

## Development of Commercial Banks' Operations with Derivative Securities in the Stock and Financial Markets

**Muratov Amir Timur ogli**

*3rd year student at Tashkent State University of Economics, Faculty of Finance and Accounting,  
Department of Finance and Financial Technologies*

**Abstract:** With the advent of securities, or stock assets, a split in capital appears. On the one hand, there is real capital, represented by production assets, on the other hand, it is reflected in securities. Securities are monetary documents that certify the right of ownership or loan relationship, define the relationship between the person who issued them and their owner and, as a rule, provide for the payment of income in the form of dividends or interest, as well as the possibility of transferring monetary and other rights, that arise from these documents to other persons.

**Keywords:** securities, stock assets, stock exchange, stock market, financial market, national depository.

**Relevance of the topic:** One of the markets, the totality of which forms a market economy, is the financial market, which mediates the distribution of funds between participants in economic relations. With its help, free financial resources are mobilized and accumulated in the hands of those who can manage them most effectively. Actually, it is in the financial market that funds are sought for the development of production and services. Therefore, in a certain sense, the financial market can be called the initial link in the reproduction process.

The relevance of the research is to obtain conclusions about the possibility of using derivative securities to effectively manage the standards of a bank's currency position by hedging both "long" (contracts for the purchase of foreign currency assets) and "short" (contracts for the sale of foreign currency assets) currency positions, the feasibility of using option contracts to accelerate the attraction of investment funds when issuing securities of the bank's own issue, the efficiency of operations using repo contracts when working with government bonds.

**The purpose of the study** was to study the essence and scope of application of the class of derivative securities in the stock and financial (foreign exchange) markets, the features of the functioning of derivative securities in commercial banks of the state, the effectiveness and prospects of expanding operations with derivative securities in commercial banks.

Ensuring the circulation of state financial resources on the securities market (stock market) is carried out through the following securities:

- share securities for which the issuer is not obligated to return funds invested in its activities, but which certify participation in the authorized capital, provide their owners with the right to participate in the

|     |                                                                                                                                                                                                                                                                                          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 113 | ISSN 2576-5973 (online), Published by "Global Research Network LLC"<br>under Volume: 6 Issue: 11 in Nov-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>                                                             |
|     | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a> |

management of the issuer's affairs and receive part of the profit in the form of dividends and part of the property upon liquidation of the issuer;

- debt securities for which the issuer has an obligation to return within a certain period of time the funds invested in its activities, but which do not provide their owners with the right to participate in the management of the issuer's affairs;
- derivative securities, the turnover mechanism of which is associated with share, debt securities, other financial instruments or rights regarding them (forwards and futures contracts, options, warrants, deposit receipts of non-residents and others).

### Main part.

The securities market is characterized by the following terminology of the essence of the activities of participants and operations of this market:

1. The activity of issuing securities is recognized as the fulfillment by a securities dealer by proxy, on behalf and at the expense of the issuer of obligations to organize a subscription to securities or their sale in another way. At the same time, the securities dealer, by agreement with the issuer, may undertake obligations in the event of an incomplete placement of securities to buy back the unsold securities from the issuer.
2. Commission activity in securities is the purchase and sale of securities, which is carried out by a securities dealer on his own behalf, by proxy and at the expense of another person.
3. Commercial activity in securities is the purchase and sale of securities, which is carried out by a securities dealer on his own behalf and at his own expense.
4. Professional activity in the securities market is entrepreneurial activity involving the redistribution of financial resources through securities and organizational, information, technical, consulting and other services for the issue and circulation of securities, which is, as a rule, the exclusive or predominant type of activity. The following types of professional activities can be carried out on the securities market:
  - securities trading - the implementation of civil agreements with securities, which provide for payment of securities against their delivery to the new owner on the basis of commission or commission agreements at the expense of their clients (brokerage activities) or on their own behalf and at their own expense for the purpose of resale to third parties (dealer activity), except as provided by law;
  - depository activities - activities related to the provision of services regarding the preservation of securities and/or recording of ownership rights to securities, as well as servicing agreements with securities;
  - settlement and clearing activities - activities to determine mutual obligations regarding agreements with securities and settlements on them;
  - securities management activities - activities that are carried out on one's own behalf for a fee for a certain period of time on the basis of an appropriate agreement regarding the management of securities transferred into possession that belong to another person, in the interests of this person or third parties determined by this person;
  - asset management activities - activities that are carried out for a fee by an asset management company on the basis of an appropriate agreement on the management of assets owned by investors;

- activities for maintaining the register of owners of registered securities - collecting, recording, processing, storing and providing data that constitute the system of the register of owners of registered securities regarding registered securities, their issuers and owners;
- activities for organizing trade in the securities market - the provision of services that directly facilitate the conclusion of civil agreements regarding securities on the exchange and institutionalized over-the-counter securities market.

5. Exchange trading in the securities market is the organized conclusion of civil agreements that lead to a change in ownership of securities with the obligatory presence of a single trading floor and trading rules for persons who have the exclusive right to conclude these agreements at their own expense for another person;

6. Over-the-counter trading in the securities market - all transactions for the purchase and sale of securities carried out through securities traders not on the stock exchange;

7. Stock exchange is an exchange that was created and operates in accordance with the State Law “On Securities and the Stock Exchange”.

A stock exchange is an organization that is created without the purpose of making a profit and is exclusively engaged in organizing the conclusion of agreements for the purchase and sale of securities and their derivatives. It cannot carry out transactions with securities on its own behalf or by proxy of clients, and also perform the functions of a depository.

The rules of the stock exchange must provide for:

- types of agreements that are concluded on the stock exchange;
- trading procedure on the stock exchange;
- conditions for admission of securities to the stock exchange;
- conditions and procedure for subscription to securities listed on the stock exchange;
- the procedure for the formation of prices, exchange rates and their publication;
- a list of securities that are quoted on the stock exchange;
- responsibilities of stock exchange members regarding the maintenance of records and information, internal regulations of the stock exchange commissions, the procedure for their activities;
- information support system for the stock exchange;
- types of services provided by the stock exchange and the amount of fees for them;
- rules for conducting settlements on the stock exchange;
- other provisions that relate to the activities of the stock exchange.

8. The national depository system consists of two levels:

The lower level is the custodians who maintain accounts of the owners of securities, and the registrars of the owners of registered securities.

The top level is the government's National Depository and depositories, which maintain accounts for custodians and clear and settle securities agreements.

To ensure the functioning of a unified depository accounting system in the form of an open joint-stock company, a National Depository is being created. The authorized body for managing the part of the state

|            |                                                                                                                                                                                                                                                                                                |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>115</b> | ISSN 2576-5973 (online), Published by “Global Research Network LLC”<br>under Volume: 6 Issue: 11 in Nov-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>                                                                   |
|            | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of<br>Creative Commons Attribution License (CC BY). To view a copy of this license,<br>visit <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a> |

in the authorized capital of the National Depository is the State Commission for Securities and the Stock Market.

### Conclusion:

The issue of securities in documentary form is carried out by the issuer by issuing certificates, which are issued taking into account the requirements determined by the State Commission on Securities and the Stock Market.

In the case of issuing securities in book-entry form, the issuer issues a global certificate that corresponds to the total volume of the registered issue and transfers it for safekeeping to the depository of its choice. Registered securities issued in documentary form (unless the terms of the issue specifically state that they are not transferable) are transferred to the new owner through full endorsement.

The ownership of bearer securities issued in documentary form passes to the new owner from the moment of transfer (delivery) of the securities. The ownership of securities issued in book-entry form passes to the new owner from the moment the securities are credited to the owner's account with the custodian. Confirmation of ownership of securities is a certificate, and in the case of their issue in book-entry form - an extract from the securities account, which the custodian is obliged to provide to the owner of the securities. Agreements regarding securities are not subject to notarization, unless otherwise provided by law or by agreement of the parties.

### References.

1. Galanov V.A. Stocks and bonds market. M.: Infra - M. 2007. 384 p.
2. Money. Credit. Banks. Securities. Textbook for universities.// Edited by Prof. E.F. Zhukova. - M.: UNITY-DAN, 2001.
3. Burenin A.N. Market of securities and derivative financial instruments” - M., INFRA-M, 1998.
4. Brealey, Richard A. Principles of corporate finance / Richard A. Brealey, Stewart C. Myers, Franklin Allen. - 10th ed. McGraw-Hill/Irwin. 2013.- 969 p.
5. Gurikova, G.V. Features of the development of exchange trading / G.V. Gurikova // Efficiency of the sphere of commodity circulation: collection of conference proceedings. – Minsk, 2018 – pp. 25-28.
6. Boslovyak, S.V. Corporate bonds in the investment banking system / S.V. Boslovyak // Bulletin of Polotsk State University. – Series. Economic and legal sciences. – 2018 - No. 13 – P. 95-99.
7. Sklyarenko I.A. Government securities as a form of public debt / I.A. Sklyarenko // Theoretical and practical aspects of modern science: materials of the international scientific and practical conference - M., 2018 - P. 171-174.
8. Мамажонов, А. Т., & Қодиров, Ш. Қ. (2022). ЗАМОНАВИЙ ТАЪЛИМ ВА ИННОВАЦИОН ТЕХНОЛОГИЯЛАР СОҲАСИДАГИ ИЛФОР ХОРИЖИЙ ТАЖРИБАЛАР: КЕЙС-СТАДИ. Academic research in modern science, 1(10), 4-8.
9. Мамажонов, А. Т., Юлдашев, Б., & Фозилжонов, И. С. (2016). ВЗАИМОСВЯЗЬ БУХГАЛТЕРСКОГО УЧЕТА И ЭКОНОМИКИ ПРЕДПРИЯТИЯ. ИННОВАЦИОННАЯ ДЕЯТЕЛЬНОСТЬ: теория и практика, (6), 17-21.
10. Юлдашев, Б. Т., Мамажонов, А. Т., Фозилжонов, И. С., & Одилов, Ш. Х. (2016). ОРГАНИЗАЦИЯ АУДИТА НЕМАТЕРИАЛЬНЫХ АКТИВОВ. Экономика, социология и право, (6), 44-46.

11. Мамажонов, А. Т., Юлдашев, Б., & Фозилжонов, И. С. (2016). ВЗАИМОСВЯЗЬ БУХГАЛТЕРСКОГО УЧЕТА И ЭКОНОМИКИ ПРЕДПРИЯТИЯ. ИННОВАЦИОННАЯ ДЕЯТЕЛЬНОСТЬ: теория и практика, (6), 17-21.
12. Мамажонов, А. Т., Фозилжонов, И. С., Хакимов, Ш. Т., & Исамов, С. М. (2016). Методика формирования затрат и распределения прибыли в фермерском хозяйстве в Узбекистане. Высшая школа, (1), 9-11.
13. Мамажанов, А. Т. (2012). Фермер хўжаликларида ишлаб чиқариш харажатлари таҳлилини ахборот манбаси масалалари. Экономика и финансы (Узбекистан), (5), 68-73.
14. Turgunovich, M. A. (2023). THEORETICAL ASPECTS OF THE CONCEPTUAL BASIS OF FINANCIAL REPORTING AND PRESENTATION. Central Asian Journal of Theoretical and Applied Science, 4(4), 69-73.
15. Mamajonov, A. T., & Hosilov, A. A. (2023). Замонавий Таълим Ва Инновацион Технологиялар Соҳасидаги Илғор Хорижий Тажрибалар: Кейс-Стади. Academic Integrity and Lifelong Learning, 29-32.
16. Мамажонов, А. Т., Юлдашев, Б. Т., Фозилжонов, И. С., & Эркинбоев, М. Р. (2016). Вопросы оценки нематериальных активов и их классификация. Экономика, социология и право, (6), 22-26.
17. Turgunovich, M. A., Shodimukhamedovich, X. M., & Khasanaovich, K. K. (2022). IMPROVING THE ORGANIZATION OF MANAGEMENT ANALYSIS IN AGRICULTURE. International Journal of Early Childhood Special Education, 14(3).