



LEGAL REGULATION OF E-COMMERCE RELATIONS UNDER THE LEGISLATION OF THE EU AND CENTRAL ASIAN COUNTRIES

Nusratillayev Eldor Alisherovich

Tashkent state university of law

Master's student

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Abstract: This article discusses the regulation of e-commerce relations under the legislation of the EU and Central Asia. The existing problems and solutions in the implementation of e-commerce are presented. Normative legal documents, international acts and conventions, opinions of scientists and researchers, statistical data and features of dispute regulation in these countries are analyzed.

Keywords: electronic commerce, consumer protection, e-government, electronic signature, distance selling, business transactions, consumer rights.

Аннотация: В данной статье рассматривается порядок регулирования отношений электронной коммерции в соответствии с законодательством ЕС и Центральной Азии. Представлены существующие проблемы и пути их решения при осуществлении электронной коммерции. Проанализированы нормативные правовые документы, международные акты и конвенции, мнения учёных и исследователей, статистические данные и особенности регулирования споров в указанных странах.

Ключевые слова: электронная коммерция, защита прав потребителей, электронное правительство, электронная подпись, дистанционная продажа, деловые операции.

Annotatsiya: Mazkur maqolada Yevropa Ittifoqi va Markaziy Osiyo davlatlari qonunchiligi bo'yicha elektron tijorat munosabatlarini huquqiy tartibga solish haqida so'z yuritilgan. Elektron tijorat munosabatlarini amalga oshirishda mavjud muammolar va ularni hal qilish usullari keltirilgan. Normativ-huquqiy hujjatlar, xalqaro hujjatlar va konvensiyalar, olimlar va tadqiqotchilarning fikrlari, statistik ma'lumotlar va ushbu mamlakatlardagi nizolarni tartibga solish xususiyatlari tahlil qilingan.

Kalit so'zlar: elektron tijorat, iste'molchilar huquqlarini himoya qilish, elektron hukumat, elektron imzo, masofadan sotish, biznes operatsiyalari, iste'molchilar huquqlari.

Today, e-commerce is one of the most important parts of the economy of all developed countries of the world. If earlier trade was mainly carried out in





the usual way in bazaars and shops, today people have begun to purchase goods and other necessary things through online stores and special platforms. Although e-commerce is convenient and publicly available, but during its implementation, controversial relations between the parties to the transaction began to arise. Subsequently, there was a need to regulate these relations by legal means.

Indeed, e-commerce is a special type of trade that differs significantly from its traditional forms and has a significant number of advantages. Time constraints and geographical barriers are erased, and the lack of personal contact with the seller is compensated by the possibility of contacting an online consultant¹.

For a more accurate understanding of the phenomenon under consideration, it should be noted that e-commerce is commonly understood as automated commercial activity based on the use of: – telecommunication networks, in particular the Internet; – information technology; - special legal norms, standards, protocols, classifiers².

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Many EU and Central Asian countries, including Uzbekistan, have begun to pay great attention to the development of e-commerce. An important factor contributing to the development of e-commerce in Uzbekistan is the legislative regulation of this sphere.

In 2022, Uzbekistan adopted the updated law "On e-Commerce", which introduces the necessary rules and regulations for the regulation and

¹ Salikhova R.R. Features of the introduction of e-commerce elements by traditional retail chains // Economics, Entrepreneurship and Law. – 2019. – No. 4. – pp. 685-692. – doi: 10.18334/epp.9.4.41376.

² Gavrilov L.P. Electronic commerce. / textbook and workshop for universities. 3rd ed., supplement – Moscow: Yurayt Publishing House, 2019. – 92-99 p.

³ Salikhova R.R. Features of the introduction of e-commerce elements by traditional retail chains // Economics, Entrepreneurship and Law. – 2019. – No. 4. – pp. 685-692. – doi: 10.18334/epp.9.4.41376.

⁴ Gavrilov L.P. Electronic commerce. / textbook and workshop for universities. 3rd ed., supplement – Moscow: Yurayt Publishing House, 2019. – 92-99 p.





development of this sector. The law provides legal protection for both consumers and entrepreneurs, establishes the procedure for conducting electronic transactions and determining responsibility for violations. Legislation and payment systems play a crucial role in creating a reliable and sustainable e-commerce ecosystem. They ensure the protection of the rights and interests of all participants in the process – both buyers and sellers.

Commerce in its traditional definition up until late 1990s has been based on the 'physical mode' of operation whereby customers used to conduct trade by means of visiting the physical establishments where transactions of placing their orders, receiving the goods and paying for them took place. The milestone changes to the 'brick-and-mortar' way of transacting has occurred in the late 1990s with the development of internet and its further wide-ranging and far-reaching expansion across the globe which resulted in the development of Electronic Commerce (E-commerce) impacting individuals, business entities and national economies⁵.

In 2014, the total sales volume in the e-commerce market was only \$ 1.3 trillion, but this value more than tripled in 2020 and reached \$ 4.2 trillion. Sales volumes are expected to maintain an upward trend over time. In fact, experts predict that the industry's annual revenue will grow to \$6.5 trillion in just three years. If this trend continues, e-commerce sales could reach \$8 trillion per year by 2025⁶.

According to the statistical portal of Uzbekistan, the volume of e-commerce and retail sales in the country is steadily growing. In 2022, the volume of e-commerce sales increased by 1.8 times compared to 2021 and amounted to more than 10.8 trillion soums, which is more than 4% of total retail sales. According to the portal of the tax service, there is an impressive increase in the number of e-commerce entities. As of August 1 of this year, their number reached 159, including 52 electronic payment systems and 35 mobile banking applications, as well as 72 online stores and trading platforms. The amount of checks presented from the beginning of the year to August 1 amounted to 28.4 trillion soums, of which online stores and marketplaces provided 7.4%⁷.

In addition, the cooperation of the Central Asian countries with the EU countries in this area leads to an improvement in mutual relations and trade between them. Trade using digital technologies contributes to economic growth,

⁵ B. H. Malkawi, 'E-commerce in Light of International Trade Agreements: The WTO and the United States-Jordan Free Agreement', (Summer 2007), International Journal of Law and Information Technology

⁶ Zakharov A.N. Starovaya Y.A., Review of the development of electronic commerce in the world economy: challenges and consequences of the pandemic // 12-2020. - p.32

⁷ <https://siat.stat.uz/>





creating employment opportunities for young people, women and socially vulnerable segments of the population, as well as allowing MSMEs to enter new markets at the international level. Ready4Trade assists small businesses in identifying new markets and trading at the national, regional and international levels. Companies operating offline acquire knowledge to build their digital sales presence, while more digitally advanced companies receive support to increase their online visibility. Representatives of participating business associations benefit from e-commerce training and awareness-raising activities. Within the framework of the Ready4Trade Central Asia project, the European Union (EU) and the International Trade Center (ITC) are joining forces to contribute to the overall sustainable and comprehensive economic development of Central Asia by stimulating intra-regional and international trade in the region. The beneficiaries of the Ready4Trade Central Asia project are governments, micro, small and medium-sized enterprises (MSMEs), in particular, enterprises headed by women, and business support organizations (BPO). The project operates in 5 countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan⁸.

These reforms contribute to the development of e-commerce cooperation in the EU and Central Asia.

In the study of this scientific article, general methods were used: functional approach, consistency, consistency, historical, comparative legal analysis. The opinions of scientists were analyzed and relevant suggestions and recommendations were given.

As we have already emphasized above, the law “On e-commerce” is the main law regulating relations in the field of e-commerce. According to article 4 of this law, the basic principles of e-commerce are:

- freedom of doing business in the field of e-commerce;
- voluntary conclusion of contracts in e-commerce;
- equality of conditions for participation in e-commerce;
- protection of the rights and legitimate interests of e-commerce entities;
- ensuring the proper quality of goods (works, services);
- openness and transparency of e-commerce processes;
- ensuring information security in e-commerce.

There are also separate legal acts regulating these relations as Civil Code of the Republic of Uzbekistan, the Law – “On Informatization”, the Law – “On Telecommunications”, the Law – “On Electronic Commerce”, the Law – “On Electronic Document Management”, the Law – “On Payments and payment

⁸ <https://www.eeas.europa.eu>





systems”, the Law – “On Electronic Digital Signature”, the Law – “On Advertising”, the Law – “On Trade Secrets”, the Law – “On Competition”, the Law – “On Anti-Corruption”, Law – “On Protection of Consumer Rights”, Law – “On Innovation Activities”, Law – “On Personal Data”, Law – “On Public Procurement”, Law – “On International Commercial Arbitration” and other laws.

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“Rules of electronic commerce in the Republic of Kazakhstan” Approved by the Decree of the Government of the Republic of Kazakhstan dated September 10, 2007 No. 786, the Law of the Kyrgyz Republic dated December 22, 2021 No. 154 “On Electronic Commerce”, the Law “On Electronic Commerce” of the Republic of Tajikistan dated December 24, 2022 No. 1921, the Law of the Republic of Turkmenistan “On Trade” regulate relations in the field of electronic commerce.

The legislation of the Central Asian countries in regulating relations in the field of e-commerce does not have much difference, but still to some extent have different approaches.

The concept of distance trading includes the purchase and sale of goods using the Internet, telephone and e-mail. These means of communication are increasingly used in commercial activities and require comprehensive regulatory regulation. In this regard, in addition to the generally applicable trade legislation, special regulatory legal acts apply to remote methods of purchase and sale of goods.

In the UK, every commercial enterprise involved in distance trading must comply with the requirements of the Consumer Protection (Distance Selling) Regulations 2000, Consumer Protection (Distance Selling) Regulations 2000, which is the main regulatory legal act in this area. It contains rules that allow the

⁹ <https://siat.stat.uz/>





application of the norms of the EU Directive 97/7/EC on the territory of the UK, and also gives additional rights to consumers using remote shopping methods.

In addition to it, the following acts should be taken into account:

- Regulation “On Electronic Commerce (EU Directive)” of 2002, Electronic Commerce (EC Directive) Regulations 2002;
- Regulation “On the Protection of Personal Data and Electronic Means of Communication (EU Directive)” of 2003, Privacy and Electronic Communications Regulations (EC Directive) 2003;
- The Provision “On the Prevention of unfair conditions in the consumer contract” of 1999, the Unfair Terms in Consumer Contract Regulations 1999, if the seller uses a contract of sale with standard conditions.

Special legislation on remote trading has been developed in order to increase consumer confidence in this method of making purchase and sale transactions, as well as to regulate and limit the business activities of sellers by regulatory requirements. In particular, among the main requirements introduced by the provision of the Consumer Protection (Distance Selling) Regulations 2000 is the provision of truthful information to the consumer, including in relation to the following:

- information about the seller, its organizational and legal form and types of activities;
- the goods or services offered, including their properties and cost;
- payment and delivery terms;
- the right to refuse the purchase and the refund procedure;
- the period during which the specified price is maintained;
- minimum term of the contract (when necessary)¹⁰.

English law governing e-commerce is set out in an ample of different statutory instruments, both, specific to the conduct of online business activities and, general, applicable to all business transactions. The e-commerce related regulations and law provisions are rooted in the EU laws and, hence, are subject to increasing harmonization at the EU level, although it is unclear whether EU regulations will continue to further impact UK legal framework following the decision of the UK to exit EU.

The French e-commerce market is one of the largest in Europe. Together with Germany and the UK, France is one of the three largest European online markets. French consumers also buy goods in foreign online stores. Only if your products comply with the requirements of EU legislation, you can freely sell

¹⁰ <https://perevodzakonov.ru/publications/britanskoe-obshchestvo/dstantsionnaya-torgovlya>





them in France. However, first you need to carefully check whether the product requirements in France coincide with the requirements in the Netherlands.

In France, there are additional requirements for the sale of food additives, food and medicines. In addition, there may be certain rules for labeling products. Therefore, before entering the French market, you should carefully study what requirements the products must meet¹¹.

The volume of the French e-commerce market is estimated at 78.44 billion US dollars in 2023 and is expected to reach 112.56 billion US dollars by 2028, increasing by an average of 7.49% during the forecast period (2023-2028)¹².

German e-commerce experienced rapid growth in 2021. Gross sales of e-commerce goods amounted to 99.1 billion euros, which is 19 percent more than in 2020. Almost every seventh euro available to German consumers for household expenses was spent on goods on the Internet on January 31, 2022¹³.

Directive 2000/31/EC of the European Parliament and of the Council of 08.06.2000 on certain legal aspects of information services in the domestic market, in particular on e-commerce, also regulates interstate relations in the field of e-commerce.

As A. Y. Kapustin, Head of the Department of International Law at the Institute of Legislation and Comparative Law, notes, "if at the universal level (UN, WTO) soft law acts and international treaties prevail, then at the regional level, for example, in regional economic integration organizations such as the European Union (EU), along with contractual ones, they have become widespread legally binding acts of institutions and decisions of an international judicial body (EU Court), you can also find acts of soft law"¹⁴.

The first international treaty providing legal certainty in the conclusion of electronic contracts in international trade is the United Nations Convention on the Use of Electronic Communications in International Contracts (New York, 2005), which is based on previously developed texts of UNCITRAL. The recently adopted UNCITRAL Model Law on Electronic Transferable Records (2017) lays down the same principles to enable the electronic use of negotiable documents and instruments, such as bills of lading, bills of exchange, cheques, promissory notes and warehouse receipts, and at the same time simplify their use¹⁵.

¹¹ <https://perevodzakonov.ru/publications/britanskoe-obshchestvo/distsionnaya-torgovlya>

¹² <https://www.mordorintelligence.com/ru/industry-reports/france-ecommerce-market>

¹³ <https://vc.ru/u>

¹⁴ Cit. on: Competition in the market economy: the limits of freedom and restrictions: monograph / ed. A.V. Gabov. M., 2016. 384 p. (author § 4 ch. 1 A. Ya. Kapustin).

¹⁵ <https://uncitral.un.org/ru/texts/ecommerce>





The development of the Internet and the latest information technologies has exacerbated the problems caused by the widespread use of American search engines, online stores, platforms, “digital giants” - Google, Apple, Facebook, Amazon, Microsoft, etc., concentrating huge shares of the global digital market, and measures to protect Internet users from unfair terms of contracts offered by “digital giants” countering cybercrime and protecting personal data are the subject of discussion in the European doctrine¹⁶.

The main purpose of the proposed Regulation on the Single Market of Digital Services is to ensure the proper functioning of the internal market, in particular with regard to the provision of cross—border digital services.

In addition, in the message “Shaping Europe’s Digital Future”, the European Commission proposes to update the horizontal rules defining the duties and responsibilities of providers of intermediary digital services, as well as digital platforms such as social networks and trading platforms. By establishing clear due diligence obligations for certain intermediary services, including procedures for notification and taking action against illegal content, the proposal aims to improve the security of Internet users in the EU and more effectively protect their fundamental rights¹⁷.

On November 25, 2008, the Model Law of the CIS member States “On Electronic Commerce” was adopted, which introduced the concepts of electronic transaction and electronic contract. At the same time, an electronic contract is a civil contract carried out on the basis of information systems, an information and communication network and electronic procedures. In other words, the electronic form of a civil contract is a kind of simple written form, and the aforementioned Model Law considers a civil contract as any material object with information recorded in it. That is, the expression and consolidation of information takes place in writing, but in electronic form through the use of an electronic digital signature.

In conclusion, we can state that the legislation of the Republic of Uzbekistan and other Central Asian countries in the field of regulation of e-commerce relations is carried out by special regulatory legal acts that are aimed at protecting the rights of legal entities and individuals. The EU countries, in addition to the adopted international rules, also have their own internal regulations that contribute to strengthening and reliable protection of the rights of e-commerce entities.

¹⁶ The effectiveness of law in the face of the power of the giants of the Internet // Proceedings of the days of October 20, 21 and 22, 2014. Under the direction of Martine Behar-Touch. Vol. 2. IRIS. Paris, 2016.

¹⁷ URL: https://ec.europa.eu/info/sites/info/files/communicationshaping-europes-digital-future-feb2020_en_4.pdf.





It is necessary to continue improving rulemaking and adopt the necessary amendments to legislation to eliminate existing barriers in this area. Cooperation between the Central Asian States and the EU should be strengthened to achieve common goals in the field of e-commerce.

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