



## DOMESTIC ARBITRATION LAW FOR ALTERNATIVE RESOLUTION OF DISPUTES PERFORMANCE IMPROVEMENT PROSPECTS

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### Annotation:

In the conditions of modernization and reform of our country, the ongoing reforms in the law enforcement and judicial-legal spheres are aimed primarily at the comprehensive protection of human rights, freedoms and legitimate interests. Providing the State with the role of the main reformer, ensuring the rule of law, and conducting a strong social policy represent reforms that are being implemented gradually and gradually. It should be noted that today, in addition to competent courts, **Domestic Arbitration Law** face various problems when considering a number of cases on civil and economic disputes in the manner of alternative dispute resolution. This article explores the issue of prospects for improving **Domestic Arbitration Law** in resolving disputes in an alternative manner.

**Keywords:** Domestic Arbitration Law, decision, writ of execution, judge, law, code.

### INTRODUCTION:

In particular, in Uzbekistan, the Laws "Law on Arbitration Courts" (the "**Domestic Arbitration Law**") (2006), "On Mediation" (2018), "On International Commercial Arbitration" (2021), the President of the Republic of Uzbekistan "A measure to further improve the mechanisms of attracting foreign direct investment to the economy of the Republic -measures (2019), Resolutions (2020) on measures to further improve the mechanisms of alternative conflict resolution and Decree (2022) **on the** new development strategy of Uzbekistan for 2022-2026 It is not an exaggeration to say that systematic work is being carried out in the field of effective regulation of foreign trade activities, development of alternative mechanisms for solving economic and civil disputes, and guaranteeing the rights of subjects in order to improve the direct investment environment.

The following types of alternative dispute resolution apply in the Republic of Uzbekistan:





- ☞ **domestic arbitration** proceedings;
- ☞ international commercial arbitration court;
- ☞ mediation;
- ☞ negotiations.

## DISCUSSION

At the same time, as a result **of the adoption of the Law of the Republic of Uzbekistan "On Judicial Courts" in 2006 and** its entry into force on January 1, 2007, a new phase of judicial reform along with the competent court It started slowly. A new special non-state type of judicial activity recognized by more than 120 countries of the world that signed **the** 1958 New York Convention "On the Recognition and Enforcement of Foreign Arbitration Decisions", including our Republic, which joined in 1995 If we say that it started to show, it is the same defense.

In many foreign countries, disputes are heard in several large arbitration centers. In particular, there are the largest arbitrations in Great Britain: London Court of International Arbitration (LCIA), London Maritime Arbitrators Association (LMAA), International Grain and Feed Trade Association ( GAFTA ) and more than 40 professional organizations and chambers.

Three main arbitration centers can be distinguished in France. These include the International Court of Arbitration at the International Chamber of Commerce in Paris (founded in 1923), the Center for Arbitration and Mediation in Paris, and the French Arbitration Association.

In Singapore: Singapore International Arbitration Center (SIAC) and Singapore Maritime Arbitration Chamber (SIAC). Other world-class dispute resolution institutions located in Singapore include Asia's first Permanent Court of Arbitration, the Singapore International Center for Dispute Resolution and the Dispute Resolution Services Center of the Singapore International Chamber of Commerce. Arbitration in Japan is not very developed. The largest arbitration court is the Association of Arbitration Courts under the Japan Chamber of Commerce and Industry.

However, China has established more than 200 arbitration commissions, which is related to the population and the development of the country's economy. The largest of them is the Chinese International Economic and Commercial Arbitration Commission (CIETAC) - in 2016, its divisions were established in 9 regions. Also, more than 100 arbitration courts have been established in Brazil, and more than 35 in India.

It should be noted here that more than 130 arbitration courts were established in the Slovak Republic from 2002 to 2016. However, among these courts in the Slovak Republic, there has been an increase in "pocket" courts, their catchy names, low-





quality decisions, violation of the rights of the parties, and other situations. As a result, there was a negative attitude among entrepreneurs and citizens towards arbitration courts in the Slovak Republic. Then the legal system introduced in this country was not adapted to the arbitration court. These cases have damaged the reputation of the arbitral tribunal due to legal deficiencies that should be corrected in the future. According to Article 12 of the Law of the Slovak Republic "On Arbitration Courts" in 2016, the Slovak Olympic Committee, the National Sports Association and the chamber established by law (for example, the Slovak Bar Association or the Slovak Chamber of Commerce) can establish permanent arbitration courts was set.

According to the January 2022 registry of the Ministry of Justice of the Republic of Uzbekistan, a total of more than 255 permanent **domestic arbitration** courts are registered in Uzbekistan, including 160 under the Association of **Domestic Arbitration** Courts of Uzbekistan, more than 15 under the Chamber of Commerce and Industry of Uzbekistan and other names. More than 80 permanent **domestic arbitration** courts and a total of about 1,200 **domestic arbitration** court judges are registered. Based on foreign experiences, today there is a rush to reorganize existing **domestic arbitration** courts in our country in order to prevent "pocket" courts, their catchy names, low-quality decisions, violations of the rights of the parties, criminal behavior and other situations, things are being done.

In particular, if we look at foreign countries, in particular, according to Article 60 of Indonesia's Alternative Dispute Resolution Law of 1999, the decision of the arbitral tribunal shall have final and permanent legal force, which shall be effective immediately and binding on the parties. Article 49, Part 3 of the Law of the Slovak Republic "On Arbitration Courts" provides for the possibility of recognition of the decision of the arbitration court without mandatory execution. In appropriate cases, there is no need to apply for the enforcement of such a decision. It is established that it is sufficient to submit a separate application for recognition of the decision of the arbitration court.

In the current legislation, the practice of arbitration courts and legal literature, the optionality of the execution of the decision of the arbitration court, in turn, the obligation or the beginning of other stages is considered a necessary condition. Therefore, the decision of the arbitral tribunal should be referred to as a mandatory enforcement step or principle of arbitration. The voluntary implementation of the arbitral award as a stage of arbitration is overshadowed by the mandatory stage of enforcement, and belongs to the category of less discussed and almost unstudied topics of the civil law process. As an example of this, in paragraph 18 of the Resolution No. 238 of the Plenum of the Supreme Economic Court of the Republic of Uzbekistan





on June 16, 2012, "it should be explained to the courts that the decision of the **domestic arbitration** court is executed voluntarily in the manner and within the time limits specified in this decision." If the execution period is not set in the decision, it should be executed immediately.

Today, as a result of the daily increase in the number of civil and economic disputes, the issue of enforcement of the decisions taken by the parties on the disputes considered in the **domestic arbitration** courts by applying to the competent courts by paying an additional separate state duty or by applying to the competent court again has led to mistrust and confusion in the **domestic arbitration** courts, it is not a secret to anyone that it is coming.

According to the statistics of the Supreme Court of the Republic of Uzbekistan from 2020 to the first half of 2022, 74 cases where decisions of **domestic arbitration** courts were annulled by competent courts were returned, and the number of cases on issuing writs of execution for compulsory execution of decisions of **domestic arbitration** courts was returned. It was 2,715. It would not be an exaggeration to say that the reason for such a big difference is the sentence "must be executed immediately" in the second paragraph of Article 49 of the Law "Law on Arbitration Courts".

In this regard, currently, in order to eliminate these shortcomings and not to harm the rights and interests of citizens and entrepreneurs protected by law, Article 49 of the Law "Law on Arbitration Courts" states that "if the **domestic arbitration** court's decision does not specify the execution period, it shall immediately the relevant organizations are working to replace the text "should be executed" with the text "the party to the **domestic** arbitration proceedings or the interested parties may be directed to the execution after thirty days from the date of receipt of the decision of the arbitration court".

Based on the above-mentioned, it can be said that **one of the main problems in the perspective of improving the work of arbitration courts in alternative dispute resolution is, of course, the issue of focusing the decisions of the domestic arbitration court on execution. The most effective way to solve this problem is to assign the issue of enforcement to the authority of the chairman of the permanent domestic arbitration court.**

In practice, the chairman of the permanent **domestic arbitration** courts or the individual judge or the judge who presides over disputes in the **domestic** arbitration hearing in a collegial manner must have a higher legal education. Because among the judges of the arbitration court there are also judges with knowledge in various fields (Article 14 of the Law on Arbitration Courts). Based on the noted theoretical, practical







and statistical data, it should be noted that today procedural scientists and practitioners, in connection with the issue of enforcement of the decisions of the **domestic** arbitration court, consider the authority to issue a writ of execution for the compulsory execution of the decisions of the **domestic** arbitration courts in the territories regarding the need to give to the chairman of the permanent **domestic** arbitration court an offer is being made.

This proposed proposal is to create the necessary organizational and legal conditions for the wide use of alternative methods of conflict resolution in the 15th goal of the new Development Strategy put forward by the President of the Republic of Uzbekistan will be the basis for turning it into an effective alternative dispute resolution institution that can be trusted. It also complies with the 1958 New York Convention on Recognition and Enforcement of Foreign Arbitration Court Decisions and the norms set forth in the legislation of foreign **developed** countries.

At this point, it should be noted that the level of electronic document circulation has grown exponentially throughout the world in the last decade and is increasing every year. This applies to all areas of human life: from personal relationships and business processes to the activities of state bodies. In many countries of the world, both non-state courts and state courts have been providing new technological opportunities to use the latest advances in electronic document circulation in order to resolve disputes between the parties and to conduct proceedings fully or partially remotely.

In particular, the first manifestations of dispute resolution on the Internet began in the 1970s in the United States. Disputes are still being handled online at the Online Disputes Bureau at the Center for Information Technology and Dispute Resolution at the University of Massachusetts, USA.

In this regard, procedures regarding the use of technology in online arbitration should be agreed upon and determined by the parties. Basically, online **domestic** arbitration in **domestic** arbitration courts, unlike traditional arbitration, takes place on the basis of a virtual meeting, rather than a physical meeting of the parties and the arbitrator. Also, in online **domestic** arbitration, the parties will not have complete information about each other, and a personal meeting of the parties may reduce the likelihood of dispute resolution. Online **domestic** arbitration allows the parties to express their views on the dispute or to participate in all **domestic** arbitration proceedings through a video conference or a specially created electronic platform until a decision is made. Electronic data means one or a collection of electronic data, including text, sound, images, maps, designs, photographs, electronic data interchange (EDI), may be defined as electronic mail, telegram, telex, telecopy or the like, letters, symbols, numbers, access codes, symbols, or processed data that have meaning or can be





understood by people who can understand them.

It follows that if such an online **domestic** arbitration is to be held, the parties will need to address the procedural requirements for conducting a virtual trial, including recording the details for interrogatories, video conferencing and audio conferencing. It is worth noting that in some cases the parties and the arbitral tribunal judges may be located in different geographical areas in different parts of the system. It will be necessary to take into account the appearance of various combinations. For example, an interested party may sit in the same seat as the arbitrator and participate in the **domestic** arbitration online, given that online participation is not available. Online **domestic** arbitration may be held by the other party, who may be present in a completely different location, or the parties may have the opposite position of participation. Therefore, the rules of online **domestic** arbitration should be formulated in such a way that equality and impartiality of parties should be ensured in virtual proceedings. At the same time, as a result of the online **domestic** arbitration, the decision was made **by digital signature it should be ensured that it has the same effect as a decision signed in paper form.**

In the court platform, the courts should verify the evidence online, cross-examine the parties in real time and the platform should be managed securely by the courts. The storage and use of information related to a civil court case in an online court session must be in accordance with the Law on Principles and Guarantees of Freedom of Information and other laws. To date, there are online courts in Beijing, Guangzhou and Huangzhou in the PRC (Beijing Internet Court <http://tpl.bjinternetcourt.gov.cn>), and online courts in Estonia through the e-estonia platform, and through the Indian platform <http://vcourts.gov.in> Virtual court hearings are being conducted in countries such as the Netherlands. In the preamble of the Beijing Internet Court's Special Instruction on Conducting Internet Court Proceedings on the Tianping Chain Platform, it is stipulated that the court hearings of the Beijing Internet Court will be conducted on the Tianping Chain platform based on blockchain technology.

## CONCLUSION

It contains all the information to introduce an independent, corruption-free and transparent alternative dispute resolution system in Uzbekistan, to prevent the interference of third parties in alternative dispute resolution, to reduce the workload of competent courts, and to form a single regulatory legal document base on **domestic** arbitration court proceedings . Innovative efforts are being made to conduct collective **domestic** arbitration proceedings. In particular, in March 2023, the Innovative Development Agency under *the Ministry of Higher Education, Science*





and Innovation of the Republic of Uzbekistan will announce a competition on the topic "Development of the "Smart Hakam" platform and mobile application aimed at establishing the basis for online **domestic** arbitration processes in the alternative dispute resolution." It is no exaggeration to say that this is a clear example.

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