

**LEGAL ALERT**

**ON CHANGES IN BUSINESS REGULATION IN**

**UZBEKISTAN**

**LEGAL ALERT IN RECAP**

**August 2023:** New regulations and changes in the business sector of Uzbekistan were aimed to improve and develop a better legal framework for water management and related structures, economic relations with Qatar, real estate and cadaster issues resolution, amending of the customs system, tax reporting in voluntary liquidation, advancement of construction professionals, and compliance with WTO agreements.

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

## 1. WHAT CHANGES ARE COMING INTO FORCE IN SEPTEMBER 2023?

- The minimum amount of the bank's charter capital must be increased up to **200 billion Uzbek soums** (approx. USD 16,4 million; *previously – 100 billion Uzbek soums*) [<https://lex.uz/ru/docs/6437272>].
- Wholesale and retail traders of tobacco products, alongside wholesale beer traders, are now permitted to commence their business operations **via notification** [<https://lex.uz/ru/docs/6423141>].
- The state warrants (orders) and certificates on privatization of **real estate objects and state shares** are issued by the State Service Centers and/or through the Unified Portal of Interactive State Services (“EPIGU”) with a QR code stamped [<https://lex.uz/docs/6417195>].
- Contracts with buyers who have acquired state **real estate assets through online auctions** are executed electronically on the Electronic Trading Platform “E-auksion” (with the use of an electronic digital signature), in accordance with the auction results' minutes [<https://lex.uz/docs/6417195>].
- The practice of monitoring the **interim fulfillment of investment obligations** involving quarterly site visits by employees of relevant ministries and departments is canceled [<https://lex.uz/docs/6417195>].
- **Travel agents** are no longer required to have a website in at least two foreign languages with electronic payment and booking services. Similarly, **tour operators** are now exempt from the requirement to have a website providing electronic payment services [<https://lex.uz/ru/docs/6549290>].

## 2. QATAR & UZBEKISTAN COOPERATION

The newly adopted Resolution of the President of Uzbekistan No. 288 dated August 28, 2023 approved the following agreements between the Governments of Uzbekistan and Qatar:

- On Mutual Promotion and Protection of Investments;
- On Elimination of Double Taxation in Respect of Taxes on Income and on Prevention of Tax Evasion.

The Ministry of Investment, Industry and Foreign Trade, and the Tax Committee were designated as authorized bodies responsible for the implementation of the named international treaties.

## 3. REAL ESTATE & CADASTRE DISPUTES RESOLUTION

Under the newly adopted Resolution of the Cabinet of Ministers of Uzbekistan No. 426 dated August 29, 2023, the new set of rules for pre-trial resolution of disputes arising out of the immovable property registration is approved.

In case of disagreement with the actions or inaction of Chamber of State Cadasters (“**Chamber**”) during real estate rights registration, an individual / legal entity can file a written or electronic appeal through the Chamber’s official website to have the dispute reviewed by the appropriate Commission.

Under the new set of rules, the Chairman of the Commission shall be the head of the territorial department of the Chamber. The Commission includes his deputy, as well as representatives of the territorial department:

- Ministry of Construction;
- justice authorities;
- tax authorities;
- Chamber of Advocates.

The filing shall be reviewed by the Chamber in ten days from the date of receipt of the filing.

Please note that in case of disagreement with the decision of the Commission, the applicant may appeal to the Appellate Commission within two months from the date of receipt of the decision.

#### 4. WATER MANAGEMENT FACILITIES REGULATION

The President of Uzbekistan signed the new Law “On the Safety of Hydraulic Structures” No. 865 on August 30, 2023.

Hydraulic structures include:

- dams of reservoirs;
- dams on rivers, sai, canals and collectors;
- structures blocking river beds;
- water intake, culverts, spillways and bank protection structures;
- hydroelectric power stations;
- pumping stations.

Hydraulic structures are categorized into classes I, II, III, and IV based on:

- parameters of design parameters of hydraulic structures;
- loads and factors of impact on them;
- materials used in construction;
- operating conditions.

The Inspectorate for Control over the Safety of Water Management Facilities and Water Use, operating under the Ministry of Water Resources, serves as the designated state authority in this field.

Among other things, it holds the authority to prohibit, suspend, or impose restrictions on the economic activities of organizations utilizing water management facilities or conducting economic activities within riverbeds, lakes, and areas adjacent to hydraulic structures if these activities pose a threat to their safety.

The Law enters into force on December 1, 2023.

#### 5. CUSTOMS PROCEDURES

Under the newly enacted Decree of the President of Uzbekistan No. 140 dated August 15, 2023 the following legal novelties were introduced to bring the legislation into conformity with the agreements of the World Trade Organization:

- abolishment of the procedure of exemption from mandatory conformity assessment of products imported from certain states starting from January 1, 2024;
- amending the procedure for marking imported goods in the state language starting from January 1, 2024;
- abolition of the customs clearance fee at the rate of 1.2% of the customs value for imports of medicines and medical devices starting from January 1, 2025.

According to the Resolution of the Cabinet of Ministers No. 407 of 21 August 2023, mandatory marking in the state language of imported consumer goods is now carried out by both the manufacturer and importers (*previously – only by the manufacturer*).

Both Resolutions enter into force on January 1, 2024.

## 6. VOLUNTARY LIQUIDATION & TAX MATTERS

The Cabinet of Ministers adopted a new Regulation No. 400 dated August 19, 2023, inserting amendments into the previous Regulation No. 664 dated November 2, 2023, concerning to provision of tax consultancy services, which are as follows:

- Deadline for notifying the tax authorities in the case of voluntary liquidation is extended from seven to ten working days;
- In case of discrepancy between the tax report of the voluntarily liquidated taxpayer and the data of the tax consultant, the taxpayer is given an opportunity to submit a corrected tax report before receiving the opinion.

## 7. CERTIFICATION OF CONSTRUCTION SPECIALISTS

As per the Presidential Decree “On Measures for Effective Organization of State Management in the Sphere of Construction” No. 151 dated August 28, 2023, the certification system, conducted every three years, is implemented in the following professional categories within the field of urban planning:

### Starting from October 1, 2023:

- specialists performing project management and technical control, including directional control;

<ul style="list-style-type: none"><li>• specialists exercising author's control, as well as chief engineers and chief architects of projects of design organizations;</li></ul>
<ul style="list-style-type: none"><li>• specialists exercising internal control in contracting organizations.</li></ul>
<b>Starting from January 1, 2024:</b>
<ul style="list-style-type: none"><li>• specialists performing control measurements;</li></ul>
<ul style="list-style-type: none"><li>• specialists (experts) of expert organizations;</li></ul>
<ul style="list-style-type: none"><li>• heads of apartment building management bodies;</li></ul>
<b>Starting from April 1, 2024:</b>
<ul style="list-style-type: none"><li>• architects of districts (cities) and regions;</li></ul>
<ul style="list-style-type: none"><li>• inspectors of territorial inspections for control in the sphere of construction and housing and communal services.</li></ul>

At that, the function of certifying of specialists is imposed on the Institute for Competence Development, formed under the Ministry of Construction and Housing & Communal Services.

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