IRSHAD Uzbek Journal of Law and Digital Policy | Volume: 4, Issue: 2
2026

Evolution of Property Rights in the Era of Digital Transformation and Ensuring Equality in the Inheritance of Physical and Virtual Assets

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Abstract

This study examines the transformation of property rights amid rapid digital innovation, focusing on how legal systems are adapting to address the inheritance of virtual assets alongside traditional physical property. The rise of digital assets, including cryptocurrencies, non-fungible tokens (NFTs), digital accounts, and online intellectual property, has created significant gaps in existing inheritance laws. Using doctrinal and comparative legal analysis, the study reviews national and international frameworks to identify inconsistencies, accountability deficits, and equity concerns. The findings reveal that most jurisdictions lack specific legislation governing digital inheritance, creating systemic disadvantages for heirs. The study concludes by recommending harmonized legal standards, mandatory digital estate-planning mechanisms, and proactive regulatory reforms to ensure equal inheritance rights regardless of asset type.

Keywords: Digital Assets, Property Rights, Inheritance Law, Virtual Inheritance, Digital Transformation, Legal Frameworks, Equity, Estate Planning

APA Citation:

Akramov, A. (2026). Evolution of Property Rights in the Era of Digital Transformation and Ensuring Equality in the Inheritance of Physical and Virtual Assets. *Uzbek Journal of Law and Digital Policy, 4*(2), 162–176. https://doi.org/10.59022/ujldp.591

I. Introduction

The emergence of digital technologies has fundamentally reshaped how wealth is created, stored, and transferred across generations. In previous centuries, inheritance law evolved in tandem with the nature of property itself from land and livestock to financial instruments and intellectual property and each transformation demanded corresponding legal adaptation (Conway & Grattan, 2017). Today, a new and more complex transition is underway, as individuals accumulate substantial value in the form of digital assets that existing legal systems were never designed to accommodate. Cryptocurrencies, digital art, online business platforms, loyalty reward programs, and cloud-stored intellectual content represent a new class of wealth that blurs the boundary between the tangible and the intangible. The urgency of addressing these shifts is heightened by the fact that global digital asset markets have grown exponentially, with estimates placing the value of individual digital estates in the millions for some users. Without legal clarity, heirs risk permanent loss of assets that their predecessors intended to pass on.

Property rights the legal entitlements that govern the use, transfer, and inheritance of assets form the cornerstone of economic and social stability in modern societies. Traditional frameworks of property law are well-established, grounded in centuries of judicial precedent and statutory refinement (Merrill & Smith, 2001). However, these frameworks presuppose a degree of physicality or at least established legal personhood for assets, which does not always translate to the digital realm. Many digital assets exist within proprietary ecosystems governed by end-user license agreements (EULAs) that explicitly prohibit transfer upon death, effectively disinheriting intended beneficiaries. Blockchain-based assets, by contrast, present a different problem: they are transferable but often rely on cryptographic keys held only by the deceased, making them practically inaccessible even when legally inheritable.

A growing body of literature addresses the question of digital asset inheritance, though it remains fragmented across disciplines. Legal scholars such as Gerry (2017) have highlighted the inadequacy of current probate law in dealing with digital accounts, arguing that fiduciary access legislation represents a necessary but insufficient first step. Technology law researchers have examined how terms-of-service agreements undermine testamentary intent, while economists have analyzed the welfare implications of inaccessible digital wealth (Terzidis et al., 2022). Comparative studies have noted that while some jurisdictions notably certain states in the United States and the European Union have begun introducing digital estate legislation, most countries lag significantly behind (Haas, 2021). The absence of coordinated international frameworks further complicates matters, particularly for individuals holding cross-border digital assets.

The existing literature confirms that digital assets present novel inheritance challenges but does not adequately address the systemic inequality that arises when

heirs of digital estates are treated less favorably than heirs of physical ones. This inequality is not merely theoretical: it manifests in the loss of significant financial value, cultural heritage, and personal data. Moreover, the current patchwork of laws creates unpredictable outcomes that vary by jurisdiction, asset type, and even the platform hosting the asset. There is also limited scholarship examining how developing nations where mobile-first digital financial systems are rapidly proliferating should approach digital inheritance. The objective of this research is threefold: to map the current global legal landscape governing digital asset inheritance; to identify structural gaps and equity concerns in existing frameworks; and to propose concrete reforms that ensure equal treatment of physical and virtual assets in inheritance proceedings.

The central research question guiding this study is: How can legal systems be reformed to ensure equitable inheritance of digital assets alongside physical property in the era of digital transformation? This question is significant for several reasons. First, the scale of digital wealth accumulation means that failures in digital inheritance law will increasingly affect large segments of the population. Second, the intergenerational transfer of wealth is a key mechanism for reducing economic inequality, and any systematic disadvantage in digital inheritance risks exacerbating existing disparities. Third, as states like Uzbekistan and others in Central Asia increasingly integrate digital financial systems into their economies, proactive legal development will be essential to ensure that citizens' digital estates are protected.

II. Methodology

This research employs a qualitative research design grounded in doctrinal and comparative legal analysis. The qualitative approach is well-suited to the study's objectives because it focuses on understanding the nature, structure, and evolution of legal norms rather than generating quantitative measurements. Doctrinal legal analysis allows for systematic examination of primary legal sources including statutes, case law, and international conventions to identify the principles and gaps governing digital asset inheritance. Comparative legal analysis extends this inquiry across jurisdictions, enabling the identification of best practices and regulatory divergences. The integration of both methods allows the study to move beyond description toward normative prescription, offering recommendations grounded in a thorough understanding of existing law and practice.

The target population for this study encompasses national inheritance laws, digital asset regulations, and international legal standards across selected jurisdictions. The sample was purposively selected to represent a range of regulatory approaches, including common law jurisdictions (United States, United Kingdom), civil law systems (Germany, France, Japan), and hybrid or emerging digital economies (United Arab Emirates, Estonia, Uzbekistan). Key instruments examined include the Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA) in the United States, the

EU Digital Services Act, national probate codes, and relevant guidelines from international bodies such as UNCITRAL and the Hague Conference on Private International Law. Academic literature published between 2015 and 2025 was selected from peer-reviewed databases including Scopus, Westlaw, and Google Scholar to provide theoretical grounding and contextual analysis.

Data collection proceeded through two main channels. Legal texts were obtained directly from official government portals and legislative databases to ensure authenticity and currency. Scholarly literature was gathered from law reviews, technology law journals, and interdisciplinary journals focusing on digital governance and property theory. Inclusion criteria required that all materials be relevant to digital asset inheritance, property rights evolution, or digital estate planning, and published within the past decade unless of foundational doctrinal significance. Materials were excluded if they addressed digital privacy or cybersecurity without substantive engagement with inheritance or property transfer questions. The analysis proceeded through qualitative content analysis, identifying recurring themes, normative tensions, and regulatory gaps across the collected materials, and synthesizing findings to answer the central research question.

To ensure validity and reliability, the study triangulates findings across multiple legal systems and scholarly sources, minimizing the risk that conclusions reflect idiosyncratic features of any single jurisdiction. All sources are properly cited, and the researcher declares no conflict of interest. The study is conducted for academic purposes only and involves no human participants, minimizing ethical risk. Limitations include the rapidly evolving nature of digital asset law, which means some developments may have occurred after the review period; the geographic scope is bounded by the selected jurisdictions and may not generalize to all legal systems; and the study does not include empirical data from estate practitioners or beneficiaries, which would have enriched the practical dimensions of the analysis.

III. Results

The comparative legal analysis revealed that the global regulatory landscape for digital asset inheritance is highly fragmented and largely inadequate. While a small number of jurisdictions have enacted specific legislation addressing digital estate access and transfer, the majority continue to apply traditional inheritance law frameworks that were designed for physical and paper-based assets. In the United States, the RUFADAA adopted in some form by over 40 states provides fiduciaries with a tiered mechanism for accessing digital accounts, but it does not resolve questions of ownership or inheritance of asset value itself; it primarily governs account access rather than property transfer (Beyer & Griffin, 2017). The United Kingdom's Law Commission acknowledged in 2023 that digital assets occupy an uncertain position in English law and proposed reforms but had not yet enacted comprehensive legislation at the time of this review. In the European Union, the

Digital Services Act and General Data Protection Regulation create partial frameworks for digital asset management but do not address inheritance directly.

A key finding is that the most significant legal gap lies in the treatment of platform-controlled digital assets, such as social media accounts, streaming subscriptions, and in-app digital goods. End-user license agreements almost universally prohibit the transfer of account rights upon death, treating such assets as personal licenses rather than inheritable property. This contractual barrier effectively overrides testamentary intent without any legislative check, leaving heirs without recourse even when the deceased clearly intended for assets to be passed on. In contrast, blockchain-based assets such as cryptocurrencies and NFTs which exist independently of any platform are technically transferable but practically inaccessible when private keys are lost or not disclosed. The study found that while approximately 3.7 million Bitcoin (estimated at tens of billions of dollars) may be permanently inaccessible due to lost keys, only a handful of jurisdictions have introduced secure key escrow or digital will mechanisms to address this (Antonopoulos, 2021).

The results also demonstrate significant equity implications. Individuals with greater technological literacy, access to specialized estate planning services, and resources to establish digital wills or trusts are far more likely to ensure the successful transfer of digital assets than those without such advantages. This creates a de facto inheritance inequality that maps onto existing socioeconomic disparities, with younger and lower-income individuals who often hold proportionally more of their wealth in digital form — being most disadvantaged. Furthermore, cross-border digital assets create additional complexity, as conflicting jurisdictional rules may leave estates partially governed by incompatible legal regimes. The study found no existing international convention or binding multilateral instrument specifically addressing digital asset inheritance, representing a critical gap in global governance. Emerging economies, including several in Central Asia and Sub-Saharan Africa, where mobile digital finance systems are widespread, are particularly exposed to this regulatory void.

Several jurisdictions have nonetheless developed promising regulatory innovations. Estonia's digital residency and e-governance infrastructure provides a model for how states can integrate digital assets into formal legal records. Germany's Federal Court of Justice ruled in 2018 that digital accounts are inheritable under general succession law, providing a significant judicial precedent in the civil law world. Japan has introduced guidance on cryptocurrency inheritance as part of its broader virtual asset regulatory regime. The UAE has extended its financial free zone regulations to encompass digital asset transfers, creating a relatively clear if commercially oriented framework. These examples demonstrate that regulatory progress is possible but that it requires intentional legal design rather than reliance on frameworks developed for the pre-digital era. The overarching conclusion of the results section is that without specific, coordinated, and equity-conscious legal reform,

digital inheritance will remain a domain characterized by inequality, uncertainty, and preventable loss.

IV. Discussion

A. Conceptual Framework

Property rights are among the most foundational concepts in legal and economic theory, serving as the institutional mechanism through which individuals and communities organize the use and transfer of valued resources. Classical theories of property, from Locke's labor theory to Hegel's personality theory, ground ownership in either productive effort or the expression of individual will both of which apply cogently to the creation of digital assets (Munzer, 1990). A musician who creates and publishes an album through a digital platform has invested creative labor and expressed personal identity through that work; the fact that the resulting asset exists as a digital file rather than a physical recording does not diminish its claim to property status. Similarly, an investor who accumulates cryptocurrency through strategic financial activity has an equally valid property claim regardless of the asset's virtual character. The theoretical basis for extending full property rights to digital assets is therefore well-established; the challenge lies in translating this theoretical entitlement into enforceable legal protections.

The category of digital assets is itself heterogeneous, encompassing at least four distinct subcategories that require differentiated legal treatment. First, there are financial digital assets cryptocurrencies, tokenized securities, and digital bank balances that represent direct monetary value and are most analogous to traditional financial instruments. Second, there are content-based digital assets digital photographs, writings, audio recordings, and videos that may have both financial and sentimental value. Third, there are account-based digital assets social media profiles, email accounts, cloud storage, and online gaming accounts whose value is bound up with platform ecosystems and is often governed by restrictive terms of service. Fourth, there are emerging novel assets NFTs, virtual real estate in metaverse environments, and domain names that combine financial, creative, and speculative dimensions in ways that resist easy categorization (De Filippi & Wright, 2018). Each subcategory presents distinct inheritance challenges, and effective legal reform must engage with this diversity rather than applying a one-size-fits-all approach.

The tension between property law and contract law is particularly acute in the context of digital asset inheritance. Platform providers routinely use EULAs to override what would otherwise be recognized as inheritable property rights, substituting a contractual license for true ownership. Courts in various jurisdictions have generally upheld such agreements on freedom-of-contract grounds, but this approach fails to account for the power imbalance between large digital platforms and individual users, the social importance of inheritance as a mechanism for wealth transfer, and the reasonable expectations of users who treat their digital assets as

property. A more balanced legal approach would recognize a category of quasi-property rights in certain digital assets rights that are robust enough to survive death and support inheritance despite originating in contractual arrangements. This conceptual shift would align digital property law more closely with how the law already treats other quasi-property interests, such as broadcasting frequencies or taxi medallions.

B. Legal and Regulatory Landscape

The legal landscape governing digital asset inheritance is best understood as a patchwork of partial solutions developed in response to specific problems, rather than a coherent framework designed from first principles. In common law countries, courts have generally been willing to extend existing succession law to digital assets when the asset in question does not depend on a platform for its existence most clearly in the case of cryptocurrencies held in self-custody wallets. However, when assets are held within platform ecosystems, courts have typically deferred to contractual terms, leaving heirs without legal recourse (Haas, 2021). Civil law systems, which tend to emphasize the comprehensive codification of property categories, have faced different challenges: existing civil codes may not include digital assets in their enumeration of inheritable property, creating uncertainty about whether such assets fall within the scope of succession law at all.

The United States represents the most developed national-level regulatory environment for digital asset inheritance, primarily through the RUFADAA, which has been enacted in modified form across most states. The Act establishes a three-tier system in which an individual's explicit online instructions (such as those stored in a digital estate planning service) take precedence over testamentary documents, which in turn take precedence over platform terms of service. While this framework is a significant improvement over pure deference to platform contracts, it has been criticized for placing the burden of proactive planning entirely on the user, failing to protect those who do not understand the need for digital estate planning, and not addressing the underlying question of property ownership versus licensed access (Gerry, 2017). The Act also does not create any affirmative duty for platforms to assist in estate administration, limiting its practical effectiveness.

At the international level, the absence of binding multilateral frameworks is a major structural weakness. The Hague Conference on Private International Law has begun exploratory work on digital assets in private international law, and UNCITRAL's work on digital economy model laws provides some relevant guidance, but neither has produced enforceable standards for digital inheritance. The EU's succession regulation (EU 650/2012) establishes cross-border succession rules within the Union but was drafted before the digital asset revolution and does not address the specific challenges of virtual property. The Bank for International Settlements and the Financial Stability Board have focused on cryptocurrency regulation primarily from a financial stability perspective, leaving inheritance and succession dimensions largely

unaddressed. This governance gap underscores the need for targeted international legal development, ideally through a multilateral convention that establishes minimum standards for digital asset inheritance across jurisdictions.

C. Challenges in Inheritance of Digital Assets

The practical challenges of digital asset inheritance begin with the fundamental problem of identification. Unlike physical property, which is typically visible, registered, or known to family members, digital assets may be spread across dozens of platforms, wallets, and devices, many of which the deceased's family may be unaware of. A 2020 survey by McAfee estimated that the average individual holds approximately $37,000 in digital assets, yet studies consistently show that a majority of people have not documented their digital assets or made arrangements for their transfer. This creates a discovery problem that traditional estate administration tools inventory requirements, court supervision, and personal representative authority are ill-equipped to solve. The problem is compounded by strong privacy protections that make it difficult for personal representatives to access accounts even with legal authority, as platforms face their own legal uncertainty about the scope of permissible access.

The technical dimension of digital asset inheritance presents a second layer of challenges distinct from those in the legal domain. Cryptocurrencies and other blockchain-based assets are secured by private cryptographic keys, typically presented as seed phrases or key files, which are the only means of accessing and transferring the asset. Unlike a bank account, there is no institution that can restore access in the event the key is lost the asset is simply irretrievable. Safe custody of private keys during one's lifetime and secure transmission to heirs upon death thus becomes a critical concern that straddles the boundary between technical security and legal estate planning. Solutions such as hardware security modules, multi-signature wallets, and time-locked smart contracts exist on a technical level but have not yet been integrated into mainstream estate planning practice or given legal recognition in most jurisdictions (Antonopoulos, 2021). Bridging this gap requires collaboration between the legal profession, technology developers, and financial regulators.

A third category of challenge concerns the valuation and taxation of digital assets in the context of inheritance. Traditional inheritance tax and estate duty regimes are built around asset categories with established valuation methodologies, such as real estate appraisals and stock market prices. Many digital assets are highly volatile cryptocurrencies can fluctuate by tens of percent within a single day and some, such as in-game items or social media followings, have value that is context-dependent and difficult to quantify in monetary terms. Tax authorities in most jurisdictions have developed guidance on the income tax treatment of cryptocurrency transactions but have been slower to address inheritance tax implications. The lack of clear valuation standards creates uncertainty for executors and personal representatives, who bear fiduciary duties and potential personal liability if they misjudge asset values.

Regulatory guidance that establishes clear valuation methodologies, safe harbor provisions, and reporting requirements for digital assets in estate administration is urgently needed.

A fourth challenge is the risk of unauthorized access and digital estate fraud. The period following a person's death is a particularly vulnerable time, as accounts may remain active and accessible to anyone who has the deceased's passwords or can reset them using personal information? Cases of family members inappropriately accessing digital accounts, emptying cryptocurrency wallets before estate administration begins, and impersonating the deceased online are increasingly reported. Existing legal frameworks that criminalize unauthorized computer access may provide some deterrence, but they are not specifically designed for the estate context and may fail to adequately protect beneficiaries' interests. Estate-specific access protocols analogous to bank freeze procedures following notice of death would provide a more targeted protection mechanism and could be introduced through regulatory requirements imposed on digital asset platforms.

D. Emerging Legal Frameworks and Comparative Analysis

A comparative analysis of jurisdictions that have made the most progress in digital asset inheritance reveals several distinct regulatory strategies. The fiduciary access model adopted by the United States prioritizes enabling authorized representatives to access digital accounts and assets, framing the problem as one of practical access to existing property rather than redefining the property concept itself. This approach has the advantage of working within existing succession law structures, requiring less doctrinal disruption, and being relatively simple to implement. Its disadvantage is that it does not address the fundamental question of whether digital assets constitute true property or contractual licenses, leaving platform terms of service as the ultimate arbiter of inheritance rights for many asset types (Beyer & Griffin, 2017).

Germany's civil law approach, as exemplified by the 2018 Federal Court of Justice decision, takes a more conceptually ambitious route by treating digital accounts as part of a contractual relationship that is inheritable in principle under general succession law, without the need for specific digital estate legislation. This approach has the advantage of principled coherence and reduces the need for specialized legislation, but it has been criticized for failing to provide sufficient practical guidance on how inheritance actually operates in the digital context, particularly given the technical barriers to account access and the complex interaction between inheritance rights and data protection law. The tension between succession law and the GDPR, which protects personal data even after death in some interpretations, remains an unresolved issue in the German context and across the EU more broadly.

Estonia's e-governance model represents a third approach, embedding digital asset management within a comprehensive digital identity and records infrastructure.

Citizens' digital assets are registered in government databases, personal digital identities are legally recognized, and succession planning tools are integrated into the e-state portal. While this model is highly effective within Estonia's small, technologically advanced population, its replication in larger and more heterogeneous societies faces significant infrastructural and governance challenges. Nonetheless, its core insight that effective digital inheritance requires proactive institutional infrastructure rather than merely reactive legal rules is universally applicable. A version of this approach, scaled appropriately, could provide an important component of digital inheritance reform in other jurisdictions, including those in Central Asia that are currently building their digital governance infrastructure.

The UAE's approach through its financial free zones particularly the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) illustrates yet another model: creating specialized legal environments within a broader national jurisdiction that provide clear, internationally oriented frameworks for digital asset transactions, including succession. These zones have adopted common law-based legal frameworks with explicit provisions for digital asset ownership and transfer, attracting significant digital asset businesses and users. While this approach does not provide a general solution for the broader population and may replicate rather than resolve jurisdictional fragmentation, it demonstrates that comprehensive and effective digital asset law is achievable and provides a model that other specialized contexts might adapt (Haas, 2021). The challenge is to translate such clarity from specialized financial environments to general succession law accessible to ordinary citizens.

E. Ethical and Equity Implications

The ethical dimensions of digital asset inheritance extend beyond technical legal questions to engage fundamental issues of justice, equality, and intergenerational solidarity. Inheritance serves not only as a mechanism for transferring economic resources but as a means of preserving family history, cultural identity, and personal legacy. Digital assets often embody these dimensions more intensely than physical ones: a lifetime of photographs, personal correspondence, creative works, and curated cultural artifacts may exist primarily or exclusively in digital form. When these assets are inaccessible to heirs because of legal or technical failures, the loss is not merely financial; it constitutes a form of cultural and personal dispossession that disrupts the continuity between generations. Legal systems that fail to protect digital inheritance thus fail not only as economic institutions but as custodians of the social fabric of families and communities.

The equity implications of digital inheritance failures are particularly acute along existing lines of social inequality. Socioeconomic disparities shape both the composition of digital estates and the capacity to navigate the complex legal and technical landscape of digital inheritance. Wealthier individuals are more likely to have access to specialized legal advice that enables proactive digital estate planning, including the preparation of digital wills, appointment of digital executors, and

establishment of cryptocurrency key escrow arrangements. Those with lower incomes and less legal literacy are more likely to leave digital assets in a state of intestacy, relying on default legal rules that may provide no meaningful protection. Given that digital financial assets are disproportionately held by younger generations who are also among those with greater financial precarity, the consequences of legal inadequacy in this domain are likely to exacerbate rather than mitigate intergenerational wealth inequality.

Gender dimensions of digital inheritance also warrant attention. Studies of digital financial inclusion suggest that while the gender gap in digital asset ownership is narrowing, women remain underrepresented among cryptocurrency holders and digital asset investors in most regions, partly reflecting broader patterns of financial exclusion (Terzidis et al., 2022). This means that the primary direct beneficiaries of digital asset inheritance reform may currently skew male. However, as widows and female heirs who are traditionally among the most economically vulnerable beneficiaries in estate proceedings are increasingly affected by digital asset inaccessibility, gender-sensitive design of digital inheritance frameworks becomes important. Legal reforms should include provisions that facilitate access for heirs who may have limited technical knowledge, and educational initiatives should target demographics at greatest risk of being disadvantaged by digital estate complexity.

The environmental dimensions of digital assets add a further ethical layer to inheritance debates. Proof-of-work cryptocurrencies such as Bitcoin consume significant energy resources in their operation and continued existence, raising questions about the ethics of perpetuating such assets through inheritance. While this consideration does not negate individuals' property rights in digital assets they have legitimately acquired, it suggests that comprehensive digital asset governance including inheritance law should be developed within a broader framework of sustainable digital economy policy. Estates that include significant cryptocurrency holdings might, for example, be subject to reporting requirements that inform energy transition planning or contribute to environmental offset mechanisms. These considerations are admittedly speculative relative to the more immediate legal and equity concerns identified in this study, but they reflect the importance of situating digital inheritance reform within a comprehensive vision of sustainable and equitable digital governance.

F. Implications

The findings of this study have significant implications for legal theory, policy design, and institutional practice. From a theoretical perspective, they reinforce the need to move beyond category-bound property law toward a more functional approach that identifies the characteristics of inheritable assets including transferability, identifiability, and value and applies legal protections accordingly, regardless of whether the asset is physical or digital. This functional approach would resolve many of the anomalies currently produced by applying physical property law to digital assets

and provide a principled basis for extending inheritance protection to novel digital asset types as they emerge. It aligns with broader trends in property theory that emphasize the relational and institutional dimensions of property rights over purely physical conceptions.

For policy design, the study's findings underscore the importance of proactive rather than reactive regulation. Digital asset law has historically developed in response to specific problems as they become acute access to social media accounts following accidental death, recovery of cryptocurrency following fraud rather than through systematic legal planning. This reactive approach creates ongoing gaps as technology evolves faster than law. Proactive regulatory design would anticipate the inheritance implications of new digital asset categories, build estate planning infrastructure into digital financial system design, and create ongoing review mechanisms to ensure that legal frameworks remain current. The Estonia model, while not universally replicable, illustrates how this can be done at a national level through integration of digital asset management into e-governance infrastructure.

The implications for institutional practice are equally significant. Legal professionals notaries, estate lawyers, and probate judges require substantially updated training to competently advise clients on digital estate planning and administer digital estates. Bar associations and law schools should integrate digital asset law into core curricula and continuing professional development programs. Financial institutions and digital asset platforms have a complementary responsibility: they should provide clear, accessible information to users about the inheritance implications of their digital assets and should offer estate planning tools such as beneficiary designation features analogous to those provided for retirement accounts as standard features of their services. Regulatory frameworks could require such features as a condition of operating in domestic markets, aligning institutional incentives with broader social interests in ensuring effective digital inheritance.

G. Recommendations

Based on the comparative analysis and the identified gaps in existing frameworks, this study advances a set of recommendations for reforming digital inheritance law. First, national legislatures should enact comprehensive digital asset succession laws that explicitly classify digital assets as inheritable property, establish clear definitions and subcategories, and provide specific mechanisms for their valuation, transfer, and administration in estate proceedings. These laws should override inconsistent terms of service provisions and create a minimum baseline of inheritance protection that platforms cannot contractually abrogate. The laws should be technology-neutral in design applying principles rather than naming specific technologies to remain relevant as digital asset types evolve.

Second, international coordination mechanisms for digital asset inheritance should be developed through existing multilateral institutions. The Hague Conference on Private International Law represents the most appropriate forum for negotiating a

convention on cross-border digital inheritance, drawing on its existing expertise in private international law and succession. Such a convention should establish conflict-of-law rules for digital assets, minimum standards for the recognition of digital wills and beneficial designations, and mutual assistance obligations for the enforcement of foreign inheritance orders relating to digital assets. Pending a comprehensive convention, bilateral and regional agreements such as within the EU, the GCC, or the SCO, which includes Uzbekistan, could provide more immediate progress.

Third, all jurisdictions should invest in accessible digital estate planning infrastructure. This includes standardized digital will formats recognized by law, government-operated or government-approved secure repositories for private keys and access credentials, and simplified procedures for small digital estates that do not require full probate administration. Public legal education campaigns should inform citizens of the need for digital estate planning and provide accessible tools for doing so, with particular attention to demographic groups at greatest risk of being disadvantaged including the elderly, the economically disadvantaged, and those with limited digital literacy. The design of such infrastructure should be informed by user research to ensure that it is genuinely accessible rather than nominally available.

Fourth, platforms and digital asset service providers should be subject to regulatory requirements that facilitate digital inheritance. These should include mandatory beneficiary designation features for high-value digital asset accounts, clear and accessible procedures for heirs to claim assets or access accounts following verified death, prohibition on termination of high-value accounts immediately upon death notification, and retention of account data for a minimum period to enable estate administration. Regulatory bodies should have authority to impose these requirements and to enforce compliance, with penalties sufficient to deter non-compliance by large platforms for which token fines represent negligible costs. Industry self-regulatory codes, developed in consultation with government and civil society, could complement statutory requirements and provide more flexible standards for evolving asset types.

Conclusion

This study has examined the evolving relationship between property rights and digital transformation, with particular focus on the legal challenges and equity implications of digital asset inheritance. The analysis reveals a global legal landscape that is ill-equipped to ensure equal treatment of physical and virtual assets in succession proceedings, characterized by fragmented national approaches, absent international frameworks, and structural inequities that disadvantage those with less legal and technical sophistication. The theoretical foundations for treating digital assets as fully inheritable property are sound; the challenge lies in institutional design and legal reform.

The key findings of the study can be summarized as follows. Most jurisdictions

apply inheritance law frameworks designed for the pre-digital era, creating significant gaps in protection for digital assets. Platform-controlled digital assets are particularly vulnerable to contractual exclusion from inheritance rights, with no effective legislative check in most countries. Technical barriers primarily the loss of cryptographic keys render a substantial portion of blockchain-based digital wealth permanently inaccessible. Equity concerns are significant, with disadvantaged populations disproportionately affected by legal inadequacies in digital inheritance. Comparative analysis identifies promising models including the US fiduciary access model, the German civil law approach, Estonia's e-governance infrastructure, and UAE free zone frameworks but no single model is universally applicable.

The implications of these findings extend beyond law to touch on fundamental questions of economic justice, cultural preservation, and intergenerational equity. As digital wealth becomes an increasingly significant component of total household wealth globally, the failure to ensure its effective inheritance represents a growing drag on the social function of succession law as a mechanism for broadly distributing economic resources across generations. Legal reform in this area is not merely a technical adjustment; it is a matter of ensuring that the transformative potential of digital technology benefits all members of society rather than those lucky enough to hold their wealth in forms that existing law happens to protect.

The recommendations advanced in this study comprehensive national legislation, international coordination, accessible estate planning infrastructure and platform regulatory requirements are ambitious but achievable, drawing on models and mechanisms that have proven workable in various national contexts. Their implementation requires sustained commitment from legislators, regulators, legal professionals, and technology companies, as well as investment in public legal education that empowers individuals to protect their own digital estates. For emerging economies, including those in Central Asia, the current moment of digital infrastructure development presents an opportunity to build digital inheritance protections into legal and technological systems from the outset, rather than retrofitting them later at greater cost.

Further research is needed to develop empirically grounded understanding of how digital inheritance failures affect heirs in practice, to evaluate the effectiveness of existing legislative reforms, and to explore the specific dimensions of digital inheritance in under-studied regional contexts. Interdisciplinary collaboration between legal scholars, computer scientists, economists, and social scientists will be essential to produce the comprehensive analysis that this complex challenge demands. As digital transformation continues to reshape the nature of wealth and property, the legal systems that govern their transfer must evolve with equal determination and urgency.

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