

CONTENT NATURE OF ISLAMIC ECONOMIC FINANCIAL INSTRUMENTS AND ISLAMIC ECONOMIC INSTITUTIONS AND CLASSIFICATION OF TAX SYSTEM TYPES

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ABSTRACT

The article examines the content, nature, types and methods of application of financial instruments in the Islamic financial system. It also analyzes the specifics of the application of Islamic financial instruments in financial instruments. In accordance with Islamic law, the procedure for concluding financial contracts is considered.

Keywords: Islamic financial instruments, Islamic financial mechanisms, mudaraba, murabaha, musharaka, ijara, salam, gharar, mufawada, istisna, wadia.

ISLOM IQTISODIYOTI MOLIVAVIY VOSITALARINING MAZMUN MOHIYATI VA ISLOM IQTISODIYOTI INSTITUTLARI HAMDA SOLIQ TIZIMI TURLARINING TASNIFI

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ANNOTATSIYA

Maqolada Islom moliya va soliq tizmidagi moliyaviy vositalarning mazmuni, mohiyati, turlari va qo'llanilish usullari o'rganiladi. Shuningdek, Islomiy moliya vositalarining moliya mexanizmlarini qo'llanilish tartibidagi o'ziga xos jihatlari tahlil qilinadi. Islom qonunchiligiga muvofiq, moliyaviy va soliq shartnomalar tuzish tartibi haqida fikr yuritiladi.

Kalit so'zlar: islomiy moliya vositalari, islomiy moliya mexanizmlari, muzoraba, murobaha, mushoraka, ijara, salam, g'arar, mufavada, istisno, vadia.

INTRODUCTION

Islamic finance, an Islamic manifestation of the economic network, is one of the fastest-growing and innovative financing mechanisms in the world today. According to expert scientists, Islamic financial institutions account for \$2.5 trillion (U.S.) in gross assets and are growing by 15-20% a year¹.

In speeches at the opening ceremony of the 43rd session of the IHT TIV Council, our country's governor, SH. Mirziyoyev, said: "The Islamic world has great economic, investment, and energy resources. The proper use of them, the expansion of international trade, financial, investment cooperation of member states of the Organization for Islamic Cooperation, and the establishment of transportation routes that unite our countries will enable us to achieve high economic development, which, as a result, will serve as the basis for the development of all other sectors." From this point of view, institutions of the Islamic economy today not only prove their viability, but are also considered the most effective alternatives to the least impact on crisis

¹ Islamic Financial Foundations E.A. Baydaulet Tashkent: "Uzbekistan" 2019

events. Therefore, the objective of studying Islamic financial instruments and the types of services of Islamic financial institutions is to find an alternative to solving the problems of the financial sector and the tax system in modern conditions.

Key part: The institutions of the Islamic economy offer their clients a variety of financing mechanisms that are usually divided into two groups:

1) methods of financing contracts or investments based on the distribution of profits and losses (museums, mushrooms);

2) agreements based on debt-based financing (murobaha, rent, greetings, exceptions, and sukuk).

Muzoraba is a profitable partnership agreement under which one party (rabb al-Mol) provides capital, while the other (frozen) participates in its business abilities (labor), experience to manage capital.² Proceeds from used funds are distributed in pre-agreed proportions between Rabb al-Mol and Muzorib. Material damages are covered by rabb-al-Mol, except in cases of illegal acts or breaches of contract by the settlement, if the settlement does not receive a fee for his actions in case the project is useless.

According to some authors, the museum may be divided openly and closed, depending on whether the deposit is entitled to an early withdrawal. However, it is objectionable to distinguish Muzoraba as open and closed, since it is usually accepted that the original Muzoraba agreement allows any direction to leave at any³ time.³ Another part of the authors argue that investment (i.e. fixed-term) deposits are not entitled to receive funds before the expiration of those deposits.⁴ ⁴ Depending on the investment object, the museum may be limited or unlimited.

An unlimited settlement agreement is a treaty allowing the capital supplier to dispose of funds offered to the museum without restrictions. In this case, he has great freedom to carry out commercial operations and carry out business activities based on mutual trust and his work experience.

A limited settlement is a contract by a capital provider that restricts the movements of the museum in a certain executed place or in a certain type of investment that the capital holder considers acceptable, but has not unreasonably restricted the settlement in its activities.

According to the "AAOIFI Shariah No. 12" Standard, Mushoraka is an agreement between two or more parties on the merger of assets, labor or liabilities for profit. The profits and losses of the project are distributed in proportions agreed in advance between the financial institution and its client, often proportionate to the shares in project funding.

There are several types of partnerships:

Partnership on the basis of property rights or partnerships:

- optional partnership
- Cooperation on the basis of a binding partnership agreement or joint venture (partnership ul-akd):
- capital partnership (partnership ul-amval)

²Sharia standard No. 13. Mudaraba. tarj. from English [editorial. Tip: R.R. Vaxitov Vs.]. Organization of accounting and auditing of Islamic financial institutions (AAOIFI). 2011y, 8-bet

³Djuravlev A.Y. Principles of Working Islamic Banks / Islamic Finance in the Modern World: Economic and Legal Aspects / R.I. Bekkina. 2004. 54-bet

⁴Edwardes W. Demystification of IslamicBanking // www.dc3.co.uk/islamicbanking

- Labor partnership (partnership ul-amal)
- reputation (partnership ul-vujux)
- equal partnership (in muffin)
- unequal partnership (inn).

When using a kind of mushroom, such as mufavada, participants contribute equal shares to the joint venture and have equal rights over the company's property. Unlike in a partnership, participants in a partnership can be unequal in terms of both capital and authority. One of the participants (majoritarian shareholder) has a greater share in capital and controls the company's affairs, while the other (minority shareholder) is unable to actually influence management decisions, even though the other (minority shareholder) is formally eligible to participate in management.

The difference between a regular mushroom is that when making a deal to reduce mushrooms, one or more parties initially indicate that they intend to sell their stake in the company. In this regard, the parties may reach an agreement between the parties to buy the stake of the party seeking to resign after a certain period of time or after a certain event has occurred. Muslim law allows you to buy the stake both in a one-time payment and in the payment of periodic contributions (including through its own profit or receipts from external sources).

Mushoraka has spread widely in various sectors of the national economy in its various modifications: financing projects, mortgage lending, organizing financing of export-import operations, etc. Mushrooms are also widely used in countries where agricultural production plays an important role. In Sudan, for example, Islamic financial institutions negotiate mushroom agreements with farmers. According to the terms of the agreement, the financial institution provides the farmer with the necessary agricultural equipment and fertilizers. The farmer's contribution to the joint project is the ability to land, labor and control. Profits are distributed between the parties according to the contract. At the Islamic Bank of Sudan, for example, a farmer receives 30% of the net profit, while the remaining 70 percent is distributed proportionately between the bank and the farmer, according to his contribution to the joint venture⁵.

The Murobaha Agreement means that the purchase agreement between the parties will be for a fee. Murobaha is the most common way to finance assets to be made by Islamic banks. This agreement is signed bilaterally between the client, the supplier of the goods and the Islamic Bank. Bank Accounts: Bank accounts, certificates of deposit, or individual retirement accounts set up as a trust or made payable on an entity used by Jehovah's Witnesses in accord with local bank requirements. The Bank may seize the funded asset for collateral or may require a different type of guarantee. In the Murobaha agreement, the seller tells the buyer before he sells the identification of the purchase when buying goods from his supplier, that is, revealing how much skill the bank has placed in the identification of the goods⁶.

In accordance with Islamic law, the main condition for concluding a contract and later granting ownership of the contract's predecessor is that it actually owns the goods agreed by the seller (financial institution).

⁵Ausaf Ahmad. Contemporary Practices of Islamic Financing Techniques // Islamic Economic Studies.1994.

⁶Sharia standard No. 8. Murobaha. translation. from English [radaktor. Tip: R.R. Vaxitov Vs.]. Organization of accounting and auditing of Islamic financial institutions (AAOIFI). 2010

According to the terms of the Murobaha Agreement, one side of the financial institution acts on its own funds and purchases a certain product in accordance with the description specified in the application by the buyer. At the same time, all risks associated with the purchase and delivery of goods are covered by the financial institution. After receiving the goods, both parties make a purchase agreement, after which the customer begins to use his purchase and pays the bank his price. Bank profits appear according to the formula "expenses + additional payment". Therefore, the mural is such a financial and trading transaction in which the final selling price increases by the amount the bank has assessed the service it provides to the customer. (The root of "ro-ba-yes" means "to profit, to win")⁷

From a traditional banking standpoint, financing and acquisitions and sales are two different types of business with different forms of income. The seller demands entrepreneurial profit from the sale of goods and the financing requires a fixed income, the amount of which is determined by the loan interest rate. However, the financing process at the Islamic financial institution becomes one of the straits of the trade operation, resulting in profits, not lending in interest. This structure of the transaction is determined by Islam only banning monetary transactions: any commercial agreement, whether it is a product, service or intellectual activity product, must be built around a real asset.

Murobaha is valid only if the specific costs of purchasing goods can be determined and delivered to the buyer. Unless otherwise indicated, Scripture quotations are from the new world translation of the Holy Scriptures. In this case, the product must be sold on the basis of a wine agreement, i.e. the ratios are not provided with any information about the costs and benefits in the form of a proportionate price. In these cases, the price of goods must be determined by a general agreement.

Murobahani cannot be used as a model of financing until the customer needs the funds to purchase certain goods. If funds are needed for other purposes, such as electricity bills or other utility expenses for paying for goods he has already purchased, employee salaries, in this case, the mural cannot be used, as this requires the real sale of any goods and is not a form of debt maintenance.

Murobaha is the most popular financial instrument in the hierarchy of Islamic financial institutions, both in Arab countries and abroad. Murobaha's external similarity with the interest rate is drawing constant criticism, but rather that Islamic financial institutions are often abusing the principle of the mural, damaging common principles. At the same time, the mural is an absolutely correct method from a philosophical point of view. Murobaha is a means of avoiding the judiciary, but from an Islamic point of view, it is not an ideal tool for accomplishing real economic goals. Therefore, this tool should be used only as a transition period towards the Islamization of the economy, the use of which is impossible only when applying muzoraba and mushrooms⁸.

Salam or bay'as-salam (pre-financing) is the sale of goods at a delayed delivery with a cash payment.

In this case, the payment is made immediately and in one-time amount, while the delivery period of the goods is delayed. Greetings can only be made in relation to unique goods

⁷Principles of functioning Islamic banks A.Y. Djuravlev. Islamic finance in the modern world.2004 64-bet

⁸Sha'drach, Me'shach and A'bed'ne'go. Access to Islamic funding. 2013

determined in quantity and quality. This mechanism is convenient for both the seller and the buyer as the seller gets the money in advance and the buyer buys the product at a good price. As mentioned earlier, the price of hello can be lower than the price of the same goods sold on the market. Thus, the difference between these two prices can be a real benefit for financial institutions.

The only problem that modern banks and financial institutions can be bothered by is that they receive certain goods from their customers, but they do not receive money. Since they only make money, it will be difficult for them to get different kinds of goods from buyers and sell them on the market. They cannot sell these goods before delivery to them, because it is prohibited by law.

However, there are two other ways to profit from a greeting agreement. First, after buying a product through salami, financial institutions can sell it through a salami contract parallel to the same delivery date. In the second (parallel) trade, the hello period may be shorter, and the price may be slightly higher than the first trading price, and the difference between these two prices will be the profit earned by the institution. The shorter the hello period, the higher the price and the higher the profit. In this way, institutions can manage short-term funding portfolios. Secondly, if a parallel greeting agreement is not executed on it or for this reason, they can make a promise to purchase the product from a third party. This promise must be one-sided by the anticipated buyer. It's not a real bargain but just a promise that their buyers don't have to pay the price in advance. Therefore, a high price can be set, and once the goods are accepted by the institution, they are sold to a third party at a pre-agreed price in accordance with the terms of the agreement⁹.

The exception (a type of employment contract) is the type of purchase agreement, whose work is not available at the time of concluding the contract.

Unlike greetings, the exception commentary talks about the supplier of the goods, not about the client, but about the bank. It is a bank product specifically designed to finance important and long-term projects. The calculations here are made at the fixed price on the day of the agreement and payments are made due to the fact that the work has either been completed or the goods are produced.

One of the features of this type of funding is the preparation of a detailed work schedule (time, quantity, quality, etc.) and strict adherence to it in the manufacturing process. Bank Accounts: Bank accounts, certificates of deposit, or individual retirement accounts set up as a trust or made payable on death to an entity used by Jehovah's Witnesses in accord with local bank requirements. Thus, the bank's profits are generated from the difference between the price agreed upon in the first contract and the price it pays on the second contract.

The steps in the exception are:

- the consumer will apply to the financial institution by order - providing a specific description of the production, construction, purchase of a particular property, taking into account the quality required, and the necessary product, which will be subject to Islamic and economic expertise.
- the Institute of Finance agrees to produce, build or carry the product, and then deliver it to the customer at a specified time.

⁹Sha'drach, Me'shach and A'bed'ne'go. Access to Islamic funding, 2013. 111-bet

- a financial institution enters into a contract with the manufacturer, construction organization or plant, who agree to carry out the work within a specified period of time.

- the results of the work are transferred to the client or to the bank, as stipulated in the agreement between them.

- the consumer pays for banking services in accordance with the agreement¹⁰.

Rent (leasing) - rent in a broad sense. In accordance with the terms of this agreement, one party (tenant) receives and leases certain property for a certain period (moving and immutable), for which he receives a fee in the form of rental payments, the amount of which is in the case of the parties agreed in advance. Ownership of what is the subject of leasing remains with the lender. If, after the expiration of the contract, the bank may enter into a new contract with another client if the liquidator does not wish to extend the contract¹¹.

A leasehold is an unscathed property, and the profit from a lease agreement must be legal in accordance with sharia law. For example, a house or a street property cannot be rented beyond the sharia-approved purpose, such as renting premises for sale or storage of prohibited goods to an interest-lending organization or shopkeeper, or renting a vehicle for transporting prohibited goods.

In case of delay in payment by the leasing recipient, the tenant has no right to demand an increase in rent or to charge other fees. However, a different alternative can be used to avoid the negative effects of this ban abuse. The tenant may be asked to accept the conditions under which he must pay a certain amount for charity, in case of a delay in rent.

To this end, the fiancee / landlord can run a charity where such funds are directed towards charitable purposes, including interest-free loans to those in need¹²

Rent val-iqtino (lease with subsequent purchase) - Type of contract close to rent. The main difference between a simple or postoperative purchase of leasing is that the bank's client is considered a rental product until the expiration date of the lease of the equipment, the building (i.e. the amount of payments reaches the level corresponding to the agreed price between the customers and the trading parties), and when the payment is completed, the ownership is transferred.

Loan al-Hassan (interest-free loan) is an interest-free loan based on feelings of compassion and goodwill. A feature of the loan al-Hassan agreement is that the borrower can pay a reward for the amount provided to the lender at his discretion. Banks often use the loan al-Hassan tool to carry out more social functions, rather than active economic operations of debt al-Hassan Islamic banks.

Amana literally means "something deposited." The practice refers to deposit money in Islamic banks. By general rules, the bank does not have the right to dispose of the storage object, and can only comply with the deposit holder's instructions regarding this object, for which a certain fee is charged. In addition, the bank has the right to cover the costs associated with the execution of its orders from the owner's account. Many banks are trying not to use this mechanism when dealing with current and savings accounts: they are forced to create a 100% reserve for these liabilities because they cannot use customer funds to form assets.

¹⁰Nekrasov Y.I. Banking according to Sharia law - Banking and the world of business. 2007 No. 3. 59-bet.

¹¹Rent, rent content: Sharia standard No. 9: Translation from English/ Bugalteria Accounting and Audit Organization of Islamic Financial Institutions (AAOIFI); Under the auspicious edition of R.I. Baishev and others - Moscow: Islamkh Journal, 2011.

¹² Sha'drach, Me'shach and A'bed'ne'go. Access to Islamic Financing 2013 100-bet.

However, some banks, with the consent of such an account holder, allow the use of funds in their account based on the amana mechanism. Thus, in particular, the documents of the Islamic Bank of Jordan state that when funds in the amana-shaped account "may be a threat to the funds received by the bank under conditions that provide access to capital attracted by the bank," the losses fall to the bank and the insurer is not entitled to receive money from the deposit or to replenish the deposit. Current accounts using bank deposits are called trust accounts.

Vadia (fulfilling the duties of the authorized person) - under the agreement, one party submits to the other for the maintenance of any property.

Some experts believe that in terms of the main parameters, the promise used in the service of Islamic banking is almost the same as amana. Thus, some banks, like Amana, create a 100% reserve for their existing liabilities in the bank's savings account. In Islamic banks, not all terms of the vadia agreement known to Muslim law are respected. By opening a deposit account for the client, the Bank, with the consent of the client, will be able to use the funds provided for the investment. In other words, the bank does not comply with the ban on the use of deposited property, which is contained in the classic vadia agreement. The profit to the account holders is paid at the request of the bank. In this case, the client can withdraw his money from the account at any time in part or in full, and the bank guarantees this transaction.

Under the Vadia agreement, the owner of the property shall appoint a trustee who will retain his property and act as a guarantor. A trustee can be appointed by the asset owner or members of his family. If a trustee refuses to return the property and denies the fact of receiving it for retention, he is charged with illegally keeping someone else's property and he or she bears full responsibility for his actions. Legal consequences also happen if a trustee combines his property with the items entrusted to keep.

The practice of Islamic banks in countries such as Bangladesh, Bahrain, Jordan, Turkey uses vadia to work with current accounts, while Malaysia has a modified vadia mechanism for savings account. In Malaysia, this principle is called a "vadia ali damana" and means guaranteed storage. In addition to funds, the Bank may accept other material things for storage. As a result of the agreement, the insurer does not receive benefits, but the Islamic bank can pay its client a hiba (which means a gift, a gift in Islamic law), thereby thanking him for choosing a service provider.

The agreement is a deferred purchase agreement at an agreed price, and expenses are made by the supplier. Payment is made in the future on a single payment or schedule. In the Islamic financial world, this type of transaction is a transaction between a bank and a buyer, which the bank buys and sells to the buyer at an increased price in parts.

Bay Istidjrar is a regular purchase and sale process based on a contract, according to which the seller occasionally undertakes to deliver goods according to the schedule and at agreed prices.

Wakala is an agency agreement under which the agency protects the interests of the client in any business or transaction and receives payment for providing the service.

Bay al-Dayne is the sale of debt to a third party based on trade documents. This type of debt financing is provided for production, trade and service purposes. If there is documentary evidence of a trade operation, deals will be concluded. According to a small number of scientists,

such an agreement is allowed for cases of a commodity loan (delivery on a delayed payment). In the opinion of many, it is forbidden to sell debt to a third party at a discount.

Khawala is a service for transferring funds or debts from a deposit or debtor's account to the account of the recipient or creditor, respectively. The Bank may receive commission for providing the service.

The above mechanisms are used by Islamic financial institutions in their daily practices, but not all types of services described can be found in all Islamic banks - some of which are only used by individual financial institutions.

Depending on the purposes of creation, Islamic financial institutions are divided into:

- institutions aimed at promoting the economic and social development of member states (Islamic Development Bank);
- commercial banks, whose main goal is to profit by providing banking services in accordance with the requirements of the law;
- specialized banks are designed to solve specific problems.

CONCLUSION

In conclusion, institutions of the Islamic economy must comply with sharia standards, and accordingly they refuse to charge interest on debts in their hierarchy, make deals that are difficult to understand on the subject of the contract, do not conduct transactions with financial instruments (options, forums, fyuchers and other securities), the use of traditional insurance, and the issuance of traditional obligations.

As we have noted above, there are two groups of Islamic financial contracts. The first is based on the principle of separation of profits and losses, while the second is based on debt financing. In our view, the first of these agreements is that contracts based on the principle of separation of profit and loss should be the most common. Clearly, there are certain difficulties in implementing debt-based financing mechanisms, especially in unusually Muslim countries, where the forced to work within the framework of legislation that sometimes does not take into account the specifics of such financing methods is clear evidence of this.

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