



ANALYSIS OF THE ROLE OF LEASING AND RENTAL TRANSACTIONS IN THE ACTIVITIES OF ENTERPRISES AND ORGANIZATIONS AND ACROSS REGIONS

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Annotation

This article thoroughly analyzes the concept of leasing within the context of the digital economy, considering both theoretical and practical perspectives. It examines leasing not only as a financial instrument but also as a vital component in modern accounting systems, highlighting its importance in optimizing asset utilization and financial planning. Furthermore, the article delves into the current regulatory and legal framework governing leasing operations, shedding light on the standards and compliance requirements applicable to leasing transactions. In addition to these aspects, it explores the distinctions and interactions between leasing relations and traditional rental agreements, offering a comparative overview. Finally, the study includes a comprehensive analysis of a business enterprise's operational performance in connection with leasing activities, emphasizing the specific features and outcomes that leasing introduces to asset management and financial reporting.

Аннотация

В статье подробно анализируется концепция лизинга в контексте цифровой экономики, рассматриваются как теоретические, так и практические аспекты. Лизинг рассматривается не только как финансовый инструмент, но и как важный компонент современных систем бухгалтерского учета, подчеркивается его важность для оптимизации использования активов и финансового планирования. Кроме того, в статье рассматривается текущая нормативно-правовая база, регулирующая лизинговые операции, проливается свет на стандарты и требования соответствия, применимые к лизинговым сделкам. В дополнение к этим аспектам в ней изучаются различия и взаимодействие между лизинговыми отношениями и традиционными договорами аренды, а также предлагается сравнительный обзор. Наконец, исследование включает в себя комплексный анализ операционной деятельности предприятия в связи с лизинговой деятельностью, подчеркивая специфические особенности и результаты, которые лизинг привносит в управление активами и финансовую отчетность.

Key words

The concept of leasing, leasing relations, financial leasing, operational leasing, rent agreement, leasing agreements.

Ключевые слова

Понятие лизинга, лизинговые отношения, финансовый лизинг, оперативный лизинг, договор лизинга, договоры лизинга.

Introduction

In recent years, the rapid development of the digital economy has brought about significant changes in the financial activities of enterprises and organizations. In addition to traditional sources of financing, leasing and rental transactions are gaining relevance as a convenient, safe and flexible financial tool for enterprises. In particular, the trend of digitalization allows making these relationships more efficient, fast and transparent. Today, electronic document circulation, remote monitoring systems, smart contracts based on blockchain are taking leasing and rental processes to a new level. Today in Uzbekistan, great attention is paid to rental and leasing relations. There are a number of advantages and opportunities in the different sectors of activities related to rentals that is being offered to us. During these times of development of the market economy, aggressive competition in the manufacturing and services industry, enterprises have to have a set of key features to remain competitive in the market [1]. These features include: possessing the ability to sell useful products, flexibility, and the ability to rapidly change or add new products to their list of offerings.

A business seeks these goals, they will have to deal with mobilizing a lot of investment resources which means setting up modern production facilities. It is imperative to identify new options for rental and leasing relations in the state economy that are fundamentally different from the usual directions known to the republic. Investing in leasing structure is quite a new approach to marketing for selling fixed assets. It has brought forth powerful change in the entrepreneurial environment that helps to improve the rate of application of new technological innovation produced into the actual technology production processes.

In a market economy, leasing is recognized as one of the most advanced modes of rental agreements. Leasing is particularly used in equipment and machinery that are subject to repeated usage in business operations, particularly those assets that retain their original value for prolonged periods and subject themselves to periodic depreciation.

Leasing transactions are characterized by certain features, and fixed assets are the central subject matter of such transactions. Land, as part of the category of fixed assets, can be leased in most jurisdictions throughout the world not only through direct transactions but also through indirect leasing transactions. However, the Uzbekistan legal regime categorizes land as state property—a tool of national wealth—and permits its leasing only under direct transactions.

The establishment of leasing relationships relies mostly on the drafting of lease agreements, which are required in regulating all aspects of such transactions. A lease

agreement is a civil law contract where the lessor promises to transfer possession of property to the lessee for consideration, thereby allowing temporary possession and use, or for a specific purpose.

Literature Review on the Topic

According to the OECD in 2022– Digital leasing and finance report notes the impact of digital financing instruments on small and medium-sized business activities while the World Bank in 2021 on the report topic “Access to Finance in a Digital Economy” highlights digital leasing platforms and their economic effectiveness. Russian economic scientist G. I. Alekseeva (2020) [2] defines leasing as an investment method where a leasing company buys property as requested by a lessee. The lessee then acquires this property by making payments over a set period, following the terms and conditions of their lease agreement.

Another paper by J.L. Anderson and D.B. Bogart (2024) [3] highlights the separation of ownership, which the landlord retains during the lease, from the right to use the property, which is given to the lessee, typically a business. Gietzmann, M., and Ireland, J.(2005) [4] "Rent accounting is one of the important mechanisms for the efficient management of economic resources and reaching economic growth".

Furthermore, current Uzbek law allows lessees to depreciate lease payments for leased equipment and their own products at an accelerated rate, resulting in lower taxes. This legal provision, consistent with international practices, has made leasing, particularly "zero leasing," an attractive way to obtain real estate.

Researches conducted by Uzbek scientists on leasing relationships and rental accounting are intended to study the influence of these fields on economic development and the necessity of guaranteeing financial stability. The following points indicate the procedures and analytical work of Uzbek scientists in leasing relations and rental accounting:

Tohirovich, Q. N.[5] - "Rent and leasing relations in the modern economy operate as an income source for new income, which ensures efficiency in investments".

Bahromov Y.[6] - "Lease contracts are considered to be the main mechanism of achieving freedom, transparency and effectiveness of the process of economic development."

These are the summarized main points of research works by Uzbek researchers on leasing and rental accounting.

Research Methodology

The purpose of this study is to raise the level of theoretical and practical analysis of accounting for rental and leasing in organizations and businesses, and to solve a number of pressing problems related to this sphere. In the course of the study, various methods were used, including comparison, synthesis and comparative analysis. Statistical figures and tables were also analyzed, and the results were evaluated from a scientific point of view.

Based on the study, there were made certain recommendations and proposals for practical realization. The study-based approach consists of new methodologies that can find application in business and service processes of enterprises and organizations of any form of ownership.

Analysis and Results

In numerous countries around the globe, rental and leasing practices are extensively utilized and regarded as one of the most effective methods for enhancing the availability of essential fixed assets for businesses and organizations in order to facilitate their operational and production activities. Conversely, in Uzbekistan, the development trajectories and formats of rental and leasing are still in the formative phase, suggesting that, despite certain targeted initiatives, tangible outcomes have yet to materialize.

In the digital economy, leasing relations are also entering a new phase:

- Electronic leasing platforms (e-lease);
- QR-code-based contract signing;
- Remote monitoring and automatic generation of reports.

This form of leasing is widely used, in particular, in office equipment, vehicles, and production machines.

Moreover, contracts are confirmed by electronic signature;

- Lease/rental payments are automatically calculated;
- Smart contracts automatically act based on the lease term and conditions;
- Financial monitoring can be carried out in real time.

The challenges posed by the economic context express the reality that many firms are faced with obstacles to increasing their production of significant financial resources and the development of their technological potential. The urgency to accelerate the role of leasing as an instrument of attracting significant funds, including private investment, for the advancement of production and the backing of different types of ownership within the country, particularly those engaging in innovation entrepreneurship, is prompted by this status.

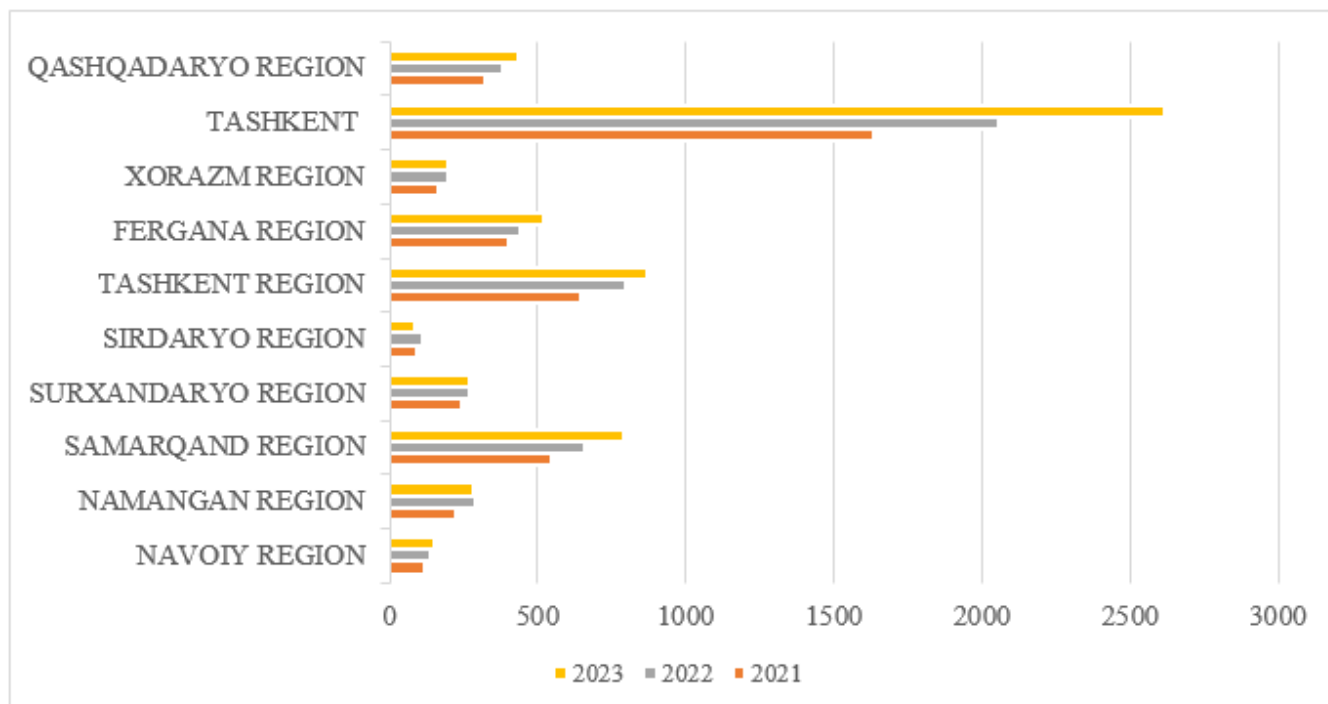


Diagram 1: Volume of the renting and leasing services (annual)

Thus, the expansion of the leasing role is the main way of developing financial processing techniques and new sources of economic growth. However, the necessity of introducing leasing and expanding its application in the economy of Uzbekistan cannot be overstated.

Based on the diagram 1, we can see the volume of rental and leasing services in Uzbekistan by region for 2021-2023 and analyze it based on this information. Based on the diagram, we can see the 2 regions with the highest and lowest indicators. The highest indicator for rental and leasing services was in Tashkent, i.e. 1636.1 in 2021, and this indicator increased to 2613.6 by 2023, an increase of 62.5%. We can see the lowest indicator for rental and leasing services in Syrdarya region. In Syrdarya region, it was 89.6 in 2021, and this indicator increased to 82.5 by 2023.

In January 2024, rental services amounted to 593.4 billion soums. This figure increased by 11.7% compared to the same period last year. The highest growth rates for this type of service were observed in Jizzakh (146.2%), Tashkent (124.2%) and Fergana (122.7%) regions.

Conclusions and Proposals

The integration of leasing and rental operations into the accounting system ensures diverse significant advantages to businesses and institutions. Ongoing evolution in leasing activities, particularly in the finance of investment projects, calls for an intensive investigation of the actual benefits and limitations of such activities, along with efforts aimed at their utmost usage and generation.

In the process of economic modernization of the country, it is required to introduce international standards into the Republic of Uzbekistan's accounting activities. Their adoption is aimed at enhancing the effectiveness of the utilization of rental and leasing mechanisms as financial tools in order to accelerate the introduction of new goods into the real sector and ensure competitiveness, as well as ensure the growth of operating flexibility at the same time.

The research procedure involved the application of various methodologies, including comparative analysis, clustering, and economic statistical analysis. The findings of this study conclude by providing an argument for the development of rental and leasing mechanisms with regard to their key function of financing real sector businesses. The academic study underlines the imperative of utilizing a scientific process of enhancing the mechanisms and therefore fostering the growth and sustainability of the nation's business environment.

In our opinion, the following will be important areas in the future:

- ✓ Localization of digital rental/leasing platforms;
- ✓ Adaptation of the regulatory framework to digital tools;
- ✓ Simplification of access to electronic leasing services for small and medium-sized businesses;
- ✓ Legal recognition of smart contracts.

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