

## **“ISSUES OF APPLICATION OF THE INTERNATIONAL EXPERIENCE OF THE ACTIVITIES OF THE COMPALENS CONTROL STRUCTURE IN THE PRACTICE OF BANKING SYSTEM”**

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**Abstract:** This article conducted scientific research on the implementation of the compactness control system in the conditions of the digital economy of commercial banks and on the issues of changes in it, the renewal system in banking business, the formation of practices related to compactness control, and analyzed its application in banking practice. Today, banks are faced with completely new phenomena and problems under the influence of "big data", for example, data processing and the emergence of new participants in the financial market. All these factors increase market risks for commercial banks, as a result of which compactness requires maintaining control in accordance with international requirements and, in turn, changing banking activities in this matter.

**Keywords:** internal control, criminal activity, information technology, compliance control in banks, international requirements, digital technology, "big data", competition, market, technology, remote control of customers, types of control, international cooperation, internal audit methods.

**Introduction.** This article conducted scientific research on the implementation of the compactness control system in the conditions of the digital economy of commercial banks and on the issues of changes in it, the renewal system in banking business, the formation of practices related to compactness control, and analyzed its application in banking practice. Today, banks are faced with completely new phenomena and problems under the influence of "big data", for example, data processing and the emergence of new participants in the financial market. All these factors increase market risks for commercial banks, as a result of which compactness requires maintaining control in accordance with international requirements and, in turn, changing banking activities in this matter.

**Literature Review on the Topic:** Therefore, on the basis of international experience, a strategy is adopted to develop a national system of combating the legalization of income

from criminal activities in our country, financing terrorism and financing the distribution of weapons of mass destruction, in which "to analyze the effectiveness of internal control services of organizations carrying out operations related to funds or other property based on is considered one of the main issues.

In this matter, The Economist-scientist by K.Djuraev the opinion was expressed: the feature of the external bank audit carried out in commercial banks should be aimed at substantiating the need to reduce audit risks in the process of auditing financial statements. Because the level of risk in the banking system is much higher than in other entities. Therefore, special attention should be paid to the issue of proper assessment of various risks and their prevention in the bank audit (1. P.23-26). Thus, we must correctly assess the risks that arise in the external audit process of financial statements of commercial banks, find a solution to the issue of their prevention and minimization of the level of risk. We must analyze the level of international requirements in this matter. To this end, different opinions have been expressed by Russian economists-scientists on the issue of external audit of commercial banks. Including economist Smirnova L.P. the main feature of the organization of external audit of financial statements in commercial banks is that it receives income from banks by attracting resources from various sources and placing them at the expense of future risk. This means that by assessing the level of risk of their income, it is possible to determine the activities of the bank and its solvency. No is seid used the services of external audit organizations when evaluating the activities of customers in the process of their placement, and insurance services are also used in order to reduce the risk level.(2.P.145-149.).

The negative vices of corruption are first manifested in its violation of democracy and the rule of law. As a result of corruption, human rights and freedoms are grossly violated, the spirit of respect for the laws decreases, economic development goes on the trail, the most inviolable state and conditions are created for the widespread spread of organized crime, which is extremely dangerous for society. Fighting corruption is among the most important conditions for effective humiliation of human rights and freedoms. Because this disgusting vice opens the way to the economic downturn of any state and society. It covert the economy. Its most deplorable consequence is that it undermines the people's confidence in public bodies, weakening the rule of laws. It should be noted that it is necessary to ensure the effective implementation of state policy in the field of anti-corruption and to introduce into national practice crime prevention measures, which are widely used in the international

experiment to eliminate causes and conditions, and not with the consequences of corruption manifestations.

World experience has shown that in countries based on the laws of the market economy, the state in the field of anti-corruption and one of the important tools that ensure the effective functioning of private sector participants in accordance with international standards, legislation and other modern methods is the organization of an anti-corruption compliance control system in its structure. Compliance-control against corruption-organization of the activities of state and economic authorities, economic entities in accordance with international standards, laws and other regulatory legal acts in the field of combating corruption, timely detection and termination of corruption risks, conflicts of interest, violation of law and is a preventive system that embodies the reporting of corruption offenses. It should be noted that on March 15, 2020, at the initiative of the prosecutor general's Office of the Republic of Uzbekistan, the Ministry of internal affairs of the Republic of Uzbekistan, the Ministry of transport, the Ministry of preschool education, the Ministry of energy, the Ministry of employment and Labor Relations, the Ministry of Agriculture, In cooperation with government agencies such as the state Customs Committee, a procedure for the implementation of a phased system of compliance control was agreed in order to further improve anti-corruption efficiency in these areas, and a "roadmap for 2020 for further improving the fight against corruption" was approved. It should be said that the gradual introduction of the complex control system in the public and private sector today shows that the study of this area is relevant in every way.

It is possible to understand that the Anti-Corruption System "compliance control" is brought as an effective system aimed at organizing, improving the activities of companies in the public and private sectors in accordance with established law documents and internal regulations, and assessing and preventing corruption risks in the activities of the company. On the basis of the above tariffs, it can be understood that the purpose of introducing a system of anti-corruption complements control in public and private sector activities is to prevent corruption risks, identify, analyze areas of activity where such risks exist, assess conflict of interest-generating factors on such grounds as legal, financial, in an integrated way in the effective conduct of, it is a system in which there is an interest in creating a mechanism of systematic protection against economic sanctions and various other risks, as well as maintaining the image of activity in one go. It is known that the history of the emergence of

the system of compliance control (compliance control) dates back to the end of the XIX century to the beginning of the XX century. That is, in scientific sources, the first elements of the compliance control system are cited in the law of 1884 in Germany, aimed at organizing the Berufsgenossenschaften (Accident Prevention & Insurance Association) of the "accident prevention and Insurance Association" and regulating its activities, which also includes some requirements of this system. But in most foreign, official sources, the compliance service initially began in 1906 with the need to establish the FDA (Food and Drug Administration) of the federal service for the control of the activities of companies producing food products and drugs in the United States, and the foundation of organizations focused on public safety. The agency has created rules that are necessary to comply with for participants in the activities of companies in the field of medicines and the food industry. It is these rules that form the basis for the organization of the compliance service in companies. The formation of public bodies aimed at ensuring such public desolation made it necessary for private companies to organize their activities in accordance with specific rules, norms and standards developed, which control not only legislation, but also the directions of business life and technological progress. Also, the economic development and integralization of the United States in the 70s of the 20th century created the need to further strengthen and legally regulate anti-corruption policies in companies. Based on this, the history of the development of the compliance service on U.S. exchanges and markets the adoption of a document entitled "act on corruption abroad" FCPA (Foreign Corrupt Practices Act of 1977) in 1977 normatively regulated the system. On the basis of FCPA, strict control rules were established related to the requirements of U.S. companies compliance, that is, specific requirements for Accounting Control and financial documents were introduced, strict rules for relations with public officials were established. On the basis of the law, it was established as a condition for the establishment of a complementary service in the structure of corporations and companies. Further strengthening of anti-corruption compliance control requirements in legal terms began in the early 2000s with Enron, Worldcom and major financial scandals involving corporations such as Global Crossing, and the rise of Enron Corporation to bankruptcy status in 2001. As one of the main reasons for the occurrence of such cases, it was established that the mechanisms of combating corruption in the internal system of corporations were not robust, and these cases led to the passage of the "Sarbanes-Oxley Act" (SOX, Sarbanes-Oxley Act of 2002) in the United States in 2002. The law significantly strengthens the requirements for the financial

statements of corporations and companies and the process of its preparation, as well as the obligation to adopt the corporate code of conduct by companies, and it was from 2002 that any company participating in the New York Stock Exchange (New York Stock Exchange, NYSE) was subject to U.S. law in the field of anti-corruption, (The New York Stock Exchange (Eng. New York Stock Exchange, NYSE ()) is the U.S.'s flagship Stock Exchange located on Wall Street in New York City. The world, which has a large and powerful turnover in the world, is an international stock exchange, which is recognized as a symbol of the financial industry. Turnover for companies with large share capital on the exchange is reflected in the world-famous Dow Jones index (Eng. Dow Jones Industrial Average), implemented through international exchange indices such as NYSE ARCA Tech 100).

In the mid-2000s, corrupt problems arose in corporations and companies with large economic potential, such as Siemens, Daimler AG, Panalpina World Transport. This resulted in the "Dodd-Frank Act", (the Dodd — Frank Act of 2010) in 2010. The bill was passed with the aim of reducing the risks of corruption of the American financial system. In it, The Associated norms of whistleblowers (Whistleblowers) were established, which reported cases of corruption occurring within the company. The UK Bribery Act of 2010 was also passed in the UK in this year. The law aimed to prevent companies from committing corruption violations abroad, with the obligation to introduce norms related to compactness requirements in companies. International models for the introduction of compliance control against corruption. The instructions of most international organizations (the Basel Committee on Banking Supervision, the International Compliance Association), which make the majority of priority recommendations aimed at regulating the industry, set out the requirements for companies to establish complementary services on the basis of individual state units, the status of which is regulated by internal documents. In accordance with the requirement of such standards, two of the most common models of the introduction of the anti-corruption "compliance control" service are used in the practice of foreign countries:

1. Anti-corruption compliance control system based on the minimum rules aimed at operating in accordance with the norms and rules established in the organization;
2. Based on the recommendation of foreign organizations in dealing with state-regulated and corrupt risks, the compliance control service, such as the recommendations of the Basel banking committee, the Wolfsberg group (Wolfsberg Group), and other international organizations, is based.

The difference between the two models is that in the first model, the company or organization that organizes the compliance service itself looks at the organization of its activities only on the basis of the rules and requirements established in the existing laws and standards in that state, that is, it is limited to the established minimum requirements themselves. In the second model, however, the organization of activities is based not only on national legislation, but also on international organizations in the field of making recommendations, standards, and, if necessary, on the basis of the current standard and the formation of standards for the company's activities to combat corruption risks not provided for in the law, a compliance service Organization of the compliance control system. The organization of a complementary service in companies is carried out in two different directions. The first direction is the introduction of powers and tasks that fall into the activities of the compliance service in addition to the tasks of the department or employee, whose activities are close to that of the company, and the strict distribution of obligations related to the requirements of the compliance, in which the implementation of effective mechanisms over the performance of tasks by the company it is important to create conditions for cooperation. It can be understood that in this direction, the implementation of the tasks of the compliance is belied in addition to the tasks of another department. The second direction is the type recommended in international standards and widely used in foreign experience, in which the organization of a separate structural network is carried out, which carries out a complementary service in the company's system and has state units. In this case, the status and powers of the complementary service are regulated by the internal documents of the company. In this view, the implementation of the activities will be completely independent and will be accountable only to the management of the company. The factor determining the independence of the service is of paramount importance, since the additional imposition of the duties of the Comptroller by the economic, personnel or legal department of kompanich does not provide for its effective functioning. The formation of a compliance control system in this place includes: - appointment of an employee or a separate structural unit responsible for preventing corruption; - ties with the fight against corruption transfer certain functions to individual structural units of the organization; - adoption of the code of etiquette for compliance with anti-corruption measures by employees of the organization; - adoption of anti-corruption policies, including standards and procedures governing the organization's activities to prevent corruption; - introduction of anti-corruption provisions into internal



documents of the organization, as well as employment contracts concluded with employees; - compliance-includes processes such as the adoption of organizational and administrative documents (orders, instructions) necessary for the implementation of the control system. Compliance Service Officer, (compliance officer). Another key factor on which the organization of a complementary service depends is the mutahassis that implements complementary functions. In the international standards, a specialist who increases the activity in question is referred to as " Compliance Officer " (compliance officer). This concept is assigned a tariff as follows, the company's established procedure is considered a competent employee of compliance with the rules and is the employee of the compliance xzimati, who is responsible for monitoring and regulating issues of action in accordance with the established internal rules . In this place, the commissioner of the compliance service must have a number of basic skills in order to carry out effective activities: - have practical experience in the organization and control of company activities in legal norms and internal regulatory requirements of the company (anti-corruption measures, conflicts of interest, moral norms – ; - compliance to have scientific, practical knowledge on international standards aimed at the organization of control (FCPA, SOX, "UK Bribery Act"); -the ability of the company to regularly understand how to act on employees in accordance with the rules of compactness and etiquette; - availability of systematic approach practice in the management and Prevention of compliance Xavs; - the presence of practical skills in ensuring the effectiveness of activities; - the availability of knowledge in the economic and legal sphere. The fact that a compliance officer has similar knowledge will be one of the factors in which the compliance service operates more efficiently in a company.

Compliance officers are primarily responsible for organizing their activities in accordance with the correct and buegilangan norms: advising employees on compliance with compliance requirements, organizing training of employees on the fight against corruption, training staff of the compliance service buoy and cadralr, carrying out inspections on them when reporting cases of corruption, corruption huqubzarliqs, conflicts of interest, it is necessary to carry out such basic tasks as checking cases in which etiquette is not observed. From these foundations related to the implementation of the activities of the compliance officer, it can be understood that one of the main factors that effectively organize the company's anti-corruption policy is precisely to what extent the compliance correctly organize the activities of employees and have the necessary knowledge and skills. Compliance is the

service's Anti-Corruption Program and regulatory areas. The degree to which the company's anti-corruption activities are effectively organized is due to the correct Organization of the anti-corruption ageing program, which forms the basis of complementary service activities.

In addition, bribing others or engaging in corrupt behavior is illegal, unethical behavior, and we can also see on the company's Web page that it is contrary to the principles of HSBC. At this point: to directly or indirectly, to influence a certain official, to offer bribes to others, to promise, to agree, or to ask any person directly or indirectly of valuables, to receive or to offer to pay the service (exceptions can be made in cases where the health of the employee, the freedom of safe cocaine is at stake), it is established that The AB&C program, based on the above principles, puts its requirements on the basis of four risks:

1. The risk of employees.
2. Third party.
3. Strategic risks.
4. Customer risk.

It follows that the bank studies the causes of its corruption risks, and develops measures to prevent them. Federal Republic Of Germany. France and Great Britain, another European state that does not remain in preventing corruption in the banking sector, is the Federal Republic of Germany. Corruption in Banking Finance is one of the "innovations" that are rarely seen in German banks. The German state's approach to preventing corruption and bribery has somewhat different characteristics from the states mentioned above.

In particular, in order to reduce any risk associated with bribery or corruption, the bank has established procedures for implementing the following rules: preventing bribery and corruption-causing decisions; procedures for assessing corruption risks; bringing policy rules to relevant employees; training compliance supervisory officers; openness of operations and disclosure of information; existing and future intermediaries and related persons in the management; financial and commercial supervision, such as; transfer of competent proceedings, separation of functions, such as making decisions; avoiding conflicts of interest; mechanisms for reporting bribery, etc.

## Conclusion

Based on the above, summarizing their advanced experience in France, Great Britain, Germany, and Georgia, it is permissible to include the following anti-corruption tools that should be considered in the banking sector: first, to have effective anti-bribery rules;



Secondly, the organizational and legal framework for combating the legalization of income from criminal activity;thirdly, it has political influence as bank customers, managing risks associated with special ones;fourth, the fight against the unjustified disclosure of banking secrets; fifth,approaches based on these rules to effectively combat corruption and promote honesty should be supplemented with measures to form a culture of honesty in banks-financiinstitutions; Sixth, the rules of etiquette among bank employees, ensuring unconditional compliance and preventing interest between them;seventh, strengthening the material interest of employees; eighth, measures related to effective management; ninth, imposing penalties for bypassing the rules, strengthening the rule, in particular, resolving the issue of self-esteem (liability of a legal entity) of the same bank for causing a large amount of damage to the interests of otherh.k

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