

LEGAL REGULATION OF ONLINE BANKING: INTERNATIONAL STANDARDS AND UZBEKISTAN LAW

Abdirasulov Abdilaziz

Academic Degree: Master of Laws (LLM)

Institution: Tashkent State University of Law, Lecturer of the Department of English Law and European Union Law

Phone: +998 99 093 50 00

E-mail: abdirasulovabdulaziz@tsul.uz

ORCID iD: 0009-0004-8402-8699

Abstract: *This article examines the legal regulation of online banking from a comparative and doctrinal perspective, with focus on consumer protection in Uzbekistan against international standards. It analyses the principal legal instruments in four jurisdictions: the United States, the European Union, Singapore, and Uzbekistan. The findings demonstrate convergence around three pillars: pre-contractual transparency, fault-based or shared-responsibility liability rules, and accessible out-of-court redress. Uzbekistan, having enacted Law No. ZRU-578 in 2019 and reinforced it through Presidential Decree No. PP-381 of November 2023 and Central Bank Regulation No. 3513 of May 2024, has achieved meaningful substantive alignment. However, the regime lacks a specialised financial-services ombudsman comparable to FIDReC in Singapore and a codified shared-responsibility rule for phishing scams. The practical effectiveness of online-banking consumer protection in Uzbekistan depends on the development of specialised institutional infrastructure for redress.*

Keywords: *banking law; online banking; consumer protection; payment services; unauthorised transactions; dispute resolution; Uzbekistan; comparative law*

1. Introduction

1.1. Relevance of the Topic

Online banking has become the principal channel through which consumers conduct financial transactions, multiplying both the speed of value transfer and the surface area for fraud[1]. The international regulatory response has been notable. The EU has built a layered architecture culminating in PSD2[2] and the PSD3/PSR package agreed in 2025[3]. The U.S. has updated Regulation E through CFPB interpretive guidance issued in January 2025[4]. Singapore introduced in December 2024 a Shared Responsibility Framework allocating phishing-scam losses among financial institutions, telecommunication operators, and consumers[5].

In Uzbekistan, mobile banking users grew by 28% in 2023 alone, with non-cash payments now constituting 45% of all transactions[6]. The legal framework anchored

in Law No. ZRU-578 of 2019[7] has been reinforced through Presidential Decree No. PP-381 of November 2023[8] and Central Bank Regulation No. 3513 of May 2024[9]. As Uzbekistan moves toward WTO accession in 2026 and projects 75% cashless payments by 2030[10], the adequacy of its consumer-protection regime carries significant consequences for investment, financial inclusion, and consumer trust.

1.2. Research Objectives

This article presents a doctrinal analysis of online-banking consumer protection in major comparative legal systems and a critical comparative analysis of the Uzbek system. The principal argument is that, while Uzbekistan has achieved substantive alignment with international standards, the institutional architecture for consumer redress remains underdeveloped: the absence of a specialised financial-services ombudsman, the lack of a codified shared-responsibility rule, and reliance on general civil-procedure remedies create barriers to effective protection.

2. Methods

This article employs doctrinal legal research combined with functional comparative analysis. The comparative aspect analyses four key issues: (i) the allocation of risk for unauthorised transactions; (ii) information-disclosure and authentication obligations; (iii) mechanisms for out-of-court resolution; and (iv) the supervisory architecture. Primary sources include Law No. ZRU-578[11], Presidential Decree No. PP-381[12], Central Bank Regulation No. 3513[13], the U.S. Regulation E[14], the EU PSD2[15] and PSD3/PSR package[16], the Singapore Payment Services Act 2019[17], the MAS E-Payments User Protection Guidelines[18], the MAS-IMDA Shared Responsibility Framework[19], FIDReC procedural materials[20], and the Uzbek Civil Code[21].

3. Results

3.1. The United States Framework

The principal U.S. instrument is the Electronic Fund Transfer Act of 1978, implemented by Regulation E at 12 CFR Part 1005[22]. Through CFPB interpretive rulemaking, its scope has been extended to digital wallets, peer-to-peer applications, and stablecoins[23]. Regulation E rests on a tiered fault-based liability scheme (consumer liability capped at USD 50 if notified within two business days, USD 500 within sixty days, unlimited thereafter) and a strict error-resolution procedure with investigation completion within ten business days. The CFPB clarified in January 2025 that an EFT initiated using credentials obtained through phishing is unauthorised[24]. The institutional architecture is centralised in the CFPB; the U.S. system does not include a specialised financial-services ombudsman.

3.2. The European Union Framework

The current operative EU instrument is PSD2[25], applicable since 2018, supplemented by Commission Delegated Regulation (EU) 2018/389 on regulatory technical standards for strong customer authentication[26]. The June 2023 payments-

services package introducing PSD3 and the directly applicable Payment Services Regulation reached provisional agreement in 2025[27]. Strong customer authentication requires at least two independent factors. Under PSD2 Article 73, providers must refund unauthorised amounts immediately, with consumer liability capped at EUR 50 except for fraud or gross negligence. The PSD3/PSR package will introduce mandatory IBAN-name matching, extend liability to certain authorised push-payment frauds involving bank impersonation, and codify Fraud Pattern Anomaly Detection[28].

3.3. The Singapore Framework

The substantive foundation is the Payment Services Act 2019[29], built around three licensing tiers and seven payment-service activities. The E-Payments User Protection Guidelines, revised effective 16 December 2024[30], establish responsibilities for unauthorised transactions, requiring real-time notifications and a 24-hour reporting channel.

The most innovative element is the Shared Responsibility Framework for phishing scams, jointly developed by MAS and IMDA and effective 16 December 2024[31]. The SRF assigns specific anti-scam duties to financial institutions and telecommunication operators, requiring them to bear consumer losses where these duties are breached, applying a "waterfall" approach. The Financial Industry Disputes Resolution Centre (FIDReC) is an independent dispute-resolution institution[32]; mediation is free and adjudication carries a jurisdictional limit of SGD 150,000 per claim, with outcomes binding on the institution but not the consumer.

3.4. The Uzbekistan Framework

The legal regulation of online banking in Uzbekistan is structured around Law No. ZRU-578 of 1 November 2019[33], supplemented by Presidential Decree No. PP-381[34], Central Bank Regulation No. 3513 of May 2024[35], and the Law on the Protection of Consumer Rights as amended in 2022[36]. The 2019 Law adopts a categorisation analogous to Singapore's PSA, distinguishing payment system operators from payment organisations. As of early 2025, two operators (Humo and Uzcard) and forty-nine payment organisations operate in the country[37]. Central Bank Regulation No. 3513, in force from August 2024[38], imposes detailed cybersecurity obligations including identification mechanisms, real-time fraud monitoring, and incident-reporting duties.

Civil remedies are anchored in Article 11 of the Civil Code[39]. Supervisory authority is concentrated in the Central Bank, with the Antimonopoly Committee's Consumer Rights Protection Agency providing a parallel general forum. Crucially, no specialised financial-services ombudsman analogous to FIDReC operates in Uzbekistan; out-of-court resolution depends on internal bank-mediation procedures, the Central Bank's appeals department, the Antimonopoly Committee, or general civil litigation. Presidential Decree No. PP-126 of December 2025 establishes a cashless-

payment mandate effective April 2026[40], supporting the target of 75% cashless payments by 2030.

3.5. Comparative Summary

Table 1 synthesises the key comparative dimensions across the surveyed jurisdictions.

Table 1

Comparative Summary of Online-Banking Consumer-Protection Frameworks

Criterion	USA (EFTA / Reg. E)	EU (PSD2 / PSD3-PSR)	Singapore (PSA / EUPG / SRF)	Uzbekistan (ZRU-578 / Reg. 3513)
Strong customer authentication	Agency guidance only	Mandatory two-factor SCA	Mandatory under MAS Notices	Mandatory under Reg. 3513
Liability cap (unauth. transactions)	USD 50 / 500 / unlimited tiers	EUR 50; immediate refund duty	EUPG apportionment; SRF	No statutory cap; civil rules
Phishing-scam shared liability	Limited; case-by-case	Expanding under PSD3 / PSR	Codified SRF since Dec 2024	Not codified
Specialised financial ombudsman	No; CFPB + courts	Yes (Member States)	Yes (FIDReC; SGD 150,000)	No specialised body
Real-time fraud surveillance	Industry practice	Required under PSR	Required under SRF	Required under Reg. 3513
Supervisory authority	CFPB + banking agencies	National authorities + EBA	MAS (single regulator)	Central Bank + Antimonopoly

4. Discussion

4.1. Substantive Convergence and Institutional Divergence

All four jurisdictions impose similar substantive obligations regarding strong customer authentication, transaction notification, and information security[41].

However, the institutional architecture diverges significantly. Singapore's FIDReC stands out as the most consumer-oriented model: independent of regulator and industry, free at mediation, with a SGD 150,000 ceiling, producing adjudication outcomes binding on the institution but not the consumer[42]. Uzbekistan is the outlier: redress depends on a fragmented set of channels, none dedicated to financial services. This institutional gap creates a risk that well-drafted substantive rules in Regulation No. 3513 may not be effectively vindicated.

4.2. Liability Allocation and Phishing Scams

Three distinct liability models emerge: the U.S. tiered fault-based scheme; the EU's stricter rule with EUR 50 cap and immediate refund duty; and Singapore's apportionment based on conduct[43]. Uzbekistan's regime, although it imposes substantive authentication and fraud-monitoring obligations, does not codify a specific rule on loss allocation. Disputes fall back on Article 11 of the Civil Code and general non-contractual liability rules, placing significant evidentiary burdens on the consumer. By contrast, PSD2 places the burden on the provider to prove that the transaction was authenticated[44].

On the phishing-scam frontier, the EU under PSD3/PSR will oblige providers to refund losses from impersonation fraud[45], and Singapore's SRF imposes specific anti-scam duties on financial institutions and telecommunications operators with waterfall liability allocation[46]. Uzbekistan's Central Bank has reported significant growth in digital fraud[47], yet the legal framework does not contain a codified shared-responsibility rule analogous to the SRF.

5. Conclusion

This article has analysed online-banking regulation in four legal systems. A clear functional convergence has emerged around three pillars: transparency, allocation of liability for unauthorised transactions, and accessible out-of-court redress. Uzbekistan has achieved substantive alignment with international standards through Law No. ZRU-578[48], Presidential Decree No. PP-381[49], and Central Bank Regulation No. 3513[50]; the substantive obligations broadly track those under PSD2, the Singapore PSA, and Regulation E.

Three structural gaps warrant attention in the next reform cycle: the absence of a specialised financial-services ombudsman analogous to FIDReC; the absence of a codified rule on the allocation of losses from unauthorised transactions; and the absence of a shared-responsibility framework for phishing scams. The principal remaining task is the construction of an institutional architecture for consumer redress that matches the ambition of the substantive framework.

REFERENCES:

1. Legal500, "Digital Payments in Uzbekistan: Legal Reforms and Global Implications" (2024). <https://www.legal500.com/developments/thought-leadership/digital-payments-in-uzbekistan-legal-reforms-and-global-implications/>
2. Directive (EU) 2015/2366 on payment services in the internal market (PSD2), [2015] OJ L 337/35.
3. Norton Rose Fulbright, "PSD3 and PSR: From Provisional Agreement to 2026 Readiness" (2026).
4. Consumer Financial Protection Bureau, Compliance Aid on Electronic Fund Transfers (15 January 2025).
5. MAS-IMDA, Guidelines on Shared Responsibility Framework for Phishing Scams (effective 16 December 2024).
6. Legal500, "Digital Payments in Uzbekistan" (2024).
7. Law of the Republic of Uzbekistan No. ZRU-578 "On Payments and Payment Systems" (1 November 2019). <https://lex.uz/ru/docs/4575788>
8. Presidential Decree of the Republic of Uzbekistan No. PP-381 of 30 November 2023.
9. Central Bank of the Republic of Uzbekistan, Regulation No. 3513 of 21 May 2024.
10. Interfax, "Uzbekistan Intends to Increase Share of Cashless Payments to 75% by 2030" (December 2025).
11. Law No. ZRU-578 (1 November 2019).
12. Presidential Decree No. PP-381 of 30 November 2023.
13. Central Bank Regulation No. 3513 of 21 May 2024.
14. Electronic Fund Transfer Act 1978, 15 U.S.C. § 1693 et seq.; Regulation E, 12 CFR Part 1005.
15. Directive (EU) 2015/2366 (PSD2).
16. Norton Rose Fulbright, "PSD3 and PSR" (2026).
17. Payment Services Act 2019 (Singapore, Act 2 of 2019).
18. MAS, E-Payments User Protection Guidelines (effective 16 December 2024).
19. MAS-IMDA Guidelines on Shared Responsibility Framework (16 December 2024).
20. FIDReC, "Consumer's Guide to Banking Disputes". <https://www.fidrec.com.sg/knowledgebase/article/KA-01257/en-us>
21. Civil Code of the Republic of Uzbekistan, Part One (21 December 1995).
22. Electronic Fund Transfer Act 1978; Regulation E, 12 CFR Part 1005.
23. McDermott Will & Emery, "CFPB Proposes Clarifications to Reg. E for Digital Assets" (2026).
24. CFPB Compliance Aid on Electronic Fund Transfers (15 January 2025).

25. Directive (EU) 2015/2366 (PSD2).
26. Commission Delegated Regulation (EU) 2018/389 of 27 November 2017.
27. Norton Rose Fulbright, "PSD3 and PSR" (2026).
28. Trustpair, "EU Payment Services Directive: From PSD2 to PSD3" (2026).
29. Payment Services Act 2019 (Singapore).
30. MAS, E-Payments User Protection Guidelines (16 December 2024).
31. MAS-IMDA, "Implementation of Shared Responsibility Framework" (24 October 2024).
32. FIDReC, "FAQ for Elective Subscription by Financial Institutions".
33. Law No. ZRU-578 (1 November 2019).
34. Presidential Decree No. PP-381 of 30 November 2023.
35. Central Bank Regulation No. 3513 of 21 May 2024.
36. Law "On the Protection of Consumer Rights" (amended 18 January 2022).
37. Explora Legal, "Regulation of Payment Organizations in the Republic of Uzbekistan" (2025).
38. Central Bank Regulation No. 3513 of 21 May 2024.
39. Civil Code of the Republic of Uzbekistan, Part One (1995).
40. Interfax, "Uzbekistan Intends to Increase Share of Cashless Payments to 75% by 2030" (December 2025).
41. Hogan Lovells, "New Era of Fraud Prevention" (2025).
42. FIDReC, "FAQ for Elective Subscription by Financial Institutions".
43. MAS-IMDA Guidelines on Shared Responsibility Framework (16 December 2024).
44. Directive (EU) 2015/2366 (PSD2), Article 72.
45. Norton Rose Fulbright, "PSD3 and PSR" (2026).
46. MAS-IMDA Guidelines on Shared Responsibility Framework (16 December 2024).
47. Yuz.uz, "Cards Under Protection: Security of Payment Systems in Uzbekistan" (May 2024).
48. Law No. ZRU-578 (1 November 2019).
49. Presidential Decree No. PP-381 of 30 November 2023.
50. Central Bank Regulation No. 3513 of 21 May 2024.