**Legal Analysis of the Importance of Business Models in the Development of ECommerce**

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**Abstract**

This article examines the types of e-commerce entities, in particular, a brief legal description of business models. The development of digital technologies, the creation of new opportunities is setting the task of improving modern areas of law before the modern science of law. During the pandemic, the dependence of the population on the Internet has increased more than ever, and this, in turn, has raised the issue of legal regulation of the e-commerce sector as well. The legal doctrine is faced with the task of predicting what new directions will appear in the development of the legal system, which areas and legal institutions will be able to change in New conditions and which will require development, what are the priorities of legal policy in the field of the digital economy in our country. The article focuses on each type of business models and provides a comparative analysis of the role of e-commerce in the implementation of e-commerce activities by the legislation of other countries, and also examines the development trends of these models in Uzbekistan.

**Keywords**: e-commerce, business models, e-commerce platform B2B, B2G, B2C, C2C, B2E, National Register of e-commerce entities.

1. **Introduction**

In today's modern world, more and more research is being done on the legal regulation of digital technologies in the legal field. The field of civil law, where the principle of equality of participants applies in social relations between individuals, regulates the trade relations carried out by citizens and business entities. According to Article 2 of the Civil Code of the Republic of Uzbekistan: “Citizens, legal entities and the state are participants in relations regulated by civil legislation [1]. Based on this, one party is called the seller and the other party is called the buyer. Now it is no longer possible to apply these rules in the regulation of electronic commerce law, a new field of law. This new field of law, separated from civil law, differs from the usual trade relations with the diversity of its subjects. In addition to business entities, state bodies, as well as various commercial organizations participate in conducting e-commerce activities, and they form different business models depending on the content of the social relationship in which they participate [6]. It differs depending on the specific types of product supplier and buyer, and they are classified under the following names: State (Government), business entity (Business), a consumer (Consumer), and employee of the enterprise (Employee). In traditional trade, sellers and buyers meet in the market, but in e-commerce, this is not the case. Based on these differences, an e-commerce contract is either B to B (Business to Business) or B to C (Business to Consumer) [7].

1. **Materials and methods**

In the field of e-commerce law, from Uzbek researchers Rozinazarov.Sh, Askarov. J, Tursunov. A, among foreign researchers Sizyakin. V.S, Potoviy V.I, Luzan S.N, Todd. P, Krutin, Chawla, N., Kumar and others conducted scientific research on commercial law and the civil-legal status of subjects in electronic commerce. However, the importance of business models in e-commerce and the legislation of developed countries with the legal system of Uzbekistan has not been studied in comparative legal terms. Using the method of comparative analysis, the importance of business models is analyzed in the case of developed countries. In addition, the legal essence of business models in electronic commerce in the Republic of Uzbekistan has been researched using analysis, synthesis, and specific sociological methods.

1. **Results**

The most common electronic commerce types (business models) in the e-commerce system include B2B - business-to-business; B2C - business-consumer; C2C - consumer-consumer; B2G – enterprise-state; C2B - consumer - enterprise; C2G - consumer state; B2E - enterprise-employee. According to the World Trade Organization, “B2B e-commerce is defined as any transaction between organizations in which at least one of the following activities - production, distribution, marketing, sales or delivery - is carried out through electronic means [8]. On the other hand, the “B2B market” refers to all transactions (electronic and traditional) between organizations. Global e-commerce volume refers to the total monetary value of all B2B e-commerce transactions worldwide. The geographic distribution of global e-commerce describes how global e-commerce is distributed among different regions and economies.

The B2C e-commerce model is mainly applied to the relationship between a business entity and a consumer. As a result of the wide popularity of the Internet, the relations between these subjects have also become digital. Now, the issue of consumer trust in business has emerged on a global scale in electronic commerce (“B2C-e-commerce”). Although states have been reluctant to regulate cross-border consumer rights through multilateral agreements, international organizations have made major regulatory efforts to address this issue. As for the participation of state bodies in e-commerce, state bodies play an important role in developing e-commerce legislation and creating favorable opportunities for e-business through their rule-making activities. State bodies take part in processes ranging from taxes collected from entrepreneurs to customs payments. The B2G model of e-commerce envisages exactly this system of relationships.

Chapter II of the Law “On Electronic Commerce” determines the norms on issues of state regulation of electronic commerce. According to the law, the main directions of the state policy in the field of e-commerce are to support business activities in this field, investment in activities, the attraction of modern technologies, formation of logistics infrastructure, protection of legal interests of subjects, creation of a competitive environment, necessary legal and technical support for activities. , provision of economic and other necessary information and directions for development and legal regulation of such a field is defined. It also includes the B2G (business-to-government) model - the trading relationship between a business entity and the government. An example of B2G system is the electronic public procurement system. E-procurement is a comprehensive e-infrastructure that enables government and citizens to trade through B2G e-commerce.

There are many scholarly sources on the Business-to-Business (B2B) and Business-to-Consumer (B2C) models of e-commerce, but little is known about the legal implications of the Consumer-to-Consumer (C2C) model. This model is an e-commerce system that facilitates transactions between individuals or small businesses. C2C (consumer to consumer) type of business types in electronic commerce law is mainly used about electronic commerce relations between individuals or consumers through electronic means. It follows that individuals participate as subjects of e-commerce law in the capacity of self-employed persons. Business-to-Employee (B2E) is an electronic business model in which an organization delivers services, information, or products to its employees [9]. It allows management to communicate with employees electronically as they streamline time- and labour-intensive organizational processes.

A comprehensive B2E program consists of three components: online business processes, online people management, and online workplace services. On the other hand, B2E e-business is defined as a business-to-business e-commerce model where an organization delivers products or services to its employees [10]. E-business models focus on using and exploiting the unique qualities of the Internet and the World Wide Web to conduct business. The business-to-employee (B2E) e-business model enables companies to meet the needs of employees while streamlining business processes.

1. **Discussion**

According to the legislation of the Republic of Uzbekistan, “electronic commerce is the trade of goods (works, services) within the framework of entrepreneurial activity carried out in accordance with the contract concluded through an electronic trading platform using information systems between business entities of any kind” [11]. This means electronic trade relations within the framework of business activities. Government policies and regulations affect the creation and use of e-commerce technologies by organizations. For example, Asian countries such as Hong Kong, India, Malaysia, Singapore, Taiwan and Thailand are providing tax and other incentives for multinational corporations and promoting high-tech models.

1. **B2B model** Although the concept of the B2B model is not officially included in the legislation of Uzbekistan, its elements are reflected in the legislation. Electronic commerce between business entities is carried out based on the Law “On Electronic Commerce”. The decision of the President of the Republic of Uzbekistan No. PQ-3724 of May 14, 2018[12] provides for the creation of favorable conditions for e-commerce entities and is related to the introduction of the National Register of e-commerce entities. Business entities engaged in electronic commerce are registered in it. The National Register of Electronic Commerce Subjects has been launched in electronic form on the online portal www.e-tijorat.uz since July 1, 2018. An application for entering the register as an e-commerce entity is sent. There are requirements for entering the register, first of all, the income from the sale of goods and services of the e-commerce entity must be at least 80 per cent of the total income. Bringing a bank statement and an income report will help to confirm this information. After entering the e-commerce entity into the register, they start paying a single tax payment at the rate of 2%.
2. **B2C model**

Organization for Economic Co-operation and Development in 1999 has developed guidelines for consumer protection in an electronic context: “fair, effective and transparent self-regulatory and other policies and procedures for the resolution of consumer disputes arising from e-commerce, including alternative dispute resolution mechanisms with a particular focus on cross-border transactions should work together to continue to use and develop [13]”.Following the legislation of the Republic of Uzbekistan, as defined in Article 53 of the Constitution of the Republic of Uzbekistan, “the state guarantees the freedom of economic activity, entrepreneurship and labor, equality of all forms of property and legal protection, taking into account the primacy of the rights of consumers”. That is determined that the rights of consumers will be protected at the level of the Constitution of the Republic of Uzbekistan. Article 11 of the Civil Code enumerates 11 ways of protecting civil rights. According to the Law “On Protection of Consumer Rights”, “consumers have the right to apply to the court and other competent state bodies for the protection of their violated rights or interests protected by law”.

1. **B2G model**

B2G model is also used in relation to public procurement in terms of commercial relations. The e-procurement model helps to implement various forms of public procurement such as e-procurement, e-tender, e-trade, and e-auction. On the basis of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated January 26, 2021 No. 37 “On measures to further improve the processes of organizing procurement procedures in the implementation of public procurement using information and communication technologies”, public procurement will be carried out in electronic form is being held. According to the Law of the Republic of Uzbekistan “On State Procurement”, “state procurement is the process of ensuring the needs of state customers for goods (works, services) on a monetary basis [12]”.

According to Article 30 of the Law, the types of public procurement are as follows: an auction to reduce the initial price, procurement through an electronic store, competition, tender, and procurement through a single supplier. When making public purchases through the electronic store, participants send their offers to a special platform, and this is considered a public offer. Under Article 1 of the Law of the Republic of Uzbekistan “On Electronic Commerce”, it is established that this law does not apply to state purchases made based on the legislation on state procurement of goods. To sum up, the B2G business model mainly refers to relations related to “Public procurement”, that is, the online purchase of goods (works, services) for state needs from business entities, as well as the state's creation of norms in the field of e-commerce, tax and used with customs policy. In each country, a single official platform has been developed for the implementation of state procurement, and business entities can sell their products to state bodies, organizations and institutions by participating in these procurements.

1. **C2C model**

One of the best examples of this model can be found on the e-Bay platform in the form of various internet auction websites. The success of this company can be emphasized by the large number of transactions and the number of users that are rising every day. However, with the increasing number of online transactions between consumers, legal conflicts are emerging, so it is important to understand some of the legal implications of the C2C model and whether existing legislation can adequately address these new commercial challenges. should be analyzed. “Due to the large number of transactions carried out every day, the possibility of legal disputes also increases - four in ten buyers report that they have encountered some kind of problem with their transactions [13]”. Although eBay has several mechanisms in place to prevent acts such as defacement and vandalism, such acts still occur. One such illegal activity is the attack by identity thieves on eBay. Several scammers have used stolen credit cards to purchase domain names containing the word “eBay”. These scammers lured eBay users through these sites and pretended to be an official eBay site, asking for personal information and doing everything from fraudulently withdrawing credit card funds to making bank withdrawals in the victim's name [14]. As for the legislation of the Republic of Uzbekistan, the Regulation "On the procedure for carrying out activities as a self-employed person" was approved by the decision of the Cabinet of Ministers No. 806 of December 23, 2020. In the regulation, natural persons were able to register as self-employed persons and carry out their activities in the directions included in the list of types of activities. The new version of the law "On electronic commerce" was signed by the President of the Republic of Uzbekistan on September 30, 2022. This law allows self-employed persons to carry out their activities on electronic trading platforms.

**Conclusion** From the results of the above research, we can conclude that although the concept of business models of e-commerce is not officially named in our legislation, we can find legal norms regulating each of these models. Business model act as a bridge that regulates relations between subjects in electronic commerce. It is also worth noting that the resolution of disputes arising between subjects in electronic commerce is considered the main issue in every legal system, and methods of online dispute resolution are being put into practice by scientific researchers. The conclusion of the study of foreign experience and this research work is that the resolution of conflicts between business models in electronic commerce indicates the need to conduct legal scientific research in this direction in the future.

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