

REGULATION OF SMART CONTRACTS IN THE EXPERIENCE OF FOREIGN COUNTRIES AND ITS IMPORTANCE FOR NATIONAL LEGISLATION**Azirbaev Salamat Kuanishbaevich**Karakalpak State University
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Abstract: This article analyzes the legal nature of smart contracts, approaches to their regulation in the experience of foreign countries and the importance of this experience in improving national legislation. In the context of the digital economy, it is justified that smart contracts are formed as a new technological form of the traditional contract. Institute, the need for their integration into the legal system is growing. On the example of the experience of individual states, models of the application of smart contracts on the basis of applicable civil law norms and regulation through special regulatory mechanisms are studied. As a result of the study, scientific conclusions will be developed on the need to gradually introduce smart contracts into national legislation, as well as on the directions of their legal clarification.

Keywords: Smart contract, blockchain, digital economy, civil law, electronic contract, automated execution, digital technology.

Introduction: Today, digital technologies are entering almost all spheres of human life, radically changing the content of economic and legal relations. In particular, smart contracts operating on the basis of blockchain technology are being formed as a new legal instrument in economic turnover. They make it possible to strengthen agreements between the parties through software code and automatically fulfill obligations in the event of established conditions. While the fulfillment of obligations in traditional contractual relationships often depends on the human factor, intermediaries or control institutions, smart contracts carry out this process through an algorithmic mechanism. As a result, the conclusion and execution of contracts will accelerate, costs will decrease, and the level of trust will increase.

At the same time, the widespread use of smart contracts is putting new questions before the legal system. For example, is it possible to recognize an agreement expressed in the form of software code as a contract? Who will be responsible if the automatically executed obligation is wrong? How do courts assess such transactions? These questions are causing scientific and practical discussions in many states.

In this context, the study of foreign experience is instrumental in adapting smart contracts to the national law system. Because some countries have chosen the way to apply this institution on the basis of current legislation, others have created special regulatory mechanisms.

Methods: The legal nature of Smart contracts. The term Smart contract technologically refers to software, but in legal content it is a tool that represents the mutual agreement of the parties. That is, a smart contract is not a new type of contract, but a digital form of contract conclusion and execution.

According to the theory of civil law, any contract must have the following elements:

the mutual consent of the parties;

accuracy of the subject of the contract;

the presence of obligations;

the occurrence of legal consequences.

Smart contracts can also meet these requirements, only they are expressed in the form of algorithmic code, and not in the form of text. Legal scholars therefore interpret smart contracts as a “contractual relationship through a technological tool”.

Two different models of regulation in the experience of foreign countries. Foreign practice shows that there is no single approach to the regulation of smart contracts. Basically, two different models are formed.

The first model is existing civil law moslashtirish. Some states consider it expedient to apply smart contracts not as a separate legal institution, but within the framework of the current contract law. According to this approach:

- a smart contract is recognized as a simple contract;
- the electronic form is equated to the written form;
- disputes are dealt with in general judicial procedure.

Such a model allows you to integrate technology into the legal system without drastic changes. The most important thing is that the right does not lag behind technology, but adapts through existing mechanisms.

The second model is special regulatory regulation. Other states have attempted to create a separate legal regime for smart contracts, taking into account the specifics of smart contracts. This approach implies:

- recognition of blockchain technologies at the level of law;
- regulation of circulation of digital assets;
- to give legal status to the automatic execution of smart contracts.

Although this model is aimed at actively supporting innovation, it requires the re-adaptation of the legal system.

Advantages of Smart contracts. Foreign experience shows that smart contracts have a number of advantages in economic and legal terms:

- automation of execution of contracts;
- reduction of errors caused by the human factor;
- reduction of the need for intermediaries;
- increase in speed and transparency of operations in the clock;
- reduction of corrupt risks.

Therefore, smart contracts are widely used in areas such as finance, logistics, insurance, e-commerce.

Problems in the application of Smart contracts. However, along with the development of Technology, a number of legal problems are also emerging:

- complexity of interpreting software code as legal text;
- the question of determining liability in the event of an error;
- limitations on the possibility of canceling or changing the smart contract;
- the problem of determining the right applied between different jurisdictions.

These issues indicate the need to apply smart contracts in harmony with legal control, not as a fully automated system.

Analysis of foreign experience shows the need for a careful and step-by-step approach to the introduction of smart contracts. The national law system aims to be improved in the following areas:

- a) expanding the concept of electronic transactions;
- b) recognition of smart contract as a separate way of contracting;
- c) to define the mechanism by which digital evidence can be used in litigation;
- d) creation of a system of legal control over software execution.

Above all, it is necessary to ensure a balance between technology and law when adapting smart contracts to the legal system. Because the main task of law is not to limit innovation, but to create conditions for their safe and fair application.

Conclusion: Smart contracts are starting a new stage of contractual relations as an important institution of modern digital economy. They make it possible to increase economic efficiency, ensure transparency and simplify the process of performing transactions.

Experience of foreign countries shows that there is no single universal model in the regulation of smart contracts. The most effective way is to harmonize them with existing civil law institutions and, if necessary, supplement them with special norms.

The main task for national legislation is to perceive smart contracts not as an independent and sharply new institution, but as a digital evolution of contract law. The legal mechanisms developed on this basis ensure the sustainable development of the digital economy.

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