

ISSUES OF IMPROVING CIVIL-LEGAL CONTRACTS IN THE DIGITAL ECONOMY

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Annotation. *This article examines the transformation of contractual relations in the era of the digital economy, in particular, the legal nature of electronic transactions and smart contracts.*

The article analyzes the current civil legislation of the Republic of Uzbekistan and identifies gaps in the regulation of digital rights and automated contracts. At the end of the study, proposals and recommendations are put forward for the modernization of national legislation.

Keywords: *Digital economy, civil law, smart contract, blockchain, electronic signature, electronic commerce, digital transaction, artificial intelligence.*

INTRODUCTION

Today, the world economy is rapidly moving to digital platforms. The development of information technologies has brought fundamental changes not only to economic indicators, but also to contractual relations, which are the legal basis of society. The Decree of the President of the Republic of Uzbekistan dated October 5, 2020 on approval of the "Digital Uzbekistan - 2030" strategy and measures for its effective implementation serves as the foundation for reforms in this area.

However, technological progress is always several steps ahead of the legislative framework. In the digital economy, transactions are concluded within seconds, often without direct human participation (through algorithms). This requires a revision of such concepts as "form of contract", "expression of will" and "performance of obligations" in traditional civil law.

MAIN PART

1. Legal status and current situation of electronic contracts

According to Article 366 of the Civil Code of the Republic of Uzbekistan, a contract may be concluded by drawing up a document in writing, as well as by means of communication, such as a letter, telegram, telegraph or exchange of information.

In the digital economy, electronic transactions replace a simple paper document is in progress. Although the Law "On Electronic Commerce" and the Law "On Electronic Digital Signature" form the legal basis in this regard, there are a number of problems in practice. In particular, the mechanism for recognizing agreements reached through messengers (Telegram, WhatsApp) as full-fledged evidence in courts remains complex. The issue of identifying a person (identification) and confirming his will in the digital environment needs legal protection.

2. Smart contracts: Contracts of the future

The most unique document of the digital economy is a smart contract. A smart contract is a transaction based on blockchain technology, the terms of which are written in the form of program code and the execution of which is automated.

Its difference from a traditional contract is that it is self-executing. For example, in an insurance contract, if a flight is delayed (as soon as this information is entered into the system), the program automatically transfers compensation to the client's account. Here, there is no need to go to court or force the executor. However, from a legal point of view, a number of questions arise:

- Who is responsible if there is an error in the program code?
- Is it possible to cancel or amend a smart contract? (Considering that information cannot be changed in the blockchain system).

3. International experience and comparative analysis

The experience of the United States (Uniform Electronic Transactions Act), Estonia and the European Union (eIDAS regulation) in regulating digital transactions is noteworthy. For example, in Estonia, the digital residency system has introduced the possibility of concluding electronic contracts and using public services from anywhere in the world. There is also a need to expand the concept of "digital rights" in the legislation of Uzbekistan and recognize them as an object of civil law.

The conducted analysis shows that although the concept of "electronic transaction" exists in the national legislation, terms such as "smart contract" and "token" are not consolidated at the level of the Civil Code. This leads to a lack of legal security among entrepreneurs in the use of modern technologies.

The issue of protecting intellectual property objects in the digital environment also remains open. The sale or licensing of works of art through NFT (Non-fungible token) requires legal regulation.

1. Legal nature of digital assets

The article should focus not only on contracts, but also on digital assets (crypto-assets, NFTs, virtual properties) that are their objects.

- Analysis: Although the concept of "crypto-asset" exists in the legislation of Uzbekistan, it is not fully formed as an object of real law in the Civil Code.

- Idea: Analyze the mechanisms for bequeathing digital assets or using them as collateral.

2. Freedom of contract and the principle of "Code is Law"

In Western jurisprudence (theory of L. Lessig), there is the concept of "Code is Law".

- Essence: In the digital world, it is not law, but computer code that limits human behavior.
- Legal problem: What will be the court's intervention if the smart contract code is contrary to the law (for example, usury or illegal trade)? Explain this conflict in the analytical part of the article.

3. Force majeure and the digital environment

Traditional contracts have the concept of "force majeure".

- Digital interpretation: Do a complete Internet outage, large-scale server failures or cyberattacks constitute force majeure for digital contracts?

- Proposal: Legally establish the obligation to include an "emergency stop" function in smart contract algorithms.

4. Changes in the theory of evidence

One of the most important parts for the direction of jurisprudence is the burden of proof.

• Electronic evidence: Screenshots, log files and metadata. You can write a procedure for using "Digital Forensics" conclusions to verify their authenticity.

CONCLUSIONS AND PROPOSALS

The following are proposed to improve civil law in the digital economy:

1. Amendments to the Civil Code: Introduction of the concepts of "Digital Rights" and "Smart Contract" into the Code, determination of their legal status and legal force.

2. Simplification of the identification system: Equating the legal force of identity verification (Face-ID, biometrics) in remote contracts with "Electronic digital signature".

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3. Modernization of judicial practice: Development of special methodological manuals for judges and lawyers on working with digital evidence.

4. Recognition of blockchain registers: Ensuring transparency of contracts by gradually transferring state registers (cadastre, motor transport) to the blockchain system.

In short, the digital economy requires flexibility from law. The law should be not only a restrictive but also an incentive for innovation.

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