



RECOMMENDATIONS FOR REGULATION OF ONLINE ADVERTISING IN UZBEKISTAN

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ABSTRACT

The digital advertising market has seen exponential growth, traditional advertising laws may not adequately address the unique in digital, making specific regulations for online advertising crucial. The author did an analysis of legislation in the Republic of Uzbekistan to develop recommendations from the experience of the EU, USA, and China's regulations. Suggested changes will offer better protection to consumers, ensuring transparency, safety, and trust in the digital marketplace.

Introduction

Many countries in the world are implementing specific regulations for online advertising. Including such regulations in the law can help align with international standards, facilitate cross-border advertising and commerce. Different online platforms like social media, websites, email, digital trade platforms have unique characteristics. Specific regulations can address these distinctions effectively. Rules for online advertising can ensure a level playing field for all businesses, preventing unfair competitive advantages that could arise from unregulated online advertising practices. For example, online advertising can be seamlessly integrated into content, making it difficult for consumers to distinguish between editorial content and advertising. Clear rules on transparency and disclosure are necessary to ensure consumers are not misled. Online advertising can be more invasive and persuasive due to its interactive and personalized nature. Specific rules can help protect consumers from misleading and deceptive practices unique to the digital environment. Also, online advertising often involves sophisticated targeting techniques using personal data. Specific regulations are needed to ensure this data is used ethically and responsibly, respecting privacy and data protection laws. Moreover, the digital advertising landscape is continuously evolving with new technologies like AI and machine learning. Laws specific to online advertising can be designed to be adaptable to these changes too.



The digital advertising market has seen exponential growth with the advent of social media, search engines, and mobile applications. Traditional advertising laws may not adequately address the unique challenges and characteristics of these platforms, making specific regulations for online advertising crucial. Therefore, incorporating specific articles on online advertising within the Uzbekistan law on advertising is essential because of above mentioned reasons. The author did an analysis of legislation in Uzbekistan to develop recommendations by drawing from the strengths of EU, USA, and China's regulations. Suggested changes will offer better protection to consumers, ensuring transparency, safety, and trust in the digital marketplace.

Analysis of national legislation

Online advertising in the Republic of Uzbekistan is regulated by several laws that collectively provide a regulatory framework for online advertising, covering aspects from general standards to specific rules for e-commerce and personal data protection. They aim to ensure ethical advertising practices, protect consumer rights, and maintain data privacy in the rapidly evolving digital landscape. Below you will find brief description of Uzbekistan 4 major laws related to the topic:

Law on Advertising: (<https://lex.uz/uz/docs/6052633#6054238>) Regulates relationships in the field of production, placement, and distribution of advertising in Uzbekistan. It includes provisions on the use of images and names, restrictions on certain types of content and specific rules for advertising to minors. The law also defines the rights and obligations of advertisers, producers, and disseminators of advertising, along with guidelines for identifying advertising content and sponsorship. It covers exclusions and specific aspects such as copyright and related rights in advertising, basic concepts like counter-advertising, and specifies language requirements for advertisements. It also defines unethical advertising, social information, and improper advertising, addressing issues of truthfulness and ethical standards. The law prohibits certain types of advertising, such as hidden or unreliable advertising, and sets standards for comparative and social advertising. Additionally, outlines roles of government bodies in regulating advertising activities. Article 16 of this Law says that the distribution of advertising is inadmissible in cases where the



advertiser and the distributor of advertising are both non-residents of the Republic of Uzbekistan. Although this law was adopted less than a year ago, the issues related to online advertising were not addressed in it. By contrast, the law regulates details on advertising at the television, radio, and in print media, including specific limitations on the amount and placement of advertisements in these media, including regulations surrounding outdoor advertising.

Law on E-commerce: (<https://lex.uz/docs/6213428>) Adopted in 2022, it governs electronic commerce activities, detailing the principles, regulations, and state policies for e-commerce. It defines digital products, electronic commerce, and its participants, including operators. Establishes a framework for the regulation of electronic commerce activities in Uzbekistan, including aspects that may relate to online advertising. The law also elaborates on the rights and obligations of sellers and buyers in e-commerce, the role of operators in electronic commerce, and the specifics of electronic contract formation. It outlines the principles, state policy, and state regulation in the field of electronic commerce, addressing the legal force of electronic documents and messages, the rights and obligations of electronic commerce participants, outlines the rules for electronic commerce transactions, the resolution of disputes and the role of information mediators. This law is significant for online advertising as it partially governs the online marketplace where much of this advertising takes place.

Law on Personal Data: (<https://lex.uz/docs/4831939>) Adopted in 2019, it regulates the processing and protection of personal data. Applies to relations arising from the processing and protection of personal data, regardless of the processing means, including IT systems. It encompasses a range of aspects including the scope of the law, basic concepts such as personal data, personal data subject, operator, owner, third party, principles of the law, state regulation, processing procedures, and protection measures. The law addresses consent for processing, including special personal data, cross-border transfer, anonymization and destruction of personal data. It also outlines the rights and obligations of subjects, owners, and operators, and procedures for processing personal data, ensuring compliance with international treaties and the constitutional rights of citizens. This law is critical in the context of online advertising as it governs the processing and protection of personal data. This law is particularly relevant for targeted and personalized advertising, which often relies on personal data.

Law on protection of consumer rights: (<https://lex.uz/docs/4525010>) Adopted in 1996, it outlines detailed provisions regarding consumer rights, including the rights to accurate information about goods and services, safety of products, and compensation for damages caused by defective goods. The law covers various aspects of consumer transactions, including warranty obligations, contractual terms, and procedures for dealing with goods with defects. Additionally, it specifies the responsibilities of manufacturers, sellers, and service providers in ensuring product safety and consumer protection. Regulations to protect consumers indirectly influence online advertising. The emphasis on accurate information and the right to safety implies that online ads must be clear about product features, risks, and warranties. Misleading or inaccurate advertising could lead to legal challenges and demands



for compensation. This law reinforces the need for transparency and honesty in online advertising practices.

Only one article in Uzbekistan law on Advertising focuses on online ads- Article 31: Advertising distributed through the Internet. In other cases, we assume that laws in offline activities are the same for digital activities. As mentioned earlier, current state of online advertising regulation in Uzbekistan should be updated, to align with international digital advertising practices. The article itself says that “Legislation may establish additional requirements for the circulation of advertising on information resources in the UZ domain zone on the worldwide Internet information network”, reflecting the need in upgrade.

Recommendations

Harmonization with global standards will increase interaction in online businesses and attract world major players of e-commerce. Since Uzbekistan's e-commerce ecosystem and the overall digital economy are in the early stages of development, adopting and adapting practices from the EU, USA, and China can help substantially. Here are several recommendations suggested by the author:

1. In Uzbekistan law on Advertising article 16 should be updated, establishing *FTC-like Clear and Fair Advertising Standards*. Global laws often require clear disclosure of information in online advertising, including pricing, seller details, and terms and conditions, which is less explicitly defined in Uzbek law. Now this article focuses on forbidden actions only. While the Article 31 says that advertising distributed through the worldwide information network Internet must comply with the basic requirements written in article 16. Thus, by updating this article we shall regulate digital advertising standards too.
2. Law on Protection of Consumer Rights adopted in 1996, does not have detailed provisions on advertising, including the obligation to provide clear and accurate information, and rules against misleading or aggressive practices, like *EU Consumer Rights Directive*. Advertisers must ensure that their promotions are accurate and do not mislead consumers. Therefore, articles 12 and 13 Uzbekistan law on Advertising should be updated, this would significantly impact how products and services are marketed online.
3. Thirdly, we need to adopt GDPR-like frameworks for consumer data protection, to provide stringent guidelines on data usage and privacy, impacting how consumer data is used in online advertising. There is a Law on Personal Data, related to processing and protection of personal data, but less comprehensive than GDPR and California's CCPA. Article 31 of Uzbekistan law on Advertising can address these issues, or a special section dedicated to online advertising can be developed.
4. Next step- Protection of Children and Vulnerable Groups by implementing strict and specific regulations as those in the USA (COPPA) and China's approach for protecting children and vulnerable groups online. Article 17 in our law covers this matter only in offline format, while there are special technologies and guidelines that can assist in solving this problem online.
5. Moreover, current national laws do not cover complexities of modern online platforms and technologies, do not address challenges posed by social media, influencer marketing, and AI-driven advertising. Regulation of Emerging Technologies and Platforms is needed.



6. Key success factor- a mechanism for Regular Monitoring and Enforcement of online advertising standards to ensure compliance. Specific regulatory bodies should be responsible for enforcing regulations, like Antimonopoly Committee and Consumer Rights Protection Agency, Trade authorities, Ministry of Digital Technologies, Cybersecurity department under Ministry of Internal Affairs should regulate unfair and deceptive practices in online advertising. They should increase efforts to Educate both consumers and businesses about their rights in the context of online advertising/ e-commerce and encourage industry self-regulation.

7. Most important is Collaboration with Stakeholders, since industry representatives know better technological advancements and global trends. Laws and Acts should be developed taking into consideration their opinion and valuable experience. This balance is key to maintaining a healthy digital advertising ecosystem.

These recommendations aim to balance consumer protection, business innovation, and technological advancements, drawing from the best practices in the EU, USA, and China. Uzbekistan can create a robust framework that protects consumers, respects privacy, ensures fair competition, and allows for innovation and growth in the digital advertising sector. Overall, incorporating articles specifically focused on online advertising within the law on advertising is essential to address the unique aspects of digital advertising, protect consumers, and adapt to the rapidly evolving digital landscape.

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