

Corporate Disputes Related to the Discussion of the Transactions Conducted by the Participants (Founders, Members) of the Legal Entity as Not Genuine

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ABSTRACT

This article deals with corporate disputes, their types, how they are classified in world experience, how important they are, agreements and their requirements, the issue of invalidating agreements, invalidating agreements concluded by legal entities, the manner in which corporate disputes are resolved is analyzed. The consequences of invalidity of agreements are explained.

When we talk about corporate disputes, we have to refer to the world experience of this process together with our national legislation. Disputes involving corporations and other private institutions, such as hospitals, universities, and professional organizations, account for a large percentage of disputes in America. This type of conflict should be studied separately, because in these cases there are special opportunities for successful use of conflict resolution and resolution methods¹. In recent years, the savings that can be achieved by simplifying the handling of corporate disputes in the United States require the use of **alternative forms of dispute resolution**². Despite the lack of accurate data on the amount or costs of corporate disputes, it is possible to classify such disputes qualitatively in order to conclude that existing disputes are being resolved most effectively. According to the American experience, the following factors are taken into account when dividing corporate disputes into types:

- ✓ Type of person in dispute;

¹ Felstiner, The Emergence and Transformation of Disputes: Naming, Blaming, Claiming, 15 LAW & Soc. REV. 631 (1980-81) and Miller, Grievances, Claims and Disputes: Assessing the Adversary Culture, 15 LAW & Soc. REV. 525 (1980-81).

² Khakberdiev AA ARBITRATION COURT: SOME ISSUES OF LAW PROTECTION //World Bulletin of Management and Law. - 2021. - T. 4. - S. 9-12.

✓ The attitude of the other disputing person to the corporation³.

These types (or relationships) include:

- 1) Employees (internal);
- 2) Consumers (objects of external institutional activity);
- 3) Members or representatives of the general community (external neighbors);
- 4) Government (external regulators);
- 5) Other private organizations (external competitors or coventurators).

However, this classification is not complete. For example, this classification does not include important corporate participants - shareholders⁴. But the five subgroups listed above contain the most types of corporate disputes.

There are several types of corporate disputes in our national legal system and they are classified according to the basis. Also, in Article 30 of the Code of Economic Procedure, the following are included in the sentence *of cases on corporate disputes*:

- disputes related to the establishment, reorganization and liquidation of a legal entity;
- disputes related to the ownership of shares, shares, shares of members of cooperatives in the authorized fund (authorized capital) of economic societies and companies, assigning charges to them and exercising the rights arising from them;
- disputes regarding claims of participants (founders, members) of a legal entity regarding invalidity of agreements concluded by a legal entity and (or) application of the consequences of invalidity of such agreements;
- with the issue of securities, including disputes over decisions of the issuer's management bodies, transactions concluded during the placement of securities, reports (notifications) on the results of issuance (additional issuance) of securities disputes related to conflict;
- taking into account the rights of nominal holders of securities to shares and other securities, implementation of other rights and obligations stipulated by law by nominal holders of securities in connection with placement of securities and (or) their circulation disputes arising from activities related to;
- disputes about convening a general meeting of participants of a legal entity;
- Disputes on appeals against the decisions of the management bodies of the legal entity.

It can be seen from this that cases related to claims of annulment of agreements made by legal entities are considered a type of corporate disputes. Cases of this type are decided by economic courts (IPK 26-M)⁵. Article 11 of the Civil Code lists the methods of protection of civil rights, among which the *invalidity of the agreement and the application of the consequences of its invalidity* are listed.

According to the norms contained in the current Civil Code of the Republic of Uzbekistan, the actions of citizens and legal entities aimed at determining, changing or canceling civil rights and duties are considered transactions (FK 101-M). *Clause 3 of the decision of the Plenum of the Supreme Court dated 22.12.2006 "On some issues arising in the application of legal norms*

³ Corporate Alternative Dispute Resolution, Eric D. Green, JD 1972, Harvard University; AB 1968, Brown University, page-217.

⁴ KHAKBERDIEV A. HISTORY AND LEGAL CHARACTERISTICS OF THE ARBITRAL TRIBUNAL //International Journal of Early Childhood. - 2022. - T. 14. - no. 02. – S. 2080-2090.

⁵ Štefánik L., Khakberdiev A., Davronov D. CLASSIFICATION AND TYPES OF ARBITRATION COURTS // Norwegian Journal of Development of the International Science. - 2022. - no . 79-2. - S. 19-25.

regulating transactions in judicial practice" No. 17 states the provision in this sense . In addition to this, it is noted that when considering the claims to declare the transactions valid, the courts must consider the fact that there was an agreement between the parties to enter into a transaction, that the terms of the transaction were fully or partially fulfilled, and that there was no obstacle to the notarization of the transaction. they should determine the reasons for what they did.

Transactions are divided into the following types:

- one sided;
- bilateral;
- there may be multiple parties (contracts).

If the will of one party is necessary and sufficient in accordance with the law or the agreement of the parties to enter into an agreement, such an agreement is considered a unilateral agreement⁶. A one-sided agreement creates obligations for the person who made it. It can create obligations for other persons only in cases specified by law or in an agreement with these persons. In order to conclude a contract, two parties (bilateral agreement) or three or more parties (multilateral agreement) must agree.

Agreements are concluded in this form:

- a) oral;
- b) written (ordinary or notarized).

Silence is an expression of willingness to enter into an agreement in cases provided for by law or by agreement of the parties. An agreement that is not specified in the written form in the legislation or in the agreement of the parties, including at the time of its conclusion, can be concluded orally. Such an agreement is considered to be concluded even if it is known from the behavior of the person that his will to enter into an agreement is known. The written agreement must be signed by the parties or their representatives, unless otherwise dictated by business practices⁷.

In addition to transactions requiring notarization, the following transactions are concluded in simple written form:

- 1) *transactions between legal entities and citizens;*
- 2) transactions between citizens in the amount of more than ten times the amount of the basic calculation, and in the cases specified by law, other transactions regardless of the amount of the transaction. However, failure to comply with the simple written form of the agreement *does not render it invalid.*

Failure to comply with the notarial form of the transaction or the requirement for its state registration **renders the transaction invalid**. Such an agreement is not valid by itself (FK 112-M)⁸.

According to the grounds established in the civil legislation, the invalidity of transactions is in 2 forms:

- *because the court finds it invalid (disputed agreement);*

⁶ А.А.Хакбердиев Низоларни муқобил тартибда ҳал қилишда ҳакамлик ва арбитраж судининг ўрни ва уларнинг турлари // Журнал правовых исследований. - 2022. - 7-йилд. - 4.

⁷ Abdumurad K. Ensuring Confidentiality in the Detection and Investigation of the Crimes of Money Laundering // Rechtsidee. - 2019. - T. 5. – no. 2. - S. 10.21070/ jhr . 2019.5. 65-10.21070/ letter. 2019.5. 65.

⁸ Khakberdiev A. THE PROCESS OF TERMINATION OF AN EMPLOYMENT CONTRACT WITH AN EMPLOYEE OF A FOREIGN EMBASSY //Science and innovation. - 2022. - T. 1. – no. C7. - S. _ 303-306.

➤ *a transaction void per se.*

According to the first part of Article 113 of the Civil Code, the agreement is considered invalid because the court finds it invalid, or because it is invalid on its own, regardless of whether it is found to be invalid, according to the grounds established in the FC. In this, the courts should take into account that the FC does not exclude the possibility of filing a lawsuit to declare the invalid transaction invalid.

Certain categories of persons can make a request to *declare the disputed transaction invalid*. Including Clause 17 of the Decision No. 17 of the Plenum of the Supreme Court of the Republic of Uzbekistan dated 22.12.2006 "On some issues that arise in the application of legal norms regulating transactions in judicial practice" contains a relevant provision. According to it, since the contract of sale creates mutual rights and obligations for its participants, only the contract participants and the owners of the object of the contract have the right to dispute the validity of this contract on the grounds established by law. When the validity of the contract is disputed by the interested party on the basis of his payment of the amount agreed in the contract of sale, this situation cannot be a basis for invalidating the contract of sale.

Any interested person can make a request for the application of the consequences of invalidity of an invalid agreement⁹. The court has the right to apply such consequences on its own initiative.

When dealing with disputes related to contracts, it is necessary to distinguish between the concepts of finding the contract invalid and canceling the contract. Courts should consider that it is allowed to invalidate contracts on the grounds stated in the norms regulating the invalidity of agreements provided for in Articles 113-126 of Chapter 9 of the FC of the Republic of Uzbekistan. In this case, according to part 1 of Article 114 of the FC of the Republic of Uzbekistan, an invalid agreement does not create legal consequences other than the consequences related to its invalidity, and it is considered invalid from the moment of its conclusion. Cancellation of the contract is an action aimed at canceling the fully or partially unfulfilled contract and the rights and obligations of the parties arising as a result of it in the future.

Difference between nullity of contract and rescission of contract:

- a) the basis for invalidity of the transaction is its illegality. The basis for cancellation is the occurrence of circumstances that lead to cancellation of the contract without disputing its legality;
- b) the cancellation of the contract applies only to the future rights and obligations, without affecting the mutual rights and obligations at the time of its validity.

An agreement with a content that does not comply with the requirements of the legislation, as well as an agreement made with the purpose of deliberately violating the principles of law and order or morality, is invalid by itself¹⁰. Also, in accordance with Article 83 of the Law "On the Protection of the Rights of Joint-Stock Companies and Shareholders", a transaction related to the possibility of receiving property by the company or giving it to another person or giving the property to another person (this including debt, credit, pledge, surety) or several interconnected transactions, if the balance sheet value of the property given to another person or the property received is equal to the amount of the company's net assets on the date of the decision to enter into such transactions if it is more than fifteen percent, it is considered a major transaction, except for transactions concluded in the course of daily business activities and transactions

⁹ Hakberdiev AA CHALLENGES OF ARBITRATION IN REFORMING CIVIL AND ECONOMIC PROCEDURAL PROCESSES //Archive of Conferences. - 2021. - S. 159-162.

¹⁰ Khakberdiev AA PROSPECTS OF IMPROVING ARBITRATION COURTS AS ONE OF THE METHODS OF ALTERNATIVE DISPUTE RESOLUTION IN UZBEKISTAN //Web of Scientist: International Scientific Research Journal. - 2023. - T. 4. – no. 1. - S. 77-88.

related to placement of shares and other securities.

The market value of the property, which is the subject of a large transaction of the society, is understood as the most likely price of the property, and according to this value, the property in question is sold in the open market in the interests of the parties to the transaction, having all the necessary information. can be given to another person under conditions of competition acting rationally and voluntarily, and the high or low price of the transaction does not reflect any extraordinary circumstances, including the obligation of one of the parties to join this transaction.

To determine the market value of the company's property, the parties to the transaction may involve an appraiser.

The decision to enter into a large-scale transaction with regard to property, whose balance sheet value or acquisition value is from fifteen to fifty percent of the company's net assets on the date of the decision to enter into a transaction, is made by the members of the company's supervisory board. adopted by vote, the votes of the members who left the supervisory board are not taken into account.

In case of unanimity of the supervisory board of the company on the issue of concluding a major transaction, the issue of concluding a major transaction may be brought up for decision by the general meeting of shareholders according to the decision of the supervisory board.

The decision to enter into a large-scale transaction is made by the general meeting of shareholders, whose balance sheet value or acquisition value is more than fifty percent of the company's net assets on the date of the transaction¹¹.

A major transaction is carried out by the executive body of the company after the general meeting of the company's shareholders or the supervisory board has made a decision on the transaction. In this case, the decision to enter into a large transaction is made in a mandatory manner, taking into account the market value of the property determined by the legal evaluation organization, and examining the terms of the transaction by an independent external auditing organization ("Protection of the rights of joint-stock companies and shareholders" on" Article 84 of the Law).

Our legal scholars have also provided opinions on corporate disputes related to the invalidation of agreements concluded by legal entities. In particular, **FB Ibratova** approached in her textbook as follows: ¹²Suggesting the conclusion of large transactions that cause damage to the society and (or) transactions in the implementation of which there is an interest, including that as a result of the conclusion of such transactions with the society, they themselves or their¹³ The member of the company's supervisory board, director or member of the board, as well as the trustee, who suggested the conclusion of transactions for the purpose of obtaining profit (income) by his affiliates, as well as the trustee shall be liable for the damage caused to the company.

An invalid agreement does not have legal consequences other than those related to its invalidity and is invalid from the moment of its conclusion.

When the contract is invalid, each of the parties must return to the other everything that was received under the contract, and when it is not possible to return what was actually received (including the use of property, work performed or services provided), if other consequences of

¹¹ Yu P., Khakberdiev A. ABOUT PSYCHOLOGICAL FEATURES CONDUCTING AN INTERROGATION //Norwegian Journal of Development of the International Science. - 2021. - no. 60-3. - S. 6-9.

¹² Ibratova Feruza Bobokulovna, Economic and corporate disputes solution: (Textbook) – T.: TDYUU publishing house. 2022.

¹³ Khakberdiev AA WAYS OF IMPROVING ARBITRATION COURTS IN UZBEKISTAN //INTELLECTUAL EDUCATION TECHNOLOGICAL SOLUTIONS AND INNOVATIVE DIGITAL TOOLS. - 2023. - T. 2. – no. 14. - S. 75-81.

invalidity of the transaction are not provided by law, he must pay its value in money.

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