

THE JOURNAL OF COMPARATIVE LAW

Volume EIGHTEEN
Issue ONE
2023

EDITORS
WE Butler
Michael Palmer

An organ of
THE ASSOCIATION FOR
COMPARATIVE LEGAL STUDIES LIMITED

TALBOT
PUBLISHING
Clark, New Jersey

International Commercial Arbitration and Alternative Dispute Resolution in Uzbekistan

MAKSHARBEK RAKHIMOV*

Historically, Uzbekistan is a country where people, in addition to the rules established by normative legal acts, adhere to the moral foundations characteristic of Eastern society. The words and opinion of an elder in the family and in society are respected by all and cannot be disputed. Therefore, from ancient times, to resolve a dispute, whether domestic or commercial, people first turned to wise men called Ak-sakals.¹ This practice has been reflected in the modern legislation of Uzbekistan: for example, before filing for divorce, spouses must apply to an institution² for amicable resolution. According to the Family Code of Uzbekistan, a judge has the right, postponing the divorce proceedings, to assign the spouses a period of up to six months for reconciliation with the participation of the conciliation commission of an agency of local self-government (called Mahalla Councils³ in Uzbekistan), headed by a chairman who is usually an Ak-sakal.⁴

Having gained independence after the dissolution of the USSR in 1991, Uzbekistan embarked on the path of its own development. Much effort was devoted to dismantling the former system of government and laying the foundations of national statehood. Many structures and governing bodies were eliminated that were survivals of the administrative-command system and obstructed the formation of a new democratic State and market economy.⁵ The development of the international relations of Uzbekistan, including international investment in industry, were not left aside.

* LL.M., Penn State Law; S.J.D. candidate, Penn State Dickinson Law.

¹ Translated literally, it means *a white beard*, a person who has a gray beard.

² Para. 10, Постановление Пленума Верховного суда Республики Узбекистан № 6 от 16 июля 2020 года “О практике применения судами законодательства по делам о расторжении брака” [Decree of the Plenum of the Supreme Court of the Republic Uzbekistan, No. 6, “On the Practice of the Application by Courts of Legislation Regarding Cases on the Dissolution of Marriage”, 20 July 2011] (available online).

³ Article 40, Family Code of the Republic Uzbekistan, as amended by Law No. ZRU-476, 18 April 2018.

⁴ As a rule, they are males, but sometimes are women.

⁵ M. A. Rakhimov, *Новейшая история Узбекистана* [Newest History of Uzbekistan] (2018), p. 84.

FIRST STEPS TOWARDS NEW REGIME: RIGHT TO “ARBITRATE”

During the first five years of independence, Uzbekistan signed more than twenty bilateral investment protection agreements.⁶ On 25 August 1995, Uzbekistan acceded to the Washington Convention on the Settlement of Investment Disputes between the States and Nationals of Other States,⁷ and the New York Convention on the Recognition and Enforcement of International Arbitral Awards (1958) entered into force for the Republic Uzbekistan in 1996.⁸ The Supreme Economic Court on 26 March 1998 also adopted a Decree “On Judicial Practice of the Enforcement of Decisions and Arbitral Awards of the Foreign Courts (Arbitrations)”, which further provided for the enforcement of foreign arbitral awards if the conditions specified in the applicable international treaty are met. That decree was amended several times and finally lost force after the adoption of the Code of Economic Procedure of the Republic Uzbekistan in 2018.⁹

In 2006, the Parliament passed the Law “On Arbitration Courts”¹⁰ (came into effect 1 January 2007), which is available online in Russian. Uzbekistan being a former union republic of the Soviet Union has Russian as the widely spoken “lingua franca” of the country. Arbitration courts, *treteiskii*¹¹ courts in the Russian language, are comparatively new to Uzbekistan as an institute of dispute resolution. The arbitration court is a private body for dispute resolution and operates attached to the Chamber of Commerce and Industry of Uzbekistan. They are not part of the State court system and differ greatly from State courts, though they have some similarities in application of the law and enforceability of an award. The Law “On Arbitration Courts” defines the *treteiskiy* court as a

⁶ Investment Policy Hub database (available online).

⁷ Contracting States and Measures Taken by Them for the Purpose of the Convention, listings prepared by the Secretariat, International Centre for Settlement of Investment Disputes (2020) (available online).

⁸ Постановление Олий Мажлиси Республикаси Узбекистан № 184-I от 22 декабря 1995 года “О Присоединении к Нью-Йоркской Конвенции о Признании и Приведении в Исполнение Иностранных Арбитражных Решений от 10 Июня 1958 года” [Decree of Oliy Majlis of the Republic of Uzbekistan, No. 184-I, “On Accession to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 10 June 1958”], 22 December 1995, came into effect in February 1996 (available online).

⁹ Постановление Пленума Верховного суда Республики Узбекистан No. 17 от 19 мая 2018 года “О внесении изменений и дополнений, а также признании утратившими силу некоторых Постановлений Пленума Верховного Суда и Пленума Высшего Хозяйственного Суда Республики Узбекистан в связи с принятием Экономического Процессуального Кодекса Республики Узбекистан” [Decree of the Plenum of the Supreme Court of Uzbekistan No. 17, “On Making Changes and Additions, and also Deeming Certain Decrees of the Plenum of the Supreme Court and the Plenum of the Supreme Economic Court of the Republic Uzbekistan in Connection with the Adoption of the Code of Economic Procedure of the Republic Uzbekistan”], 19 May 2018.

¹⁰ Закон Республики Узбекистан № ЗРУ-64 от 16 октября 2006 года “О третейских судах” [Law of the Republic Uzbekistan, No. ZRU-64, 16 October 2006 “On Arbitration Courts”] (available online).

¹¹ Associated with the analysis of the conflict or a dispute by a third, uninterested party, elected by mutual agreement by the disputing parties.

[n]on-governmental body that resolves disputes arising from civil law relations, including economic disputes arising between business entities".¹²

The Law "On Arbitration Courts" is based on the principles of the United Nations Commission on International Trade Law Model Law on International Commercial Arbitration 1985, with amendments as adopted in 2006 ("UNCITRAL Model Law"), but there are some significant differences, and therefore it was not recognized by the United Nations Secretariat as being based on the UNCITRAL Model law. For instance, the scope of application of the Law "On Arbitration Courts" is confined to domestic awards (Article 1); courts have significant powers to interfere in the arbitration procedure; the choice of applicable law is limited to Uzbek law (Article 10); and arbitrators can only be Uzbek citizens (Article 3). Moreover, some aspects of proceedings under the Law "On Arbitration Courts" are governed by the Code of Economic Procedure Code of Uzbekistan.¹³ If the parties fail to appoint an *ad hoc* tribunal, the arbitration terminates immediately and the dispute shall be referred to the State courts (Article 15). Under Article 10 of the Law "On Arbitration Courts", during arbitral proceedings, arbitral tribunals are required to exclusively apply the legislation of Uzbekistan. In addition, Article 27 of the Law provides that, unless the parties agreed otherwise, the default language of an arbitration must be the official language of Uzbekistan — the Uzbek language.¹⁴ Moreover, the Law "On Arbitration Courts" does not provide for or eliminate the possibility of dispute resolution with the involvement of foreign enterprises or investors.

In terms of recognition and enforcement of decisions of foreign courts and awards of international arbitrations, based on statistics¹⁵ there were no big problems, although until the adoption of the Code of Economic Procedure this issue was regulated only by subordinate legal acts. From 2015 to 2017, twenty-six cases on the recognition of foreign judgments and arbitral awards were considered in national courts: twenty-three claims were satisfied, one was denied, and proceedings were terminated in two cases.

For historical reasons, Uzbekistan has close economic and diplomatic relations with the Russian Federation, cooperation with which covers a large part of the Uzbekistan economy. On 5 April 2006 the Agreement on Cooperation in the Field of International Commercial Arbitration¹⁶ was signed between the Chamber of Commerce and Industry of the Russian Federation and the Chamber of Commerce and Industry of the Republic of Uzbekistan. However, as Uzbekistan did not have its own arbitration center at the time, the agreement was limited to assisting each other with the organization of *ad hoc* arbitrations, exchanges of information, implementation of actions for mutual experience

¹² Article 3, note 10 above.

¹³ Code of Economic Procedure of the Republic Uzbekistan, confirmed by Law of the Republic Uzbekistan, No. ZRU-461, 24 January 2018; entered into force 1 April 2018.

¹⁴ Thomas R. Snider et al, Uzbekistan Adopts Law on International Commercial Arbitration, *Kluwer Arbitration Blog*, available online.

¹⁵ Islambek Rustambekov, Практические аспекты формирования международного коммерческого арбитража в Республике Узбекистан [Practical Aspects of the Formation of International Commercial Arbitration in the Republic of Uzbekistan] (Tashkent, 2018), p. 19.

¹⁶ Agreement between Chamber of Commerce and Industry of the Russian Federation and Chamber of Commerce and Industry of the Republic of Uzbekistan on Cooperation in the Field of the International Commercial Arbitration, *CIS Legislation Database* (available online).

exchange of work of the arbitral centers, including on the periodic direction of specialists of each of the parties in the arbitral centers of other party for studying of experience of their work.¹⁷

Some four years later, Uzbekistan opened its first arbitration center, the International Commercial Arbitration Court (“International Arbitration Court”) attached to the Chamber of Commerce and Industry of the Republic Uzbekistan. The International Arbitration Court must be distinguished from the domestic arbitration courts which also operate under the Chamber of Commerce and Industry based on the laws of the Republic of Uzbekistan: the Law “On the Chamber of Commerce and Industry of the Republic of Uzbekistan” and the 2006 Law “On Arbitration Courts”. These last handle all types of commercial disputes between local parties with the exception of disputes that are non-arbitrable under Uzbek law.

Conversely, the International Commercial Arbitration Court attached to the Chamber of Commerce and Industry was referred to as ‘international’ and was established to consider disputes in which at least one party was a foreign company. However, no law or legal act regulated the court because the 2006 Law “On Arbitration Courts” applied only to domestic arbitration courts. Although the Law “On Arbitration Courts” does not expressly provide that it is not applicable to international arbitrations, the limitations described above preclude this. The enforceability of an International Arbitration Court award in Uzbekistan was debatable,¹⁸ and this center did not become a preferred site for dispute settlement.

The Republic Uzbekistan has long been recognized as a country closed to freely doing business or a country where the State could interfere in legal relationships between private individuals and foreign entities. This was also reflected in the normative legal acts that regulated the activities of State agencies and private enterprises, as well as in the means and methods for resolving disputes.

ALTERNATIVE METHODS OF DISPUTE SETTLEMENT

For a long time, international commercial arbitration was not recognized as the preferred way to resolve a commercial dispute between juridical persons due to several factors: difficulties in the recognition and enforcement of a foreign arbitral award, the reluctance of juridical persons to include arbitration clauses in their contracts which in the future may lead not only to dispute resolution outside the framework of international commercial law, but within the framework of the national court proceedings.

Uzbekistan is taking serious steps towards introducing alternative dispute resolution methods in its legislation and making their application a common practice. Law No. ZRU-482, “On Mediation”, was adopted in 2018 (in force from 2019); several changes and additions were made in the Code of Civil Procedure of the Republic Uzbekistan, Code of Economic Procedure, 2006 Law “On Arbitration Courts”, Civil Code, and other relevant normative legal acts

¹⁷ Article 2, *ibid.*

¹⁸ Alexander Korobeinikov and Alissa Inshakova, *The Baker and McKenzie International Arbitration Yearbook: Uzbekistan* (12th ed.; 2019), p. 3.

to make mediation a preferred method for the amicable resolution of disputes. For example, the right of the parties to conclude a mediation agreement at any stage of proceeding but before the withdrawal of the judges to the conference room¹⁹ was included in Code of Economic Procedure Code and the Code of Civil Procedure. As a result, mediation, being one of the oldest institutions known in domestic and international law, proved to be in many respects superior to legal proceedings.

The need to train qualified mediators increased significantly, and the requirements for persons appointed as mediators were raised.²⁰ Highly trained local mediators who are well connected to the business community are seen to provide effective mediation services and resolve disputes.²¹ By Decree of the President of Uzbekistan,²² the Tashkent Mediation Center was created as a non-governmental non-profit organization, based on the association of professional mediators involved in alternative methods of dispute resolution. The Law “On Mediation”, in addition to regulating the procedure for resolving civil, economic, family, and individual labor disputes by involving a mediator at the discretion of the parties to the dispute, establishes that mediators in Uzbekistan can be professional and non-professional. A professional mediator is a person who has completed an appropriate training course at the Tashkent Mediation Center and is included in the Register of Professional Mediators.

Extensive reforms introduced by the Government of the Republic Uzbekistan over the past five to seven years have not overlooked international commercial arbitration and alternative dispute resolution. An early step was to create a new environment for commercial dispute settlement by adopting the Code of Economic (экономический) Procedure to deal with commercial matters between Uzbekistan juridical persons and foreign ones as well. Previously, the resolution of economic disputes was regulated by an earlier Code of Economic (хозяйственный) Procedure, the main provisions of which were largely outdated. The creation of administrative courts, within the system of courts of general jurisdiction, authorized to consider complaints and applications against the actions and decisions of State agencies and officials, necessitated a review of jurisdiction over disputes considered in economic courts. The most significant provisions absent in the previous Code included rules for proceedings in cases involving foreign persons and for the execution of judicial acts.

The 2018 Code contains rules governing various aspects of cases involving foreign juridical persons and individual entrepreneurs who are not residents of Uzbekistan. First, the jurisdiction and competence of economic courts in this

¹⁹ Article 131, Code of Economic Procedure of the Republic Uzbekistan; Article 166, Code of Civil Procedure of the Republic Uzbekistan; Article 371, Law of the Republic Uzbekistan “On Arbitration Courts”.

²⁰ Khurliman Aytmitazova, “Mediation in Dispute Resolution”, web publication of Ministry of Justice of the Republic Uzbekistan (available online).

²¹ Marie–Anne Birken and Kim O’Sullivan, The Evolution of Mediation in Central Asia: The Perspective of the European Bank for Reconstruction and Development”, in *International Organizations and the Promotion of Effective Dispute Resolution* (2019), p. 219.

²² Постановление Президента Республики Узбекистан, № ПП-4754, “О мерах по дальнейшему совершенствованию механизмов альтернативного разрешения споров” от 17 июня 2020 [Decree of the President of the Republic Uzbekistan, No. PP-4754, “On Measures to Further Improve Mechanisms of Alternative Dispute Resolution”], 17 June 2020.

category of cases have been settled. In addition,²³ economic courts can consider cases concerning demands against foreign juridical persons if they have accredited representative offices or branches in Uzbekistan. Proceedings on the recognition and enforcement of decisions of foreign courts and arbitration awards are addressed. Generally, judicial acts in Uzbekistan are enforced after they enter into force. However, there are exceptions when a judicial act is subject to immediate execution. Thus, according to the Code of Economic Procedure,²⁴ rulings of a court on the approval of a settlement agreement, a ruling on the issuance of a writ of execution for the enforcement of an arbitral award, and a ruling on the recognition and enforcement of a decision of a foreign court or arbitral award are subject to immediate execution.

FIRST ARBITRATION CENTER

The next step towards making arbitration a favored method for dispute settlement was creation of an arbitration institution that would be recognized by international organizations, foreign investors, and juridical persons as an independent and modern institution for dispute resolution. Thus, in order to provide world-class facilities, incentivize dispute resolution through arbitration to propel Uzbekistan as a favored arbitration destination in the global arena, and instill greater confidence in foreign investors for having their disputes resolved through arbitration in November 2018, the Tashkent International Arbitration Center (TIAC) attached to the Chamber of Commerce and Industry of the Republic of Uzbekistan was established in Uzbekistan on the basis of the Decree of the President of Uzbekistan, No. PP-4001, “On the Establishment of the Tashkent International Arbitration Center (TIAC) attached to the Chamber of Commerce and Industry of the Republic Uzbekistan”.²⁵ The main goal of the TIAC is the development and promotion of international commercial arbitration and other alternative ways of resolving commercial disputes, as well as improving the investment climate in the Republic of Uzbekistan. Formation of the TIAC was in line with the measures taken by the Government of Uzbekistan to modify its legal framework and make it an arbitration-friendly nation.²⁶ A principal task of the TIAC is to resolve disputes between commercial organizations located in different States, including foreign investors with disputes also related to investments, intellectual property, and blockchain technologies. The development and improvement of dispute resolution mechanisms through international arbitration and other alternative dispute resolution methods are among the priority areas of TIAC. For the rapid development of TIAC activities, as well as for gaining international experience, cooperation is being established with leading foreign arbitration institutions, the exchange of experience in the field of dispute resolution through international arbitration, as well as the

²³ Article 239(1)(2), Code of Economic Procedure of the Republic Uzbekistan.

²⁴ Article 334, *ibid*.

²⁵ Постановление Президента Республики Узбекистан № ПП-4001 от 5 ноября 2018 года, “О создании Ташкентского международного арбитражного центра (ТИАС) при торгово-промышленной палате Республики Узбекистан [Decree of the President of Uzbekistan No. PP-4001 “On the Establishment of the Tashkent International Arbitration Center (TIAC) under the Chamber of Commerce and Industry of the Republic of Uzbekistan”], 5 November 2018.

²⁶ Ashin Prasad, “Abhishek Shivpuri Tashkent International Arbitration Center and Its Significance for India”, *Mondaq AI* (available online).

involvement of foreign arbitrators in dispute resolution at the Center. The Presidential Decree establishes that the acceptance of applications for dispute resolution through international arbitration, as well as holding hearings and other procedural actions, can be carried out online using modern information and communication technologies without the physical presence of arbitrators and parties.

Under Uzbek legislation, juridical persons can be represented by lawyers or by their in-house counsel, who are subject to being retained on the basis of Uzbekistan labor legislation. According to the rules established by the Law “On the Advokatura” of Uzbekistan, only Uzbek citizens can be advokats²⁷ and therefore hold a license to practice law in the country. However, representatives of parties involved in resolving disputes through international arbitration at the TIAC are not required to hold a license to practice law when arbitral awards are considered in the courts of the Republic Uzbekistan, nor when disputes are considered at the TIAC.²⁸

There was little regulation in Uzbekistan regarding international commercial arbitration except some provisions of the Code of Economic Procedure, several decrees of the Plenum of Supreme Court, and the Law “On Arbitration Courts” – which apart from other restrictions, does not allow the involvement and participation of foreign arbitrators. This, in turn, led to increased costs for foreign investors and domestic companies, who were forced to arbitrate abroad. The investment attractiveness of Uzbekistan was adversely affected – companies did not risk investing their money in Uzbekistan. Unlike the practice of domestic arbitration courts, along with specialist-citizens of Uzbekistan, foreign qualified arbitrators can be arbitrators of the TIAC and do not need to obtain permits for the right to work in the country.

Notably, 100% of the caseload at TIAC so far – which is twenty-four Requests for Arbitration (as of the end of 2021), including one sports arbitration case – was administered virtually. While initially virtual case administration was introduced by the center as a tool to dramatically reduce operational costs (TIAC does not charge an administrative fee – it is 0%) and engage top talent particularly for its TIAC Court of Arbitration by removing the need to travel, the COVID-19 pandemic further reinforced the TIAC drive to move most of the operational and case administration matters online. All TIAC sessions have been and will remain virtual, and TIAC is actively promoting the use of technology for its future arbitral hearings.²⁹

When comparing practices of Uzbekistan and India in terms of arbitration development, practitioners conclude that arbitral institutions around the world are playing an important role in assisting parties in getting their disputes resolved effectively through arbitration and it is clear that both India and Uzbekistan are on the right path.³⁰

²⁷ Article 3, Law of the Republic Uzbekistan, No. ZRU-349-I, “On the Advokatura”, 27 December 1996.

²⁸ Korobeinikov and Inshakova, note 18 above, p. 3.

²⁹ Kevin Cheung, et al., “Technology and 2021 Rules of Arbitration of the Tashkent International Arbitration Center (TIAC) at the Chamber of Commerce and Industry of Uzbekistan”, *Kluwer Arbitration Blog* (2021) (available online).

³⁰ Prasad, note 26 above.

ADOPTION OF INTERNATIONALLY RECOGNIZED LAW

One important aspect of the legislative reforms is the introduction of new laws based on modern legislation, which, in some cases, would be internationally respected, high-quality model laws. As part of this process, Uzbekistan adopted a 2021 Law “On International Commercial Arbitration”, No. ZRU-674 (“ICA Law”), which is in line with the UNCITRAL Model Law. Indeed, the UNCITRAL Secretariat has recognized the ICA Law as being based on the text of the UNCITRAL Model Law.³¹ The ICA Law was signed by the President of Uzbekistan on 16 February 2021, and pursuant to Article 56 of the ICA Law, it came into force six months from the date of official publication (17 February 2021). From 17 August 2021 the ICA Law has co-existed with the 2006 Law “On Arbitration Courts”, which continues to apply to domestic arbitrations in Uzbekistan.

The ICA Law aims to increase confidence of foreign investors and simplify the resolution of cross-border commercial disputes.³² It was drafted on the basis of the UNCITRAL Model Law on International Commercial Arbitration, adopted by the United Nations Commission on International Trade Law and approved by the UN General Assembly, as well as taking into account world practice in the field of arbitration. Drawing upon the Model Law, 116 legal systems in 83 States have adopted laws on international commercial arbitration, among them the United States, Canada, Singapore, Russia, Ukraine, Turkmenistan, and most European Union countries. The ICA Law was drafted with the assistance of Asian Development Bank (ADB) experts.³³

The ICA Law establishes the mechanism for concluding an arbitration agreement and the procedure for appointing arbitrators and conducting arbitration proceedings. The ICA Law defines arbitration as a procedure for resolving a dispute, whether by a permanent arbitration institution or by an arbitration court established to resolve a particular dispute. An arbitrator is an individual appointed by the parties in an agreed manner to resolve a dispute in arbitration. An arbitration agreement, according to the ICA Law, is an agreement by the parties to submit to arbitration all or certain disputes that have arisen or may arise between them in connection with any particular legal relationship, regardless of whether it is of a contractual nature or not. It is in writing in the form of an arbitration clause in a contract or a separate agreement. The parties may, at their discretion, determine the number of arbitrators, and failing such a determination, three arbitrators shall be appointed. An arbitrator may be challenged only if there are circumstances that give rise to reasonable doubts as to his impartiality or independence, or if he does not comply with the requirements established by the agreement of the parties. The powers of an arbitrator shall terminate if he is legally or actually unable to perform his functions or for other reasons does not start them or refuses to be appointed or the parties agree on such termination. The parties may also, at their discretion,

³¹ Status: UNCITRAL Model Law on International Commercial Arbitration (1985), with amendments as adopted in 2006 (available online).

³² Iana Fremer, “Uzbekistan: Law on International Commercial Arbitration Adopted”, Law Library, Library of Congress (2021) (available online).

³³ Islambek Rustambekov, “The New – and First – International Commercial Arbitration Law”, *ICC Dispute Resolution Bulletin*, no. 2 (2021), p. 25.

agree on the place of arbitration. Failing such agreement, the place of arbitration shall be determined by the arbitral tribunal in the light of the circumstances of the case, including the convenience of the parties. The parties may agree on the language or languages to be used in the arbitration, may conduct their cases in arbitration proceedings directly or through duly authorized representatives appointed, including from among foreign organizations and citizens.

The arbitration court resolves the dispute in accordance with such rules of law that the parties have chosen as applicable to the merits of the dispute. When an arbitration is conducted by more than one arbitrator, any decision of the arbitral tribunal, unless otherwise agreed by the parties, shall be made by a majority vote of all members of the tribunal. If, during the course of the arbitration, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, at the request of the parties, and in the absence of objection from the arbitral tribunal, fix this settlement in the form of an arbitral award on agreed terms. The law also defines the procedure for appealing the decision of the arbitration court and the grounds for its cancellation. Thus, an appeal to the court of an arbitral award can only be made by filing an application for annulment in accordance with the provisions of the law. An arbitral award, regardless of the country in which it was made, is recognized as binding and, when a written application is submitted to the court, is enforced.

In connection with the adoption of the ICA Law, another law was adopted³⁴ to require that Government decisions be made consistent with the ICA Law and ensure the review and repeal by State agencies of their normative legal acts that contradict the ICA Law. The Cabinet of Ministers of Uzbekistan was assigned to explain to the population of the essence and significance of the ICA Law

CONCLUSION

The ICA Law co-exists with the 2006 Law “On Arbitration Courts”, which continues to apply to domestic arbitrations in Uzbekistan. It is anticipated that both will be combined into one single law based on ICA Law.³⁵ The ICA Law, provisions of the Code of Economic Procedure, some decrees of the Plenum of the Supreme Court, and other sources of law together laid a good foundation for making Uzbekistan an arbitration-friendly nation.

In the context of rapidly developing globalization of the economy, the development of inter-economic, interstate relations, and the unification of legislation at the regional and international levels, international commercial arbitration as an alternative out-of-court form of resolving commercial disputes is becoming increasingly important, being one of the main elements of market relations, both at the national and international levels. International commercial arbitration is the most popular means of resolving foreign economic disputes and preferred to traditional litigation. When choosing a country for investment,

³⁴ Закон Республики Узбекистан № ЗРУ-768 от 16 мая 2022 года “О внесении изменений и дополнений в некоторые законодательные акты Республики Узбекистан в связи с принятием закона Республики Узбекистан «О Международном коммерческом арбитраже» [Law of the Republic Uzbekistan, No. ZRU-768, “On Making Changes and Additions to Certain Legislative Acts of the Republic Uzbekistan in Connection with the Adoption of the Law of the Republic Uzbekistan “On International Commercial Arbitration”], 16 May 2022.

³⁵ Rustambekov, note 33 above, p. 28.

it is important for a potential investor whether it has a legislative framework for resolving cross-border disputes and the possibility of enforcing an international arbitration award.

The role of the Ministry of Justice of Uzbekistan should not be overlooked, since, in addition to other tasks, the Ministry protects the economic interests of Uzbekistan in the international arena.³⁶ The Ministry of Justice played an active key role in the creation of the Tashkent Mediation Center, and today pursues the correct and healthy course for the development of alternative methods of resolving disputes and their active promotion on the territory of Uzbekistan, including with the participation of foreign juridical persons and investors. Having observed the evolution of the legislation of Uzbekistan in the field of commercial arbitration over the past three decades since the early years of independence, one notes serious steps and changes, albeit relatively long and slow. The Government has prioritized improving the country's business environment and streamlining public administration, and the World Bank has commended Uzbekistan's "strong progress" on economic reforms.³⁷ There remains much to be done to protect the business environment and commercial arbitration against inappropriate State involvement or intervention. Steps taken by the Uzbek Government are evidence of its desire to move away from the socialist regime as quickly as possible and bring Uzbekistan to the level of a fully-fledged modern society with developed sectors of the economy and legislation. Changing the State regime in relation to international commercial arbitration is, for now, particularly productive, although more challenging steps are needed.

³⁶ Article 8.11(2) of the Statute of the Ministry provides: "Representation in courts for the consideration of disputes, one of the parties to which is the Republic of Uzbekistan"; that is, the Ministry of Justice of the Republic Uzbekistan participates in courts in order to protect interests where one of the parties is the State. Положение о Министерстве юстиции Республики Узбекистан, утвержденное Постановлением Президента Республики Узбекистан № 1602 от 23.08.2011 года [Statute of the Ministry of Justice of the Republic Uzbekistan, confirmed by Decree of the President of the Republic Uzbekistan, No. 1602, 23 August 2011].

³⁷ Maria A. Blackwood, *Reforms in Uzbekistan* (7th ed.; 2020).