

World Experience in Small Business Lending

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Abstract: The experience of developed countries shows that in the transition to a market economy, a small business requires less capital expenditure compared to large manufacturers, it is compact, it can quickly change the types of products it produces depending on the demand and supply in the market, it is flexible and it uses all the possibilities of its production capacity in order to get more profit. launched and showed that it is distinguished by its ability to rapidly modernize. In addition, compared to large enterprises, the management system is much simpler, employees can perform several tasks at the same time, and quality products are produced in the entrepreneur's view. In this article, the world experience in lending to small businesses is widely studied.

Keywords: Small business, GDP, enterprise, working capital, tax.

Introduction. The importance of the role of the state in the development of small business is also recognized in many foreign countries. Whether it is developed countries such as USA, France, Great Britain or developing countries such as Lithuania, Ukraine, Russia, the importance of small business in the country's economy is high. For example, the share of small business GDP in the USA was 50-52 percent, in Great Britain it was 50-53 percent, and in Japan it was 52-55 percent.

Based on this, each state provides comprehensive support and development of small business entities operating in its territory.

When studying foreign experience, it is appropriate to learn from both developed and developing countries.

Discussion. In Great Britain, small business entities are mainly given benefits in 2 different directions. These benefits are used by small business entities in filing reports and paying taxes. Also, in the UK, businesses are classified as small businesses based on their annual turnover.

In the UK, if the company's annual income is less than 15 thousand pounds, then the company submits only a completed tax return to the tax authorities. In this case, the company is exempted from presenting the balance sheet and other financial reports.

The tax payment system in Britain is based on the mechanism of applying progressive tax rates based on the amount of the tax base. In this case, if the annual income of the enterprise is up to 1,520 pounds - the tax rate is 10%, if the annual income is from 1,521 to 28,400 pounds - the tax rate is 22%, if the annual income is more than 28,400 pounds - then the tax rate is 40%. Also, small business entities can direct the amortization (depreciation) costs of the buildings and equipment at their disposal to reduce the tax base. In

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this case, the enterprise must meet the following requirements, that is, the annual turnover of the enterprise should not exceed 11.2 million pounds, the amount of assets should not exceed 5.6 million pounds, and the number of employees of the enterprise should be less than 250.

In the US, small business benefits are mainly used for tax payment and simplified accounting. Also, in the US, companies are classified as small businesses based on their annual turnover.

The US tax payment system is based on the mechanism of applying progressive tax rates based on the amount of the tax base. In this case, if the annual income of the enterprise is up to 50 thousand dollars - the tax rate is 15%, if the annual income is from 50 thousand to 70 thousand dollars - the tax rate is 25%, if the annual income is from 75 thousand to 10 million dollars - the tax rate is 34% and if it is more than 10 million dollars - then the tax rate is 35%.

Also, small businesses can use the cash method, which is a simplified method of accounting, when declaring their income for tax purposes (businesses usually follow the principle of accrual accounting). To use this privilege, small business entities must meet the following requirements, that is, it must be an enterprise that produces agricultural products and the annual turnover must be less than 1 million dollars, or the enterprise can be engaged in any economic activity, but the annual turnover must be 5 million. should be less than one dollar.

Privileges for small business entities in Ukraine are mainly used for tax payment. There are benefits in the following types of activities related to tax payment: when making payments for a license to operate an enterprise, special tax licenses, and when paying a single tax payment for small business entities. In Ukraine, a small enterprise can direct the amount of payments made for obtaining a license to carry out its activities to reduce the tax base of the enterprise. Also, in 10 regions of Ukraine, a system of special tax licenses is currently being tested as an experiment instead of regular tax payments. In this case, a small business entity buys a special tax license from local authorities for a period of one year. The holder of such a license shall be exempt from all taxes. In addition, special license holders are exempted from operating cash registers and accounting in the enterprise.

The single tax payment can be applied to both individuals and legal entities. Individuals who want to work in the single tax rate system must meet the following requirements, that is, the enterprise must not have more than 10 employees, and the annual turnover of the enterprise must not exceed 500,000 hryvnias. The single tax rate is determined by the local authorities depending on the economic activity of the enterprise and is paid monthly. However, the amount of the tax rate should not exceed a certain "corridor", that is, the minimum amount is 20 hryvnias and the maximum amount is 200 hryvnias. Individuals paying a single tax are exempt from other types of taxes and submit reports to local authorities in a simplified manner. Legal entities can also operate in the single tax rate system. Enterprises must meet the following requirements, that is, the enterprise must not have more than 50 employees, the annual turnover of the enterprise must not exceed 1 million hryvnias, and the share of persons not related to the single tax rate system in the authorized fund of the enterprise must not exceed 25%. The single tax rate is set for legal entities in the following order, that is, if the enterprise pays value added tax, it is set at 6% of the gross income of the enterprise, if the enterprise does not pay value added tax, then it is set at the amount of 10% of the gross income of the enterprise. Single taxpayer legal entities are exempt from other types of taxes.

Conclusion. Production technologies of developed banking countries are necessary for small business and entrepreneurial entities to bring production to the level of banking standards, to ensure stable economic growth, to fill the consumer market with quality goods and services. However, not all private sector entities that want to start such production can do so at the expense of their own funds. In this case, good investment projects of the subjects of this sector are financed by attracting bank credit lines.

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