

## THE APPLICABLE LAW IN CROSS-BORDER ELECTRONIC COMMERCE CONTRACTS

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**Annotation.** This article explores the legal aspects of cross-border electronic commerce contracts, focusing on the applicable legal frameworks and international regulations. It examines key legal instruments such as the United Nations Convention on Contracts for the International Sale of Goods (CISG), the UNCITRAL Model Law on Electronic Commerce (1996), and the EU eIDAS Regulation (2014). The study highlights jurisdictional challenges, the recognition of electronic contracts and digital signatures, and intellectual property protection in cross-border e-commerce. The findings emphasize the necessity of harmonizing national regulations with international standards to ensure legal certainty and enhance global e-commerce efficiency.

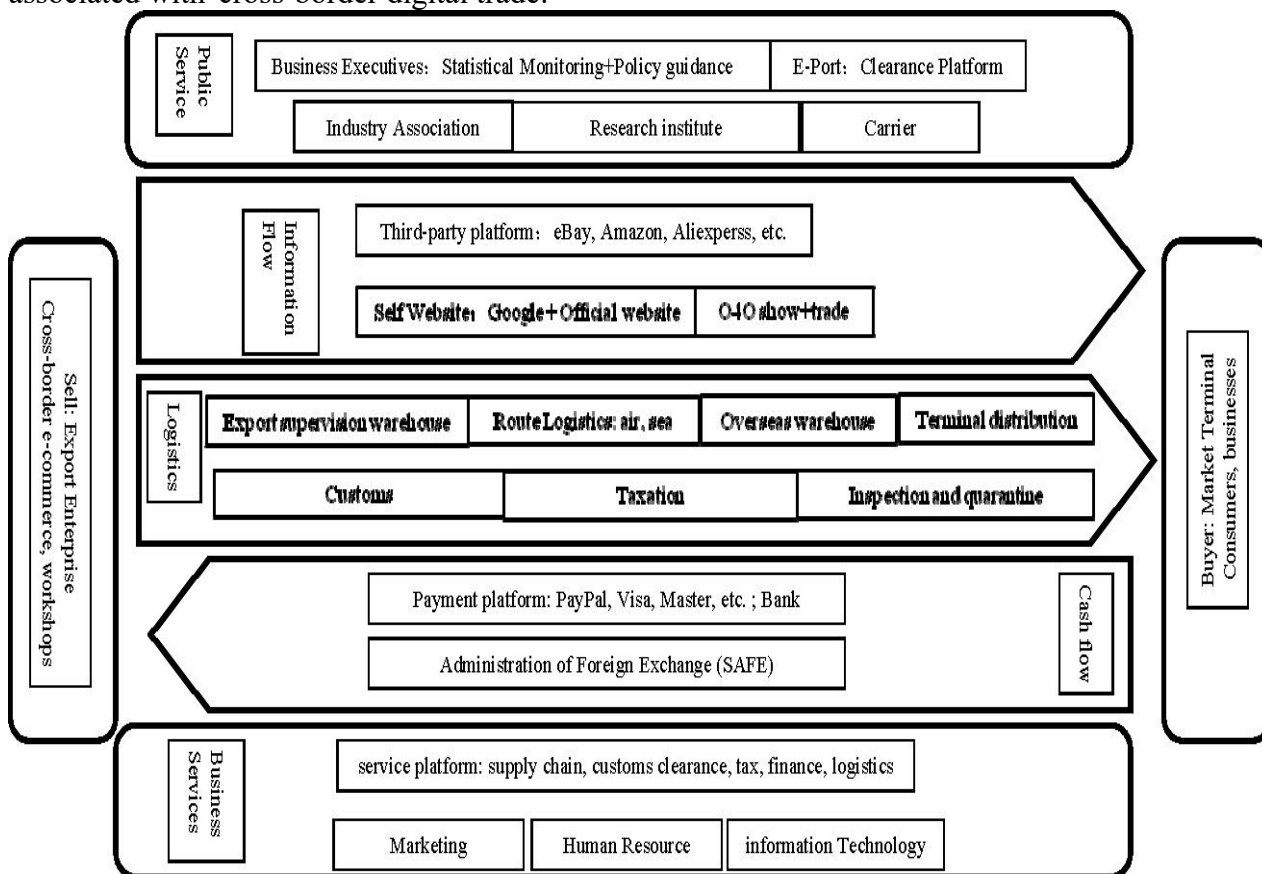
**Keywords.** Cross-border electronic commerce, international contract law, UNCITRAL Model Law, CISG, eIDAS Regulation, jurisdiction, electronic signatures, data protection, intellectual property rights, digital trade, regulatory harmonization.

The rapid advancement of information and communication technologies, which have permeated virtually all aspects of modern life, has significantly impacted the economic sphere as well. With the proliferation of digital innovations, electronic commerce has emerged as a fundamental component of the global economy. Businesses and consumers now engage in cross-border transactions, executing digital contracts for the exchange of goods and services irrespective of national boundaries. However, alongside these conveniences, legal complexities arise, including questions concerning the applicable law, jurisdictional precedence, and the recognition of electronic contracts and signatures. This article seeks to examine these legal challenges by analyzing the regulatory frameworks governing cross-border electronic commerce contracts and exploring the role of international cooperation in addressing such issues.

Commercial law constitutes a fundamental pillar of both international and domestic legal systems. One of its critical subfields, cross-border electronic commerce, encompasses the remote exchange of goods and services between sellers and consumers operating in different jurisdictions, thereby transcending national boundaries. This sector has experienced exponential growth, propelled by the widespread integration of advanced digital technologies, the pervasiveness of the Internet across all economic spheres, and the intensification of globalization. The principal stakeholders in this domain are sellers and consumers, where market participants strategically seek to expand their commercial reach beyond domestic markets. Once enterprises achieve market saturation at the national level, they typically pursue international expansion,

leveraging new consumer bases to enhance sales volumes and capitalize on price differentials across jurisdictions, thereby optimizing profit margins.<sup>1</sup> However, the proliferation of cross-border transactions necessitates a well-defined legal framework to regulate commercial engagements between transacting parties. In this regard, contracts serve as the cornerstone of legal certainty and enforceability in international trade. A contract is a legally binding agreement between two or more parties that establishes, modifies, or terminates rights and obligations. In both international and national legal orders, contracts constitute a normative necessity, ensuring the regulation and stabilization of commercial relations. The significance of cross-border commerce can be further substantiated through the perspective of I. Lukashuk, who asserts: "International agreements emerged long before the conceptualization of international law. This is hardly surprising, as contracts have historically served as the primary mechanism for resolving disputes between independent entities."<sup>2</sup> In this context, cross-border electronic commerce refers to transactions conducted in accordance with contracts formed between parties across different countries and regions, typically facilitated through the Internet, email communication, or other digital trading platforms. These platforms serve as information systems that enable the remote exchange of goods and services, thereby eliminating geographical constraints in commercial engagements. A notable example of a country at the forefront of cross-border e-commerce is China, which has established itself as the global leader in this sector. The country hosts several major e-commerce platforms that facilitate international trade, including Alibaba (Taobao, AliExpress), Jingdong (JD.com), Pinduoduo, and Douyin (TikTok's Chinese counterpart). These platforms not only cater to the domestic Chinese market but also extend their services worldwide, fostering a highly integrated global digital economy. However, much like any economic paradigm, the digital economy presents both opportunities and challenges. The e-commerce landscape is predominantly structured around the B2C (business-to-consumer) model, wherein online platforms enable seamless and expedited transactions between businesses and individual consumers. A crucial component of this ecosystem is the presence of efficient digital payment systems, which streamline transactions and enhance financial accessibility. These include bank card payment networks (Visa, MasterCard), electronic wallets (PayPal, Alipay, WeChat Pay), and other fintech solutions that facilitate secure and convenience cross-border transactions. While cross-border e-commerce continues to evolve, its sustained growth depends on legal harmonization, consumer protection mechanisms, and the development of secure digital payment infrastructures, ensuring a balanced and legally sound global marketplace. All these factors contribute to the efficiency and convenience of electronic commerce, facilitating seamless transactions across borders. However, the rapid expansion of the digital economy is profoundly transforming the global landscape, introducing new legal and regulatory challenges that require urgent attention. The accelerating pace of digitalization underscores the necessity for modernized legal frameworks to effectively regulate this emerging economic paradigm. One of the primary drawbacks of cross-border electronic commerce lies in the insufficient legal protection governing these transactions. The absence of comprehensive regulatory mechanisms exacerbates critical issues such as personal data security, cybercrime, and, most notably, the legal nature of contracts formed between e-commerce entities. The complexity of these challenges necessitates a robust legal infrastructure to ensure transparency, security, and enforceability in digital transactions. At the national level, a review of domestic legislation reveals several regulatory instruments that govern electronic commerce. These legislative frameworks aim to establish legal certainty,

consumer protection, and cybersecurity measures, thereby addressing the inherent risks associated with cross-border digital trade.



Electronic commerce in Uzbekistan has been experiencing significant growth and development. In recent years, the implementation of various reforms, strategies, and legislative measures related to the digital economy has further accelerated this process. The country has also witnessed the emergence of multiple e-commerce platforms, including Uzum Market, Asaxiy, OLX, Zoodmall, and Texnomart, which have played a crucial role in fostering the expansion of e-commerce and providing consumers with convenient and reliable online shopping experiences. The legal framework governing e-commerce in Uzbekistan is primarily established by the Law of the Republic of Uzbekistan "On Electronic Commerce." <sup>4</sup>This legislation regulates the formation and execution of electronic contracts, ensuring that online transactions adhere to well-defined legal standards. In e-commerce, contracts are concluded between parties by agreeing on the terms through electronic documents or messages, which are then formalized as electronic records. In cases where legislation or mutual agreements between parties require a document to be signed manually, an electronic document is deemed legally signed if it is authenticated using a digital signature. A digital signature is a cryptographic mechanism that ensures the authenticity and integrity of an electronic document. It is generated by applying a private key to the document's data, producing a unique transformation. <sup>5</sup>The public key associated with the digital signature is then used to verify that the document has not been altered and to authenticate the identity of the signatory. This technology plays a critical role in securing electronic transactions and ensuring legal recognition of electronically signed agreements. In Uzbekistan, the process of selling goods

through electronic commerce and executing contracts between parties follows a structured legal framework. Thus, the implementation of electronic commerce in Uzbekistan, the contracts concluded between the parties, their rights and obligations, and the validity of such agreements are all legally regulated. These normative foundations hold mandatory legal force exclusively within the jurisdiction of the Republic of Uzbekistan. If we turn to the international arena, cross-border e-commerce faces several challenges on a global scale. These include data privacy concerns, the diversity of enforcement mechanisms across jurisdictions, international cybercrime, and the legal validity of contracts between parties. Conducting commercial transactions and providing services via the Internet, including the conclusion of relevant contracts, begins with the provision of necessary information. Before entering into a remote sales contract, sellers present their goods to consumers through electronic trading platforms. Unlike traditional transactions, in cross-border e-commerce, neither the consumer nor the seller interacts in person. Agreements are concluded electronically by accepting a public offer available on an online platform. As noted by I.R. Rustambekov, the regulation of civil-law relations emerging in cyberspace requires a specific approach to ensuring consumer protection, as consumers often represent the weaker party in such transactions.<sup>6</sup> This perspective is difficult to dispute, given that a significant time gap may exist between the contract's conclusion and its execution. Furthermore, consumers are deprived of the opportunity to physically inspect, assess, or test the product before committing to the purchase, raising concerns regarding contract enforcement and potential compensation for damages. A crucial issue in cross-border e-commerce transactions is the applicable law governing disputes. If a seller operates in one country while the consumer resides in another, determining the relevant jurisdiction becomes essential. Under European private international law, in consumer contracts, claims may be brought either in the country where the seller or service provider is established or in the consumer's country of residence.<sup>7</sup> On the international level, organizations such as the United Nations (UN), the Organization for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), and the European Union (EU) are actively engaged in regulating cross-border e-commerce and protecting consumer rights. Notably, the United Nations Convention on Contracts for the International Sale of Goods (CISG) and Regulation (EU) No. 910/2014 of the European Parliament and of the Council on electronic identification and trust services serve as key legal instruments in this domain.<sup>8</sup> Recommendations and guidelines adopted by the Organisation for Economic Co-operation and Development (OECD) on consumer protection in e-commerce and online trade:

International instruments	Cross-border enforcement rules
2015 United Nations Guidelines for Consumer Protection	<ul style="list-style-type: none"> <li>• Access to dispute resolution and redress mechanisms, including alternative dispute resolution, should be enhanced, particularly in cross border disputes</li> <li>• The development of fair, effective, transparent and impartial mechanisms to address consumer complaints, including for cross-border cases, should be encouraged</li> <li>• Addressing cross-border challenges raised by tourism, including enforcement cooperation and information-sharing with other Member States, should be addressed, as should cooperation with relevant stakeholders.</li> </ul>

	<ul style="list-style-type: none"> <li>• Ability and capacity to cooperate in combating fraudulent and deceptive cross-border commercial practices should be improved.</li> <li>• Consumer protection enforcement agencies should be provided with the authority to investigate, pursue, obtain and share relevant information and evidence on matters relating to cross-border fraudulent and deceptive commercial practices</li> </ul>
<b>2003 OECD Cross-Border Fraud Guidelines</b>	<ul style="list-style-type: none"> <li>• Establishing a domestic system for combating cross-border fraudulent and deceptive commercial practices against consumers</li> <li>• Enhancing notification, information sharing and investigative assistance</li> <li>• Improving the ability to protect foreign consumers from domestic and foreign businesses engaged in fraudulent and deceptive commercial practices</li> <li>• Ensuring effective redress for victimised consumers</li> <li>• Co-operating with relevant private sector entities</li> </ul>
<b>2007 OECD Recommendation on Consumer Dispute Resolution and Redress</b>	<ul style="list-style-type: none"> <li>• Providing clear information to consumers and relevant consumer organisations on judicial and extra-judicial dispute resolution and redress mechanisms available within their countries</li> <li>• Participating, where possible, in international and regional consumer complaint, advice and referral networks</li> <li>• Expanding the awareness of justice system participants, including the judiciary, law enforcement officials, and other government officials, as to the needs of foreign consumers who have been harmed by domestic wrongdoers</li> <li>• Encouraging the greater use of technology, where practicable, to facilitate the dissemination of information, and the filing and management of cross-border disputes</li> <li>• Taking steps to minimise legal barriers to applicants from other countries having recourse to domestic consumer dispute resolution and redress mechanisms</li> <li>• Developing multi-lateral and bi-lateral arrangements to improve international judicial co-operation in the recovery of foreign assets and the enforcement of judgments in appropriate cross-border cases</li> </ul>



<b>2006 OECD Recommendation on Cross-Border Co-Operation in the Enforcement of Laws Against Spam</b>	<ul style="list-style-type: none"> <li>• Establishing a domestic framework (e.g. taking steps to ensure their effectiveness for cross-border co-operation in the enforcement of laws connected with spam</li> <li>• Improving the ability to co-operate (e.g. providing their anti-spam enforcement authorities with mechanisms to share relevant information with foreign authorities)</li> <li>• Improving procedures for co-operation (e.g. prioritising requests for assistance)</li> <li>• Co-operating with relevant private sector entities<sup>9</sup></li> </ul>
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In conclusion, it is difficult to imagine modern life without the Internet. It encompasses various aspects, from the exchange of daily information to the formation and execution of contracts for trade and service provision. Conducting transactions through information and telecommunication technologies offers consumers significant convenience, eliminating unnecessary formalities and saving time.<sup>10</sup> However, as discussed above, it also gives rise to a number of challenges. The most effective solution in this regard is the implementation of legal mechanisms such as identifying sellers and service providers in contract formation and execution, ensuring that payment for goods is made only after delivery, and providing guarantees for the replacement of defective products. These legal frameworks not only enhance trust in cross-border e-commerce contracts but also ensure effective consumer protection.

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