

SMART CONTRACTS IN THE DIGITAL ECONOMY: A NEW PARADIGM OF CONTRACT LAW**Azirbaev Salamat Kuanishbaevich**Karakalpak State University
(Republic of Karakalpakstan, Nukus)

+998907006862

azerbaevsalamat947@gmail.com

Abstract: This article is devoted to the study of the legal and practical significance of smart contracts in the digital economy. The article will analyze the technological basis of smart contracts, their relationship with civil contracts, automated enforcement mechanisms, as well as foreign and Uzbek experience. The study highlights the capabilities, risks and limitations of smart contracts, analyzing their impact on innovative processes in the digital economy from a scientific point of view.

Keywords: Smart contract, digital economy, blockchain, contract law, electronic contract, automation, legal status, Uzbekistan experience, international experience, legal analysis.

Introduction: In recent years, the rapid development of the digital economy has brought contract relations to a new level. Compared to traditional contracts, smart contracts are automated, blockchain technology-based contracts that self-enforce the fulfillment of terms. They make it possible to simplify work processes in finance, trade, services and other areas, increase reliability and reduce conflicts.

In foreign experience, smart contracts are widely used in the financial and technology markets. For example, in Sweden and Singapore, systems have been developed to formalize and enforce electronic contracts on a legal basis. Uzbekistan also pays great attention to the development of the digital economy and blockchain technologies, but legal procedures are still being formed in the field of smart contracts.

The purpose of the article is to analyze the legal status of smart contracts, their practical capabilities in the digital economy and foreign experience and determine the prospects for their implementation in Uzbekistan.

Methods: Technological and legal basis of Smart contracts. Smart contracts are based on blockchain technology, that is, all conditions are stored in the form of digital code, and their execution is carried out automatically. These contracts generally control financial transactions involving cryptocurrency or tokens, but they can also be used in various services and commercial processes.

Legally, smart contracts are associated with electronic contract status in many states. In the US, UK and Singapore, smart contracts recognition and enforcement procedures have been identified. At the same time, blockchain technology increases transparency and reliability, since all transactions are stored in an unedited ledger. Relationship to contract law.

Traditional contracts are usually drawn up in the form of documents and are required to be signed by the parties. Smart contracts, on the other hand, are in the form of an electronic code, and the terms are met automatically. This reduces conflicts and increases confidence in the enforcement of civil contracts.

Also, automated mechanisms used by smart contracts reduce risks for parties. For example, financial transactions are carried out automatically, in cases where conditions are violated, the system immediately launches response measures.

Foreign experience. Sweden: opportunities for electronic conduct of property rights and commercial contracts on the basis of blockchain have been developed. Contracts are concluded in digital format and are automatically executed.

Singapore: there is a system of recognition of electronic contracts on a legal basis. Smart contracts are widely used in the banking and financial sectors. Transactions are transparent and reliable, and disputes are reduced.

Smart contracts in these states serve to increase legal stability and the development of the digital economy.

Uzbekistan experience. The government of Uzbekistan pays great attention to the development of blockchain technologies. In 2022-2025, several initiatives are being implemented on the digital economy and financial technologies. So far, no special law has been passed in the field of smart contracts, but electronic contracts and blockchain-based financial platforms are working in test mode.

This allows for the formation of legal framework and legal approval of digital contracts in the future.

Risks and opportunities. Smart contracts provide the following opportunities:

Automation of contracts and fast execution of applications

Reduce conflicts and increase transparency

How to make financial and commercial transactions safe

There are also risks and restrictions:

Technological failures or errors in the code

Lack of legal clarity

The absence of the formation of legal regulations for new markets such as Uzbekistan.

Conclusion: Smart contracts are a new paradigm of the digital economy that allows you to automate contract law, increase transparency and reliability. Foreign experience shows that the legal regulation of blockchain and smart contracts ensures the development of the digital economy and the stable implementation of civil contracts. In Uzbekistan, however, work continues to regulate smart contracts legally, and the sector has a large potential in the future. Smart contracts can serve the stable development of the digital economy not only in finance and commerce, but also in other areas.

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