

LEGAL RECAP

OF THE MOST Significant Changes In Business Regulation

In Uzbekistan

(Dec 2024 – Feb 2025)

OVERVIEW

December 2024 – February 2025: Legally eventful period, during which Uzbekistan has undergone a transformative period marked by developments across various business sectors such as betting games, cryptocurrency, telecommunications, e-commerce, corporate governance, construction, and financial services.

Leges Advokat law firm has prepared the following bulletin with updates on the business matters of the Republic of Uzbekistan.

1. LEGAL HEADLINES IN DECEMBER 2024

– Legalization of betting games

Starting from 1 January 2025, it is permitted to conduct risk-based games on the internet and betting activities (the “**betting services**”) in Uzbekistan. The activities are subject to **state license** from the National Agency of Perspective Projects (the “**licensing authority**”).

The Resolution of the Cabinet of Ministers No. 814 dated 12 December 2024 approves adoption of the following regulations on¹:

- license requirements and conditions of rendering betting services;
- restrictions when rendering betting services;
- digital (remote) identification of client;
- types and amounts of payments for rendering betting services.

Alongside the above, the Resolution establishes that:

- for the participation in betting games to be lawful, the organizer of betting services must hold a state license;
- the state license is valid for **five years**;
- organizers for betting services must use only **one Uzbek domain name**;
- the software of organizers of betting services as well as random number generator technologies for lotteries, **must be certified** by the relevant conformity assessment bodies and testing laboratories determined by the licensing authority;
- funds raised from lotteries must be distributed (paid) to the winners as prizes in the amount of at least 50% for traditional lotteries and at least 75% for electronic lotteries.

– State Fees for Crypto Service Providers Finalized

The Director of the National Agency of Perspective Projects issued an order No. 3584 on December 17, 2024 that establishes state fees for the issuance of a state license²:

¹ <https://lex.uz/ru/docs/7257893>

² <https://lex.uz/ru/docs/7266222>

<i>Activity Name</i>	<i>State fee</i>	<i>UZS / USD</i>
• crypto exchanges	73,400 BEA ³	27,5 bln / approx. 2,1 mln
• mining pool	3,000 BEA	1,1 bln / approx. 87,210
• crypto-depository	7,000 BEA	2,6 bln / approx. 203,500
• crypto store	3,700 BEA	1,4 bln / approx. 107,560

– **Telecom Industry for Change: The New Law Takes Effect**

On December 27, 2024, the President signed the New Telecommunications Law (the “**New Law**”), which came into effect one day later⁴.

The New Law is more polished and comprehensive in its regulation of the telecom industry and differs in the following key aspects:

- The definitions of **active** and **passive** telecommunications infrastructure were added;
- **Some powers of the Ministry of Digital Technologies**, including issuance of licenses to telecom companies **were shifted to the Independent Regulator** (*which is not specified yet*). This practice was adopted due to “concentration of all regulatory functions of the sector in a single body”⁵ and is aimed at developing an open and competitive market.

Please note that the New Law provides that Independent Regulator is a financially, structurally and decision-making independent legal entity regulating telecommunications.

- Operators and providers **may jointly use active and passive telecommunication infrastructure** on a contractual basis.
- It is prohibited to construct and take into use any buildings and structures without telecommunication facilities.

– **New Regulations for E-Commerce Operators in Uzbekistan**

Pursuant to the Governments’ Resolution No. 885 dated 28 December 2024, to ensure protection of rights and interests of market participants, the followings measures were introduced⁶:

³ **Note:** BEA is a basic estimate amount used for calculation of state fees, charges and other payments in Uzbekistan. As of publication date, 1 BEA = 375,000 UZS.

⁴ <https://lex.uz/ru/docs/7283074>

⁵ <https://asr.gov.uz/ru/news/11918>

⁶ <https://lex.uz/ru/docs/7284840>

- e-commerce operators, including operators of electronic trading platform (e.g., Amazon, AliExpress, eBay), online ordering aggregators (e.g., Booking.com, MyTaxi, Olx.uz) and streaming media service (e.g., Netflix, YouTube, Spotify) may operate in Uzbekistan **only if they have legal presence** and integrate the system with tax and customs authorities;
- e-commerce operators must fulfill **a notification requirement** before conducting any business activity (i.e. notify the National Agency of Perspective Projects of Uzbekistan);
- a state register of e-commerce operators will be set up;
- comply with the list of requirements and conditions as specified by the Resolution.

Please note that the above changes will apply starting from July 1, 2025.

2. LEGAL HEADLINES IN JANUARY 2025

– The End of Certain Benefits and Preferences

As per the Resolution of the Cabinet of Ministers No. 18 dated 18 January 2025 “On amendments to some decisions of the Government in virtue of aligning export support measures with WTO agreements”, the following **exemptions related to customs duties** are **canceled** for⁷:

- business entities registered in the Special Economic Zones (SEZ) on imported equipment, as well as raw materials, materials, and components for the production of goods intended for export;
- participants of the “Angren” and “Jizzakh” SEZs on imported raw materials, materials, and components for goods intended for export;

– Equity Participation Construction: Ensuring Investor Protections & Shorter Timeline

In accordance with the Presidential Decree No. 11 dated 23 January 2025 “On measures to enhance housing construction and improve regulatory mechanisms for residential and non-residential facilities through equity participation”, the following initiatives will be enforced under the principle of “Full Building Life Cycle”:

- a. construction and contracting organizations, developers and customers can attract funds from equity participants in the construction (the “investors”) only through **a notarized**

⁷ <https://lex.uz/ru/docs/7330329>

agreement (the “**equity participation agreement**”), which must be state-registered with the cadastral authorities;

- b. investor funds will be placed in **an escrow account** with an Uzbek bank (the “**bank**”);
- c. **financing** for construction must come from **the developer’s own funds**, project financing from banks or other legal sources;
- d. a new system will allow banks to allocate target loans to developers only after they have completed **at least 30%** of the construction work **at their own expense**;
- e. after completing construction and installation works:
 - funds deposited in the escrow account will be directed by the bank to repay the developer's allocated loan, with the remaining amount transferred to the developer;
 - the developer and investor will sign **an act of transfer** for the construction facility;
 - the cadastral authorities will perform **state registration** of the investor's ownership rights to the property.

3. LEGAL HEADLINES IN FEBRUARY 2025

– Green Light for Shareholders Agreement (SHA): New Era Begins

The Law “On introducing amendments to legal acts of Uzbekistan to further improve legal ground for corporate relations” No. 1025 dated 7 February 2025 will bring the following reforms⁸:

- the ‘**unitary enterprise**’ and ‘**additional liability company**’ company forms are abolished;
- the official status of ‘**corporate agreement**’ (*i.e. SHA*), ‘consortium’ and ‘consortium agreement’ are established:
 - As per SHA, shareholders agree to exercise or refrain from exercising their membership rights in the company, including voting at shareholder meetings, managing the company, and buying or selling shares, either at a specified price or under certain conditions.
 - SHA cannot include provisions on voting of shareholders in accordance with instructions of company bodies (i) and on the structure of company bodies (ii) and their powers (iii). Any contradictory provisions will be null and void.

⁸ <https://lex.uz/ru/docs/7367738>

- Parties to SHA must notify the company within fifteen days of the agreement's conclusion, without disclosing its contents. Failure to do so allows non-participating members to seek compensation for any resulting damages.
- **foundation agreements** of shareholders no longer need to be registered;
- **decisions of supervisory boards** on the issue of shares, corporate bonds and other securities are no longer published as a material fact;
- The authorized body for securities market regulation (*currently – National Agency of Perspective Projects*) no longer publishes information regarding the state registration of the **securities issue**, as well as the **issuance of a license** to carry out professional activities on the securities market.

Please note that the Law comes into force on May 8, 2025.

– **Uzbekistan Welcomes Microfinance Banks**

The new Law “On introducing amendments to legal acts of Uzbekistan to improve microfinance activity” No. 1026 dated 12 February 2025⁹ aims to enhance accessibility to financial services by establishing a legal landscape for microfinance banks to operate in the Uzbek market.

Microfinance banks must carry out their activities taking into account the following:

- the amount of individual deposit does not exceed the legally guaranteed deposit limit determined by the legislation;
- **maximum risk per a borrower** or a group of interrelated borrowers does not exceed **5 billion UZS**;
- at least 70% of loans must be for business and income-generating activities;
- opening foreign bank accounts, issuing guarantees for foreign entities, and providing foreign trade services are **prohibited**;
- investments are made only in highly liquid debt securities determined by the Central Bank.

⁹ <https://www.lex.uz/ru/docs/7373975>

CONTACT US

Email

info@legesadvokat.com

Website

<https://www.legesadvokat.com/>

Phone

+998(71)-241-16-63

Address

Build. 2, suite 1, Zulfiyakhonim str., Tashkent, 100128