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A Clearer Roadmap for Arbitration: Uzbekistan Enacts Helpful Legal Reforms

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Uzbekistan has updated certain legislative acts in connection with the recent adoption of the [Law “On International Commercial Arbitration”](#) (No. O’RQ-674) in 2021 (as previously covered in this [blog](#)).

On May 16, 2022, the President of Uzbekistan signed a new law [“On amendments and additions to certain legislative acts of the Republic of Uzbekistan in connection with the adoption of the Law ‘On International Commercial Arbitration’”](#) (No. ???-769) (“the Law”). On May 17, 2022, the Law was published and entered into force pursuant to Article 4 of the Law.

Key Amendments to the Economic Procedure Code

The Law amended and added several provisions to the [Economic Procedure Code](#) (No. O’RQ-461) (“EPC”). Most significantly, the EPC was supplemented with a new Chapter 29¹, which follows the existing Chapter 29 on procedures for the issuance of a writ of execution for the enforcement of an arbitral award. Chapter 29¹ contains two sections. Section 1 (Articles 232¹ to 232⁴) regulates the general rules for consideration by Economic Courts in cases related to the provision of assistance to arbitration proceedings. Section 2 (Articles 232⁵ to 232⁹) establishes the procedure and grounds for the annulment of an arbitral award by an Economic Court.

Aside from Chapter 29¹, other amendments were made to the EPC to clarify the jurisdiction and procedure of the Economic Courts. Article 32 of the EPC was amended to clarify that cases related to arbitration proceedings are within the jurisdiction of the courts of Uzbekistan, regional courts and the Tashkent city court, specifically the Economic Court. Such cases are considered by the Economic Court, regardless of whether the participants in the dispute are legal or natural persons.

The new Article 28¹ of the EPC specifies that cases related to arbitration proceedings provided for by the Law [“On International Commercial Arbitration”](#) are considered by the Economic Court according to the general rules of economic legal proceedings, taking into account the particulars specified in the new Chapter 29¹ of the EPC.

However, Articles 28¹ and 37 provide that cases concerning the appointment of an arbitrator, the

challenge of an arbitrator, the adoption of a decision on the termination of the powers of an arbitrator, the issue of the jurisdiction of a commercial arbitration court, assistance in obtaining evidence, as well as on the annulment of an arbitral award are considered by Economic Courts only if the place of arbitration is located in Uzbekistan. Otherwise, such cases are submitted to the court at the place of arbitration.

According to Article 20(2), a judge of the Economic Court may not participate in the consideration of a case and shall be subject to challenge if they acted as an arbitrator in the related arbitration. Previously, this was not specified by the legislation.

Article 53 also now provides that arbitrators, experts appointed by a commercial arbitration tribunal and employees of an arbitral institution cannot be summoned as witnesses in relation to circumstances that became known to them during the arbitration proceedings.

Interim Measures

The Law also amended the EPC to include procedures for an application for the recognition and enforcement of interim measures or for the adoption of interim measures on a claim being considered by a commercial arbitration court. Article 37 of the EPC now provides that such applications are submitted to the court at the place of arbitration or at the state registration of the debtor or, if the place of registration of the debtor is unknown, at the location of his property.

Article 93 provides that, upon an application of a party to the arbitration proceedings, the Economic Court may take interim measures on a claim being considered before a commercial arbitration court. At the same time, according to Article 99, the Economic Court's interim measures shall be cancelled if the arbitrator's award rejects the claims.

Reasons for Suspension or Termination of Cases Related to Arbitration Proceedings

The grounds for suspending and terminating a case related to arbitration proceedings by the Economic Court have been supplemented by the new Law and now also consist of the following grounds.

Pursuant to Article 154(3) and (5¹) of the EPC, the Economic Court can refuse to accept a statement of claim if there is an ongoing arbitration between the same persons, on the same subject matter, and on the same grounds or if there is a ruling issued on a dispute between the same persons, on the same subject and on the same grounds, to terminate the arbitration proceedings, except for a case where the arbitration proceedings are terminated due to the arbitral tribunal's lack of jurisdiction to consider this dispute.

The Economic Court can also refuse to accept a statement of claim under Article 154(4¹) or can terminate a case related to arbitration proceedings under Article 110 of the EPC if there is an arbitral award given previously by a commercial arbitration court that has entered into legal force in a dispute between the same persons, on the same subject and on the same grounds, except for cases in which the Economic Court has refused to recognize and enforce the arbitral award.

Recognition and Enforcement of Awards

The new Law also clarifies in Article 248 of the EPC that if the place of arbitration is in Uzbekistan, issues of recognition and enforcement of an arbitral award are resolved in the manner already prescribed by the existing Chapter 33 of the EPC, taking into account the specifics provided for by the Law “On International Commercial Arbitration”. Decisions of the Economic Court on the recognition and enforcement of a foreign arbitral award shall be subject to immediate execution.

Conclusion

In general, the amendments and additions made by the new Law along with the introduction of the Law “On International Commercial Arbitration” in 2021 bring Uzbek arbitration legislation into line with international laws and norms, such as the [UNCITRAL Model Law on International Commercial Arbitration 1985, with amendments as adopted in 2006](#). Arbitration is still a new and rapidly evolving practice in Uzbekistan. As the number of arbitration cases grows, issues that were not considered by earlier legislation are emerging that are addressed by this new Law. There are probably a few more amendments that will surface in near future as arbitration practice is rapidly changing in the COVID world as well. For example, the law could expressly permit online or partially online hearings. In short, these changes are well received by ADR practitioners in the country.

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This entry was posted on Thursday, August 25th, 2022 at 8:00 am and is filed under [Central Asia](#), [Challenge of Arbitral Award](#), [Court Assistance](#), [Interim measures](#), [Recognition and enforcement of arbitral award](#), [Suspension of Proceedings](#), [Termination](#), [Uzbekistan](#)

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