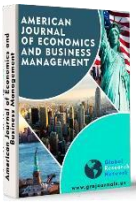

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Article

Analysis of the Practice of Product Conformity Declaration by Business Entities

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Abstract: The product conformity declaration by business entities is an important tool to ensure compliance with technical regulations and legal requirements of the domestic market, which is used to verify product quality and safety independently by businesses. The drift of regulation from a certification-based system to a declaration-based system may pave the ground for many opportunities for businesses which can relieve them of financial stress, administrative cost and complexity regarding compliance. Such changes are encouraged by the institutional reforms in Uzbekistan where the main focus is to update product conformity assessments in line with international practices. Though past literature reveals how crucial these types of conformity assessment systems are, little has researched how changing these systems from certificate to declaration based with certain features could affect developing markets and their forms of certificates such as Uzbekistan form of thought regulation. This paper investigates the benefits, economic and legal bases, and essential elements of the replacement of certification-based systems with a declaration-based system of product conformity, focusing on the benefits to governmental authorities, certification bodies, and inspection companies. The paper concludes the declaration-based system "amplifies economic efficiency, relieves cost burdens on businesses and regulatory complexity, thus better facilitating new product market entry." This study offers new knowledge about the nature of the self-declaration transition, its potential to create competitive advantages, improve consumer confidence and help align product confirmity assessment to global practices. The results indicate that the continued introduction of advantage declaration systems will enable domestic manufacturers to become more competitive, boost export opportunities while bringing the Uzbek market in line with global standards with both sides benefiting from the six referenda sharing best practices.

Keywords: Product, Product Conformity, Certification, Declaration, Business Entities

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1. Introduction

The practice of self-declaration by business entities for products and services intended for domestic markets serves as a mechanism by which the manufacturer independently confirms compliance of a product or service with technical regulations and applicable legal requirements. This mechanism allows business entities to implement quality management systems using internal resources, optimize production processes, and reduce operational costs [1].

At the same time, voluntarily implemented quality control and internal standardization systems enhance consumer confidence in products and services, strengthen brand market positions, and create sustainable competitive advantages within the domestic market [2]. The establishment of internal standardization frameworks and product monitoring mechanisms not only increases the competitiveness of manufacturing

enterprises but also reinforces trust among consumers. Consequently, it strengthens the brand's market position, establishes stable advantages in competitive environments, and creates additional conditions for expanding export potential [3].

From a legal perspective, if product characteristics are independently confirmed by the manufacturer in accordance with national legislation and technical regulations, such products may be exempt from mandatory certification procedures. This enables the free circulation of goods within domestic markets. Additionally, manufacturers can voluntarily use certification processes to further enhance consumer trust, achieve additional advantages in market competition, and implement marketing strategies more effectively [4].

In Uzbekistan, institutional reforms are being carried out to introduce self-declaration practices by business entities as part of modernizing product conformity assessment procedures and aligning them with international standards. In particular, the Law of the Republic of Uzbekistan "On Technical Regulation" dated February 27, 2023, serves as the legal basis in this area. This law aims to develop the product quality assurance system, assigning manufacturers the responsibility to independently confirm compliance of products and services with technical regulations and normative legal documents, thereby liberalizing market mechanisms [5].

Overall, the self-declaration mechanism can be considered a state-supported instrument for ensuring product quality and safety. It establishes a modern stage of economic regulation, encourages enterprises to make broader use of internal capabilities, implement innovative approaches, and align their products with international standards [6].

Literature Review

According to the research of S. Mjakuškina and I. Lapiņa, the primary stages of conformity assessment should be organized by the manufacturer. Regulatory bodies in the European Union require the manufacturer to prepare technical documentation containing the necessary information to evaluate the product's compliance with relevant regulatory requirements, as well as to organize the production process and its monitoring [7]. In our view, these requirements are crucial for ensuring product quality and safety, and they guarantee the systematic and transparent operation of the manufacturer. Thus, by preparing technical documentation and consistently monitoring the production process, the product's compliance and reliability are ensured at a high level [8].

A. Gallup notes that during the 2008 economic crisis, instances occurred in which products with conformity certificates were recalled, which negatively affected consumer confidence in the safety of food and other consumer goods [9]. In our opinion, such situations highlight the necessity for manufacturers to improve quality control systems, strengthen certification procedures, and provide sufficient information to consumers regarding product safety. This approach not only restores consumer confidence but also contributes to overall market stability [10].

According to M. Glazatova, the term "conformity assessment" encompasses almost all types of activities aimed at determining whether requirements are met. The author emphasizes that conformity assessment objects depend on the type of requirement, which can be mandatory or voluntary. Mandatory conformity assessment applies to all products specified by regulatory documents and includes steps such as declaration, accreditation, certification, state supervision, metrological verification, compulsory certification, and state acceptance [11]. In our view, these steps are clearly defined with established procedures, timelines, and authorized organizations or bodies responsible for issuing official documents.

T. Vorotyntseva, in her research, considers product certification as an important instrument for regulating international trade. The author notes that certification ensures

safety in international trade and simplifies trade procedures [12]. Additionally, the certification process helps create consistency of standards between countries, which enhances the competitiveness of products in global markets.

T. Yusupov argues that improving product competitiveness in market conditions is closely linked to the development of metrological support in industrial sectors [13]. The improvement of the metrological system plays a key role in ensuring high accuracy, product quality, and safety during production processes. Modern metrology not only guarantees the reliability of measurements but also ensures stability of technological processes, compliance with standards, and efficient use of resources throughout production. Furthermore, compliance with international standards supports export potential, while in domestic markets it strengthens consumer confidence.

2. Materials and Methods

The approach to this research is based on systematic and comparative review of economic and legal bases of product conformity declaration systems. The type is a comprehensive analysis of the existing regulatory documents on conformity of every type of product in the technical regulation. This research employs both qualitative and quantitative methods to evaluate the consequences of shifting from a certification-based system to a declaration-based system. The primary data sources are national legislation including "Law of the Republic of Uzbekistan on Technical Regulation", reports by relevant ministries, certification bodies, inspection organizations, etc. The study investigates costs for certification and declaration processes comparing the cost structure of both processes for electrical and textile products on the basis of current and past procedures. Case studies of struggling businesses in Uzbekistan, which switched to plan-based declaration system, are also included in the research to see how they shifted towards operational efficiency, cost cutting and access to market. The research also discusses how different, rather than uniform the experiences are for businesses adhering to the old certification or the new declaration system - emphasizing the time, resource and market efficiencies. Qualitative insights such as practical challenges and benefits of a declaration-based system among default manufacturers and the industry landscape are also gained through interviews with industry experts, manufacturers, and regulatory bodies. This approach brings together legal analysis, case studies and expert opinions to provide a holistic view of the economic and operational effect of the transition on product conformity assessments in Uzbekistan [14].

3. Results and Discussion

In the process of placing products on the domestic market, it is a mandatory requirement that their full compliance with all applicable regulatory documents and technical regulations is officially confirmed. When the certification process is carried out by authorized state bodies, this activity is organized on the basis of centralized management, and the product's quality indicators, safety requirements, and conformity with existing standards are comprehensively assessed. This, in turn, ensures the reliability of the product in terms of human health, environmental safety, and technical requirements before it enters circulation [15].

This approach serves as an important institutional mechanism for protecting the domestic market from low-quality products that may be harmful to human health and the environment, as well as safeguarding consumer rights and interests. The certification system not only regulates the domestic market but also enhances the export potential of national products by ensuring their compliance with international trade standards.

Carrying out the certification process under centralized management establishes a guaranteed mechanism for protecting consumer rights, increasing manufacturer responsibility, and preventing the circulation of substandard products. Therefore, the

certification system is an integral part of the country's technical regulation policy and plays a strategic role in ensuring stable economic development and international integration.

The process of independent product conformity assessment by business entities allows for cost optimization during production, efficient use of resources, and shorter market entry timelines. This approach enables businesses to assess and confirm product compliance based on regulatory requirements without relying on external certification procedures. As a result, production costs decrease, procedures are simplified, and new products can be introduced to the domestic market more quickly.

Moreover, product conformity declaration offers several advantages for businesses compared to certification. First, it reduces the need for complex inspections by external experts and state authorities, saving time and financial resources. Additionally, independent declaration allows manufacturers to implement quality control and technical requirements within their internal management systems, enhancing process adaptability and enabling rapid responses to market demands in competitive conditions [16].

This mechanism represents a key factor in aligning business activity with market economy conditions, balancing entrepreneurial freedom with responsibility. Through declaration, compliance with regulatory documents is confirmed by the manufacturer, which enhances brand reputation, strengthens consumer trust, and ensures long-term competitiveness. Therefore, the declaration system is not only economically beneficial but can also serve as a strategic tool providing a competitive advantage for businesses. The advantages of product conformity declaration for businesses are illustrated in Figure 1.

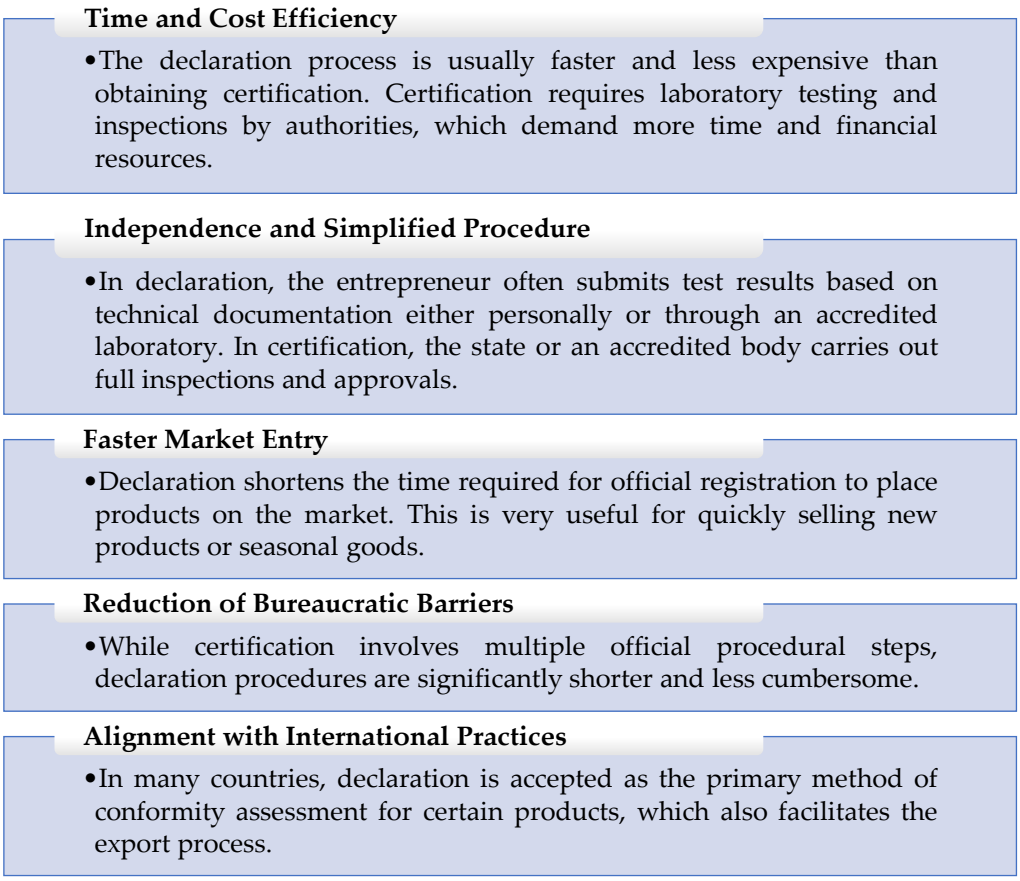

Figure 1. Positive aspects of declaring product compliance for entrepreneurs.

Declaring product compliance is the official process by which a manufacturer announces that their product conforms to existing technical regulations, standards, or other normative documents, in accordance with the procedures established by law. This mechanism serves to legally ensure the product's safety, quality, and usability.

The declaration system requires a high level of responsibility and quality control from the manufacturer because full accountability for meeting all requirements rests entirely on the declarant. For this reason, the compliance declaration is considered one of the key legal forms of confirming product quality. Table 1 below presents the stages of confirming product compliance through the declaration process.

Table 1. Stages of confirming product compliance through the declaration process.

Stages	Subjects	Actions	Timeframe
I	Applicant	Selects the compliance declaration scheme and forms and approves the compliance declaration based on the requirements of this Regulation.	According to the applicant's preference
II	Applicant	Submits the approved compliance declaration to the certification body for registration.	According to the applicant's preference
III	Certification body	Analyzes the compliance declaration and the supporting documents, and signs an agreement with the applicant to identify the product.	Within 1 working day
IV	Certification body	After the applicant pays the fee according to the agreement, reviews and analyzes the compliance declaration and supporting documents.	Within 1 working day
V	Certification body	Identifies the product listed in the compliance declaration.	Within 1 working day
VI	Certification body	If the compliance declaration, supporting documents, or product identification are not positive, rejects the registration of the compliance declaration, providing justification to the applicant.	Within 1 working day
VII	Certification body	If the compliance declaration, supporting documents, and product identification are positive, registers the compliance declaration.	Within 1 working day

The process of declaring product compliance consists of several stages. Initially, the applicant selects a compliance declaration scheme and forms it in accordance with the requirements of the current regulation. The approved declaration is then submitted to the certification body for registration. The timeframe for completing these initial stages mainly depends on the applicant's initiative.

At the next stages, the certification body analyzes the submitted compliance declaration and supporting documents, identifies the product, and makes a decision based on the results. If product identification is negative, the registration of the declaration is rejected; if positive, the declaration is registered. These stages are typically completed within one working day, ensuring the efficiency of the process, see Table 2.

Table 2. Comparison Table of Costs for Certification and Declaration Processes of Electrical and Textile Products (Old and New Procedures).

No.	Process	Unit	Certification	Declaration (Old Procedure)	Declaration (New Procedure)
			Electrical Products		
1	Sample selection	UZS	145 000 – 1 160 000	Same as certification costs	–
2	Testing (depending on test type and indicator)	UZS	493 920 – 7 879 200		493920-7879200

3	Document review (analysis of regulatory documents for the product indicated in the application)	UZS	290 000 – 725 000		–
4	Application review	UZS	72 500 – 145 000		–
5	Decision on the application	UZS	145 000		–
6	Preparation of test program	UZS	290 000 – 870 000		–
7	Delivery of samples to testing laboratories	UZS	217 000 – 435 000		–
8	Analysis of information and decision on formalizing compliance certificate or letter	UZS	145 000 – 290 000		–
9	Inspection of production conditions (for serial production)	UZS	580 000 – 1 160 000		–
	Textile Products				
1	Sample selection	UZS	145 000 – 1 160 000	Same as certification costs	–
2	Testing (depending on test type and indicator)	UZS	305 760 – 1 905 920		305760 – 1905920
3	Document review (analysis of regulatory documents for the product indicated in the application)	UZS	290 000 – 725 000		–
4	Application review	UZS	72 500 -145 000		–
5	Decision on the application	UZS	145 000		–
6	Preparation of test program	UZS	290 000 – 870 000		–
7	Delivery of samples to testing laboratories	UZS	217 000 – 435 000		–
8	Analysis of information and decision on formalizing compliance certificate or letter	UZS	145 000 – 290 000		–
9	Inspection of production conditions (for serial production)	UZS	580 000 – 1 160 000		–

In the declaration of product compliance, the product's characteristics, level of hazard, production volume, and market requirements are taken into account. Accordingly, different declaration schemes are applied, which are defined by technical regulations and normative legal documents. The choice of scheme is directly related to the responsibility of the manufacturer or importer, as well as the methods of control and testing [17].

The system of compulsory certification has been replaced by the compliance declaration system, aimed at strengthening the manufacturer's or importer's responsibility for ensuring product quality and safety. This approach increases economic efficiency in the product conformity assessment process, simplifies regulatory mechanisms, and facilitates alignment with international practices.

Table 2 provides a comparison of old and new procedures, showing step-by-step cost indicators for the processes. This approach not only helps identify cost factors in assessing product compliance but also allows an evaluation of the economic efficiency of regulatory mechanisms.

The results show that testing procedures for electrical products incur the highest costs (493,920 – 7,879,200 UZS). This is explained by the direct impact of these products on human life and health and the necessity to strictly comply with international standards. In textile products, testing costs are relatively lower (305,760 – 1,905,920 UZS), but they remain significant from the perspective of sanitary-hygienic requirements, safety, and export standards [18].

Under the old procedure, the declaration process required costs almost identical to certification. In the new procedure, the process has been simplified, leaving only testing costs. Steps such as document review, decision-making based on the application, and inspection of production conditions have been removed. As a result, financial burdens on entrepreneurs have decreased, and administrative procedures have been optimized.

Scientifically, the new procedure reduces time and resource expenditures for manufacturers, enables faster market access for products, and prioritizes the testing stage that ensures safety. This also facilitates alignment with international conformity assessment practices, enhances export potential, and protects consumer rights.

4. Conclusion

The transition in our country from compulsory certification to the declaration system for product conformity assessment has had a significant positive impact on production and trade activities. As a result of this reform, bureaucratic barriers have been reduced, financial burdens for business entities have decreased, and products can reach the market more quickly. The process now places primary emphasis on the testing stage that ensures safety, which protects consumer interests and improves product quality.

The shift to a declaration-based conformity assessment system is positively influencing manufacturing processes and is expected to yield the following outcomes in the future:

- Increased industrial competitiveness – Lower production costs and faster market entry expand the market share of domestic products and reduce the volume of imported goods.
- Enhanced export potential – Compliance with international standards makes domestic products more attractive in foreign markets.
- Innovation development – Saved time and resources can be redirected toward new technologies and improving product quality.
- Improved business environment – Simplified procedures create favorable conditions for small and medium-sized enterprises.
- Increased consumer confidence – Mandatory testing procedures that ensure safety lead to consistently higher product quality.
- Greater efficiency of state supervision – Resources are focused on monitoring products in high-risk categories, improving regulatory effectiveness.

The consistent implementation of these measures strengthens the economic and legal foundations of the conformity assessment system, ensures the domestic market is supplied with safe and high-quality products, and enhances the competitiveness of national manufacturers in international trade, contributing to the country's integration into the global economy.

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