

Article

Methods for Increasing the Efficiency of Payment Collection for Legal Services

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Abstract: The article focuses on effective issues such as how much the fee for the service, which is an integral and main part of this contract, is, and how much the prepayment portion is, after the lawyer determines the payment for the client's services by agreement of both parties before starting their work, after which a contract (agreement) on the provision of legal services is concluded and signed between them (legal entities or individuals).

Keywords: Client, Legal Service, Lawyer, Agreement, Impartiality of the Parties, Remuneration, Proxy, Monthly Salary.

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1. Introduction

When a lawyer provides legal services to a client (legal entity or individual) on the basis of a contract between them, in accordance with which legal services are provided, the amount of funds received by the lawyer, i.e., the fee for legal services, is specified in the contract (agreement) concluded between the client and the lawyer, the procedure for its payment, the amount of the advance for the commencement of legal services, i.e., the amount of the service fee is specified, additional or incentive payments are made depending on the results of the services performed, and this payment is paid only to the account of the legal structure in which the lawyer operates, which indicates the relevance of the topic [1].

In accordance with the requirements of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 943 dated November 23, 2019, «On the procedure for using online cash registers and the virtual cash register system when conducting cash settlements with the population,» the payment of the lawyer's fee causes several obstacles and difficulties, and such payment of the lawyer's fee is ineffective and completely inadequate. Based on the requirements of the regulation, the client must go to the address where the lawyer operates, i.e., to the structure where the lawyer is located, to pay for the lawyer's services; if this occurs after working hours, at night, on holidays, or on weekends, the administrative and technical staff of the legal structure (the cashier or clerk) is not at the workplace. In this case, it is impossible to pay the fee, which is the main obstacle to paying the lawyer's fee, and the effectiveness of payment is reduced. Based on the requirements of the Regulation, one of its disproportions is that when a client accepts a receipt through a cash register after paying money, they must receive goods and services at the same time or, conversely, accept goods and services and then make the payment [2]. An attorney cannot exercise confidence in a client without payment of remuneration based

on the contract concluded with the attorney. This is the reason why he can't access the client's defense. It is completely impossible for a lawyer to satisfy the client's claim by performing the legal service on the spot. As a result, the client's right to use the services of a lawyer, to receive legal assistance from him, leads to a sharp restriction, which reduces the efficiency of payment for legal services [3].

Analysis of literature on the topic.

Scientists and practitioners of our republic and the world are working on the topic with their own views. These include L.B.Khvan, F.Kh.Otakhonov, Z.Mukimov, Kh.T.Odilkoriyev, O.Okyulov, Kh.B.Boboiev, I.B.Zakirov and U.Kh.Mukhamedov. In the works of these scholars, this issue has not been fully studied, specifically, issues such as legal services, fund payments, and structural funds have been examined in their legal services, which indicates that the chosen topic is currently dedicated to solving a highly relevant problem [4].

2. Research Methodology

This study employs a comprehensive methodological approach combining theoretical analysis and applied research methods to evaluate and improve payment collection mechanisms for legal services. The research is based on the analysis of нормативно-правовые documents regulating financial transactions in legal services, including government resolutions and banking regulations. Methods such as logical analysis, synthesis, induction, and deduction are used to identify inefficiencies in existing payment processes [5]. A systems approach is applied to examine the interaction between clients, legal structures, and financial institutions. Empirical analysis is conducted using data related to payment procedures, including the time required for completing transactions and the stages involved in payment collection. Economic-mathematical methods are used to develop formulas for evaluating the efficiency of payment processes and identifying delays in service delivery [6]. Comparative analysis is also applied to assess traditional payment methods against proposed digital solutions. The study introduces a model based on the "Legal Aid" information system, which integrates contract formation and payment processes into a unified digital platform. The reliability of the research is ensured through consistency of methods and validation based on practical scenarios [7]. This methodological framework allows for a systematic evaluation of payment inefficiencies and supports the development of effective solutions.

3. Results

Regardless of how or in what form the fee for legal services paid to the lawyer, i.e. in cash or non-cash, this amount should be effectively transferred to the account of the legal entity on the basis of a contract and can be included in the financial report, which must be submitted by the lawyer to the legal entity monthly to receive remuneration [8].

«In a market economy, several hundred thousand cash and non-cash transactions are carried out daily between legal entities and individuals.» 85–90% of these transactions, and in some developed countries, 98–99%, are carried out in non-cash form.

In Uzbekistan, non-cash settlements are carried out through internal and external correspondent accounts of commercial banks, using an electronic payment system, and in the form of accounting entries on client accounts. The electronic payment system, introduced into the country's banking system in March 1997, allows for the execution of interbank payments within a very short period of time. This testifies to the fact that broad opportunities have been created for non-cash payments between government agencies and enterprises, the population, and economic entities [9].

The payment of money in cash to commercial banks for services rendered, work performed, etc., is regulated in accordance with the Instruction on the Organization of Cash Circulation Work by Banks in the Republic of Uzbekistan, which states: «Establishing a limit on the cash balance in the cash desk of an economic entity and transferring cash receipts to bank cash desks;

Business entities may have cash in their cash desks within the limit of cash balances in the cash desks. The procedure for establishing a limit on cash balances in the cash desks of business entities applies only to business entities that have their own separate deposit accounts in banks, as well as cash desks;

The limit on the cash balance in the cash register of business entities is established annually by banks in coordination with business entities based on the settlement statement submitted by the client to the bank, taking into account cash turnover and their operating conditions,» and although it is specified that cash funds received from the services rendered are mainly transferred to the bank by legal entities on the basis of collection agreements, in some cases, it is allowed to deliver cash to commercial banks by the clients themselves [10].

«Commercial banks may accept cash from legal entities and individuals in the following cases:

- Proceeds from trade and services;
- Receipts from taxes, fees, duties, and other mandatory payments;
- Receipts deposited into deposits;
- Receipts for postal transfers;
- Receipts to bank cards;
- Proceeds from other purposes.

Cash received at the cash desks of commercial banks is credited to the bank's circulation cash desks. Cash collection client,

on the basis of a contract concluded between the bank and the collection service.

As an exception, when clients submit trade and other cash proceeds to the bank, an announcement is issued. The notice consists of three parts: a notice, a receipt, and an order".

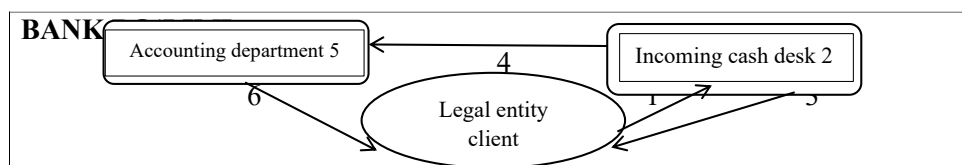


Figure 1. Procedure for document circulation when a client submits cash proceeds to the bank themselves.

Cash circulation is carried out through paper money and coins, manifesting in the process of cash movement. Cash circulation primarily serves to implement exchange relations arising between individuals and legal entities.

Non-cash turnover is carried out by transferring money from an account to another using accounts opened in credit institutions.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated November 17, 2011, No. 306 «On additional measures to further improve the use of cash registers with fiscal memory,» the REGULATION «On the procedure for using cash registers with fiscal memory when conducting monetary settlements with the population» was approved, and its first paragraph states that «In accordance with the Tax Code of the Republic of Uzbekistan, the procedure for using cash registers with fiscal memory when conducting monetary settlements with the population is established and is

applicable to all legal entities», as well as to individual entrepreneurs (hereinafter referred to as business entities) performing cash settlements with the population using cash registers with fiscal memory» the second paragraph of which states: «When conducting trade and selling goods, performing work, or providing services within the territory of the Republic of Uzbekistan, cash settlements with the population shall be carried out by all business entities with the mandatory use of cash registers with fiscal memory, Exceptions are made for certain categories of business entities determined by the Cabinet of Ministers of the Republic of Uzbekistan, which, by the nature of their activities, may carry out monetary settlements with the population without the use of cash registers with fiscal memory.» In accordance with this, Resolution of the Cabinet of Ministers No. 943 dated November 23, 2019, «On measures to ensure the use of online cash registers and the virtual cash register system» was adopted [11].

Based on the requirements of the regulations on the use of cash registers with fiscal memory, we have developed the payment days for legal services using the formula:

- $Ax = Sht(1-day=1) + (To(2-day) + Cht(2-day=1) + Ak(3-day=1)) = 3 \text{ day}$.
- **Ah** – legal service;
- **ST** - conclusion of a contract;
- **To** - making a payment;
- **Cht** - Delivery of the payment ticket to the lawyer;
- **Ak** – Is to engage in the service of a lawyer.

As can be seen from our formula, after concluding a contract with a client for the attorney to assume official duties, the client goes to the structure where the attorney is located to make the payment and returns to the attorney with the payment receipt, which takes at least three days. If the legal structure is located in district or city centers, and the lawyer's place of residence or reception is in a district or village, at least one more day is added to such a process [12]. If holidays coincide with weekends, these days will be added to it, making it more difficult to access legal services, the effectiveness of making payments decreases. As seen in Figure 1.1 of our work, regardless of the method of receiving cash from services or other purposes, one of the main factors is the receipt of funds into the account through the bank's cash desk, and it is important not how the amount of the fee for legal services should be paid, but to use the most effective ways of receiving funds into the account of the structure [13].

Table 1. Calculation of days spent by the client on paying for legal services.

Legal services	To conclude a contract	People in days			Total days	Overdue days
		Make a payment and deliver the payment receipt to the lawyer	Advocate's engagement in official duties	Concluding a contract, accepting service fees, and starting work		
By type	1	1	1		3	2
of	0	0	0	1	1	0
service						

In the first row of our table, the stages currently performed by the client to pay the necessary amount for the lawyer's services are indicated; in the second row, the stage following the recommendation is indicated, which demonstrates the effectiveness of

paying the lawyer's fee by increasing the intensity of payment rather than spending unnecessary time on processing the payment [14].

In order to provide the client with the opportunity to use the services of a lawyer conveniently and freely, effectively in any situation of the day - whether it is a working day or a holiday, on weekends, in order to ensure the priority of the client's interests, it is necessary to create conditions for the client to freely and unhindered use of the lawyer's services as much as they need. To do this, the lawyer's fee must be paid by the client or in any way to the account of the structure. We believe that it does not matter who pays this fee and how, in the end, the payment should be made effectively within the specified period.

In this case, a contract generated in parallel with the warrants is placed on the lawyer's platform. In the event that the amount of the lawyer's fee is clearly specified in the contract (agreement), the fee paid to the lawyer based on it is paid to the client via the lawyer's «Legal Aid» information system (platform) by sending a message to the client. This payment is made via QR code, in cash (paynet, click, payme), by the client, by the lawyer, by a proxy, or by any other person to a bank account through effective means, or by the lawyer accepting the service fee from their client and transferring it to the bank, which increases the efficiency of the lawyer's service and ensures the prevention of the shadow economy.

We have developed the effective stages for concluding a contract and paying the required fee for legal services as follows:

A sample contract is posted in the «Legal Aid» information system, and this message is automatically sent to the client's phone.

The customer will receive messages at the following stages:

The first stage - the contract specifies the type of legal service;

The second stage - the procedure for fulfilling the contract, the deadline, and the time of commencement of work;

The third stage - the contract specifies the amount of the lawyer's fee;

The fourth step is to specify the additional terms of the contract.

Upon completion of these stages, the contract will be stored on the lawyer's platform without the possibility of modification, and based on this contract, the lawyer will be able to obtain a warrant to participate in the case. In this case, it is completely irrelevant in what order and in what form the funds paid for the legal services specified in the contract are paid, and we believe it is important that they are credited to the account of the legal structure through effective means. As a result, the fee for legal services to be paid is clearly visible in the system, its payment is mandatory and important, and its payment by clients, their authorized representatives or authorized persons, such as the lawyer, his representative, employees of the operating structure, increases the efficiency of payment. In such cases, the method of payment for legal services loses its significance. As a result, the service fee is paid without barriers in any case through fast, efficient ways [15].

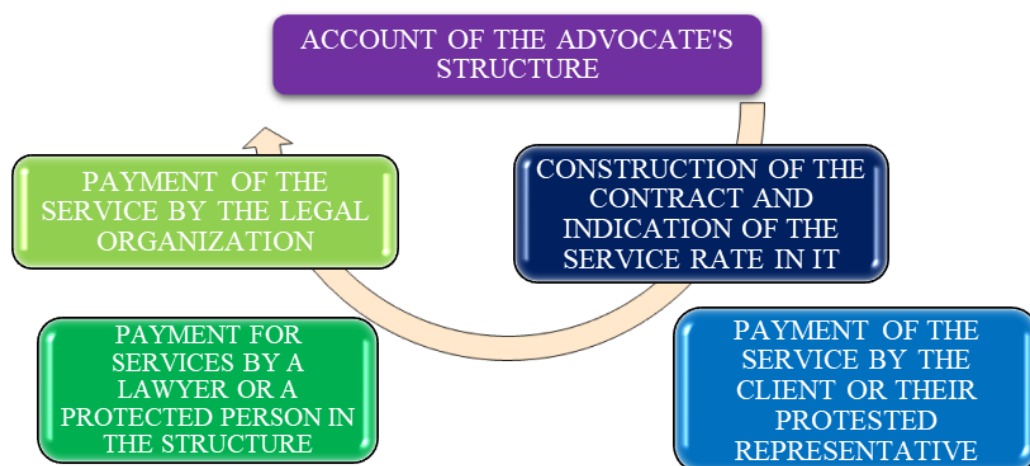


Figure 2. The process of paying the fee due to a lawyer.

This figure shows that after the contract is concluded between the lawyer and the client, the main issue is the payment of the fee specified in the contract for the legal services, and it is shown that the issue of the effective payment of the service fee to the account of the legal structure through which this process is one of the important aspects.

We believe that to increase the intensity of receiving the fee amount due for legal services, it is necessary to pay the service fee rather than the payment process. We have developed the formula for the effective payment of the lawyer's fee as follows:

- $Ax = (Sht\ (1-day) + To\ (1-day) + Ak\ (1-day)) = 1\ day.$
- Ax – legal services;
- Sht – conclusion of a contract;
- To – making a payment;
- Ak – entering the service of a lawyer.

Through this, the lawyer and the client determine the amount of payment in the «Legal Aid» information system, the amount to be paid is paid at that time, or the lawyer himself accepts it, on the same day he enters the client's defense activities, which leads to an increase in the effectiveness of the legal service, as well as the optimization of the payment of legal services.

4. Discussion

The findings of this study highlight the importance of modernizing payment systems in the legal services sector. The inefficiencies identified in the traditional payment process are primarily due to reliance on physical transactions and rigid regulatory requirements. These limitations not only delay service delivery but also restrict clients' access to legal assistance.

The proposed digital payment model addresses these challenges by integrating payment and contract processes into a unified system. This approach aligns with global trends in financial technology, where digital solutions are increasingly used to enhance efficiency and accessibility. The use of QR codes, online banking, and mobile payment systems provides clients with flexible payment options, reducing the need for physical presence.

The study also demonstrates that reducing the number of stages in the payment process has a direct impact on efficiency. By minimizing delays, the proposed model enables lawyers to commence work immediately after payment, thereby improving service quality and client satisfaction. This is particularly important in legal cases where timely intervention is critical.

Furthermore, the adoption of digital payment systems contributes to reducing the shadow economy by ensuring that all transactions are recorded and traceable. This enhances transparency and strengthens trust between clients, lawyers, and regulatory authorities. The findings are consistent with previous research emphasizing the role of financial transparency in improving organizational efficiency.

However, the implementation of digital systems may face challenges, including technological limitations and resistance to change. Therefore, it is important to provide adequate training and infrastructure to support the transition.

Future research should explore the integration of advanced technologies such as blockchain and artificial intelligence in legal payment systems, as well as conduct comparative studies across different countries.

5. Conclusions

Legal services ensure the legal protection of every individual, make a significant contribution to building a just society, and strengthen respect for the laws. Therefore, the role of lawyers in society is very important. Advocacy services, which are also a type of legal service and its main component, are an important pillar in the formation of legal awareness of individuals and legal entities, which are the main links of our society. Advocacy services are in demand in all sectors of the national economy—that is, at all levels of production and economic management, in ministries, departments, associations, enterprises, institutions, and organizations, as well as in khokimiyats and even in the highest governing bodies.

The role of the advocacy service, types of advocacy services, and the composition of advocacy structures were studied, revealing that issues such as the composition of advocacy structures and the functions performed by the lawyer to increase the efficiency of their service have not been studied. Taking this into account, the structure of advocacy structures, their functions, and ways to increase the efficiency of advocacy services have been clearly substantiated. It became known that lawyers help prevent legal disputes and play an important role in preventing future problems by correctly drafting contracts and resolving disputes through legal means.

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