HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

THE DEGREE OF COMPENSATION FOR COURT EXPENDITURES THROUGH STATE DUTIES: THE CASE OF UZBEKISTAN

Jasur Nuriddinov
Independent Researcher,
Higher School of Judges

Doi: https://doi.org/10.5281/zenodo.21795121

Introduction

Ensuring the financial sustainability of the judiciary is a crucial task for any rule-of-law-based state. In the Republic of Uzbekistan, the court system is primarily financed through the state budget. At the same time, a certain portion of court expenditures is recovered through state duties paid to civil and economic courts. This article analyzes the level of compensation of court system expenditures through state duties collected between 2020 and 2024, based on official statistical data.

Main Body

According to Russian scholar K. Shmotin, the state generally seeks to maintain a balance between ensuring effective judicial proceedings and providing broad access to justice. In fulfilling these tasks, states often assign several functions to court-related expenses simultaneously: compensating the costs incurred by the judicial system, preventing unfounded legal claims, fostering a sense of responsibility in individuals, and ensuring that justice is accessible to all. Some of these functions may contradict one another. For instance, compensating the costs of the judiciary requires increasing court fees, while ensuring access to justice for all necessitates reducing or even abolishing these fees altogether. Clearly, it is not possible to simultaneously make access to courts both costly and easy — nor is it possible to make it cheap and fully effective.

Therefore, states strive to find a balance that allows them to “sit on two chairs at once”: ensuring access to justice for all, while allowing the institution of court costs to fulfill its key functions. Many countries have abandoned the idea of sitting on two chairs and have instead chosen to focus on optimizing one of the functions. For example, France considers access to justice more important than cost recovery and has abolished many court fees in civil disputes. The UK, by contrast, is known for its high court costs, where the losing party must fully compensate the winning party for legal expenses.

According to Shmotin, different countries use different methods for calculating court fees. In Belgium and Sweden, court costs are set at fixed rates. In other countries (Germany, Portugal, Ireland, etc.), fees are calculated proportionally to the value of the claim. This proportional method is dominant, primarily because civil disputes are usually of a proprietary nature. In most of the listed countries, court fees represent a small percentage of the claim amount. However, in some countries (e.g., Estonia, Lithuania, Czech Republic), the court fee can equal the amount claimed. In others (e.g., Australia, Denmark, Hungary, Singapore), court fees may even exceed the claim amount.

The choice of methodology for determining court fees depends on the state's goal regarding the extent to which judicial costs should be compensated. In countries with high court fees, the principle is that the parties to the dispute should reimburse the state for the costs of justice as much as possible. Nevertheless, with the exception of the UK and Singapore, no country fully recovers its judicial expenses through court fees.

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

According to the author's research, only 17% (1/6) of the costs incurred by the state in Russia are compensated through collected court fees. The author believes that seeking to balance state expenditures and the compensation amount could significantly restrict access to justice.

Court fees should not be regarded as a payment for access to court. Judicial proceedings are funded by the state budget, which consists of taxpayers' money, not from the individual payments of litigants. Therefore, court fees are neither a means of replenishing the state budget nor should they fully cover the expenses of judicial operations.

A number of European legal scholars have reached a similar conclusion. Following the example of France and Luxembourg, countries like Portugal, Italy, and Germany have reformed their court cost systems and moved toward abolishing certain fees to promote broader access to justice.

In the UK, approximately 80% of court costs are recovered through court fees. However, the UK has been criticized recently for restricting access to courts for large segments of the population. Moreover, the high level of court fees in some countries is not only linked to the state's financial interests, but also to the desire to encourage parties to seek alternative dispute resolution (ADR) methods. In countries such as the UK, Denmark, the Netherlands, and the United States, ADR mechanisms like arbitration and mediation are well developed, offering less expensive alternatives to court proceedings. In such systems, going to court is considered a last resort, used only when all other options have been exhausted.

In the UK, both plaintiffs and defendants are strongly incentivized to resolve disputes before trial. This is partly due to the concept known as "stop bleeding legal fees," which encourages parties to resolve disputes through ADR and thereby avoid large court expenses. It is estimated that approximately 90% of disputes are settled out of court. In the UK, a plaintiff must be prepared to pay at least $7,500 in court costs. If the defendant resolves the matter immediately upon receiving the summons and complaint, that amount would already apply. Depending on how the case develops, court costs can exceed $200,000.

According to Shmotin, the timing of court fee payment is also crucial. Without a receipt proving that the appropriate court fee has been paid, the court will not accept the case. This requirement can cause significant difficulties, even when the fee rate is not particularly high, since parties must raise funds before filing a lawsuit. However, there are no fundamental barriers to changing legislation to allow for post-judgment collection of fees. On the contrary, the state could shift the obligation to pay court fees to the losing party after the case is concluded. This simultaneous process of deferring and collecting court fees could both ease the burden on the court system and ensure that individuals are not prevented from asserting their rights due to upfront financial barriers. This post-judgment fee collection model is used in Belgium and Finland.

In addition, it is necessary to move away from the model of tying court fees directly to the value of the claim. The value of a claim does not directly correlate with the complexity or duration of the case. Courts must examine all cases thoroughly and objectively, regardless of their monetary value. Therefore, paying a higher court fee for a claim of higher value does not imply the court will give it special attention or consideration. This results in unequal opportunities for access to justice. As a result, court fees should be determined based on the category or type of the case, not its monetary value.

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

"In order to determine what portion of the expenses incurred by the state to ensure the functioning of courts in the Republic of Uzbekistan is compensated, a letter was sent to the Supreme Court. In response, it was reported that in 2020, state duties collected by economic courts amounted to 352,061,738,720.47 UZS, and by civil courts amounted to 306,323,439,351 UZS. The total collected sum is 658,385,178,071.47 UZS, which does not include the state duties collected by administrative courts.

According to the Law No. O‘RQ-657 dated December 25, 2020, “On the State Budget of the Republic of Uzbekistan for 2021,” a total of 838.8827 billion UZS was allocated for the financing of courts in 2021.

Thus, in 2021, the expenditures made for the republic’s court system were compensated by 78.48% through the state duties collected by civil and economic courts. Of the total state duties, pre-paid amounts constituted 49.73947 billion UZS, while 352,061,688,981 UZS were collected based on court decisions. Pre-paid duties accounted for 14.73% of the total state duties. Specifically, economic courts alone compensated 41.97% of the expenses of the court system.

According to the Law No. O‘RQ-742 dated December 30, 2021, “On the State Budget of the Republic of Uzbekistan for 2022,” 972.1069 billion UZS was allocated to finance court activities. Based on statistical data provided by the Supreme Court, in 2022, 635,998,249,187 UZS was collected by economic courts and 668,013,038,388 UZS by civil courts. Pre-paid state duties to economic courts amounted to 66.65264 billion UZS. This indicates that economic courts alone compensated 65.42% of the court system expenses, and when including civil courts, 134.14% of the expenses were compensated. Pre-paid state duties to economic courts accounted for 15.28% of the total duties collected.

Throughout 2023, it was projected that economic courts would collect 709,821,510,978 UZS and civil courts 908,068,473,856 UZS in state duties to the state budget. According to the Law “On the State Budget of the Republic of Uzbekistan for 2023,” a total of 1,273.8177 billion UZS was allocated to the Supreme Court of the Republic of Uzbekistan, including 1,190.29 billion UZS for current expenses and 83.5277 billion UZS for capital investments such as designing, constructing (reconstructing), and equipping facilities. In 2023, economic courts alone compensated 64.35% of the total expenditures of the court system. When civil courts are included, 135.64% of the court system's expenses were compensated.

According to data provided by the Supreme Court, in 2024, state duties collected by economic courts amounted to 5,962,736,654,667 UZS, and by civil courts to 5,785,285,913,683 UZS, totaling 11,748,022,568,350 UZS collected based on court decisions. No information was provided about pre-paid state duties. According to the Law No. O‘RQ-886 dated December 25, 2023, “On the State Budget of the Republic of Uzbekistan for 2024,” 1,560.1762 billion UZS was allocated to the Supreme Court of the Republic of Uzbekistan. As of the end of 2024, economic courts alone had compensated 382.03% of court system expenses, and together with civil courts, 752.68%. This indicates that the highest level of compensation was observed in 2024.

In 2021, the amount of state duties collected was not sufficient to cover the allocated funds for court financing. From 2022 onwards, full compensation was achieved, reaching its peak in 2024. In order to determine what portion of the expenses incurred by the state to ensure the functioning of courts in the Republic of Uzbekistan is compensated, a letter was sent to the Supreme Court. In response, it was reported that in 2020, state duties collected by economic courts amounted to

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

352,061,738,720.47 UZS, and by civil courts amounted to 306,323,439,351 UZS. The total collected sum is 658,385,178,071.47 UZS, which does not include the state duties collected by administrative courts.

According to the Law No. O‘RQ-657 dated December 25, 2020, “On the State Budget of the Republic of Uzbekistan for 2021,” a total of 838.8827 billion UZS was allocated for the financing of courts in 2021.

Thus, in 2021, the expenditures made for the republic’s court system were compensated by 78.48% through the state duties collected by civil and economic courts. Of the total state duties, pre-paid amounts constituted 49.73947 billion UZS, while 352,061,688,981 UZS were collected based on court decisions. Pre-paid duties accounted for 14.73% of the total state duties. Specifically, economic courts alone compensated 41.97% of the expenses of the court system.

According to the Law No. O‘RQ-742 dated December 30, 2021, “On the State Budget of the Republic of Uzbekistan for 2022,” 972.1069 billion UZS was allocated to finance court activities. Based on statistical data provided by the Supreme Court, in 2022, 635,998,249,187 UZS was collected by economic courts and 668,013,038,388 UZS by civil courts. Pre-paid state duties to economic courts amounted to 66.65264 billion UZS. This indicates that economic courts alone compensated 65.42% of the court system expenses, and when including civil courts, 134.14% of the expenses were compensated. Pre-paid state duties to economic courts accounted for 15.28% of the total duties collected.

Throughout 2023, it was projected that economic courts would collect 709,821,510,978 UZS and civil courts 908,068,473,856 UZS in state duties to the state budget. According to the Law “On the State Budget of the Republic of Uzbekistan for 2023,” a total of 1,273.8177 billion UZS was allocated to the Supreme Court of the Republic of Uzbekistan, including 1,190.29 billion UZS for current expenses and 83.5277 billion UZS for capital investments such as designing, constructing (reconstructing), and equipping facilities. In 2023, economic courts alone compensated 64.35% of the total expenditures of the court system. When civil courts are included, 135.64% of the court system's expenses were compensated.

According to data provided by the Supreme Court, in 2024, state duties collected by economic courts amounted to 5,962,736,654,667 UZS, and by civil courts to 5,785,285,913,683 UZS, totaling 11,748,022,568,350 UZS collected based on court decisions. No information was provided about pre-paid state duties. According to the Law No. O‘RQ-886 dated December 25, 2023, “On the State Budget of the Republic of Uzbekistan for 2024,” 1,560.1762 billion UZS was allocated to the Supreme Court of the Republic of Uzbekistan. As of the end of 2024, economic courts alone had compensated 382.03% of court system expenses, and together with civil courts, 752.68%. This indicates that the highest level of compensation was observed in 2024.

1. Financial Indicators for 2020–2021

In 2020, state duties collected by economic courts amounted to 352.06 billion UZS, and civil courts collected 306.32 billion UZS, totaling 658.39 billion UZS. This figure excludes collections by administrative courts. In 2021, the State Budget allocated 838.88 billion UZS for financing the judiciary (Law No. O‘RQ-657, December 25, 2020).

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

As a result, in 2021, state duties covered 78.48% of total court system expenditures. Specifically, economic courts alone compensated 41.97% of these costs. Of the total amount collected, 49.74 billion UZS (14.73%) represented pre-paid duties.

2. Financial Results for 2022

In 2022, economic courts collected 635.99 billion UZS and civil courts 668.01 billion UZS. Pre-paid duties to economic courts totaled 66.65 billion UZS. The State Budget allocated 972.10 billion UZS for the judiciary (Law No. O‘RQ-742, December 30, 2021).

Accordingly, economic courts alone covered 65.42% of judicial expenditures, and combined with civil courts, 134.14% was compensated, indicating full cost recovery.

3. 2023: Investments and Practical Outcomes

In 2023, projected collections were 709.82 billion UZS from economic courts and 908.07 billion UZS from civil courts. The total budget allocation for the judiciary was 1,273.82 billion UZS, including 1,190.29 billion UZS for current expenses and 83.53 billion UZS for capital investments (Law No. O‘RQ-836, December 30, 2022).

Economic courts alone compensated 64.35% of total judicial expenditures, and together with civil courts, 135.64%.

4. 2024: Peak Compensation

In 2024, economic courts collected 5.96 trillion UZS and civil courts 5.79 trillion UZS, totaling 11.75 trillion UZS in state duties. The State Budget allocated 1.56 trillion UZS for the judiciary (Law No. O‘RQ-886, December 25, 2023).

Thus, economic courts alone covered 382.03% of the judiciary’s expenses, and together with civil courts, 752.68%. This marks the highest recorded level of compensation during the analyzed period.

Conclusion

In the Republic of Uzbekistan, the share of court expenditures compensated through state duties has shown a consistent upward trend. While the collected duties in 2021 were insufficient to fully cover court financing, starting from 2022, full compensation was achieved. In 2024, the level of compensation peaked, reaching more than seven times the amount allocated for court expenses. This indicates that a significant portion of judicial expenditures is being financed directly by individuals and legal entities through litigation, reflecting an increase in economic activity and civil legal relations.

References

1. Statistical data from the Supreme Court of the Republic of Uzbekistan (2020–2024).
2. Laws “On the State Budget of the Republic of Uzbekistan”:
3. Law No. O‘RQ-657, December 25, 2020.
4. Law No. O‘RQ-742, December 30, 2021.
5. Law No. O‘RQ-836, December 30, 2022.
6. Law No. O‘RQ-886, December 25, 2023.
7. K. Shmotin, Economic Foundations of the Compensation of Court Expenses, Moscow, 2019.
8. Recommendations of the International Monetary Fund and the World Bank on judicial financing.