

# The Silk Road to Uzbekistan: A Report from the Inaugural Tashkent Law Spring Legal Forum

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Kiran Nasir Gore (Associate Editor) (The George Washington University Law School)

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## **Introduction**

According to UNESCO, the first caravans aiming to connect East (China) with West (Central Asia) were dispatched in 138 AD, leading eventually to the formulation of what we know today as the Great Silk Road. The Uzbek corridor, consisting of Bukhara, Tashkent, and Samarkand, provided key routes for trade and also served as a burgeoning center for thought leadership, cross-cultural exchange, and relations.

Uzbekistan's position has evolved many times over the years, but it has always remained strategically positioned. During the Soviet era, Tashkent was a political hub in Central Asia. And even today it is the only nation in the region that shares borders with so many of its neighbors (Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, and Turkmenistan). These facts remained even as the political leadership of Islam Karimov led Uzbekistan into obscurity for decades.

Against this backdrop, and with Karimov's death in 2016, Uzbekistan has sought to reestablish itself as an important global and regional player. The openness, enthusiasm, and innovation underlying this initiative cannot be overstated. Indeed, it was expertly on display during the inaugural Tashkent Law Spring Legal Forum, organized by the Ministry of Justice of Uzbekistan and held April 25-27.

## **Grand Opening Plenary**

The conference began with a grand opening plenary moderated by **Carolyn Lamm** (Partner, White & Case; Chairman, American-Uzbekistan Chamber of Commerce). Focusing on the Forum theme, ***Law in an Era of Rapid Modernization***, an audience of approximately 1,200 delegates from across 40 different jurisdictions heard remarks reflecting various national perspectives on developing effective legal regimes and supporting the rule of law. Featured speakers included **Ruslanbek Davletov** (Minister of Justice, Uzbekistan), **Alberto Mora** (Associate Executive Director for Global Programs, American Bar Association), **Kim Oe-sook** (Minister of Government Legislation, South Korea), and **Edwin Tong** (Senior Minister of State for Law and Health, Singapore).

Although the conference theme and topics covered were broad, there was significant focus on

arbitration as a means of supporting Uzbek investment, development, and effective international dispute resolution. Throughout the Forum speakers discussed the role and future of arbitration, international legal principles, and best practices in the field and – providing a microcosm for current issues and debates.

## **Perspectives on Investment and Commercial Arbitration**

An all-star program, called ***International Arbitration and Judicial Proceedings***, focused on investment arbitration and various arbitral institutions was co-moderated by **Ms. Lamm** and **Dr. Islambek Rustambekov** (Head of Department on Legal Protection of Interests, Ministry of Justice, Uzbekistan).

**Mikhail Galperin** (Deputy Minister, Ministry of Justice, Russian Federation) first provided the State's view on the future of investment arbitration. The focus then shifted to provide the arbitral institution's perspective. **Alice Fremuth-Wolf** (Secretary General, VIAC), **Sarah Grimmer** (Secretary General, HKIAC), **Andrey Gorlenko** (Executive Administrator, Russian Arbitration Center), and **Martina Polasek** (Deputy Secretary General, ICSID) each provided remarks on the strengths and relevance of their institutions for potential disputes arising out of or relating to Uzbekistan.

**Diana Bayzakova** (Head, Tashkent International Arbitration Centre (TIAC)) provided a stand-out presentation. TIAC is the youngest arbitral institution in the world – it was officially established under the Chamber of Commerce and Industry of Uzbekistan in November 2018, with its Opening Ceremony in early April at Paris Arbitration Week. TIAC strives to meet users' needs and is amenable to administering disputes seated elsewhere in the world, and also overseeing disputes guided by a different arbitral institution's rules. TIAC has also poised itself to become an important player in the arbitration community: just recently Ms. Bayzakova announced that TIAC would host the world's first International Tech Moot Court Competition.

The audience for this program was the largest of any other breakout session during the Forum – owing in no small part to the Uzbek legal community's recognition that arbitration is a key component to ensuring the rule of law and progressing its development. It will be interesting to see how future arbitration clauses are shaped, including choice of administering arbitral institutions, seat, and applicable law.

## **A Closer Look at Applicable Law for Uzbek Disputes**

Previewing many of the conversations that would soon take place at London International Disputes Week (LIDW), an in-depth program focused exclusively on ***Do Investors Prefer English Law?*** The program was moderated by **Bobur Shamsiev** (Partner, Dentons) and featured as speakers **Christopher Campbell-Holt** (Registrar and Chief Executive of AIFC Court and the International Arbitration Centre, Kazakhstan), **Sebastian Lawson** (Partner, Freshfields Bruckhaus Deringer), **Murat Akuyev** (Partner, Clearly Gottlieb Steen & Hamilton), **Anastasia Malyugina** (CIS Forensics Desk Leader, PricewaterhouseCoopers), and **Nodir Sidikov** (Partner, Fieldfisher). Among the topics discussed were how Uzbek domestic legislation can strategically attract investment, why English common law is widely used in international business deals, and the lessons that can be learned from other CIS jurisdictions that have engaged with English common law principles.

It is interesting to see this debate continue in Central Asia following last year's establishment of the AIFC Court and International Arbitration Centre in Kazakhstan. With the rise of opportunity in Central

Asia it seems that the region is following the leads of Dubai and Singapore. With regional finance hubs based on English law, in the English language, and with a central independent court, investors may develop a regional presence under the auspices of a law that is more familiar, transparent, and seemingly flexible than that traditionally found in Central Asian jurisdictions. (See past Blog coverage the establishment of the AIFC [here](#) and coverage of the related and recent discussion at LIDW [here](#).)

## Other Highlights

Further programs engaged with the details of arbitration practice:

- **John Hay** (Partner, Dentons) and **Diora Ziyaeva** (Senior Managing Associate, Dentons) co-presented a workshop on practical aspects of preparing a case in international arbitration, followed by a presentation by **Alexei Dudko** (Partner, Hogan Lovells) on the end game of all dispute resolution – international search and foreclosure on assets.
- During a program on **Legal Services** (organized by the [Uzbek Chamber of Advocates](#)), **Lisa Richman Kelley** (Partner, McDermott Will and Emery) discussed effective oral advocacy skills and **Kiran Nasir Gore** (Legal Consultant, American Bar Association Rule of Law Initiative; Professorial Lecturer, The George Washington University Law School) discussed best practices for global legal practice. Both drew from their personal experiences as counsel in international arbitrations.
- At a program on the **Digital Economy**, **Sergey Alekhin** (Associate, Wilkie Farr & Gallagher) discussed dispute resolution related to smart contracts and blockchain technology. This was a very timely discussion in light of an [announcement in November 2018](#) that Uzbekistan plans to implement arbitration mechanisms to resolve disputes in the cryptocurrency space.

One of the main goals of Tashkent Spring Law was to create a forum for Uzbek lawyers and the international legal community to discuss and exchange ideas in light of burgeoning opportunity within the jurisdiction. It was heartening to see arbitration practitioners in the front lines of many of these conversations as often times dispute resolution options and best practices are not considered until after a dispute emerges.

## Concluding Thoughts

The natural question I am left with, as a foreign participant in the Forum, concerns the future of arbitration in Uzbekistan domestically, and in Central Asia regionally. To answer this question perhaps it is best to look at Uzbekistan's track record since it began to engage in reform and modernization following Karimov's death in 2016.

As a historic and modern regional hub it is no surprise that Uzbekistan has attracted the attention of China's Belt and Road Initiative. By the end of 2018, Uzbek-Chinese cooperation through trade and investment had reached USD\$5.4 billion and more than 1,000 Chinese companies were operating in various Uzbek sectors. In addition, by the end of 2018, direct investment by Chinese companies was valued at USD\$500 million (further detailed statistics and information on investment available [here](#)). This alone creates great opportunity for international arbitration practitioners to watch. But there is also an added layer with Uzbekistan's engagement with Europe. For example, in September 2018, the [EBRD strategically re-engaged with Uzbekistan](#), opening a partner office in Tashkent and preparing a new Country Strategy and [cumulatively investing €1,517 million in the jurisdiction](#).

Uzbekistan has [more than 40 BITs currently in force](#) and is a party to [several treaties with investment](#)

provisions. This is separate from its interest in supporting the development and use of commercial arbitration, as evidenced by the establishment of TIAC, and even more recently, TIAC's strategic Cooperation Agreement with VIAC. Uzbekistan is poised for a renaissance of economic development, reemerging as a strategic meeting point between both East and West – a ripe jurisdiction for international arbitration practitioners to watch with interest.