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Uzbekistan's Digital Trade Integration at a Crossroads: WTO Accession, Data-Flow Liberalisation and the Post- MC14 Rules Landscape

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Abstract. The year 2026 marks a turning point in the governance of digital trade for both Uzbekistan and the multilateral system. At the 14th WTO Ministerial Conference (MC14) in Yaoundé in March 2026, members failed to renew the moratorium on customs duties on electronic transmissions, while 66 members agreed to implement the plurilateral E-Commerce Agreement. In the same year, Uzbekistan relaxed its data-localisation regime, adopted an adequacy list of 49 jurisdictions for cross-border personal data transfers and entered the final stage of WTO accession. This paper develops a four-pillar framework for assessing national readiness for digital trade integration (market access, data governance, digital payments and trust, and paperless trade facilitation) and applies it to Uzbekistan. We find that the 2026 reforms substantially reduce regulatory barriers to digitally delivered services, but that gaps remain in binding international commitments, regulatory transparency and the interoperability of trust services. We propose a sequenced integration strategy that aligns WTO accession commitments with early participation in plurilateral digital trade rules.

Keywords: digital trade; WTO accession; e-commerce moratorium; cross-border data flows; data localisation; digital integration; Uzbekistan.

1. Introduction

Digital trade, defined by the OECD, WTO and IMF as trade that is digitally ordered and/or digitally delivered, has become a central channel of integration into the world economy. For landlocked economies, digitally delivered services are especially attractive because they bypass transport costs that weigh heavily on merchandise exports. Uzbekistan has set a target of raising IT services exports to US\$5 billion by 2030, having passed the US\$1 billion mark in 2025 (Kun.uz, 2025).

Export performance in digital services, however, depends on more than connectivity. Empirical research shows that restrictions on cross-border data flows, data localisation and barriers to online payments significantly reduce digitally deliverable services trade (Ferencz, 2019; López González & Jouanjean, 2017).

The rules governing digital trade are therefore a core component of a country's integration strategy. This paper asks a policy question: *given the regulatory changes of 2026 at both national and multilateral levels, how ready is Uzbekistan to integrate into the emerging global digital trade regime, and what should be sequenced next?*

2. The shifting multilateral landscape after MC14

Since 1998, WTO members have periodically renewed a moratorium on customs duties on electronic transmissions. At MC14, which concluded in Yaoundé on 29 March 2026, members could not agree to extend it. This is only the second lapse since 1998, after the failed Seattle Ministerial of 1999 (CCIA, 2026; European Commission, 2026). The lapse allows any member, in principle, to impose duties on electronically transmitted content, although industry groups have urged members to refrain while negotiations continue in Geneva.

In parallel, 66 members representing about 70% of world trade agreed to implement the first set of global digital trade rules developed under the Joint Statement Initiative on electronic commerce, including a commitment not to impose customs duties on electronic transmissions among participants (European Commission, 2026). The resulting architecture is two-tiered: a contested multilateral baseline and a deeper plurilateral layer for willing members. For an acceding country, this raises a strategic question about which layer to anchor its commitments in.

3. Uzbekistan's 2026 reforms

3.1. WTO accession

Uzbekistan aimed to join the WTO at MC14 but missed that target. After the 13th meeting of the Working Party on 27–28 July 2026, the chief negotiator reaffirmed the goal of completing accession in 2026. By then 31 of 34 bilateral market-access agreements had been submitted to the WTO Secretariat, most recently with India, and 190 legal and regulatory acts had been aligned with WTO rules since March. Members asked further questions on currency regulation and payments, import rules, trade facilitation, investment, competition policy and technical barriers to trade (Gazeta.uz, 2026). Several of these issues, notably payments and currency regulation, directly affect digital trade.

3.2. Data governance

Until 2026, Uzbekistan's Law "On Personal Data" required personal data of Uzbek citizens to be stored on servers located in the country. This requirement was widely seen as a barrier to international payment platforms and cloud services (Kun.uz, 2024). Amendments signed on 26 March 2026 limited mandatory localisation to biometric and genetic data and to subscriber data held by telecom operators. A Cabinet resolution of 29 July 2026 approved a list of 49 countries and territories with an "adequate level" of protection, including the United States, the United Kingdom, Japan, the Republic of Korea, Singapore and major EU member states. Transfers to these jurisdictions follow a simplified procedure. Transfers to other countries require legal, organisational and technical safeguards, with standard contractual clauses to be approved by competent authorities. Breaches during cross-border transfers must be reported within 24 hours, with a follow-up report within 72 hours (Kun.uz, 2026).

This shift from a localisation model to an adequacy-plus-safeguards model brings Uzbekistan closer to the approaches used in the EU's General Data Protection Regulation and in several Asian economies. It also removes an important obstacle to the entry of global payment wallets and to cloud-based delivery of IT services.

4. A four-pillar readiness framework

Building on the OECD Digital Services Trade Restrictiveness Index (Ferencz, 2019) and the analytical framework of López González and Jouanjean (2017), we assess readiness along four pillars: (i) market access and binding commitments for digitally deliverable services; (ii) data governance and cross-border data flows; (iii) digital payments, consumer protection and trust services; and (iv) paperless trade facilitation. Table 1 summarises the assessment.

Table 1. Uzbekistan's digital trade readiness: a four-pillar assessment (as of October 2026)

Pillar	Current status	Main gap	Priority action
1. Market access and commitments	WTO accession in final stage; 31 of 34 bilateral deals submitted; IT Park preferential regime	No binding GATS commitments yet; preferential regime is unilateral and reversible	Schedule liberal GATS commitments in computer and related services (Mode 1 and Mode 4)
2. Data governance	Localisation narrowed to biometric, genetic and telecom subscriber data; 49-country adequacy list (2026)	Adequacy criteria and list-revision procedure not yet transparent; SCCs pending	Publish adequacy criteria; adopt SCCs aligned with international templates
3. Payments and trust	Law on payments (2019); ~40% of payments cashless (2024); data-law changes opened the door to global wallets	Limited cross-border recognition of e-signatures; currency and payment rules raised by WTO members	Mutual recognition of trust services; streamline FX rules for service exporters
4. Paperless trade	Advanced e-government (UN EGD rank 63 in 2024)	Limited cross-border exchange of electronic trade documents	Pursue regional single-window interoperability and acceptance of electronic trade documents

Source: author's assessment based on Gazeta.uz (2026), Kun.uz (2026), UN DESA (2024) and Euronews (2026). SCCs = standard contractual clauses.

The assessment suggests that 2026 produced the largest single improvement in Pillar 2, where the localisation reform moved Uzbekistan from a restrictive to an intermediate position. Pillar 1 remains the weakest from an investor's perspective. Preferential tax and visa regimes, such as that of the IT Park, attract firms, but because they are unilateral they offer foreign clients no legal guarantee of continued market access. Binding commitments under the WTO would convert unilateral openness into credible, enforceable openness.

5. Strategic options and sequencing

Uzbekistan faces three broad options in the post-MC14 environment:

1. **Minimal accession.** Complete WTO accession with limited services commitments and maintain policy space to impose duties on electronic transmissions. This option preserves potential tariff revenue but signals uncertainty to foreign clients, which is costly for a country whose comparative advantage lies in *exporting* digital services rather than importing them.
2. **Accession plus plurilateral anchoring.** Complete accession with liberal commitments in computer and related services and announce the intention to join the E-Commerce Agreement soon after membership. This would lock in duty-free treatment of electronic transmissions with the 66 participants and align domestic rules on e-signatures, consumer protection and spam with an international baseline.
3. **Regional-first approach.** Prioritise digital trade provisions in regional and bilateral agreements within Central Asia and with major partners, deferring plurilateral commitments. This may be faster but risks fragmentation and incompatible regimes.

We argue that Option 2 best matches Uzbekistan's interests. As a net exporter of IT services with a target of US\$5 billion by 2030, Uzbekistan benefits more from predictable duty-free access to foreign markets than from the option of taxing imported electronic transmissions. The 2026 data-governance reform has already moved domestic rules in the direction required by modern digital trade agreements, which lowers the adjustment cost of plurilateral participation. A sequenced approach could proceed in three steps: (a) finalise accession with binding Mode 1 commitments in computer services; (b) publish transparent adequacy criteria and standard contractual clauses so that the 2026 data reform is predictable for foreign partners; and (c) seek participation in the E-Commerce Agreement while promoting compatible provisions in Central Asian regional cooperation.

6. Conclusion

The convergence of the post-MC14 rules landscape and Uzbekistan's 2026 domestic reforms creates a narrow window of opportunity. Uzbekistan has dismantled one of its most significant barriers to digital trade,

data localisation, and is close to completing WTO accession. The main remaining task is to transform unilateral and reversible openness into binding international commitments and to make new data governance rules transparent and interoperable. Doing so would strengthen Uzbekistan's position as a digital services hub in Central Asia and support the 2030 export target. Future research should quantify the trade effects of the 2026 localisation reform as post-reform data become available.

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