THE ROLE AND CHARACTERISTICS OF CORPORATE LAW IN THE SYSTEM OF CIVIL LAW

O'rinboyeva Ziyoda Baxodirovna
Legal Counsel of the Samarkand Regional Department of the Youth Affairs Agency

Abstract: This article analyzes the role and distinctive characteristics of corporate law within the system of civil law. The core features of corporate law include separate legal personality, the principle of limited liability, capital structure and governance mechanisms, as well as transparency and accountability requirements. The study examines the interaction of corporate law with other civil law institutions such as contract law, property law, and commercial law. International legal standards, including the OECD Principles of Corporate Governance and the UNCITRAL Model Law, are reviewed alongside the directions for improving corporate legislation in the Republic of Uzbekistan. The article identifies existing challenges and provides recommendations for enhancing the effectiveness of corporate regulation.

Keywords: corporate law, civil law, legal entity, limited liability, corporate governance, joint-stock company.

Introduction

Corporate law is a specialized branch of civil law that regulates the formation, governance, and dissolution of corporate entities, as well as their rights, obligations, and interactions with shareholders, employees, creditors, and other stakeholders. In the modern economy, corporations serve as the primary legal form for conducting large-scale business activities, facilitating investment, and distributing risks. Corporate law plays a key role in ensuring legal certainty, protecting the rights of participants, and maintaining a balance between the interests of different stakeholders.

In the system of civil law, corporate law occupies a unique place as it combines elements of private and public regulation. On the one hand, it is rooted in private autonomy, contractual freedom, and property relations; on the other hand, it incorporates mandatory legal norms aimed at ensuring public interests, market stability, and fair competition. The purpose of this study is to analyze the role of corporate law within the civil law framework, outline its essential characteristics, and evaluate its impact on economic development and legal practice.

Main Part

Research on corporate law has been extensive, both in domestic and international legal scholarship. In the civil law tradition, scholars such as F.H. Easterbrook and D.R. Fischel emphasize the economic efficiency of corporate structures and the role of corporate governance in aligning managers' and shareholders' interests. In continental European doctrine, H. Fleischer and M. Lutter highlight the dual nature of corporate law, combining private law mechanisms with regulatory oversight to protect the public interest. Russian legal scholars, including O.A. Gorodov and I.S. Shitkina, have studied corporate law as an integral part of civil law that governs legal entities' formation, functioning, and liquidation while ensuring the rights of minority shareholders.

In Uzbek legal scholarship, corporate law has been examined in connection with entrepreneurship law, company law, and investment protection. For example, A.A. Muminov and D.R. Karimov analyze the legal framework for joint-stock companies, limited liability companies, and other corporate forms under the Civil Code of Uzbekistan, noting the influence of international corporate governance standards. Internationally, the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance and the UN Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration are widely regarded as key reference points for corporate regulation and dispute resolution.

1. The Place of Corporate Law in the Civil Law System

Corporate law forms a distinct yet interconnected part of civil law, governing a special category of legal subjects — corporate entities. While civil law regulates property relations and obligations in general, corporate law focuses specifically on collective business structures, their internal governance, and external relations. The Civil Code of Uzbekistan, similar to many civil law jurisdictions, dedicates a separate chapter to legal entities, defining their legal capacity, governance bodies, and liability rules.

2. Core Characteristics of Corporate Law

Legal Personality: Corporations possess separate legal personality, enabling them to own property, enter into contracts, and sue or be sued in their own name.

Limited Liability: Shareholders' liability is generally limited to the amount of their investment, protecting personal assets from corporate debts.

Capital Structure and Governance: Corporate law establishes the rules for capital formation, share issuance, and decision-making processes through governing bodies (general meeting, board of directors, executive management).

Fiduciary Duties: Directors and managers have duties of care, loyalty, and good faith toward the company and its shareholders.

Transparency and Disclosure: Legal requirements for financial reporting, auditing, and public disclosure safeguard investor confidence and market integrity.

3. Interaction with Other Civil Law Institutions

Corporate law closely interacts with contract law (shareholder agreements, investment contracts), property law (ownership of corporate assets), and tort law (corporate liability for harm). In addition, it overlaps with commercial law, securities regulation, and bankruptcy law.

4. Corporate Law as a Driver of Economic Development

An effective corporate law system facilitates entrepreneurship, attracts investment, and supports sustainable economic growth. By ensuring predictability and protecting minority investors, it reduces transaction costs and stimulates capital markets. Uzbekistan's recent reforms, including simplified company registration, enhanced shareholder rights, and digital corporate registries, align with global best practices and promote a more favorable business environment.

5. Challenges and Prospects for Improvement

Despite progress, corporate law in many jurisdictions, including Uzbekistan, faces challenges such as insufficient enforcement of shareholder rights, limited judicial expertise in corporate disputes, and the need for stronger corporate governance standards. Future development should focus on harmonizing national legislation with international norms, expanding alternative dispute resolution mechanisms, and promoting corporate social responsibility.

Conclusion

Corporate law occupies a strategic position within the civil law system, providing the legal framework for collective economic activity, protecting stakeholders' rights, and ensuring the stability of market relations. Its distinctive characteristics — such as separate legal personality, limited liability, and structured governance — make it an essential tool for regulating modern business entities. For Uzbekistan, the continued improvement of corporate legislation in line with global best practices will enhance investment attractiveness, protect minority shareholders, and foster sustainable economic growth. Effective implementation requires not only legislative amendments but also strengthened institutional capacity, judicial specialization, and public awareness of corporate governance principles.

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