



Legal alert

Overview of key legislative changes in Uzbekistan in December 2020

Investment programme for 2021-2023

On 28 December 2020, the President signed Resolution PP-4937 to adopt the Uzbekistan Investment Programme for 2021-2023, which includes:

- summary forecasts for the development of capital investment in 2021–2023, as well as forecasts for the development and attraction of investment and loans in 2021–2023, stipulating the development of centralised and non-centralised investment of 928.7 trillion Soum, including US\$ 37.5 billion of foreign investment;

- a targeted programme to commission large production facilities and capacity in 2021, creating 226 new production facilities and over 34 thousand jobs.

Regional infrastructure financing

On 18 December 2020, the President signed a Resolution introducing measures to further develop regional engineering and communication infrastructure. A total of 1 trillion Soum has been allocated to the Uzbekistan Social and Industrial Infrastructure Development Programme to finance the construction in 2021 of

external engineering and communication networks for special economic and small industrial zones, projects that give impetus to regional socio-economic development, and also large industrial projects involving direct foreign and domestic investment.

The Resolution stipulates that measures to construct external engineering and communication networks for special economic and small industrial zones, as well as large production projects with the participation of direct foreign and domestic investment are carried out using:

- state funds – to construct, reconstruct and repair drinking water and sewerage networks, and roads;
- loans from the national budget at 5% interest, with repayment within three years – to construct, reconstruct and repair electricity and natural gas networks in accordance with design and estimate documentation approved by suppliers, so as to cover actual supplier costs for the work in question;
- supplier own funds – to construct, reconstruct and repair communication networks in accordance with design estimates approved by suppliers.

The Cabinet of Ministers was instructed to approve targeted measures to provide special economic and small industrial zones with external engineering and communication networks in 2021-2022 within two weeks. In addition, by 1 April 2021, the Cabinet of Ministers should approve Regulations outlining the procedure for reimbursing the State for a part of the cost of creating external infrastructure for foreign and domestic investor projects worth more than 250 billion Soum in order to stimulate direct investment.

Online electronic signatures

According to Resolution of the Cabinet of Ministers of No. 773 dated 7 December 2020, the heads of legal entities are able to register electronic signatures online.

To receive an electronic signature remotely, applicants should fill out an online application form and attach a copy of the main page of their passport (ID) and a passport-size photo clearly showing their face, and pay the relevant fee.

An online electronic signature application may be refused if:

- the identity of the applicant has not been confirmed;
- the application contains inaccurate or incorrect information, for example, the specified mobile phone number does not belong to the applicant;
- the fee has not been paid;
- the documents submitted do not meet requirements.

Applications can be resubmitted by contacting a public services centre directly.

Private entities will be able to perform government functions

The President signed a resolution on 7 December 2020 introducing additional measures to allow the private sector to operate in areas normally regulated by the State, and providing for a phased transfer of state functions to the private sector through outsourcing, crowdsourcing, state orders, accreditation, certification and other methods, as well as expanding public administration opportunities.

For example, in road safety, from 1 March 2021 entities will be entitled to install special automated software and hardware on highways to record traffic violations.

From 1 April 2021, businesses licensed to provide non-state vehicle driver training, retraining and advanced training will be entitled to offer theoretical and practical driver's license exams for all vehicle categories (excluding trams and trolleybuses).

Changes in the procedure for registering legal entities

Resolution No. 763 of the Cabinet of Ministers dated 2 December 2020 introduced a number of changes to Regulations outlining the procedure for the state registration of business entities.

Banks can now open bank accounts remotely in national and foreign currency for legal entities created by Uzbekistan residents and individual entrepreneurs undergoing state registration, provided the necessary conditions are in place as per the requirements of the Group for the Development of Financial Measures to Combat Money Laundering.

Registration will now be rejected:

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- in cases related to changes in the address of a legal entity – the existence of tax arrears of over 300 BRV or if tax reporting does not show the turnover of goods or import sales in full, or if tax reports are submitted late;
- for cases of re-registration associated with the transfer of shares to another entity – the consent of

each founder to change the list of founders has not been given.

At the same time, the lack of a foreign legal entity among the founders of an enterprise with foreign investment is no longer a reason for refusing to register/re-register it.

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