

**DIGITALIZATION OF CORPORATE GOVERNANCE PROCESSES: PROBLEMS AND SOLUTIONS**

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**Annotation:** The article examines the digitalization of corporate governance processes. Segments of digitalization of management processes in the corporation have been identified. The author distinguishes between the digitalization of information and operational processes aimed at increasing the efficiency of decisions made and the digitalization of corporate governance processes aimed at simplifying interaction between owners and managers. The problems of using digital management processes by corporations are identified. A roadmap for the implementation of digital management technologies has been developed, including recommendations for the development of internal corporate documents aimed at regulating the conduct of remote meetings and electronic voting, such as the Corporate Governance Code, Regulations on the Board of Directors or Regulations on the General Meeting of Shareholders.

**Key words:** Digitalization, corporate governance, digitalization of corporate governance processes, corporation, electronic voting, electronic meeting, virtual meetings.

Digital technologies have become an integral part of corporate governance as digital technologies enable global operations to be managed more effectively and enable global connectivity and synchronization; shareholders, customers, employees, partners and society as a whole are increasingly demanding transparency, sustainability and responsibility in corporate organizations, and digital technologies can help meet these new needs; The COVID-19 pandemic has demonstrated the importance of digital technology in enabling remote work and re-engineering business processes. The development of management digital technologies is becoming a key factor for increasing the efficiency of corporate governance and creating an innovative economy.

Today, the application of digitalization in corporate governance represents a key element of modern company management strategies, enabling efficient and innovative business management, increasing transparency and facilitating more accurate data analysis. In addition, the world community currently emphasizes the importance of innovative approaches to business management in all countries [3, pp. 73–91]. The application of digitalization in corporate management can be divided into two segments:

Digitalization of information and operational processes aimed at increasing the efficiency of decisions made:

- Digital data analysis based on big data;
- Artificial intelligence and analytics;
- Cloud technologies; - Mobile applications;

– Blockchain;

Digitalization of corporate governance processes aimed at simplifying interaction between owners and managers:

– Virtual meetings and communication;

– Electronic voting.

The opportunity to participate in meetings of corporations without being physically present is provided for by the Law of the Republic of Uzbekistan "On Protection of the Rights of Joint-Stock Companies and Shareholders", April 26, 1996 (new edition, March 20, 2019 No. O'RBQ 531). In addition, the legislation introduced a reference to the "electronic form" of the ballot. According to paragraph 4 of Art. 60 Federal Law "On JSC", the company's charter may provide for the completion of an electronic form of ballots by a person entitled to participate in the general meeting of shareholders on a website on the Internet information and telecommunications network, the address of which is indicated in the notice of the general meeting of shareholders, in including during the general meeting of shareholders with fixation of the date and time of filling, if they did not exercise their right to participate in such a meeting in another way [1, p. 60–66].

However, most Uzbekistan companies have not yet developed the digitalization of corporate governance processes. The problems of using management and digital technologies are as follows: Lack of absentee voting mechanisms: despite the possibility of conducting absentee voting, the Charters and other internal documents often lack clear rules and conditions for its implementation using digital technologies, which leads to a loss of efficiency and opportunity participation of shareholders, especially those who cannot physically attend the meeting. Lack of integrated digital solutions: There is no single platform or system for digital governance, making consistency and interaction between different aspects of corporate governance difficult. Lack of basic documents on corporate governance: the absence of a Corporate Governance Code, Regulations on the Board of Directors or Regulations on the General Meeting of Shareholders, which are an integral part of developed corporate governance and define the basic principles and rules of operation, leads to uncertainty in the forms and types of remote meetings and electronic voting.

Uncertainty in the forms and types of remote processes:

– uncertainty in how remote meetings and electronic voting can be held, which creates uncertainty among shareholders;

– lack of specific security measures and mechanisms to confirm the legitimacy of electronic votes.

To successfully implement digital governance technologies, corporations need to develop a roadmap for the implementation of digital technologies for meetings and electronic voting, which should include the following steps:

**Preliminary preparation:**

– needs assessment: conducting research to identify the needs for digital technologies for meetings and voting; – formation of a working group: creation of a multifunctional team, including representatives of various departments, selection of a responsible person. Development of internal documents regulating the conduct of remote meetings and electronic voting. Software selection, market research for digital meeting solutions and electronic voting. Education and training of personnel, including organizing training for key employees and managers on the use of digital tools, training system administrators. Pilot implementation, including introducing digital technologies in a few selected sessions, collecting feedback and identifying potential improvements. Assessing the effectiveness of project implementation: collecting feedback, assessing the degree of satisfaction of participants, comparing results with initial goals and plans, adjusting the strategy and scaling the project. The key decision is, first of all, the development of internal documents regulating the conduct of remote meetings and electronic voting, such as the Corporate Governance Code, Regulations on the Board of Directors or Regulations on the General Meeting of Shareholders.

### Conclusion.

Thus, electronic voting and remote meetings, which are possible thanks to the development of digitalization, were actively used during the 2020 pandemic and became a key resource for effective corporate governance. However, most Uzbekistan corporations were not ready for management through digital technologies, and to solve the problem, first of all, they need to develop internal documentation, such as the Code of Corporate Governance, Regulations on the Board of Directors or Regulations on the General Meeting of Shareholders, which would reflect law enforcement, forms and types of remote meetings and electronic voting.

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