



Alternative Dispute Resolution Mechanisms

New Appeal Boards and Centers

June 2020

At present, one of the priority areas of legal reform in the Republic of Uzbekistan is the improvement of alternative dispute resolution mechanisms, designed to ensure effective and efficient settlement of disputes.

The President of the Republic of Uzbekistan has emphasized the need to establish a unified system of pre-trial settlement of disputes with government bodies in which both ordinary citizens and entrepreneurs can have confidence, and to turn mediation and local and international arbitration into effective alternative mechanisms for dispute resolution.

In this regard, on 17 June 2020, the President of the Republic of Uzbekistan signed a decree "On measures to further improve the mechanisms for alternative dispute resolution" (the "Decree"), setting out plans to establish a few pilot Appeal Boards for preliminary consideration of disputes between individuals, legal entities and government bodies ("Appeal Boards").

Based on the Decree, Appeal Boards will be established on a trial basis from 1 August 2020 within the State Customs Committee, the State Committee on Land Resources, Geodesy, Cartography and State Cadaster, khokimiyats (municipal governing bodies) of the Namangan, Bukhara and Tashkent regions, and the Off-Budgetary Pension Fund under the Ministry of Finance. The Ministry of Justice will monitor the activities of the Appeal Boards and assess the feasibility of establishing them within other state bodies by 1 July 2021.

- Main functions of the Appeal Board

- Resolving disputes between individuals, legal entities and government bodies through pre-trial consideration and adoption of opinions;
- Facilitating an official interpretation of the national laws in case of discrepancies or incorrect or contradictory implementation practices during consideration of appeals;
- Submitting proposals to address legislative gaps identified during the consideration of appeals.

- How will Appeal Boards be constituted?

The composition of the Appeal Board is to be approved by a decision of the head of the relevant state body for a period of two and a half years. The Appeal Board may consist of 7 to 11 members. Members of the Appeal Boards are chosen amongst officials and employees of structural units of the central apparatus of state bodies who have the relevant practical experience and a decent reputation, as well as amongst regular citizens with sufficient practical experience and research credentials in this area. At the same time, members selected out of the latter group should not exceed one-fifth of the total number of members of the Appeal Board.

- How are opinions adopted by the Appeal Board?

The Decree sets forth the following stages of the adoption of opinions by the Appeal Board:

1. An applicant (individual or legal entity) files an appeal in writing (including electronic submissions) with a state body which has

established an Appeal Board.

2. Within 1 (one) day of receipt of the appeal, the head of the state body or his/her deputy forwards the appeal to the respective Appeal Board.
3. Within 15 (fifteen) days of receipt of the appeal, the Appeal Board carefully reviews and discusses the appeal and issues a recommendatory opinion.
4. The Appeal Board's recommendatory opinion is passed by a simple majority of votes of the members of the Appeal Board attending the meeting. In case of an equal number of votes, the Chairman of the Appeal Board will make a casting vote.
5. The opinion should be sent to the head of the state body, as well as to other interested parties (including the appellant) within three days of issuance.
6. The state body may decide to accept or reject the Appeal Board's opinion. Such a decision must be made in writing, indicating the reasons for any refusal. The head of the state body or his/her deputy must notify the Appeal Board and other parties (including the appellant) of its decision.

- Establishment of the Center for Mediation and the Center for Dispute Resolution

Moreover, the Decree allows the establishment of a Center for Mediation and a Center for Dispute Resolution in the form of non-governmental, non-commercial organizations (the "Centers"). The following were set as the main functions of the Centers:

- Creating conditions for the implementation of alternative dispute resolution mechanisms including mediation proceedings and in the activities of local and international arbitration courts;
- Conducting proceedings based on the principle of non-interference in mediation and local and international arbitration;
- Organization of workshops for the training and professional development of specialists in the field of mediation and local and international arbitration;
- Assisting in the development and widespread proliferation of mediation and other methods of alternative dispute resolution through the organization of seminars, workshops and

conferences.

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