

## Main aspects of digitalization of corporation management

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### **Annotation:**

The development and active implementation of information technologies in the modern economy required an assessment of the transformation of the consciousness of the digital society. The digital transformation of the economy has changed approaches to the issue of legal capacity, management of corporations and business processes. Traditional management mechanisms lose their competitiveness when used in isolation from dynamically developing digital technologies. The article examines issues related to the digital legal personality of a corporation (online registration of corporations (electronic (digital) residence of corporations), as well as the activities of directly digital (networked or decentralized autonomous organizations) corporations. Three types of digital corporate governance are distinguished: remote management (with the participation of human), smart management (according to algorithms established by humans) and artificial intelligence management (without human participation). Individual tools for digital corporate management are illustrated, displacing traditional forms of management of the human cognitive system.

**Key words:** digitalization, management, government, corporation, optimizes business processes, economic relations

Currently, digitalization of various spheres of public life is the most discussed topic of scientific research and, as scientists note, a megatrend. However, it can be noted that digitalization has the greatest impact on the economic sphere of society, and therefore the state, represented by its legislative and executive bodies, must take measures for timely legal regulation of various areas of the digital economy. In turn, the state can involve citizens and their initiative groups in resolving these issues, i.e. the organized public, interacting with government authorities, can take part in the legal regulation of various aspects of the digital economy. The main direction of improving corporate legislation in the context of digitalization is currently the creation and provision of conditions for effective interaction between subjects of corporate relations and others directly related to them in the digital environment. The use of digital technologies in corporate governance and the structuring of electronic information increases the efficiency of the corporation, optimizes

business processes and promotes effective and efficient interaction of corporation participants with each other, as well as with third parties. At the same time, we believe that it is possible to use digital technologies throughout the entire life cycle of a corporation, which is studied in detail in the works of I.K. Adizes. This is confirmed by the fact that digital technologies can be used not only in corporate governance, but also in creating a corporation and giving it legal capacity.

The concept of “digital corporation” can be used in two meanings. Firstly, a digital corporation is understood as a participant in economic relations (economic entity), in which the organization of management of activities and affairs is automated by digital technologies, almost completely displacing human participation in matters of corporate management. Secondly, a digital corporation is considered as a technologically unified digital organism with an internal automated ecosystem that allows it to automatically manage its business. The traditional understanding of a corporation as an association of persons (shareholders, participants) and capital (private investment fund) may be revalued, since individual elements of corporate governance can be transformed into digital algorithms and digital code, for example into decentralized autonomous organizations. In the process of introducing digital technologies into corporate relations, the institution of ownership and mechanisms for managing corporate capital are changing. This study reveals new opportunities for corporate management in the era of digital transformation of the economy in Uzbekistan. Approaches to the economic and legal aspects of the consequences of introducing “digital” into traditional corporate management at the present stage are determined.

Digital legal personality of a corporation Online registration of corporations (electronic (digital) residence of corporations). On April 25, 2018, reform of European Union company law began in pursuance of the Digital Single Market Strategy previously adopted by the European Commission. The changes are primarily aimed at ensuring the possibility of online registration of companies without contacting the relevant authorities or competent persons. The main purpose of introducing online company registration is to speed up the process of its creation and registration (within 5 working days). On 20 June 2019, the European Parliament and the Council of the European Union decided to amend the existing Directive (EU) No 2017/1132 on certain aspects of company law with regard to the rules and procedures for the formation of companies, the registration of branches and the submission of documents and information by companies and branches (“online procedures”) by issuing Directive (EU) No. 2019/1151. Thus, according to the provisions of this Directive, Member States are required to establish procedures that

allow the creation of companies, the registration of branches and the submission of documents and information entirely online. However, for some types of companies, national legislation may provide exceptions that limit the use of the online registration procedure when creating them. In addition, the provisions of the Directive prohibit Member States from establishing in national legislation a requirement to obtain prior authorization or a license for the online registration of a company, unless this is due to the specific nature of its activities. However, the online corporation registration process does not preclude the participation of notaries and attorneys in order to provide identity verification and verification of the legal capacity of persons intending to form a company, register a branch, or submit relevant documents or information to government authorities. However, such participation should not prevent the procedure from being completed entirely online. An example is the experience of Estonia, which is the first country in the world to offer international digital residency (e-residency)

Thus, the use of electronic technologies allows Estonian residents to vote online, draw up documents via the Internet, and register a business remotely. An individual who has registered in the prescribed manner and received the appropriate ID card can register and manage a company online from anywhere in the world, as well as use online banking services, declare income received electronically, sign documents and enter into contracts using an electronic digital signature . In Uzbekistan, the introduction of a digital residence regime involves introducing amendments to the current legislation, providing for the possibility of registering organizations in electronic notification form through the State Services portal.

Digital immortality of a corporation is the implementation of legal capacity in isolation from the human factor. Modern information technologies make it possible to configure economic policy and production and economic activities for automatic (algorithmic) work, which can lead to “digital immortality” of the corporation, in which, regardless of the composition of the participants (shareholders) of the corporation, the implementation of its legal personality will be continuous until this mode will not be canceled by the computer program. The main task of the legislator in this regard is to regulate the possibility of digital conservation of a company’s business, partly or as a whole, not only in economic terms, but also legally, since a corporation, as a legal entity, cannot suspend its activities and carries out them continuously, reflecting them in accounting and tax reporting all business operations of the corporation. This approach appears to be effective in various crisis situations (including environmental disasters and epidemiological outbreaks). 3

Digital corporate governance Traditional models of corporate governance can be divided into two groups: basic (outsider, insider) and special (directive, beneficial, “impersonal”, etc.). Each of these corporate governance models involves the use of appropriate components. It seems that in the near future digital technologies will significantly reduce time and transaction costs in corporate management procedures. Depending on the degree of human participation in making management decisions, as well as the level of automation of the management process, the following types of digital corporate management can be distinguished: remote management, smart management and AI management.

Electronic signature. In corporate practice, the following documents can be signed with an electronic signature: notification of a general meeting of shareholders (participants), notification of a shareholder to a non-public joint stock company of the intention to sell shares to a third party, notification of the company’s creditors of its reorganization, liquidation or reduction of the authorized capital, notification of a shareholder to his company on the fact of concluding a shareholder agreement, etc.). An electronic document allows you to reduce the time of sending a legally significant message and the costs of completing it. In addition, the use of an electronic signature allows you to ensure transparency in the processes of working with documents, as well as reduce the time for accessing documentation and their execution in departments. Video conferencing for meetings. In the context of the spread of the new coronavirus infection (COVID-19) throughout the world, the use of video conferencing technology during meetings seems relevant and extremely in demand. The use of video conferencing technology seems to be effective when holding meetings (meetings): general meeting of shareholders (participants), board of directors, collegial executive body (board, directorate), meetings of heads of parent and subsidiary companies, other internal corporate meetings (meetings).

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