

Kluwer Arbitration Blog

Interviews with Our Editors: Diana Bayzakova and Dr. Islambekov Rustambekov

Hannepes Taychayev (Assistant Editor for East and Central Asia) · Friday, July 12th, 2024

Ms. Bayzakova, it's a pleasure to have you back, and Dr. Islambek Rustambekov, welcome to our interview series! Ms. Bayzakova is the Director of the Tashkent International Arbitration Centre ("TIAC") and also serves as an arbitrator. Prof. Dr. Rustambekov is a member of the panel of arbitrators at the TIAC, an Acting Rector and Professor in the International Commercial Law Department at Tashkent State University of Law, and also serves as an arbitrator. They have both been designated by Uzbekistan as members of the ICSID Panel of Arbitrators.

Since the last interview with Ms. Bayzakova in 2019, the TIAC has played a leading role in advancing arbitration in Uzbekistan and has also hosted successful Uzbek Arbitration Weeks since 2021.

Thank you for taking the time to share the updates with us.

1. It has been a little more than five years since the establishment of the TIAC. Could you provide an update on any significant developments or achievements that have taken place at the TIAC?

Diana: Since its establishment in 2018 under the Chamber of Commerce and Industry of Uzbekistan, the TIAC has achieved significant milestones in advancing the use of international arbitration both within Uzbekistan and the wider CIS region. Some of the TIAC's key achievements over the past five years include:

- Handling nearly 70 international arbitration cases across a range of sectors such as construction, sale of goods contracts, agriculture, oil and gas and more. Parties to these disputes have come from Uzbekistan and other CIS states like Kazakhstan and Russia, as well as countries further afield such as China, Hong Kong, Singapore, Turkey, Italy, and the Netherlands.
- Establishing an internationally diverse panel of arbitrators from the Middle East, North Africa, Europe, Asia, and the Americas to ensure that the TIAC's proceedings meet global standards. We have also set up a reserve panel to nurture the next generation of arbitrators.
- Introducing innovative initiatives such as [zero administrative fees for arbitrations](#), [opt-in](#)

cybersecurity protocols tailored for technology disputes, and experimental evidence procedures. These help make the TIAC an attractive and cutting-edge choice for international disputes.

- Signing cooperation agreements with leading institutions worldwide like the Hong Kong International Arbitration Centre, Vienna International Arbitration Centre, and others to jointly promote the use of arbitration.
- Hosting the inaugural Uzbek Arbitration Week in 2021, and then followed with its 2022 and 2023 editions, which brought together the global arbitration community to share knowledge and raise Uzbekistan's profile as an arbitral seat.

2. How has the arbitration landscape changed in Uzbekistan since then?

Dr. Rustambekov: The government and relevant authorities have taken steps to modernize the legal framework in alignment with international best practices. In February 2021, Uzbekistan adopted a new [Law on International Commercial Arbitration based on the UNCITRAL Model Law](#). This aligns Uzbekistan's arbitration legislation with global standards and best practices.

Furthermore, the 2018 Presidential Decree establishing the TIAC granted it extensive privileges and incentives, such as:

- VAT exemptions on the TIAC's arbitration services;
- Income tax exemptions for foreign arbitrators;
- Abolishing work permit requirements for foreign arbitrators;
- Allowing foreign counsel to represent parties without Uzbek legal qualification;
- Express permission for the use of foreign substantive law; and
- Judicial assistance powers for local courts to aid arbitral proceedings.

Combined with Uzbekistan's strategic location, large consumer market, and flourishing sectors like technology, these reforms have boosted demand for international arbitration both domestically and from foreign investors.

Overall, Uzbekistan's arbitration landscape has evolved considerably, with a more robust legal framework, growing institutional capacity, and increasing international engagement. These developments are enhancing Uzbekistan's position as a regional arbitration hub.

3. The rise of international commercial courts has been a noticeable trend in recent years. Uzbekistan too is seeking to establish an [International Commercial Court of Uzbekistan](#). How do you view this trend?

Dr. Rustambekov: The rise of international commercial courts globally is an interesting trend. On one hand, they may be seen as competition for arbitral institutions. However, I believe courts tailored for international disputes ultimately help foster a stronger environment for cross-border dispute resolution as a whole.

Uzbekistan is establishing its own international commercial court and from Uzbekistan's perspective, the planned Tashkent International Commercial Court ("TICC") represents a step towards enhancing the country's dispute resolution framework and attracting foreign investment.

The TICC aims to provide a platform for the efficient resolution of commercial disputes involving foreign parties, complementing the existing arbitration infrastructure.

One of the key advantages of international commercial courts is their ability to combine the best features of litigation and arbitration. They offer the certainty and enforceability of court judgments while providing the flexibility and expertise often associated with arbitration. This can be particularly appealing to parties who prefer the formality of court proceedings but still desire the specialized knowledge and efficiency of arbitration.

The establishment of the TICC can also contribute to the development of a more sophisticated legal infrastructure in Uzbekistan. By attracting international cases and legal expertise, the TICC can foster the growth of a skilled legal workforce and promote the adoption of international best practices in commercial dispute resolution.

However, it is important to note that the success of international commercial courts depends on various factors, such as the quality of the judges, the efficiency of the proceedings, the enforceability of judgments, and the overall legal and business environment. Uzbekistan will need to ensure that the TICC is staffed with experienced judges, adopts streamlined procedures, and provides the necessary support services to attract international users.

Moreover, the relationship between the TICC and arbitral institutions like the TIAC will be crucial. Rather than viewing them as competitors, it is essential to foster a cooperative and complementary relationship. The TICC can serve as an additional option for parties who prefer court litigation, while the TIAC continues to cater to those who opt for arbitration. The two institutions can also collaborate on matters such as the enforcement of arbitral awards and the provision of interim measures.

4. The TIAC and Hong Kong International Arbitration Centre (HKIAC) have jointly implemented cross-institutional arbitration rules at the Chamber of Commerce and Industry of the Republic of Uzbekistan and the HKIAC. This is one of the first of its kind. Please elaborate on the relevance and importance of these rules.

Diana: A prime example of the TIAC's efforts to cooperate with other institutions for the benefit of arbitration users is our collaboration with the HKIAC to launch cross-institutional arbitration rules. This is a pioneering initiative to jointly administer the disputes. As one of our members of the TIAC Court of Arbitration, Joe Liu, who was closely involved in this initiative, once put it:

“the Rules are the result of three years’ work between the two independent institutions, and they set a procedural framework for TIAC and HKIAC to perform different roles in arbitral proceedings. While TIAC will administer the proceedings, HKIAC will determine certain procedural matters in accordance with the Rules.”

The TIAC's functions under the [TIAC-HKIAC Cross Institutional Rules of Arbitration](#) include:

- Registering the requests for arbitration;
- Communicating with the parties and tribunal;

- Collecting and managing deposits; and
- Extending time limits.

And the examples of the HKIAC's functions include:

- Deciding whether to proceed with an arbitration where a jurisdictional issue arises before the constitution of the tribunal;
- Appointing arbitrators and emergency arbitrators;
- Determining challenges to arbitrators;
- Determining requests for consolidation;
- Determining requests for joinder of additional parties prior to the constitution of the tribunal; and
- Scrutinizing awards.

5. In the recent pre-Tashkent Law Spring Forum event organized by the International Chamber of Commerce (“ICC”) Young Arbitration and ADR Forum (“YAAF”), participants discussed the role of international dispute resolution in supporting development, the rule of law, and economic opportunity. What has been the role of the TIAC in this regard?

Diana: The TIAC has been actively engaged in promoting the role of international dispute resolution in supporting development, strengthening the rule of law, and creating economic opportunities in Uzbekistan and the wider region. One of the TIAC's primary objectives is to provide a reliable and efficient platform for resolving commercial disputes, particularly those involving foreign investors and businesses. By offering a fair, transparent, and internationally recognized dispute resolution mechanism, the TIAC helps to create a more stable and predictable business environment. This, in turn, enhances investor confidence and encourages foreign direct investment, which is crucial for economic growth and development.

Moreover, the TIAC's commitment to adhering to international best practices and standards in arbitration contributes to the strengthening of the rule of law in Uzbekistan. By demonstrating that disputes can be resolved fairly and effectively through arbitration, the TIAC helps to build trust in the legal system and promotes a culture of compliance and respect for contractual obligations.

The TIAC has also been actively involved in capacity-building efforts to support the development of the legal profession in Uzbekistan. Through training programs, workshops, and collaborations with universities and legal institutions, the TIAC is helping to nurture a new generation of arbitration practitioners and experts. By equipping legal professionals with the necessary skills and knowledge, the TIAC is contributing to the development of a strong and competent legal workforce that can support the growth of the economy.

Dr. Rustambekov: Furthermore, the TIAC's engagement with the international arbitration community, through events like the Tashkent Law Spring Forum and the Uzbek Arbitration Week, is helping to raise awareness about the opportunities and challenges in the region. By bringing together experts, practitioners, and stakeholders from around the world, the TIAC is facilitating the exchange of knowledge, best practices, and innovative ideas that can drive positive change and support sustainable development.

The TIAC's role in supporting development, the rule of law, and economic opportunity is multifaceted and significant. By providing a reliable and efficient dispute resolution mechanism,

building capacity in the legal profession, promoting innovation and accessibility, and engaging with the international community, the TIAC is contributing to the creation of a more stable, predictable, and investor-friendly business environment in Uzbekistan and the region.

6. Could you speak about how to promote the new generation of ADR specialists in Uzbekistan? For example, TIAC provides a unique opportunity for young professionals to shadow arbitration sessions.

Diana: Alongside our case work, the TIAC is committed to building arbitration expertise domestically and nurturing the next generation of Uzbekistan’s arbitration practitioners. Education and capacity-building are a core part of our mandate.

For example, the TIAC has launched an innovative program allowing young lawyers to shadow arbitration proceedings. This gives them invaluable first-hand exposure to the process and an opportunity to learn from leading arbitrators. We also frequently host training sessions and workshops led by international experts to strengthen knowledge of global best practices.

Within our own institution, the TIAC45 initiative provides a platform for younger members of our arbitrator panels to network, collaborate, and raise their professional profiles. By investing in our rising arbitration talent, we aim to build a sustainable pool of skilled professionals to handle the complex arbitrations of the future.

Dr. Rustambekov: Academia also plays a vital role here. At the Tashkent State University of Law, we have introduced specialized arbitration courses and curricula to systematically build up the next generation. Our students are encouraged to participate in international moot competitions to sharpen their advocacy skills as well.

Through these combined “hardware” and “software” efforts, the TIAC aims to be not just a venue for individual disputes, but a broad driving force for the development of international arbitration in Uzbekistan and beyond. We are excited for the future and look forward to making ever greater contributions.

Ms. Bayzakova and Dr. Rustambekov, thank you for your time and insights.

This interview is part of Kluwer Arbitration Blog’s “Interviews with Our Editors” series. Past interviews are available [here](#).

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