LEGAL AND DIGITAL TECHNOLOGICAL CONTENT OF SMART CONTRACTS

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Annotation: within the framework of this article, the concept of smart contracts, their regulatory means, legal content, the order of their creation, and their importance in digital technology were studied. Smart contracts were classified according to important software features. Important and still unresolved shortcomings of smart contracts have been identified.

*Keywords***:** smart contract, transaction subject, security, user status, cryptocurrency.

The transition of social relations to the information sphere has been a factor in the development of states for a long time. Today, the development of information technologies and the regulation of this field by the state through legal mechanisms remain a major task. Currently, the process of "digitalization" has covered almost all spheres of social life, economy and law are no exception to this trend. Smart contracts that appeared at the end of the last century are also one of the many manifestations of this process. In this regard, it is necessary to take active measures to regulate social relations closely related to information technologies and introduce relevant mechanisms. In particular, the term "smart contracts", which is widely used in foreign countries, appeared relatively recently, but its legal regulation, qualification and practical application are of great scientific and practical interest.

The President of the Republic of Uzbekistan Shavkat Miromonovich Mirziyoyev also expressed the following opinion about the digital economy [6]: "Of course, we know very well that the formation of the digital economy requires the necessary infrastructure, a lot of funds and labor resources. However, no matter how difficult it is, if we don't start this job today, when will we start it?! Tomorrow will be too late. Therefore, active transition to the digital economy will be one of our top priorities in the next 5 years."[1]

The process of concluding any transaction is the conclusion of a contract that reflects all conditions, rights and obligations of the participating parties. However, most contracts include not only the parties to the transaction, but also intermediaries - banks, notaries, registrars, regulators. Smart contracts are algorithms designed to automate the process of contract execution . Simply put, this is a set of rules and a sequence of actions . These rules store the terms of the contract, and then automatically check and fulfill the terms according to the digital protocol.

the concept of smart contracts is considered very broad and is a relatively new approach to the theory, there is no **unique** definition. But according to one of the scientists who conducted initial research in this field, Nick Szabo, "A smart contract is a computerized transit algorithm that fulfills the terms of the contract."[2]

Let's consider the principle of operation of a smart contract on the example of a simple sales contract. Let's say you want to buy a laptop from someone in another city through an online trading platform.

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[1]Rozinazarov.Sh, Askarov.J, Tursunov.A Legal regulation of electronic commerce. Responsible editor: yu.fd, prof. Sh.N. Rozinazarov. - T., TDYU, 2021.-138B.

[2]Szabo N. Theory of distortion of meaning. URL: https//www.proza.ru/2015/01/26/668(accessed 17.03.2019), (In Russ).

The problem is that you don't have the capabilities indicated in the product reviews, and the seller asks for immediate payment. The reason for asking for an upfront payment is that if the seller sends you the laptop, but you don't receive it for some reason, they are afraid of losing the shipping money that they spent on shipping the laptop and bringing it back. And you, in turn, are afraid that the seller will turn out to be a fraud, that he can cheat you of your money, and that he will not send the product or its necessary part.

For this purpose, a program has been developed that monitors the fulfillment of the obligations of both parties, as well as automatically collects fines for violation or non-fulfillment of the terms of the agreement specified in the contract.

Smart contracts ensure the security of the transaction and do not allow the terms of the transaction to be interpreted in an ambiguous manner due to the fact that they are based on cryptography. Smart contracts are materially more profitable transactions, because the party whose rights have been violated does not have to pay lawyers, mediators or file a lawsuit for the violation of the contract. From this except , the contract conditions automatic minimum cost with the third person without participation will be done .

Smart contract technology the following in principledone is increased :

Person contract makes – This contract computer to the network is entered . This network confirms the transaction and determines the status of the user.

After confirmation, the transaction is combined with other operations and forms a new block of the digital register, which occupies a special place in the blockchain and cannot be changed. Then the deal is concluded.

A full-fledged contract means the transfer of funds in cryptocurrency, as well as the information that contains the contract. First, the assets and terms of the contract are coded and placed on the block chain, then the contract is distributed across multiple network nodes and executed once the condition is triggered. The fulfillment of the obligations of the parties is automatically checked.

It is worth noting that smart contracts only respond to transactions. When assets or currency are entered into the program, it begins to monitor the fulfillment of the terms of the contract. They arecompletionwithvendormoneytakes , the buyer while the goodstakes _

Smart contract elements the followingis :

Deal subject _ Programin the contract mean caught goods to services access to the right have to beand to the maccess automatic respectively to give or rejection _opportunity have to be need _

Digital signature _ all participants their confidential keys with contract to sign through agreement they start

Agreement conditions. Smart contracts conditions of operations suresequencein the form of will be all participants must sign these terms.

A decentralized platform. Smart-contracts are written into the block chain and stored distributed among its nodes.

Speaking about the use of smart contracts, first of all, we should highlight **the election process .** With the help of smart contracts, this process guarantees the security and immutability of data at a high level. Voting results will be placed on the blockchain and transferred across nodes in the network, where all data will be encrypted and anonymous. This method eliminates the possibility of manipulating votes.

Smart contracts are no less useful **in logistics processes .** Supply chains usually consist of many links, but in order to move to each link, you need to get the approval of the previous one, which means that you have your own part of the contract. you do and only then can you send the information. In the usual experiment, this takes a lot of time and reduces the efficiency, but the use of smart contracts saves time and allows you to monitor the progress in a short time.

One of the important features of smart contracts is that you can save money with them. Under normal conditions, the seller is required to pay the intermediary for placing the apartment for sale on the advertising site. In addition, he will have to make a second payment later to make sure that the buyer has made all payments according to the form. A distributed ledger eliminates all these costs. The following are required for the transaction to be ready:

a) payment is made with cryptocurrency;

b) it will be imported into the corresponding contract on the chain.

Smart contracts are also used in **the delivery sector.** Today, many users prefer to order goods from online stores. For this, it is usually necessary to pay for the goods in full or in part, but this does not guarantee the receipt of the goods and will lead to additional costs for delivery. Smart contracts solve this problem. Before sending the goods, the required amount is deducted from the buyer's account and set on the blockchain chain. After the buyer receives the products from the courier service, the funds are transferred to the buyer's account.

In a smart contract, you can set additional terms, such as the time of delivery of goods and the period of storage of goods (if the delivery is too late, the money will be returned to the buyer). If the buyer did not receive the goods on time , the specified fine will be charged, the remaining money will be returned and the goods will be sent to the seller.

Based on the considered examples of the use of smart contracts, it can be concluded that smart contracts have enough advantages. The main ones are:

Safety. The smart contract is encrypted and stored on multiple devices, which guarantees protection against loss or unauthorized changes to the contract.

Speed and cheapness. Most of the processes are automated and most of the middlemen are removed from the process.