



Legal Regime of Smart Treaties in the Field of Foreign Economic Activity

Boltayeva Sh.B.

Senior Teacher, Department of Economy Faculty of Tourism and Economy Bukhara State University, Bukhara, Uzbekistan

Kurbonova M.M., Temirova R.Sh.

Student, Department of Economy Faculty of Tourism and Economy Bukhara State University, Bukhara, Uzbekistan

ABSTRACT

This article is about the legal regime of smart contracts in the field of foreign economic activity, the history of the origin of smart contracts and their current place. It also lists the advantages and disadvantages that arise in the process of putting smart contracts into practice. Smart contract is a computer algorithm designed to create, manage and present information about the ownership of something. In the narrow sense, a smart contract is a set of functions and data located at one address in a block chain.

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ARTICLE INFO

Article history:

Received 29 Oct 2021

Received in revised form
05 Nov 2021

Accepted 10 Dec 2021

Keywords: Smart contract, legal smart contract, Block chain, digital agent, Bitcoin system, cryptocurrency, foreign trade, digital transactions.

Emerging techniques and technology in all areas have also begun to have an impact on contracts and international agreements that are manifested through civil law relations. Contracting and enforcing contracts from anywhere in the world is no longer a challenge for today's development. In modern parlance, such contracts can be called smart contracts.

As mentioned above, technology, or more precisely the development of computer science, was the basis for the creation of the concept of smart contract. The term was first coined in 1994 by Nika Sabo, a U.S. expert in computer science, cryptography, and law, who described the agreement as a "digital

representation of obligations between the parties, including a protocol for the fulfilment of these obligations." describes.

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Later in 1998, he invented another digital currency called Bit Gold. As long as Bitcoin exists. This contract is self-executing and has been coded to perform tasks. It should be noted that the introduction of smart contracts is due to the advent of block chain technology in 2008. Block chain - a continuous sequence of blocks of information, which is based on certain rules.

The term block chain has emerged as the name of a fully distributed database in the Bitcoin system. Therefore, block chain technology is understood as a cryptocurrency-related operation, but this technology can be applied to any block of interconnected information (data).

But Bitcoin's block chain technology doesn't allow you to set tasks for a contract, because it only contains transaction information. However, the development of technology has given impetus to the development of smart contracts, and five years later, the block chain platform developed by Ethereum has made it possible to put smart contracts into practice. To date, there are several platforms that allow the use of smart contracts.

Nowadays, scientists interpret smart contracts in two ways: "Smart contract" and "Legal smart contract". A smart contract is a computer code that, according to predefined functions, is automatically activated when a certain situation or condition arises. The code can be stored and processed in a distributed register and any resulting changes can be recorded to it. The concept of a legal smart contract is an agreement between two or more parties within a legal framework, generated using software code and automated. This means that a smart contract is a virtual contract created using modern information technology and can be considered as a new generation of traditional contract.

Just like a vending machine, it only requires the amount of cryptocurrency. All you have to do is write them down along with the information you want to include in the contract. Before any contract is ready, you need to set the terms, conditions and conditions.

According to users of smart contracts, the following advantages are recognized:

Speed. Manual processing of documents takes a long time and delays the completion of tasks. Smart contracts require an automated process and in many cases do not require personal involvement, which saves valuable time.

Independence. Smart - contracts exclude the possibility of third party interference. The guarantee of the contract, unlike these intermediaries, is the program itself, which has no reason to doubt its integrity.

Reliability. The information in the blocks cannot be changed or deleted. If one party fails to fulfil its obligations, the other party is protected by the terms of the smart contract.

Accuracy. Automated transaction management system and lack of human factor ensure high accuracy in contract execution.

Savings. Smart contracts provide significant savings to intermediaries by eliminating costs and reducing operating costs, as well as allowing the parties to work together on more favourable terms.

Also disadvantages:

Lack of regulation. Absence of the concepts of "Block chain", "Smart contract" and "Cryptocurrency"

in international law.

Complexity. Smart - it is difficult to combine the terms of the contract with the elements of ordinary life.

Unchangeable. The terms of the contract cannot be changed the terms cannot be changed even if the parties reach a better agreement. Therefore, it is recommended to consider the option of changing the balloons on the newly developed platforms.

One of the shortcomings in the drafting of the text of the external contract is that the issue of determining the state law applicable to the contract by the parties as one of the most controversial shortcomings in practice should be sufficiently clarified. The fact that it can be selected for individual parts as well, and the fact that the applicable law can be selected by the parties both at the time of the contract and at the time of its conclusion, can lead to further inconvenience and financial costs in the future.

It is easy for citizens to make smart contracts; they only agree to the terms of the contract in the form of "if ... then ..." (If ... then ...). A smart contract is only available electronically and requires the use of an electronic digital signature. This requires the personal consent of the person seeking to enter into a contract, which prevents the conclusion of transactions on behalf of other persons. Because the terms of a contract written in a programming language are highly defined, there is no need to apply interpretation tools to such contracts as in traditional contracts. Even so, owning one is still beyond the reach of the average person. Another feature is the presence of intelligent control over the implementation of these types of contracts, which does not require the intervention of the parties or any third party in the implementation of the smart contract. Information technology ensures the timely fulfilment of obligations through a pre-defined code.

President Sh. Mirziyoyev's resolution of July 3, 2018 "On measures to develop the digital economy in the Republic of Uzbekistan" provides for the diversification of various forms of investment and business activities in the field of crypto-assets, including mining, smart contracts (digital transactions). electronic contract, which provides for the fulfilment of rights and obligations through the automatic implementation), consulting, issuance, exchange, storage, distribution, management, insurance, crowdfunding (collective financing), as well as the introduction of "block chain" technology tasks such as creating a legal framework are defined¹⁰. However, Smart contracts are not used in practice in our country.

Looking at the experience of foreign countries in the application of smart contracts, it can be seen that the activities of such agreements are linked to block chain platforms and regulated by the relevant legislation. In particular, the legislation of several US states provides for the conclusion of smart contracts. For example, under Arizona law, "A smart contract is an event-activated application that registers in distributed decentralized, multi-user registers and can manage and transfer assets in such registers. In Florida, Nebraska, Tennessee, and Vermont, smart contracts have more application than e-contracts. That is, in addition to managing and exchanging assets, such a registry also provides the ability to create and distribute assets. You can also manage software rights and synchronize data.

In Singapore, another developed country, CSE SG was founded to create Smart Contract 2.0, which is used in areas such as healthcare, education, agriculture, e-commerce and banking. Smart Contract 2.0 has been used to allow e-commerce payment transactions, increase health security and efficiency, and ensure food security.

It is proposed to introduce this practice in our country to prevent some problems in concluding

contracts. However, in addition to analysing the following problems of implementation before, there are also suggestions and recommendations on how to effectively use smart contracts.

First of all, it is necessary to regulate block chain technologies when working with Smart contracts, given that they have more advantages than ordinary contracts. If the legislation of our country develops specific regulations on the use of this technology, it will be possible to allow the introduction of smart contracts, as well as to regulate the relations arising from the contracts of the participants.

Second, if there is a problem with the contract, it is necessary to analyse the jurisdiction of the parties and the procedure for resolving the dispute. It is recommended to take into account the practice of developed countries, which are currently implementing smart contracts.

Third, it is clear that the smart contract will be concluded electronically, but it will be useful for the state to control its operation on block chain platforms for use in our country.

Fourth, develop practical skills for making smart contracts. That is, given that such contracts require not only legal knowledge, but also economic knowledge, it is recommended to train specialists and provide special skills for the further development of the industry.

CONCLUSION

In short, many developed countries in the world market today are using smart contracts. This saves both time and cash for the parties involved in the contract. The origins of disputes are also said to be less than for ordinary contracts. With this in mind, the introduction and application of this technology in the Republic of Uzbekistan guarantees that contracts in civil relations can meet modern requirements.

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