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INTERNATIONAL PRACTICES IN THE VALUATION OF MOVABLE ASSETS FOR LOAN COLLATERAL PURPOSES

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Abstract. The valuation of movable assets has become an essential element of secured lending systems, particularly in improving access to finance for businesses with limited immovable property. This study examines the legal, institutional, and practical aspects of movable asset valuation for loan collateral purposes in Uzbekistan. The paper analyzes the existing legislative framework, institutional arrangements, valuation procedures, accepted categories of collateral, valuation methodologies, loan-to-value (LTV) practices, revaluation procedures, current challenges, and recent reforms. Furthermore, the study evaluates the role of commercial banks, licensed valuation organizations, and the Electronic Collateral Registry in ensuring effective collateral management. Based on international valuation principles and current practices in Uzbekistan, the paper identifies key challenges and proposes recommendations for improving transparency, valuation accuracy, and credit risk management. The findings contribute to strengthening secured lending practices and promoting the sustainable development of the country's financial sector.

Keywords: movable assets, collateral valuation, secured lending, commercial banks, loan-to-value, valuation standards, Electronic Collateral Registry.

Аннотация. Оценка движимых активов стала важным элементом системы обеспеченного кредитования, особенно в контексте расширения доступа к финансированию для предприятий, располагающих ограниченным объёмом недвижимого имущества. В данном исследовании рассматриваются правовые, институциональные и практические аспекты оценки движимых активов, используемых в качестве обеспечения по кредитам в Узбекистане. В статье анализируются действующая законодательная база, институциональные механизмы, процедуры оценки, принимаемые категории залогового имущества, методы оценки, практика применения коэффициента «кредит/залоговая стоимость» (LTV), процедуры переоценки, существующие проблемы и последние реформы. Кроме того, исследуется роль коммерческих банков, лицензированных оценочных организаций и Электронного реестра залогов в обеспечении эффективного управления залоговым имуществом. На основе международных принципов оценки и действующей практики Узбекистана определены основные проблемы и предложены рекомендации по повышению прозрачности, точности оценки и эффективности управления кредитными рисками. Полученные результаты способствуют совершенствованию практики обеспеченного кредитования и устойчивому развитию финансового сектора страны.

Ключевые слова: движимые активы, оценка залога, обеспеченное кредитование, коммерческие банки, коэффициент LTV, стандарты оценки, Электронный реестр залогов.

INTRODUCTION

In recent years, the use of movable assets as loan collateral has become increasingly important in improving access to finance and promoting sustainable economic development. Unlike traditional lending practices that primarily rely on immovable property, modern financial systems increasingly recognize machinery, equipment, vehicles, inventories, agricultural machinery, accounts receivable, and other movable assets as valuable forms of collateral. This transformation has significantly expanded financing opportunities for businesses, particularly small and medium-sized enterprises (SMEs), which often possess substantial movable assets but have limited ownership of real estate.

In Uzbekistan, the development of collateral-based lending has become one of the priorities of ongoing financial sector reforms aimed at strengthening private entrepreneurship and increasing financial inclusion. Commercial banks have gradually expanded the range of acceptable collateral, allowing borrowers to pledge movable assets in addition to land and buildings. This approach has contributed to improving access to bank financing, supporting business expansion, and stimulating investment activity across various sectors of the economy.

The importance of movable assets is particularly evident in SME financing. Small and medium-sized enterprises represent a significant share of Uzbekistan's economy, contributing to employment generation, industrial production, and regional economic development. However, many SMEs face difficulties in obtaining bank loans because they lack sufficient immovable property to satisfy traditional collateral requirements. Since machinery, production equipment, transport vehicles, agricultural equipment, inventories, and trade receivables often constitute the majority of their business assets, recognizing these assets as eligible collateral substantially increases their borrowing capacity and improves access to financial resources.

At the same time, the effectiveness of movable asset financing largely depends on the reliability of collateral valuation. Accurate valuation enables banks to determine appropriate loan amounts, reduce credit risk, improve collateral coverage, and strengthen the overall stability of their loan portfolios. Conversely, inaccurate or outdated valuations may lead to excessive lending, insufficient collateral protection, and increased financial losses in the event of borrower default. Therefore, professional valuation practices constitute an essential component of prudent credit risk management.

Despite significant progress in financial sector reforms, several challenges remain in the valuation of movable assets in Uzbekistan. These include limited market information for specialized equipment, the absence of active secondary markets for certain categories of assets, inconsistencies in valuation practices, and the need for greater integration of digital technologies into the valuation process. Furthermore, strengthening the legal and institutional frameworks governing collateral registration, enforcement, and professional valuation remains an important priority for improving secured lending.

Against this background, the present study aims to examine the current practices of movable asset valuation for loan collateral purposes in Uzbekistan and compare them with internationally recognized valuation principles and best practices. The study evaluates existing valuation methodologies, legal and institutional arrangements, and recent technological developments while identifying opportunities for improving the efficiency, transparency, and reliability of collateral valuation. The findings are expected to contribute to strengthening secured lending mechanisms, enhancing credit accessibility for SMEs, and supporting the sustainable development of Uzbekistan's financial system.

LITERATURE REVIEW

Aktamov (2023) argues that the sustainable development of valuation activities in Uzbekistan requires the harmonization of national valuation standards with International Valuation Standards (IVS). The author emphasizes that improving the institutional and legal framework, strengthening professional valuation practices, and enhancing state regulation are essential for ensuring the credibility and transparency of asset valuation [6]. Furthermore, the study highlights that aligning the national valuation system with international best practices will improve investor confidence and facilitate the development of financial markets.

Yoqubboyev (2024) emphasizes that the legal framework governing valuation activities plays a decisive role in protecting the rights and legitimate interests of market participants. According to the author, valuation should be conducted in accordance with national legislation and internationally recognized valuation principles to ensure objectivity, transparency, and reliability [7]. The study further explains that compliance with legal procedures significantly improves the credibility of valuation results and strengthens confidence in financial transactions.

Tulakov (2024) notes that the introduction of modern valuation methodologies based on International Valuation Standards (IVS) and the standards of the Royal Institution of Chartered Surveyors (RICS) is essential for improving the quality and consistency of valuation practice in Uzbekistan [8]. The author argues that adopting international approaches enhances valuation accuracy, promotes market transparency, and strengthens the efficiency of property taxation and financial decision-making.

Turayeva et al. (2025) state that the application of the market, cost, and income approaches remains the foundation of professional valuation practice. The authors emphasize that the selection of an appropriate valuation approach depends on the characteristics of the asset, the purpose of the valuation, and the availability of market information [9]. Their study concludes that the combined application of these approaches improves valuation reliability and supports more informed financial and investment decisions.

According to Lobanova (2014), although international banking practice has not established a universally standardized set of principles for collateral valuation, several fundamental requirements are widely recognized. These principles ensure that pledged assets provide sufficient security for lenders [10]. Where collateral fails to meet these requirements, banks may decline to conclude a loan agreement due to the increased level of credit risk.

Empirical evidence presented by Campello and Larrain (2016) revealed that legal reforms allowing movable assets to be used as collateral substantially increase firms' access to bank credit [11]. The authors concluded that these reforms are particularly beneficial for small and medium-sized enterprises, which generally possess limited immovable assets but significant amounts of movable property.

RESEARCH METHODOLOGY

This study employs a qualitative research approach based on a comprehensive review of legal documents, institutional regulations, and international valuation literature. The research integrates comparative, analytical, and descriptive methods to examine the current practices of movable asset valuation for loan collateral purposes in Uzbekistan.

The comparative analysis evaluates Uzbekistan's legal and institutional framework against internationally recognized valuation principles and secured lending practices. The analytical method is applied to assess valuation procedures, collateral management mechanisms, loan-to-value (LTV) practices, and the roles of commercial banks, licensed valuation companies, and the Electronic Collateral Registry. Descriptive analysis is used to summarize the principal categories of movable assets accepted as collateral, valuation approaches, and recent regulatory reforms.

ANALYSIS AND RESULTS

The valuation of movable assets used as loan collateral in Uzbekistan is governed by a comprehensive legal and institutional framework designed to ensure transparency, reliability, and effective credit risk management. In recent years, the country has implemented a number of reforms aimed at strengthening valuation activities, improving secured lending mechanisms, and harmonizing national practices with international standards. This framework combines legal regulations governing valuation and collateral with institutions responsible for supervision, registration, and professional valuation services.

An effective valuation system requires not only appropriate legal provisions but also strong institutional cooperation among commercial banks, licensed valuation organizations, regulatory authorities, and collateral registration agencies. The interaction among these institutions ensures that movable assets are valued objectively, registered properly, and monitored throughout the lending process.

The legal regulation of movable asset valuation in Uzbekistan is based on several legislative acts and regulatory documents that establish the legal status of collateral, valuation procedures, creditor rights, and professional valuation standards. These legal instruments provide the foundation for secured lending and facilitate the effective use of movable assets as collateral.

Table 1
Legal Framework Governing Movable Asset Valuation in Uzbekistan[1]

Document	Purpose	Relevance to Movable Asset Valuation
Law of the Republic of Uzbekistan No. 811-I "On Valuation Activities" [1]	Regulates professional valuation activities	Establishes the legal basis for independent valuation, valuers' rights and obligations, and valuation reports.
Civil Code of the Republic of Uzbekistan [2]	Regulates property rights and contractual obligations	Defines ownership rights, secured transactions, and legal relations between creditors and borrowers.
Law of the Republic of Uzbekistan No. 736-XII "On Pledge" [3]	Governs pledge agreements	Determines the legal requirements for creating, registering, and enforcing movable asset collateral.
Law of the Republic of Uzbekistan No. O'RQ-58 "On Mortgage" [4]	Regulates mortgage transactions	Establishes general collateral principles applicable to secured lending.
Regulations of the Central Bank of Uzbekistan (CBU)	Regulates banking supervision and collateral management	Specifies collateral valuation requirements, risk assessment procedures, and loan classification standards.
Unified National Valuation Standard of the Republic of Uzbekistan [5]	Establishes professional valuation methodologies	Provides valuation approaches, reporting requirements, and ethical standards consistent with International Valuation Standards (IVS).

1 **Source:** Compiled by the author based on the legislation of the Republic of Uzbekistan [1–5].

As shown in Table 1, Uzbekistan has established a comprehensive legal framework governing the valuation of movable assets. The legislation regulates valuation activities, collateral creation and enforcement, banking supervision, and professional valuation standards. Collectively, these legal instruments improve legal certainty, strengthen creditor protection, and support prudent credit risk management in commercial banks.

In addition to an appropriate legal environment, an effective collateral valuation system requires strong institutional cooperation among public authorities, financial institutions, valuation professionals, and information providers. The institutional framework supports the practical implementation of legislation by ensuring that collateral is properly valued, registered, monitored, and enforced throughout the lending process.

Table 2
Institutional Framework for Movable Asset Valuation in Uzbekistan[2]

Institution	Primary Function	Role in Collateral Valuation
Commercial Banks	Loan origination and credit risk management	Assess collateral adequacy, determine loan-to-value ratios, and monitor pledged assets.
Licensed Valuation Companies	Independent asset valuation	Conduct professional valuation and prepare valuation reports in accordance with national standards.
Credit Bureau	Credit information services	Provides borrowers' credit histories and supports lending decisions.
Electronic Collateral Registry	Registration of security interests	Records pledged movable assets, establishes creditor priority, and prevents duplicate collateral registration.
Agency for Management of State Assets of the Republic of Uzbekistan	State regulation of valuation activities	Develops valuation policy, supervises implementation of national valuation standards, and coordinates reforms.
Chamber of Valuers	Professional self-regulatory organization	Supports professional education, certification, ethical standards, and continuous development of valuers.

Table 2 illustrates the key institutions involved in movable asset valuation and secured lending in Uzbekistan. Commercial banks, licensed valuation companies, the Electronic Collateral Registry, the Credit Bureau, the Agency for Management of State Assets of the Republic of Uzbekistan, and the Chamber of Valuers perform complementary functions that collectively enhance transparency, improve collateral management, reduce information asymmetry, and strengthen the stability of the financial system.

The valuation of movable assets has become an integral component of secured lending practices in Uzbekistan. Commercial banks increasingly accept movable assets as collateral to improve access to finance for businesses, particularly small and medium-sized enterprises (SMEs), while ensuring adequate protection against credit risk. The valuation process is generally performed by licensed valuation companies in accordance with the Law of the Republic of Uzbekistan "On Valuation Activities," the Unified National Valuation Standard, and the internal collateral management policies of commercial banks. The results of the valuation form the basis for determining the collateral value, the loan amount, and the level of credit risk associated with each transaction.

The valuation process adopted by commercial banks generally consists of several consecutive stages. Initially, the borrower submits an application together with documents confirming ownership of the movable asset. The bank then verifies the legal status of the asset through the Electronic Collateral Registry and other available information systems. After verification, an independent licensed valuation company inspects the asset and prepares a valuation report using appropriate valuation approaches in accordance with the National Valuation Standards. Based on the valuation report, the bank determines the acceptable collateral value, applies internal risk adjustments where necessary, and approves the loan amount. Throughout the loan period, banks may periodically monitor or revalue the collateral, depending on the type of asset and changes in market conditions.

2 **Source:** Compiled by the author based on national legislation and institutional practice.

Table 3
Typical Stages of Movable Asset Valuation in Commercial Banks of Uzbekistan[3]

Stage	Description
Borrower's application	Submission of loan application and ownership documents
Legal verification	Verification of ownership and encumbrances through the Electronic Collateral Registry
Independent valuation	Physical inspection and preparation of a valuation report by a licensed valuation company
Credit assessment	Determination of collateral value, loan amount, and credit risk
Registration	Registration of the security interest in the Electronic Collateral Registry
Monitoring and revaluation	Periodic review of collateral condition and market value during the loan term

As presented in Table 3, the valuation process adopted by commercial banks follows a structured sequence aimed at ensuring the legal validity, market accuracy, and financial reliability of movable asset collateral. Each stage contributes to reducing credit risk by verifying ownership rights, determining fair market value through independent appraisal, and establishing legally enforceable collateral rights before loan approval. This systematic approach strengthens the transparency and consistency of secured lending practices in Uzbekistan.

Commercial banks accept a broad range of movable assets as collateral, depending on their liquidity, marketability, ownership status, and legal enforceability. Commonly accepted collateral includes motor vehicles, agricultural machinery, industrial equipment, production machinery, inventories, warehouse goods, livestock, accounts receivable, and certain financial assets. The acceptance of collateral depends on its market value, physical condition, depreciation, expected liquidation value, and the existence of valid ownership documentation. Banks generally prefer assets with active secondary markets because they can be sold more easily in the event of borrower default.

The diversity of movable assets accepted as collateral requires commercial banks to apply different valuation approaches, depending on the economic characteristics, marketability, and expected useful life of each asset category. Consequently, selecting an appropriate valuation methodology becomes a critical factor in determining reliable collateral values.

Licensed valuers apply the valuation approaches established by the National Valuation Standards, which are harmonized with the International Valuation Standards (IVS). Depending on the characteristics of the collateral, banks primarily rely on the market approach for vehicles and standard equipment, the cost approach for specialized machinery with limited market information, and the income approach for income-generating assets for which future cash flows can be reliably estimated. In practice, valuers may combine more than one approach to improve the reliability of valuation results.

Following the determination of market value, commercial banks assess the amount of credit that can be safely extended against the pledged asset. This assessment is primarily based on the loan-to-value (LTV) ratio, which serves as one of the most important indicators of collateral adequacy and credit risk management.

Commercial banks determine the amount of credit by applying internal loan-to-value (LTV) ratios to the appraised value of collateral. The applicable LTV ratio depends on the type, liquidity, depreciation rate, and marketability of the pledged asset. Highly liquid assets generally receive higher LTV ratios than specialized or rapidly depreciating equipment. The Central Bank has increasingly adopted borrower-based prudential measures using LTV limits in certain lending segments as part of its macroprudential policy and credit risk management.

Collateral valuation does not end with loan approval. Throughout the loan period, commercial banks continuously monitor the adequacy of pledged assets to ensure that the collateral value remains sufficient to cover outstanding credit obligations.

During the loan period, commercial banks periodically review collateral values to ensure that the pledged assets continue to provide sufficient security for outstanding credit obligations. Revaluation is commonly performed when significant changes occur in market prices, asset condition, or economic circumstances, as well as during loan restructuring or renewal. Banks may also require additional collateral if the market value of pledged assets declines substantially. Modern collateral management systems increasingly support continuous monitoring and more efficient collateral administration.

Although the existing valuation system provides an effective framework for collateral management, its practical implementation still faces a number of operational and market-related challenges that may affect valuation accuracy and lending efficiency.

3 **Source:** Compiled by the author based on national valuation standards and commercial banking practice.

Despite considerable progress, several challenges remain in the valuation of movable assets in Uzbekistan. The secondary market for certain categories of industrial equipment remains relatively underdeveloped, reducing the availability of comparable market data. Rapid technological obsolescence complicates the valuation of specialized machinery. Differences in valuation practices among appraisal companies may also affect consistency. Furthermore, the wider application of automated valuation technologies and the use of comprehensive digital data remain works in progress.

To address these challenges, Uzbekistan has introduced a series of institutional and technological reforms aimed at modernizing collateral management and improving the efficiency of valuation practices.

Recent reforms have focused on strengthening the Electronic Collateral Registry, expanding digital integration, and aligning collateral management with international practices. In cooperation with the International Finance Corporation (IFC), the Central Bank has reviewed proposals to modernize the Collateral Registry, improve its technical capabilities, and enhance user convenience. The Registry has also been integrated with other government information systems, allowing for more effective verification of pledged assets and reducing information asymmetry. According to the Central Bank, the number of users and registered collateral records has increased significantly, reflecting the broader adoption of secured lending practices. These reforms are expected to improve the transparency, efficiency, and reliability of movable asset valuation in Uzbekistan.

Recent legal and institutional reforms have also contributed to the development of a standardized mechanism for the valuation of movable assets used as loan collateral. This mechanism integrates the activities of commercial banks, licensed valuation companies, and public information systems into a unified collateral management process.

To ensure consistency and transparency in collateral-based lending, commercial banks in Uzbekistan follow a standardized mechanism for the valuation of movable assets pledged as loan collateral. This mechanism involves a sequence of legal, technical, and financial procedures carried out by borrowers, commercial banks, licensed valuation organizations, and the Electronic Collateral Registry. The process is designed to establish the market value of collateral, assess lending risks, and protect the interests of both lenders and borrowers.

Table 4
Mechanism for the Valuation of Movable Assets for Loan Collateral Purposes in Uzbekistan[4]

Stage	Process	Main Participants	**Expected Outcome**
1	Submission of a loan application and proposal of movable assets as collateral	Borrower, Commercial Bank	Initial acceptance of collateral
2	Preliminary review of collateral eligibility and ownership documents	Commercial Bank	Verification of legal ownership and eligibility
3	Appointment of an independent licensed valuation organization	Commercial Bank, Valuation Organization	Selection of a certified valuer
4	Inspection and identification of the movable asset	Valuation Organization	Collection of technical, legal, and market information
5	Determination of the market value using appropriate valuation approaches (Market, Cost, or Income Approach)	Valuation Organization	Preparation of the valuation report
6	Review and approval of the valuation report by the commercial bank	Commercial Bank (Risk Management/Credit Department)	Determination of collateral value and loan-to-value (LTV) ratio
7	Registration of the security interest in the Electronic Collateral Registry	Commercial Bank, Credit Bureau	Legally enforceable registration of the collateral right
8	Loan approval and periodic monitoring or revaluation of collateral during the loan period	Commercial Bank	Continuous collateral risk management

As shown in Table 4, the valuation process consists of eight interrelated stages, beginning with the submission of a loan application and ending with the periodic monitoring or revaluation of collateral during the loan period. Independent licensed valuation organizations play a central role in determining the market value of movable assets using internationally recognized valuation approaches, while commercial banks evaluate the valuation report to establish the collateral value and the loan-to-value (LTV) ratio. Furthermore, the registration

4 **Source:** Developed by the author based on national legislation, valuation standards, and secured lending practices.

of collateral in the Electronic Collateral Registry strengthens legal protection and improves the enforceability of secured transactions. Overall, the current mechanism contributes to greater transparency, effective credit risk management, and enhanced reliability of collateral-based lending in Uzbekistan. The mechanism also facilitates greater coordination among financial institutions and regulatory authorities, thereby improving the overall effectiveness of secured lending and reducing information asymmetry within the credit market.

Commercial banks generally classify movable collateral according to its liquidity, marketability, and ease of realization in the event of borrower default. Table 5 summarizes the most frequently accepted categories of movable assets used as loan collateral in Uzbekistan.

Table 5
Types of Movable Assets Accepted as Loan Collateral in Uzbekistan[5]

Asset Type	Examples	Liquidity
Vehicles	Cars, trucks	High
Machinery	Industrial equipment	Medium
Agricultural machinery	Tractors, harvesters	Medium
Inventories	Finished goods	Medium
Livestock	Cattle	Medium
Accounts receivable	Trade receivables	Medium-High
Securities	Shares, bonds	High

As shown in Table 5, commercial banks in Uzbekistan accept a wide range of movable assets as loan collateral based on their liquidity, marketability, and legal enforceability. Highly liquid assets, such as vehicles and securities, generally provide stronger collateral protection because they can be realized more quickly in the event of borrower default. Conversely, machinery, agricultural equipment, inventories, and livestock require more detailed valuation due to differences in depreciation rates, market demand, and liquidation conditions. Therefore, the characteristics of each asset category directly influence both collateral valuation and lending decisions. The valuation of each collateral category requires the application of appropriate valuation approaches, depending on market conditions and asset characteristics. The methods most commonly applied by commercial banks are summarized in Table 6.

Table 6
Valuation Methods Applied by Commercial Banks[6]

Method	Typical Assets	Advantages
Market Approach	Vehicles	Reflects market prices
Cost Approach	Machinery	Suitable for specialized assets
Income Approach	Receivables	Based on expected future cash flows

Table 6 demonstrates that commercial banks apply different valuation approaches depending on the nature and economic characteristics of the pledged asset. The market approach is generally preferred for assets with active secondary markets, while the cost approach is more suitable for specialized machinery for which comparable market transactions are limited. The income approach is primarily used for financial assets capable of generating predictable future cash flows. The appropriate selection of valuation methods enhances the accuracy of collateral valuation and supports effective credit risk management. After determining the market value of collateral, banks apply internal loan-to-value (LTV) ratios to establish the maximum amount of financing that can be granted against the pledged asset. Illustrative LTV ratios are presented in Table 7.

5 **Source:** Compiled by the author based on commercial banking practice.
6 **Source:** Compiled by the author based on the Unified National Valuation Standard and International Valuation Standards [5; 12].

Table 7
Illustrative Loan-to-Value Ratios Applied by Commercial Banks[7]

Asset	Typical LTV
Vehicles	60–80%
Machinery	50–70%
Inventory	40–60%
Agricultural machinery	50–70%

As illustrated in Table 7, loan-to-value (LTV) ratios vary according to the liquidity, marketability, and expected depreciation of different categories of movable assets. Highly liquid collateral generally receives higher LTV ratios because it can be converted into cash more efficiently in the event of default. In contrast, inventories and specialized machinery are assigned relatively lower LTV ratios due to greater valuation uncertainty and higher market risk. The application of differentiated LTV ratios enables commercial banks to balance lending opportunities with prudent credit risk management. Despite the significant improvements achieved in recent years, several structural and operational issues continue to influence the effectiveness of movable asset valuation practices. The major challenges are summarized in Table 8.

Table 8
Major Challenges in Movable Asset Valuation[8]

Challenge	Impact
Limited development of secondary markets	Limited availability of comparable market data
Rapid depreciation of movable assets	Gradual reduction in collateral value
Variations across valuation reports	Reduced consistency in lending decisions
Limited adoption of digital valuation technologies	Extended valuation and processing time

Table 8 highlights the principal challenges affecting the valuation of movable assets in Uzbekistan. The limited development of secondary markets restricts the availability of reliable market data, while rapid depreciation and technological obsolescence reduce the long-term value of many movable assets. In addition, inconsistencies among valuation reports and the limited adoption of digital valuation technologies may affect the transparency and efficiency of collateral assessment. Addressing these challenges through regulatory improvements, digital transformation, and greater standardization of valuation practices would contribute to a more reliable and efficient secured lending system. Overall, the current practices of movable asset valuation in Uzbekistan demonstrate substantial progress toward establishing a transparent and reliable collateral valuation system. Nevertheless, further improvements in digital valuation technologies, the availability of market information, standardized appraisal methodologies, and institutional coordination remain essential for achieving full compliance with international best practices and enhancing the efficiency of secured lending.

CONCLUSION AND SUGGESTIONS

The findings of this study demonstrate that Uzbekistan has established a comprehensive legal and institutional framework for the valuation of movable assets used as loan collateral. The adoption of the Law on Valuation Activities, the National Valuation Standards, and the Electronic Collateral Registry has significantly strengthened the transparency and legal certainty of secured lending practices. Commercial banks increasingly rely on licensed valuation organizations and internationally recognized valuation approaches to determine the market value of movable assets and manage credit risk more effectively.

Despite the progress achieved, several areas remain in which the efficiency and consistency of movable asset valuation practices could be further improved. Limited secondary markets for specialized equipment, rapid technological depreciation, inconsistencies in valuation practices, and the relatively low level of digitalization reduce valuation accuracy and increase operational risk. Addressing these challenges requires the broader

7 **Source:** Compiled by the author based on illustrative commercial banking practices.
8 **Source:** Compiled by the author based on the analysis of scientific literature and current valuation practices [6–12].

implementation of digital valuation technologies, improved access to market information, greater standardization of valuation methodologies, and stronger institutional coordination among regulators, commercial banks, and valuation professionals.

Future reforms should focus on integrating artificial intelligence, automated valuation models (AVMs), big data analytics, blockchain-based collateral registration, and machine learning into collateral valuation processes. These technologies have the potential to improve valuation accuracy, reduce processing time, enhance transparency, and strengthen credit risk management. The adoption of international best practices and the continued modernization of the valuation system will further improve access to finance, particularly for small and medium-sized enterprises, and contribute to the sustainable development of Uzbekistan's banking and financial sector.

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