

Theoretical Aspects of Legal Regulation of Financial Activities of the State

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Abstract. This study explores the legal regulation of financial activities in Kazakhstan, highlighting key challenges and proposing solutions. The research aims to identify legal gaps affecting financial stability and state economic functions. The findings indicate that frequent legislative changes, particularly in tax and banking laws, create uncertainty for investors and hinder financial planning. The study reveals that Kazakhstan lacks a stable legal framework for financial regulation, leading to inefficiencies in financial management and economic policy implementation. A major gap is the absence of a well-defined legal concept of state financial activity, which affects the coherence of financial laws. The study underscores the need for systematic legal reforms to ensure financial sovereignty and improve investment attractiveness. Comparative analysis with European financial regulations highlights potential strategies for strengthening Kazakhstan's legal framework. The implications of the research suggest that clear, stable financial legislation is crucial for sustainable economic development and global competitiveness. Future research should focus on integrating international best practices into Kazakhstan's financial regulation to enhance legal stability and economic efficiency.

Keywords: Financial legislation, Financial system, Law

1 Introduction

At any stage of its development, the state uses and cannot help but use various economic regulators to manage society, including finance and the financial system. Legal problems associated with the creation of independent states with their own governing bodies after the collapse of the Soviet Union continue to create problems that affect the economy of post-Soviet states. However, as the history of the development of the Soviet Union has shown, with the strengthening of administrative methods of influence on production processes, economic development is slowed down, which negatively affects the state of all areas of public life.

The fundamental law of the state, [1] acting as the legal basis and guiding legislation, serves as a reflection of its financial activity, outlining the paths of its development. State regulation of the development of society is preserved, but the forms and methods of its influence must take into account the specific socio-economic, historical conditions of the country's development and the interests of citizens.

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The object of this study is public relations on the use of financial resources for the functioning of the state, the performance of their tasks and functions in society.

The purpose of this study is to identify legal problems in the sphere of financial activities of the state and propose methods for solving them.

Achieving this goal required solving the following tasks:

- defining the main provisions of the financial activities of the state;
- studying the positions of legal scholars on the problem of legal regulation of financial relations
- determining the limits of application of legislative norms in regulating the financial activities of the state;
- forecasting the proposed measures for the development of the financial activities of the state.

2 Materials and methods

The research methodology was the study of legal norms and processes, allowing them to be analyzed in development, interaction and in conflict with each other.

The main research method used was the philosophical and logical method of analysis and synthesis, according to which the work is based on identifying logical connections: from the general to the particular and in the opposite direction.

In the study of the selected problem, private scientific methods were also used, including comparative legal methods.

The use of these methods contributed to the study of the financial activities of the state, in the aspect of theoretical problems of its legal regulation.

The study was conducted using Kazakhstani legislation.

The analysis of documents and regulations involved a thorough study of laws, regulations, official documents and other legal materials governing the activities of the financial system of Kazakhstan. This approach was aimed at identifying any legal deficiencies in the legislation.

Content analysis: the study of publications, reports, articles and other sources of information containing data related to the financial activities of the state and its legal framework.

3 Results

The shortcomings of Kazakhstan's financial activities have led to instability of laws, which is a serious problem. This problem is particularly evident in Kazakhstan's legislative framework, as evidenced by the fact that the law regulating banking activities was adopted back in 1995, [2] and the adoption of two budget codes and four tax codes since independence. The lack of stability and non-compliance with basic principles make financial forecasting difficult, which may also appear unstable to investors who can only rely on international legislation in the form of acts such as the International Convention for the Avoidance of Double Taxation, etc. It is worth noting that the future Tax Code is currently under discussion. This serves as confirmation of the fact that the lack of financial regulation foundations leads to numerous unstable actions. Kazakhstan's main export product is crude oil and its derivatives. During the period of high oil prices, Kazakhstan's economy grew in the absence of a specific financial policy. Thus, the World Bank showed the relationship between oil prices and gross national income per capita. The lack of theoretical foundations as a principle of scientific validity of Kazakhstan's financial legislation only aggravates the situation and negatively affects economic relations.

Thus, it is a negative factor in attracting investments, since it does not allow, for example, tax planning to be fully implemented.

Since the financial activity of the state is determined by the objective needs of the development of a society in which commodity-money relations exist, the author examines in detail the positions of scientists on the content and composition of financial activity as an economic category.

Fundamental provisions characterizing "financial activity" were developed by scientists at the end of the last century, which retained methodological significance for the science of financial law and in the modern conditions of development of society. The analysis of various points of view of scientists - lawyers, in one or another plane dealing with the problems of financial activity, conducted by the author, testifies to the presence of a certain unity in the definition of its structure. In the opinion of the majority of scientists, it represents a set of financial institutions, i.e. a set of individual groups, homogeneous in forms and methods of using funds of monetary resources.

Thus, the author, joining the position of the majority of scientists on the issue of the financial activities of the state, proposes to take the form of ownership of the corresponding funds of money as the basis for determining it.

Given the lack of a legal concept of state financial activity, the author's definition of this category has been developed. State financial activity is a type of state activity, during the implementation of which state bodies create, distribute (redistribute) and use funds of monetary resources, both centralized and decentralized.

In the conditions of market relations, the financial activity of the state is aimed not only at public finances (state and local), but also extends to a certain part of the use of funds. The financial activity of the state is the practical actions of its bodies aimed at implementing the financial policy of the state in the process of distributing GDP and part of the national income by creating, distributing (redistributing) and using centralized and decentralized funds of money necessary for the financial provision of its tasks and functions, carried out, as a rule, in legal form.

4 Discussion

This section examines the legal issues related to state financial activities identified in our study and compares them with the findings of other scholars. We will examine differences in interpretations, methodologies, and findings to situate our study within the broader academic discourse on the subject. This analysis will serve to confirm or challenge our views, as well as identify patterns and new directions for research.

In the work of the Russian scientist E.D. Sokolov [4], financial activity is carried out in accordance with the basic provisions of the functioning of the Russian state (legality, publicity, planning, federalism). However, taking into account the peculiarities of the type of state activity under consideration, the work substantiates the need to identify special principles reflecting the specifics of the financial activity of the state.

At the same time, when implementing them, in particular, the principle of the effectiveness of expenses incurred, one must not forget the statement of the famous pre-revolutionary (before 1917) scientist I.I. Yanzhul [5] that material interests should not always have priority over other interests.

Another scientist, M.I. Piskotin [6], states in his work that such financial relations that arise when taxes are collected or when budget financing is provided "are unthinkable without their mandatory nature, established by the administrative method."

S.D. Tsyppkin [7] also noted that the state gives legal form to the overwhelming majority of financial relations. Financial legislation and other sources of law are a necessary condition for the implementation of the financial activities of the state on the basis of the general theory

of law and the state; they reveal the concept of legal regulation of social relations. At the same time, the influence on the legal regulation of social relations is exerted by state and local government bodies in the process of applying established legal norms, which, in a figurative expression.

S.S. Alekseeva, [8] "pick up" what was started by lawmaking, ensuring the implementation of legal norms taking into account a specific life situation.

S.S. Alekseev [8] takes into account the essence of legal regulation of social relations, identified by the general theory of law, which mainly mediates social relations that arise in the process of implementing the financial activities of the state.

M. Horton and El-Ganaini [9] delve into the use of fiscal policy to ensure the financial stability of the state. Their opinion coincides with our study, which highlights the consequences of legislative instability for Kazakhstan.

N. Blochliker and Y. Kim [10] analyze the impact of decentralization on financial performance. Their findings on the importance of efficient resource allocation help to better understand the need for more stable and clear financial and legal regulation in Kazakhstan, which we identified in our study.

These comparisons are necessary for the financial activities of the state, as well as the study of both internal and external regulations that affect the financial system of the country. The article highlights not only legal but also other aspects that should be taken into account when forming the financial activities of the state, which is crucial for attracting investment.

5 Conclusion

Strengthening of statehood based on strengthening the vertical of power determines fundamental changes in the financial and legal regulation of the activities of state bodies. One of the priority areas in the development of financial law at present is the study of the nature of the financial activities of the state, establishing the features of their legal regulation.

The identification and substantiation of objective prerequisites for the emergence and implementation of financial activities of the state, the definition of elements of the financial system in the modern period acquires particular relevance, since opinions are expressed in the literature that call into question the established and accepted by the majority of scientists provisions on these issues.

Since the financial activity of the state, in our opinion, is determined by the presence of commodity-money relations in society, the categories of "finance", "financial system", and the essence of the financial activity of the state. The legal basis for the financial activity of the state are the forms and directions of its implementation, which are fixed and determined in the regulatory order.

Based on the conceptual position characterizing the financial activity of the state as a set of not only public finances (state and local), but also private, the relationships between the norms of financial law and other related norms are identified, for example, with the norms of civil law, in the legal regulation of the activities of the state and local entities, administrative, civil legislation and other sources containing norms regulating financial and other related social relations arising from the use of financial levers by the state in managing society, as well as law enforcement practice arising in the process of implementing financial activities.

Practical significance will allow more effectively performing the tasks and functions assigned to the state and its bodies in the field of financial activity. In general, a comprehensive study of the legal regulation of the financial activity of the state and local entities in the theoretical aspect is a solution to a scientific and practical problem that is of significant importance for legal science, including financial and legal science, legislative and law enforcement practice. Finally, the research confirms that state-owned holding companies can be a valuable tool for achieving long-term goals of government policy, such as

digitalization, the transition to sustainable development, reducing social inequality, and adapting to demographic changes. Thus, they play a crucial role in sustainable development and maintaining competitiveness on the global stage.

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