity, protection of the rights and legitimate interests of entrepreneurs;
- implementation of control over compliance with the rights and legitimate interests of business entities by state bodies;

⁶² National Legislative Database, 13.11.2019-y., 03/19/583/4016 №

⁶³ Official website of the Representative for the Protection of the Rights and Legal Interests of Entrepreneurs under the President of the Republic of Uzbekistan: <https://biznesvakil.uz/ru/news/76>

- to support them in the legal aspect when carrying out the verification of the activities of business entities;
- coordination of inspections of the activity of business entities, as well as control over the legality of the conduct of inspections of the activity of business entities by the supervisory bodies;
- to study the practical implementation of the norms and requirements of the legislation on guarantees of freedom of entrepreneurial activity;
- to evaluate the effectiveness of the adopted normative-legal acts on the implementation of entrepreneurial activity;
- preparation of proposals on improvement of legislation aimed at strengthening the legal guarantees of business entities, encouraging their development⁶⁴.

Decree of the president of the Republic of Uzbekistan on measures to ensure more effective organization of the process of acquisition of rights over land parcels and other immovable property as part of the South Caucasus pipeline expansion project more, Since April 1, 2019, the Coordination of inspections carried out in the activities of business entities and control over the legality of inspections conducted by supervisory bodies have been strengthened by the representative for the protection of the rights and legitimate interests of business entities under the president of the Republic of Uzbekistan⁶⁵.

It was also determined that the decisions of the representative on the protection of the rights of entrepreneurs on inspections carried out in the activities of business entities should be considered mandatory by the supervisory authorities.

The functions of the above-mentioned state and non-governmental bodies in the Prevention of corruption in the promotion of entrepreneurship, as well as in the implementation of appropriate measures have a repetitive nature. The presence of these repetitive tasks raises the following negative circumstances:

⁶⁴ Official website of the Representative for the Protection of the Rights and Legal Interests of Entrepreneurs under the President of the Republic of Uzbekistan: <https://biznesvakil.uz/uz/menu/directions/>

⁶⁵ National Legislative Database, 16.03.2019 year., 06/19/5690/2772 №

First, it leads to the fact that individuals and legal entities may face to some **artificial barriers**. That is, an entrepreneur can apply to several bodies if he is involved in illegal sponsorship during his activities. However, the organs send it to the appropriate (other) body through clarification. In this case, the time until the appeal of the entrepreneur is sent from one body to another is rich.

Secondly, confidence in the state body of entrepreneurship **ceases**. That is, an entrepreneur who is involved in illegal sponsorship does not return such an appeal unless his problem is resolved quickly.

In order to avoid these **negative situations**, it is necessary to establish a single competent body to attract entrepreneurs to illegal sponsorship. Such a task will be assigned to the representative for the protection of the rights and legitimate interests of entrepreneurs under the president of the Republic of Uzbekistan. To do this, it will be necessary to give new powers to the representative for the protection of the rights and legitimate interests of entrepreneurs under the president of the Republic of Uzbekistan.

2.2. Experience of developed countries in eliminating illegal sponsorship of business entities

To date, sponsorship is an important element of civil society in developed countries such as the West, Europe and the United States, with a strong and well-developed system that is widely supported by the state and society. This activity is carried out regularly by business entities.

As we know that there are around **582 million entrepreneurs in the world**.⁶⁶ In USA Entrepreneurship rates have been trending upwards in the United States for the past 19 years. In 2020, there were 33.7 million small businesses and also there are over 23 million sole proprietorships, currently operating in the United States,

According to the Urban Institute of the Association of Fundraising Professionals and the Center on Nonprofits and Philanthropy, in the second quarter

⁶⁶ An American online platform that specialized to encourage small business: <https://www.smallbizgenius.net/by-the-numbers/entrepreneur-statistics/#gref>

of 2020 it increased by 12% and in the third quarter by 6%, an increase of 10% over the year.

The analysis showed that the total number of sponsors increased by 7.2% compared to the same period last year, and the donor retention rate increased by 1.8%, new sponsors by 12.6%, and repeat survivors by 3%. Increased by 6 percent.

American business entities gave **\$449.64 billion in 2019**. This reflects a 5.1% increase from 2018, whereas, corporate giving in 2019 increased to \$21.09 billion—a 13.4% increase from 2018. Moreover, foundation giving in 2019 increased to \$75.69 billion—a 2.5% increase from 2018.

In 2019, the largest source of charitable giving came from entrepreneurs at \$309.66 billion, or 69% of total giving. In four of the last five years, charitable giving by individuals has grown.

Other sources of charitable giving were giving by foundations (\$75.69 billion/17% of the total share of American giving), bequests (\$43.21 billion/10%), and corporations (\$21.09 billion/5%).

In 2019, the majority of charitable dollars went to religion (29%), education (14%), human services (12%), grantmaking foundations (12%), and health (9%). These percentages and top funding areas stayed the same from 2018.

Giving in 2019 increased in nearly every sector, with double-digit growth in gifts for education (12.1%); public-society benefit (13.1%); arts, culture, and humanities (12.6%); and environment and animal organizations (11.3%).

Not only business entities, but also individuals make great deal of donations. Approximately 90% of high net worth households give to charity. On average, high net worth donors gave \$29,269 to charity in 2017. By comparison, general population households gave \$2,514 on average.

Sources of revenue for tax-exempt organizations in 2012 were program service revenues, including government contracts and fees (73%), contributions, gifts, & government grants (21%) and lastly, dues, special event income, rental income and net sales from goods (6%).

In USA Volunteering has huge impact on society. An estimated **25 percent** of US adults volunteered in 2017, contributing an estimated **8.8 billion hours**, valued at approximately \$195.0 billion.⁶⁷

Approximately 77 million Americans—**30%** of the adult population—volunteer their time, talents, and energy to making a difference.

The top four national volunteer activities are fundraising or selling items to raise money (36.0%); food collection or distribution (34.2%); collecting, making or distributing clothing, crafts or other goods (26.5%); and mentoring youth (26.2%).⁶

The top four types of organizations by volunteering are: religious (32.0%); sport, hobby, cultural or arts (25.7%); educational or youth service (19.2%); and civic, political, professional or international (6.2%).

This activity is regulated on the basis of a well-developed regulatory framework. Up to 90% of organizations in the U.S. are sponsored, spending 1-2 percent of their income each year on social and cultural needs. Sponsorship has become commonplace for many individuals. That is, they spend part of their monthly salary on charity. Sponsorship in these countries covers all spheres of public life⁶⁸.

One of the sponsorship events in the United States is the charity challenge. These events are organized by volunteers in the form of a celebration, event or event⁶⁹. Proceeds from the event will be donated to a pre-determined goal (usually in the form of community service, assistance to the poor, including food and shelter for orphans).

Under the terms of the charity challenge, one participant will start and the rest of the participants will follow. There are many such challenges in the United States every year.

The winners of the above-mentioned challenges will be announced at annual public events. Supported in the media. Rewarded by various foundations.

⁶⁷ Official page of national Philanthropic Trust. An independent public charity providing philanthropic expertise to donors, foundations and financial institutions: <https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/#:~:text=Volunteering,valued%20at%20approximately%20%24195.0%20billion.>

⁶⁸ Kaminarskaya N.G. A look at contemporary Russian charity from the point of view of donor organizations. 24.04.2006 r.

⁶⁹ The official page of charity challenge: <https://www.charitychallenge.com/>

For instance, **The Charity Awards** is Civil Society Media's annual awards program held to identify, recognize and reward those organizations doing exceptional work in all areas of charitable activity.⁷⁰ Awards are given out in ten categories and an overall winner is chosen from the winners in each category.

For example, **Hilton Humanitarian Prize** is the world's largest annual humanitarian award presented to a nonprofit organization.⁷¹

Volunteering is also well established in the United States. Communication between volunteers and those in need of volunteering activities is established through specially designed electronic platforms. For example, 66 million volunteers registered through the special platform “**volunteer match**” and sponsored 32 million volunteers in need⁷².

This platform works in the following order:

Step 1 - Those who want to volunteer will register through a special platform. During the registration process, the volunteer will need to prove that he or she is a business entity or other person, confirm in which field he or she wants to volunteer, and enter information about himself or herself.

Step 2 - The person in need of volunteering enters the area where they want to get help on the site and gets a list of relevant volunteers.

Step 3 - Communication between the parties is established by the parties themselves or by the administration of the platform. The platform works in this order

We know that sponsorship in the United States is governed by carefully designed regulations.

According to Law on Sponsorship No. 32/1994 as amended and complemented by the Government Ordinance No. 36 of January 30, 1998, Sponsorship can be received by:

⁷⁰ The official page of charity awards: <https://charityawards.co.uk/2021-awards/faqs/#:~:text=The%20Charity%20Awards%20is%20Civil,Society%20Media%20founder%2C%20Daniel%20Phelan.>

⁷¹ The official page of American non-profit charitable foundation: <https://www.hiltonfoundation.org/humanitarian-prize>

⁷² U.S.-based nonprofit organization which provides a national digital infrastructure to serve volunteers and nonprofit organization in America: <https://www.volunteermatch.org/>

a) any non-lucrative legal entity that runs or will run an activity in the cultural, artistic, educational, fundamental or applied scientific research, humanitarian, religious, philanthropic, sporting, human rights, medical and sanitary, social assistance and services, environment protection, social and community, professional representation areas as well as in areas dealing with the maintenance, restoration, preservation and value enhancing of historical monuments;

b) the public institutions and authorities, the relevant bodies of the public administration for the activities

c) television or radio programs as well as books and publications

d) any natural person whose activity is one of the areas or by a public institution constantly involved in the area the sponsorship is requested for.

The Federal volunteer protection Act provides protection to nonprofit organizations' and governmental entities' volunteers for harm caused by their acts or omissions on behalf of the organization or entity. The act does not require that an emergency declaration be in place for its protections to apply.⁷³

VPA applies to an uncompensated volunteer for acts of ordinary negligence committed within the scope of the volunteer's responsibilities. If the volunteer's responsibilities are covered by licensure laws, the volunteer must be properly licensed, certified, or authorized by the appropriate authorities as required by the law in the state in which the harm occurred.

Protection under does not apply if the volunteer engages in willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual(s) harmed by the volunteer. VPA also does not apply if the volunteer causes harm by operating a motor vehicle, vessel, aircraft, or other vehicle for which the state requires its operator to possess an operator's license or maintain insurance.

Volunteers of businesses (including for-profit hospitals) and the organizational entities that use the volunteers (including nonprofit or governmental organizations)

⁷³Authenticated US Government Information online platform: <https://www.govinfo.gov/content/pkg/PLAW-105publ19/pdf/PLAW-105publ19.pdf>

are not protected by VPA. For example, a health professional who volunteers at a for-profit private hospital or receives compensation for volunteering at a nonprofit hospital is not protected from liability by VPA. There may, however, be other laws that provide this volunteer with immunity

Charity fraud is the act of using deception to get money from people who believe they are making donations to charities. Often a person or a group of people will make material representations that they are a charity or part of a charity and ask prospective donors for contributions to the non-existent charity. Charity fraud not only includes fictitious charities but also deceitful business acts. Deceitful business acts include businesses accepting donations and not using the money for its intended purposes, or soliciting funds under the pretense of need.⁷⁴

There are controls and laws governing charities and businesses that accept donations. **The Internal Revenue Service** with the **Better Business Bureau** has regulations that can be found on their websites.

The **Internal Revenue Service** is the revenue service of the United States federal government, which is responsible for collecting taxes and administering the Internal Revenue Code, the main body of the federal statutory tax law. And this organ is believed to be main regulatory in USA.

Internal Revenue Service, Criminal Investigation is the United States federal law enforcement agency responsible for investigating potential criminal violations of the U.S.⁷⁵ Internal Revenue Code and related financial crimes, such as money laundering, currency violations, tax-related identity theft fraud, and terrorist financing that adversely affect tax administration. While other federal agencies also have investigative jurisdiction for money laundering and some Bank Secrecy Act violations, IRS-CI is the only federal agency that can investigate potential criminal violations of the Internal Revenue Code, in a manner intended to foster confidence

⁷⁴ The official web page of group of advisory in combating against fraud as well as corruption in USA: <https://www.fraudadvisorypanel.org/wp-content/uploads/2018/03/Tackling-Charity-Fraud-Summary-Report-March2018.pdf>

⁷⁵ Internal Revenue Service, Criminal Investigation – the United States federal law enforcement agency responsible for investigating potential criminal violations of the U.S: <https://www.irs.gov/compliance/criminal-investigation>

in the tax system and deter violations of tax law. Criminal Investigation is a division of the Internal Revenue Service, which in turn is a bureau within the United States Department of the Treasury.

The United States Federal Bureau of Investigation provides online information about avoiding charity fraud, such as fraudulent schemes that emerge in the wake of natural disasters, claiming to be providing disaster relief. The Internet Crime Complaint Center maintains a list of guidelines to avoid charity fraud when making a donation.⁷⁶

It is advised that people should follow certain guidelines when they donate and that they should consult a list such as the one on the BBB's website. This list includes the participants in the BBB Wise Giving Alliance's National Charity Seal Program. Participants have met **standards for charity** accountability and may, for a fee, display the seal logo on their websites as well as any other printed documents.

For example, fifth standard tells about **conflict of Interest**⁷⁷. Namely, no transaction(s) in which any board or staff members have material conflicting interests with the charity resulting from any relationship or business affiliation. Factors that will be considered when concluding whether or not a related party transaction constitutes a conflict of interest and if such a conflict is material, include, but are not limited to: any arm's length procedures established by the charity; the size of the transaction relative to like expenses of the charity; whether the interested party participated in the board vote on the transaction; if competitive bids were sought and whether the transaction is one-time, recurring or ongoing⁷⁸.

This standard seeks to ensure that the charity is not involved in business transactions that are deemed to be a conflict of interest due to a board and/or staff member connection. Such transactions can result in decisions that are not in the best

⁷⁶ Research Gate – a European commercial social networking site for scientists and researchers to share papers, ask and answer questions, and find collaborators <https://www.researchgate.net/publication/331305857-Federal-Bureau-of-Investigation-FBI>

⁷⁷ The official page of the BBB wise giving alliance: <https://www.give.org/charity-landing-page/bbb-standards-for-charity-accountability>

⁷⁸ The official page of the BBB wise giving alliance: <https://www.give.org/charity-landing-page/charity-reviews/national/Health/Progeria-Research-Foundation-in-Peabody-ma-52062>

interests of the charity. If such circumstances happen to exist, we review these transactions to verify the charity meets this standard. For a more detailed description of how this standard is applied, click on the Implementation button next to this standard.

This standard is intended to ensure that a charitable organization does not engage in commercial transactions that are deemed to be a conflict of interest due to the involvement of the board and / or employees. Such transactions may result in decisions that are not in the best interests of the charity. If such cases occur, we will review these transactions to verify that the charity meets this standard.

Ancillary orders that are typically added to the **penalty** for those who are found to be guilty of charity fraud include:

- Compensation for loss
- Restraint orders
- Reparation orders
- Financial reporting order
- Disqualification from directing a company
- Confiscation orders

In contrast, The **Charity Commission for England and Wales** is the non-ministerial government department that regulates registered charities in England and Wales and maintains the Central Register of Charities. Since the 2000s, governance of charities in the United Kingdom has been devolved; operating in other parts of the country are the Office of the Scottish Charity Regulator and the Charity Commission for Northern Ireland⁷⁹.

The commission carries out general monitoring of charities as part of its regular casework. It also has powers set out in the Charities Acts to conduct **statutory investigations**. However, opening a full statutory inquiry into a charity has a detrimental effect on the relationship with the regulator and can frustrate the

⁷⁹ Charity Commission Annual Report 2019-2020. Ordered by the House of Commons to be printed on 20 July 2020 47 page:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901690/Charity_Commission_Annual_Report_and_Accounts_2019_to_2020.pdf

intention to achieve a positive outcome. The commission, therefore, began around 2007 to carry out an intermediate form of action described as regulatory compliance investigations. In 2010 it opened over 140 of these cases, compared to just three full statutory investigations. However, the legality of these actions was debatable as they lacked a statutory basis.

The Charity Commission answers **directly to the UK Parliament** rather than to government ministers.⁸⁰

In addition, Lithuania has a well-regulated sponsorship system. Sponsorship is regulated by the Charity and Sponsorship Act. One of the peculiarities of this law is that the subject of sponsorship is:

- 1) monetary funds;
- 2) any other assets, including manufactured or purchased goods, and
- 3) services provided or rendered by charity and sponsorship providers.

Moreover, charity and sponsorship items shall not include funds from state and municipal budgets of the Republic of Lithuania, the State Social Insurance Fund, the Health Insurance Fund, the Privatization Fund and other state monetary funds, monetary resources of the Bank of Lithuania, other state and municipal monetary resources, tobacco and tobacco products, ethyl alcohol and alcoholic beverages as well as items of limited circulation⁸¹.

Lithuanian law also strengthens who can be a recipient of sponsorship and charitable activities. They are:

- 1) the disabled;
- 2) the sick;
- 3) orphans and children deprived of parental care;
- 4) non-working pensioners whose income comprises only pensions and other social benefits;
- 5) the unemployed;

⁸⁰The official online United Kingdom platform to search information:<https://www.gov.uk/government/organisations/charity-commission/about/personal-information-charter>

⁸¹ <http://images.policy.mofcom.gov.cn/flaw/201411/2F91A511-EC02-442C-A9F7-14A28CDC241D.pdf>

6) persons who have been recognized as having the legal status of victims in accordance with the procedure set out in the laws of the Republic of Lithuania;

7) families (persons) whose income fails to meet their minimal socially acceptable needs the extent of which is established by local municipalities;

8) persons recognized as victims of war, natural disasters, fires, ecological catastrophes, epidemics, and outbreaks of contagious diseases in accordance with the procedure established by municipalities.

Sponsors can only be legal entities registered with the Lithuanian Special Agency under Lithuanian law. Including:

1) charity and sponsorship funds;

2) budget-financed institutions;

3) associations;

5) public agencies;

6) religious communities, associations and religious centres;

7) divisions (chapters) of international public organisations;

8) other legal persons whose activities are regulated by special laws and which participate in not-for-profit activity, while the profit received may not be allocated to their participants.

The manager of the Legal Entities' Register shall revoke the status of a recipient of sponsorship on the proposal of a controlling authority or at the request of the recipient of sponsorship himself. An institution shall apply to the manager of the Legal Entities' Register to revoke the status of a recipient of sponsorship after having established, within the scope of its competence, that:

1) there is an effective court judgement in respect of the person regarding a crime or criminal offence against the economy and business practice or the financial system as provided for by the Republic of Lithuania Criminal Code;

2) the person has committed a violation of the Law on the Prevention of Money Laundering;

3) the person has failed to prepare a report referred to in paragraph 2 of Article 12 of this Law in accordance with the procedure established by the Government of

the Republic of Lithuania or an institution authorized by it within a period of two months after being notified thereof;

4) the person provided, received or used the amount of charity or sponsorship funds exceeding 250 minimum living standards during one calendar year or exceeding 500 MLS during three successive calendar years in violation of requirements of this Law;

5) the person has not paid arrears in payments, and the tax administrator has become entitled to enforce the recovery thereof in accordance with the procedure established by the Republic of Lithuania Law on Tax Administration. This provision shall not apply where the enforced recovery of arrears in payments has been suspended or has not commenced in accordance with the procedure established by Article 110 of the Law on Tax Administration.

Singapore's Political Donations Act seeks to prevent foreigners from interfering in Singapore's domestic politics through funding of candidates and political associations.⁸²

It prohibits political associations and candidates from accepting donations except from permissible donors, and restricts the receipt of anonymous donations to less than \$5,000 in total per reporting period.

It also requires the three following groups of people:

Political associations, which comprise all political parties registered under the Societies Act, and any organization whose objects or activities relate wholly or mainly to politics in Singapore and is gazette as a political association under the Act

Any person who is or desires to be a candidate of any election and his election agents

Donors who have made multiple small donations with an aggregate value of \$10,000 or more to a political association in a calendar year

to file donation reports periodically with the Registrar of Political Donations.

Political Donations Regulations

⁸² This Singapore Government website provides free online access to Singapore's legislation: <https://sso.agc.gov.sg/Act/PDA2000>

The Regulations spell out the procedures for filing of donation reports by the three affected groups of people mentioned above and surrendering of anonymous donations.

It set out the procedures for the application, issue and collection of the political donation certificate, which any individual seeking election to Parliament or the office of President must produce to the Returning Officer on Nomination Day in order to be validly nominated as a candidate.

It also requires receipts to be issued by recipients of cash donations.

The World Giving Index (WGI) is an annual report published by the Charities Aid Foundation, using data gathered by Gallup, and ranks over 140 countries in the world according to how charitable they are. The aim of the World Giving Index is to provide insight into the scope and nature of giving around the world. The first edition was released in September 2010.

his report is primarily based upon data from the Gallup World Poll, which is an ongoing research project carried out in more than 140 countries that together represent around 95% of the world's adult population (around 5 billion people). In most countries surveyed, 1,000 questionnaires are completed by a representative sample of individuals living across the country. The coverage area is the entire country, including rural areas. The sampling frame represents the entire civilian, non-institutionalized, aged 15 and older population of the entire country. In some large countries such as China and Russia, samples of at least 2,000 are collected, while in a small number of countries, the poll covers 500 to 1,000 people but still features a representative sample. The survey is not conducted in a limited number of instances, including where the safety of interviewing staff is threatened, scarcely populated islands in some countries, and areas that interviewers can reach only by foot, animal, or small boat.

Gallup asked people which of the following three charitable acts they had undertaken in the past month:

helped a stranger, or someone they didn't know who needed help?

donated money to a charity?

volunteered your time to an organization?

Below is a comparison of the 11 regions studied in this report based on five indicators measuring the enabling conditions of a region's philanthropic environment.

Ease of Operating: Regulations regarding philanthropic organization formation, operation and dissolution.

Tax Incentives: Laws and regulations governing fiscal incentives and disincentives of giving and receiving donations domestically.

Cross Border Flows: Laws and regulations governing fiscal incentives and disincentives of giving and receiving donations across borders.

Political Environment: The relationship between government and philanthropic organizations, including the level of government support to philanthropic giving.

Sociocultural Environment: The public values, beliefs, trust and practices towards philanthropic organizations.

CHAPTER III. ISSUES OF IMPROVING THE SYSTEM FOR ELIMINATION OF INTERNAL ENTREPRENEURS IN ILLEGAL SPONSORSHIP

3.1. Issues of improving the national legislation and organizational and legal framework to prevent the involvement of business entities in sponsorship

Prevention of corruption in the sponsorship of business entities is carried out directly on the basis of carefully designed legislation. As far as we know, the Civil Code of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan "On Sponsorship" adopted on May 2, 2007, the Law "On Patronage" adopted on October 16, 2019, the Law "On Financing of Political Parties" of 2004 The Law of the Republic of Uzbekistan, the Resolution of the Cabinet of Ministers on measures to ensure transparency and efficiency of the use of funds of business entities in the form of charitable donations by budget organizations, etc. are the normative legal acts regulating this area.

Based on the experience of Lithuania and Singapore, the improved combination of the above laws will help to prevent corruption in this area.

A new version of the charity and sponsorship bill would be appropriate. The new version of the law combines several existing laws and incorporates the positive aspects of the legislation of developed countries such as Lithuania and Singapore.

The first part of the law should specify the basic concepts, which include the following concepts that are new to our legislation today:

“anonymous donation” means a donation which the recipient is (whether because the donation is offered anonymously or by reason of deception or concealment) unable to ascertain the identity of the person giving the donation;

“permissible donor” means —

an individual who is a citizen of Uzbekistan and is not less than 21 years of age;

a Uzbekistan-controlled company which carries on business wholly or mainly in Uzbekistan; or

in relation to a candidate, any political party he is standing for at an election;

“**recordable donation**”, in relation to any donation report, means a donation required by this Act to be recorded in that report;

Meaning of donation. In this Act, unless the context otherwise requires, “donation”, in relation to a candidate at an election or at a presidential election, means —

any gift of money or other property to the candidate or his election agent;

any money spent (otherwise than by the candidate as permitted by any other written law) in paying any expenses incurred, directly or indirectly, by the candidate or by his election agent or any person authorized by his election agent;

any money lent to the candidate or his election agent otherwise than on commercial terms;

the provision otherwise than on commercial terms of any property, services or facilities (including the services of any person) to the candidate or his election agent;

or

the provision of any sponsorship in relation to the candidate,

which is given, spent, lent or provided (whether before or after he becomes a candidate) for the purposes of the candidate’s election.

Moreover, **excluded donations** also have to added to the new edition Law project. The following shall not be regarded as donations:

- the lawful transmission by a broadcaster, free of charge, of a party political broadcast;
- the postage-free election communications provided to candidates pursuant to any written law;
- the provision by an individual of his own services which he provides voluntarily and free of charge (even if they fall within the course of his normal work); and
- any interest accruing to a candidate or his election agent or a political association in respect of any donation which is dealt with by the

candidate, election agent or political association, as the case may be, in accordance with section 9(2) or 15(2).

In the case of a candidate, the following shall also not be **regarded as donations**:

- any money or other property, or any services or facilities, provided out of public moneys for the personal security of the candidate; and
- where the candidate is the President or Prime Minister, a Minister, Parliamentary Secretary or Member of Parliament, any remuneration or allowances paid to the candidate in his capacity as such.

In addition, it would be advisable to introduce new rules on administrative liability and criminal codes for those who violate these rules.

Where any donation report or declaration which is required under new Law to be sent to the Registrar is not so sent within the time limited under the applicable section, then —

in the case of a donation report or declaration required under new Law the responsible officers of the political association in question shall each be guilty of an offence and shall each be liable on conviction to a fine; or

Where any person is charged with an offence under subsection (1) or (2), it shall be a defense to prove that he took all reasonable steps, and exercised all due diligence to ensure that any requirements —

as regards preparation or sending of a donation report; or

as regards the information to be given in any donation report,

as the case may be, have been complied with in relation to the donation report.

Where the court is satisfied, on an application made by the Public Prosecutor, that any failure to comply with any such requirements in relation to any donation received by a political association, candidate or election agent was attributable to an intention on the part of any person to conceal the existence or true amount of the donation, the court may order the forfeiture of an amount equal to the value of the donation.

Forms of sponsorship should be strengthened by law. They are:

- Corporate charity;
- Personal charity;
- Donation;
- Philanthropy;
- Pro bono;
- patronage;
- Charity Initiatives (food sharing, volunteering);

In addition, the new bill should specify the recipients of charity and sponsorship. They can be strengthened as follows:

The following persons may be the recipients of charity:

- 1) the disabled;
- 2) the sick;
- 3) orphans and children deprived of parental care;
- 4) non-working pensioners whose income comprises only pensions and other social benefits;
- 5) the unemployed;
- 6) persons who have been recognized as having the legal status of victims in accordance with the procedure set out in the laws of the Republic of Lithuania;
- 7) families (persons) whose income fails to meet their minimal socially acceptable needs the extent of which is established by local municipalities;
- 8) persons recognized as victims of war, natural disasters, fires, ecological catastrophes, epidemics, and outbreaks of contagious diseases in accordance with the procedure established by municipalities.

Recipients of Sponsorship

The following entities registered in the Republic of Uzbekistan may be the recipients of sponsorship:

- 1) charity and sponsorship funds;
- 2) budget-financed institutions;
- 3) associations;

- 4) public agencies;
- 5) religious communities, associations and religious centres;
- 6) divisions (chapters) of international public organisations;
- 7) other legal persons whose activities are regulated by special laws and which participate in not-for-profit activity, while the profit received may not be allocated to their participants.

In addition, taking part in Charity and Sponsorship Accounting is must in that new edition Law project.

Namely, the providers of sponsorship, except for legal and natural persons indicated above, shall **keep accounts for sponsorship provided** in accordance with this Law: they **must indicate** the data concerning specific recipients of sponsorship, items of sponsorship and their value. The providers of sponsorship shall submit monthly and annual reports on the sponsorship provided to the State Tax Inspectorate subject to the terms and procedure established by the Government of the Republic of Uzbekistan or an institution authorized by it.

Legal persons entitled to receive sponsorship subject to the provisions of this Law must keep separate accounts, on the one hand, for sponsorship received in accordance with this Law (indicating the providers of sponsorship if it was not received anonymously as well as the value and use of sponsorship, i.e. indicating specific recipients where the funds or assets received as sponsorship have been transferred to another person) and, on the other, for sponsorship and/or charity provided by themselves (indicating the data concerning specific recipients of sponsorship and/or charity, items of sponsorship and/or charity, and their value) and must submit, subject to the terms and procedure established by the Government of the Republic of Uzbekistan or an institution authorized by it, their monthly or annual reports to the State Tax Inspectorate about the sponsorship they have received and its use, sponsorship and/or charity provided by themselves as well as their activities relating to the achievement of purposes beneficial to the public. Legal persons shall submit a monthly report where the amount of the sponsorship received since the beginning of a calendar year from a single provider of sponsorship or the

sponsorship and/or charity provided by these legal persons to a single recipient of sponsorship and/or charity exceeds LTL 50 000. The Government of the Republic of Uzbekistan or an institution authorized by it shall also establish the procedure for accounting of the sponsorship received anonymously.

Religious communities, associations and center shall keep accounts for sponsorship received in accordance with this Law and for sponsorship and/or charity provided by themselves in accordance with their canons, statutes and other rules. Traditional religious communities, associations and center in Lithuania shall have the right, when submitting reports, not to account for the sponsorship received anonymously and for its use, while in the event that only such sponsorship was received and used during the reporting period, they shall have the right not to submit a report for the said period. Requirements laid down in paragraph 3 of this Article in respect of annual reports shall not apply to those traditional religious communities, associations and center in Uzbekistan which received only anonymous sponsorship during the calendar year.

In August 2010, 40 of America's wealthiest people joined together in a commitment to give the majority of their wealth to address some of society's most pressing problems. Created by Bill and Melinda Gates and Warren Buffett, the **Giving Pledge** came to life following a series of conversations with philanthropists around the world about how they could collectively set a new standard of generosity among the ultra-wealthy. The Giving Pledge is a simple concept: an open invitation for billionaires, or those who would be if not for their giving, to publicly commit to giving the majority of their wealth to philanthropy. It is inspired by the example set by millions of people at all income levels who give generously – and often at great personal sacrifice – to make the world better. Envisioned as a multi-generational effort, the Giving Pledge aims over time to help shift the social norms of philanthropy among the world's wealthiest people and inspire people to give more, establish their giving plans sooner, and give in smarter ways.

Those who join the Giving Pledge often write a letter explaining their decision to engage deeply and publicly in philanthropy and describing the causes that

motivate them. Signatories fund a diverse range of issues including poverty alleviation, refugee aid, disaster relief, global health, education, women and girls' empowerment, medical research, criminal justice reform, environmental sustainability, and arts and culture.

While originally focused on the United States, the Giving Pledge quickly saw interest from philanthropists around the world. In February 2013, the pledge went global with signatories from Australia, Germany, India, Malaysia, Russia, South Africa, Ukraine and the United Kingdom.

Today, the Giving Pledge includes more than 200 of the world's wealthiest individuals, couples, and families, ranging in age from their 30s to their 90s. Globally, they represent 25 countries: Australia, Brazil, Canada, China (mainland, Taiwan, and Hong Kong), Cyprus, Germany, India, Indonesia, Israel, Malaysia, Monaco, Norway, Portugal, Russia, Saudi Arabia, Slovenia, South Africa, South Korea, Switzerland, Tanzania, Turkey, Ukraine, UAE, the United Kingdom, and the United States.

There are many charity challenges in the United States every year. These charitable events are mainly carried out by business entities. In 2019, more than 300 Charity Challenges in America were organized by businesses.

The Ministry of Justice of Uzbekistan has announced a campaign against the illegal involvement of entrepreneurs in sponsorship. It will be held in October as part of the "Justice is a Friend of Entrepreneur" project.

As part of the campaign, it is planned to conduct surveys on social networks and in all regions of the country, as well as to receive appeals from entrepreneurs, to take the necessary measures against all forms of illegal sponsorship.

The campaign also aims to identify cases of compulsory involvement of business entities in the provision of sponsorship and charitable assistance, holding meetings and other events under the threat of administrative and other measures against them. roves are held.

A charity challenge is a sponsored event whereby each supporter of a charity raises a total amount of money to participate in a specific challenge such as, trekking

to Everest Base Camp. They are a proven method of raising significant funds for charity and also for business plenty of fame amongst its clients.

Charity challenge has several advantages for business entities. They are:

Online anti-corruption training course for business entities has to be established by chamber of commerce of Uzbekistan. Chamber of commerce of Uzbekistan has the right to set up e-training courses for business entities. Anti-corruption education and awareness raising of businesses may not be best achieved through traditional top-to-bottom teaching approaches. The awareness raising process should be dynamic and actively involve the target group of entrepreneurs in the skill and knowledge transfer process. Ideally, the session should alternate the provision of information and modules requiring active group participation such as role playing, case studies, case solving, etc. One of the key lessons learnt from conducting anti-corruption training for business entities is that there are no readymade teaching tools and materials. Case studies, real problematic situations and other teaching tools should be context specific and selected according to demand and needs of the target audience of businesses.

Online anti-corruption training for business entities has not to be mandatory and time-consuming. Free, short-term and efficient courses by professional tutors should reach and deal with real problems of businesses that related to corruption that are occurring currently.

As part of the practical organizational work, the Business Ombudsman under the President of the Republic of Uzbekistan has developed a draft Charter to combat business corruption.

The Anti-Corruption Business Charter is a document aimed at restricting the practice of corruption in the business community. Entrepreneurs who have joined the charter are proving their intolerance of corruption.

This Charter stipulates that business entities must voluntarily fulfill their obligations to introduce additional mechanisms to prevent and combat corruption in the conduct of business.

In particular, the Charter introduces special anti-corruption procedures aimed at strengthening internal control over the private sector, ensuring compliance with the code of ethics for public procurement, and educating businesses in the spirit of obedience to the law in relations with customers and government agencies.

The Charter aims to increase the competitiveness of small and medium-sized businesses, as well as to create a favorable environment for doing business by creating a culture of fighting corruption in doing business.

It would be expedient to include in the draft of this charter certain standards for the voluntary sponsorship of business entities.

Conclusion

Based on the results of the research, the proposals can be divided into three groups:

I. Theoretical suggestions

1. In our opinion sponsorship is the activity that supports an event, activity, person, or organization financially or through the provision of products or services.

2. It would be expedient to increase the legal awareness of business entities and the ability to solve them through legal means in the face of legal problems in the formation of immunity against corruption, namely the introduction of **legal capability** of business entities.

3. The normative legal acts regulating sponsorship relations do not define the status of an anonymous sponsor. The introduction of the **concept of anonymous sponsorship** in our legislation, as well as in the legislation of Singapore and Lithuania, is important in regulating this area and preventing the risk of corruption.

4. In order to avoid pressure from government agencies on business entities, it is advisable to include the concept of "**offer to sponsorship**" in national legislation of Uzbekistan. This concept should be interpreted as follows:

An offer to sponsorship is a request from a sponsor to sponsor individuals or legal entities for their own benefit or that of other third parties.

5. When business entities are involved in sponsorship, there is also a risk of sponsorship by government agencies **in favor of other third parties**. Sponsorship refers to the benefit of third parties in its activities to the benefit of third parties *directly* or *indirectly* from the person offering sponsorship.

6. "**recordable donation**", in relation to any donation report, means a donation required by related Act to be recorded in that report;

7. In addition, one of the main ways to combat the sponsorship of business entities is to organize transparency in this area. In this regard, it would be expedient to put into practice the concept of sponsorship activities carried out in the context of **declarative treatment**. Interpretation of conceptual treatment:

Sponsorship is a conditional sponsorship of work on the official website of the legal entity or the announcement of the management of the media of buildings completed more than 10 times the amount of the Basic Calculation.

In the case of sponsorship activities in excess of 10 times the base amount, all transactions are carried out on a preferential basis through the bank.

8. The following forms of sponsorship should be reflected in national legislation of Uzbekistan:

Social responsibility (corporate, personal);

Donation;

Pro bono;

Art patronage;

Charity Initiatives (foodshareing, volunteering);

9. Explaining the concept of persons entitled to accept sponsorship and strengthening it in the law will prevent corruption in these relationships:

a. citizens of Uzbekistan. Donations for young children, minors, persons with limited or incapacitated rights may be received by their legal representatives, guardians, sponsors;

b. health, upbringing and education facilities (of any kind and form of ownership);

c. social protection institutions. This may include not only state and municipal, but also private, joint, cooperative institutions that aim to provide social assistance to large families, pensioners, the disabled, refugees, migrants and others;

d. Charitable organizations. The question of whether this or that institution is a charitable organization can be concluded from the fact that its activities comply with the Law on Sponsorship;

e. Scientific institutions (sectoral and private research institutes of the Republic of Uzbekistan);

i. funds. In this case, the fund means non-profit organizations whose activities comply with the Law "On Non-Governmental Non-Profit Organizations" and the norms of the FC;

- u. public and religious organizations;
- m. Museums, exhibitions, photo galleries, panoramas, theaters and other cultural venues⁸³.

III. Suggestions for improving the legislation

1. Analysis of the experience of developed foreign countries shows that it is expedient to regulate the norms of sponsorship and charity through a single law. To this end, the removal of Article 511 from the Civil Code of the Republic of Uzbekistan and the adoption of a new law on "**Sponsorship and Charity**" with the repeal of the Law on patronage.

2. Introduce the following new norms into the **Code of Administrative Responsibility**

a) Failure to disclose the sponsorship to the public within **30 days** by the receiving public authority in excess of **10 times the base amount**;

b) **Request** or **offer** sponsorship from a business entity for the benefit of the public authority itself or third parties.

3. Establishment of criminal liability in case of resumption of administrative offenses within 1 year, directed to the **Criminal Code of the Republic of Uzbekistan**.

4. To make the following changes to the decision of the **Plenum of the Supreme Court of September 24, 1999** on the case law on bribery:

Any written or oral offer or request made by a public official to a business entity for the purpose of direct or indirect extortion means a sponsorship or request for sponsorship by a public authority.

II. Organizational and legal proposals

1. The Business Ombudsman under the President of the Republic of Uzbekistan developed the Charter for Combating Business Corruption. However, to date, the adoption of this document has been delayed. In adopting the **Anti-**

⁸³ Review of the Civil Code of the Republic of Uzbekistan: Professional reviews. T 2./ Ministry of Justice of the Republic of Uzbekistan. — Тошкент: Baktria press, 2013. 912 6

Corruption Charter of Business, the following recommendations on sponsorship activities by businesses should be included:

a) prevention of any corruption in the implementation of sponsorship, charitable and volunteer activities by business entities;

b) Inform the relevant authorities immediately in the event of any corruption in the course of sponsorship, charitable or voluntary activities by business entities, or in the event of a risk of future occurrence.

2. Raising the legal awareness of business entities today requires a different approach. Transfer of the powers of the Ministry of Justice, the state body responsible for raising the legal awareness of the population, from the non-governmental body to the **Chamber of Commerce and Industry** and establish a department to perform this function

3. Establish a specialized body similar to the Public Legal Education Association of Canada under Chamber of Commerce and Industry⁸⁴;

4. Introduce a "**legal awareness week**" for entrepreneurs based on the experience of Singapore;⁸⁵

4. Online anti-corruption training course for business entities has to be established by chamber of commerce of Uzbekistan.

5. At the end of the year, it would be appropriate to announce in the media the most sponsored businesses and introduce the "Saxovatli tadbirkor" award.

⁸⁴ <https://www.pleac-aceij.ca/> home page of public legal education association of Canada

⁸⁵ <https://www.lawawarenessweeks2019.com/> Singapore's public education website.

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APPENDIX

AMENDMENTS TO THE CRIMINAL CODE OF THE REPUBLIC OF UZBEKISTAN AND THE CODE OF THE REPUBLIC OF UZBEKISTAN ON ADMINISTRATIVE LIABILITY

_____ years by the Legislature

Adopted on 26 __

By the Senate on _____ year 26 __

approved

Article 1. To the Criminal code of the Republic of Uzbekistan, approved by the Law of the Republic of Uzbekistan from September 22, 1994 of No. 2012-XII (Bulletin of the Supreme Council of the Republic of Uzbekistan, 1995, No. 1, Bulletin of Oliy Majlis of the Republic of Uzbekistan), 1996 y., 9-№, 144- article; 1997 y., 2-№, 56-article, 9-№, 241-article; 1998 y., 5-6-№, 102-article, 9-№, 181-article; 1999 y., 1-№, 20-article, 5-№, 124-article, 9-№ 229-article; 2000 y., 5-6- №, 153-article; 2001 y., 1-2-№, 23-article, 9-10-№, 165-article; 2002 й., 9-№, 165-article; 2003 y., 1-№, 8-article, 9-10-№, 149-article; 2004 y., 1-2-№, 18-article; Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2007 y., 6- №, 248-article; Collection of legislation of the Republic of Uzbekistan, 2004 y., 37-№ 408-article; 2005 y., 39-№, 294-article, 52-№ 384-article, 385-article; 2006 y., 25-26-№, 226-article, 51-52-№, 498-article; 2007 y., 14-№, 134-article, 17-18-№, 171-article, 37-38-№, 377-article, 39-№, 401-article, 52-№, 532-article; 2008 y., 14-15-№, 94- article, 16-№, 116-article, 117-article, 28-№, 263-article, 37-38-№, 366-article, 39-№, 390-article, 391-article, 52-№, 513-article, 514-article; 2009 y., 3-№, 9-article, 15-№ 171-article, 37-№, 402-article, 38-№, 414, 415-articles, 39-№ 423-article, 52-№, 553-article; 2010 й., 20-№, 147-article, 21-№, 161-article, 38-№, 329-article, 51-№, 482-article, 52-№, 509-article; 2011 й., 1-2-№, 1-article; 2012 y., 15-№, 166-article, 37- №, 423-article; 2013 y., 1-№, 1-article, 18-№, 233-article, 41-№, 543-article; 2014 y., 4-№, 45-article, 20-№, 222-article, 36-№, 452-article, 50-№, 588-article; 2015 y., 23- №, 301-article, 32-№, 425-article, 33-№, 439-article, 52-№, 645-article; 2016 й., 17- №, 173-article, 39-№, 457-article, 52-№, 597-

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make the following additions:

- 1) 192¹² and 192¹³- to be supplemented with these articles.
- 2) the articles shall be construed as follows:

Article 192¹². non-disclosure of sponsorship by a public authority.

Failure to properly announce the sponsorship to the public within 30 days by the state body that received the sponsorship from the business entity in excess of 5 times the basic calculation amount, if such actions were committed after the imposition of an administrative penalty, —

shall be punished by a fine in the amount of three hundred to six hundred times the basic calculation amount or by deprivation of a certain right with restriction of liberty for two to five years or imprisonment for up to five years.

Article 192¹³. Request or offer sponsorship by a public authority.

Requesting or offering sponsorship by a government agency for the benefit of itself or a third party, if it is committed after the imposition of an administrative penalty for such actions, —

shall be punished by a fine in the amount of three hundred to six hundred times the basic calculation amount or by deprivation of a certain right with restriction of liberty for two to five years or imprisonment for up to five years.

Article 2. Code of the Republic of Uzbekistan on Administrative Responsibility, approved by the Law of the Republic of Uzbekistan No. XII-XII of September 22, 1994 (Bulletin of the Supreme Council of the Republic of Uzbekistan, 1995 year, № 3, 6-article; Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 1995 year, № 9, 193-article, № 12, 269-article; 1996 year, № 5-6, 69-article, № 9, 144-article; 1997 year, № 2, 56-article, № 4-5, 126-article, № 9, 241-article; 1998 year, № 3, 38-article, № 5-6, 102-article, № 9, 181-article; 1999 year, № 1, 20-article, № 5, 124-article, № 9, 229-article; 2000 year, № 5-6, 153-article, № 7-8, 217-article; 2001 year, № 1-2, 23-article, № 9-10, 165, 182-articles; 2002 year, № 1, 20-article, № 9, 165-article; 2003 year, № 1, 8-article, № 5, 67-article, № 9-10, 149-article; 2004 year, № 1-2, 18-article, № 5, 90-article, № 9, 171-article; 2005 year, № 1, 18-article; Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 2005 year, № 9, 312-article, № 12, 413, 417, 418-articles; 2006 year, № 6, 261-article, № 9, 498-article, № 10, 536-article, № 12, 656, 659-articles; 2007 year, № 4, 158, 159, 164, 165-articles, № 9, 416, 421-articles, № 12, 596, 604, 607-articles; 2008 year, № 4, 181, 189, 192-articles, № 9, 486, 488-articles, № 12, 640, 641-articles; 2009 year, № 1, 1-article, № 9, 334, 335, 337-articles, № 10, 380-article, № 12, 462, 468, 470, 472, 474-articles; 2010 year, № 5, 175, 179-articles, № 6, 231-article, № 9, 335, 339, 341-articles, № 10, 380-article, № 12, 468, 473, 474-articles; 2011 year, № 1, 1-article, № 4, 104, 105-articles, № 9, 247, 252-articles, № 12/2, 365-article; 2012 year, № 4, 108-article, № 9/1, 242-article, № 12, 336-article; 2013 year, № 4, 98-article, № 10, 263-article; 2014 year, № 1, 2-article, № 5, 130-article, № 9, 244-article, № 12, 341, 343-articles; 2015 year, № 6, 228-article, № 8, 310, 312-articles, № 12, 452-article; 2016 year, № 1, 2-article, № 4, 125-article, № 9, 276-article, № 12, 383, 385-articles; 2017 year, № 4, 137-article, № 6, 300-article, № 9, 510-article, № 10, 605-article; 2018 year, № 1, 1, 4, 5-articles, № 4, 224-article, № 7, 430, 431,

432-articles, № 10, 671, 673, 679-articles; 2019 year, № 1, 1, 3, 5-articles, № 2, 47-article, № 3, 161, 165, 166-articles, № 5, 259, 261, 267, 268-articles, № 7, 386-article, № 8, 469, 471-articles, № 9, 591, 592-articles, № 10, 674, 676-articles, № 11, 787, 791-articles, № 12, 880, 891-articles; 2020 year, № 1, 4-article, № 3, 203, 204-articles, № 7, 449-article, № 9, 539, 540-articles, № 10, 593, 596-articles, № 11, 651-article, № 12, 691-article; 2021 year, № 1, 5, 7, 12, 13, 14-articles) make the following additions:

3) 241¹¹ and 241¹²- to be supplemented with these articles.

4) the articles shall be construed as follows:

Article 241¹¹. non-disclosure of sponsorship by a public authority

Failure to properly announce the sponsorship to the public within 30 days by the state body that received the sponsorship from the business entity in excess of 5 times the basic calculation amount –

finest to officials and employees in the amount of twenty to forty times the basic calculation amount.

Article 241¹². Request or offer sponsorship by a public authority.

Request or offer sponsorship from a business entity for the benefit of a government agency or third parties –

finest to officials and employees in the amount of twenty to forty times the basic calculation amount.

Article 3. Cabinet of Ministers of the Republic of Uzbekistan:

to bring the decisions of the government into accord with this Law;

to ensure that public administration bodies review and repeal their normative legal acts that contradict this Law;

to ensure the implementation of this Law, its delivery to the executors and the explanation of its essence and significance among the population.

Article 4. This Law shall enter into force on the date of its official publication.

President of the Republic of Uzbekistan SH. Mirziyayev

Tashkent c.,

LRU-_____-№

THE CRIMINAL CODE OF THE REPUBLIC OF UZBEKISTAN AND THE
CODE OF THE REPUBLIC OF UZBEKISTAN ON ADMINISTRATIVE
RESPONSIBILITY

COMPARATIVE TABLE

№	Current edition	The proposed norm	basis
Criminal Code of the Republic of Uzbekistan			
1	It is being supplemented with a new norm	Article 192¹². non-disclosure of sponsorship by a public authority. Failure to properly announce the sponsorship to the public within 30 days by the state body that received the sponsorship from the business entity in excess of 5 times the basic calculation amount, if such actions were committed after the imposition of an administrative penalty, — shall be punished by a fine in the amount of three hundred to six hundred times the basic calculation amount or by deprivation of a certain right with restriction of liberty for two to five years or imprisonment for up to five years.	Singaporean law stipulates that a government agency that receives a sponsorship of more than 5 times the basic amount from a business entity must not disclose the sponsorship to the public within 30 days. transparency is ensured.
2	It is being supplemented with a new norm	Article 192¹³. Request or offer sponsorship by a public authority. Requesting or offering sponsorship from a business entity by a public authority for its own benefit or for the benefit of third parties, if it is	The responsibility to request or offer sponsorship from a business entity by a public authority for its

		<p>committed after the imposition of an administrative penalty for such actions; —</p> <p>shall be punished by a fine in the amount of three hundred to six hundred times the basic calculation amount or by deprivation of a certain right with restriction of liberty for two to five years or imprisonment for up to five years.</p>	<p>own benefit or for the benefit of third parties is enshrined in the legislation of Singapore and Lithuania. The application of this norm will prevent any possible pressure on business entities by officials.</p>
Code of administrative responsibility of the republic of uzbekistan			
1	<p>It is being supplemented with a new norm</p>	<p>Article 241¹¹. non-disclosure of sponsorship by a public authority</p> <p>Failure to properly announce the sponsorship to the public within 30 days by the state body that received the sponsorship from the business entity in excess of 5 times the basic calculation amount –</p> <p>fines to officials and employees in the amount of twenty to forty times the basic calculation amount.</p>	<p>Singaporean law stipulates that a government agency that receives a sponsorship of more than 5 times the basic amount from a business entity must not disclose the sponsorship to the public within 30</p>

			days. transparency is ensured.
2	It is being supplemented with a new norm	<p>Article 241¹². Request or offer sponsorship by a public authority.</p> <p>Request or offer sponsorship by a government agency for the benefit of itself or a third party –</p> <p>finances to officials and employees in the amount of twenty to forty times the basic calculation amount.</p>	<p>The responsibility to request or offer sponsorship from a business entity by a public authority for its own benefit or for the benefit of third parties is enshrined in the legislation of Singapore and Lithuania. The application of this norm will prevent any possible pressure on business entities by officials.</p>