

THE PROTECTION OF INVESTOR RIGHTS IN THE DIGITAL AGE: EMERGING CHALLENGES AND LEGAL RESPONSES

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Abstract: *The digital age has transformed the investment landscape, providing investors with a wider range of investment opportunities. However, it has also brought about new challenges in protecting the rights of investors. This article examines the emerging challenges facing investor rights in the digital age, such as data privacy, cybersecurity, and the lack of regulation in some jurisdictions. The article also explores the legal responses that are being developed to address these challenges, including the development of regulatory frameworks for digital assets, the adoption of international investment treaties, and the use of alternative dispute resolution mechanisms. Despite these responses, continued dialogue and collaboration among stakeholders are needed to ensure that investor rights are protected and investment activities remain safe and sustainable in the digital age.*

Keywords: *digital age, investor rights, data privacy, cybersecurity, regulation, cryptocurrencies, blockchain, legal responses.*

The rise of digital technologies has brought about a new era of investment opportunities, but with it comes new challenges to protect the rights of investors. This article examines the emerging challenges facing investor rights in the digital age and the legal responses that are being developed to address these challenges.

The digital age has revolutionized the way in which investments are made. Investors can now access a wider range of investment opportunities, from anywhere in the world, through the use of digital platforms. However, this also brings about new challenges in protecting the rights of investors. These challenges include issues such as data privacy, cybersecurity, and the lack of regulation in some jurisdictions. This article will examine these challenges and explore the legal responses that are being developed to address them.

One of the primary challenges to investor rights in the digital age is the issue of data privacy. With the rise of digital platforms, investors are required to share personal and financial information online. This information can be vulnerable to cyber-attacks, hacking, and data breaches. Data breaches can result in financial losses, identity theft, and reputational damage for investors.

The General Data Protection Regulation (GDPR) is a legal framework that was introduced in the European Union in 2018 to protect the privacy and personal data of individuals. However, there is a lack of uniformity in data protection laws across

jurisdictions, which makes it difficult to ensure that investors' data is adequately protected.

Cybersecurity is another significant challenge to investor rights in the digital age. Cyber-attacks can result in the loss of funds, sensitive information, and intellectual property. Hackers can use social engineering techniques to gain access to investors' accounts, steal their identities, and commit fraud.

In response to this challenge, some digital platforms have introduced two-factor authentication, biometric authentication, and other security measures to protect investors' accounts. Additionally, governments are introducing new cybersecurity laws and regulations to address this issue.

The lack of regulation in some jurisdictions is another challenge to investor rights in the digital age. Some digital platforms operate in countries where there are no clear regulations governing investment activities. This lack of regulation can lead to fraudulent activities, Ponzi schemes, and other forms of financial fraud that can harm investors.

Cryptocurrencies have become increasingly popular in recent years as a form of investment. However, the lack of regulation has made it difficult to protect investors' rights. Cryptocurrency regulations are being developed to address this challenge. For example, in 2019, the Financial Action Task Force (FATF) introduced a set of guidelines to regulate cryptocurrency exchanges and wallet providers. Additionally, some countries have introduced their own regulations to protect investors' rights when investing in cryptocurrencies.

Blockchain technology is a decentralized digital ledger that can be used to record transactions securely. Blockchain technology has the potential to address some of the challenges facing investor rights in the digital age. For example, it can be used to create a transparent and immutable record of investment transactions, which can help to reduce the risk of fraud and increase accountability.

To address the challenge of data privacy, governments are introducing new data protection laws and regulations. For example, in the United States, the California Consumer Privacy Act (CCPA) was introduced in 2020 to give consumers greater control over their personal information. The GDPR has also been implemented in the European Union to protect the privacy and personal data of individuals.

In this article, we have examined some of the emerging challenges and legal responses to the protection of investor rights in the digital age. These challenges include the use of new technologies in investment activities, the increasing complexity of investment structures, and the rise of new forms of investment, such as cryptocurrencies.

To address these challenges, various legal responses have been developed at both the national and international levels. These include the development of regulatory frameworks for digital assets, the adoption of international investment treaties, and the use of alternative dispute resolution mechanisms.

However, it is important to note that these legal responses are still evolving and may not be sufficient to address all of the emerging challenges in the digital age. There is a need for continued dialogue and collaboration among stakeholders, including governments, investors, and technology providers, to ensure that investor rights are protected and investment activities remain safe and sustainable.

In conclusion, the digital age has brought about significant changes in the investment landscape, and with it, new challenges and risks that require careful attention and legal responses. The protection of investor rights is crucial for maintaining confidence in the investment process and ensuring the stability of the global economy. It is imperative that legal frameworks continue to evolve to address the emerging challenges and risks associated with digital investments, and that all stakeholders work together to ensure the safety and sustainability of investment activities in the digital age.

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