



Legal newsletter

Overview of key measures to prevent and reduce the spread of coronavirus in Uzbekistan

Dear friends,

On 23 March 2020, Cabinet of Ministers Resolution No. 176 introduced measures from 24 March to intensify the procedure in place in Uzbekistan to prevent the spread of coronavirus. The deadline for completing these measures will be announced at a later date.

Restrictions and new requirements for people entering Uzbekistan and Tashkent

Transport links with other countries, domestic flights and public transport have been suspended from 16 March until 30 April.

Entry to Tashkent by all means of transport (bus, minibus, car, air or rail) has been suspended.

Entry to and exit from Tashkent is permitted for people with permanent residence in the city, and employees of

the state authorities and organisations permanently registered in Tashkent Region and working in Tashkent (employees of non-governmental organisations require employer permission), and freight carriers.

Mandatory medical monitoring has been set up to detect signs of coronavirus infection in people entering and leaving Tashkent.

All vehicles, goods and freight entering Uzbekistan from overseas, and Tashkent from other regions, will undergo obligatory disinfection.

Additional stationary posts and police roadblocks can be organised while the intensified measures are in place, if required. The deadline for completing these measures will be announced at a later date.

Transition to online work

According to Minister of Employment and Employment Relations Order No. 3228 from 28 March 2020, all organisations, regardless of departmental subordination and legal form, without prejudice to their core business, can, with their consent, send their people on leave or have them work remotely (or online).

The state authorities and other such organisations will transition to serving the public online.

Uzbekistan law does not directly regulate the remote/online working process. To transfer an employee, employers need to draft an order based on employment contract conditions. Likewise, if provision has been made in a contract, employees may be entitled to compensation for the use of means of communication for work purposes.

Vehicle use restrictions

A ban has been introduced on the use of vehicles for personal purposes from 30 March until 20 April. Travelling by car in Tashkent, Nukus and regional centres, as well as between regions, is permitted only with special permits in the form of a sticker issued by public service centres.

Permits are issued to vehicles used for the following activities:

- official vehicles of organisations involved in the sale of food products, medicines and medical apparatus, as well as the personal vehicles of persons working in these organisations on a permanent basis;
- vehicles belonging to legal entities and individuals involved in the production of sanitary and hygiene products and retail trade, as well as pharmacy activities;
- vehicles belonging to legal entities and individual entrepreneurs involved in the construction of hospitals and squares in the Yukorichirchik and Zangiata districts of Tashkent Region, as well as the Almazar, Chilanzar and Yashnabad districts of Tashkent. At the same time, their employees are allowed to enter Nukus, Tashkent and regional centres on buses (minibuses).

A permit sticker is not required in relation to:

- the diplomatic service vehicles of Uzbekistan and other countries and members of international

delegations visiting in accordance with proposals of the Uzbekistan Ministry of Foreign Affairs.

- vehicles belonging to organisations providing utilities services to the public and organisations (electricity, gas, heat, cold water, sewage and others).
- vehicles belonging to organisations providing mail services.
- vehicles owned by private banks.
- mobile clinics providing medical and epidemiological services.
- law enforcement and special and rescue service vehicles.
- category N1, N2 and N3 and category M1 (with one passenger) vehicles carrying agricultural products.
- vehicles belonging to regional, city and district governors and their deputies.
- linear taxis licensed to carry passengers within the administrative territory in which it is registered to provide courier and delivery services (without passengers).
- vehicles heading to or from a medical facility in cases of medical emergency (pregnancy, personal injury, and other life-threatening situations).
- vehicles used for funeral ceremonies.
- highway patrol service vehicles.

Application of force majeure provisions

If it is impossible to meet foreign trade transaction obligations due to the coronavirus situation, the company may contact the Ministry of Investment and Foreign Trade for a certificate to confirm a force-majeure circumstance, with a copy of the foreign trade transaction or an international agreement.

An entity that has not met a business obligation or that has done so incorrectly will be liable if it cannot be proven that was caused by a force-majeure, that is, emergency and unavoidable circumstances under given conditions (natural disasters, military operations, etc.).

Several factors should be taken into account to apply this rule, including a causal relationship between the circumstances and the non-execution/improper execution of contractual obligations, and due notification of the counterparty of circumstances.

Business support

The President signed Decree No. PP-5969 on 20 March 2020 introducing priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis on the economy, specifically:

- commercial banks will grant loan repayment deferrals (without fines) to tour operators, hotel business entities, transport and logistics companies and other tourism industry companies, as well as entities experiencing financial difficulties due to restrictions on foreign trade operations, until 1 October 2020.
- fines on businesses for overdue receivables on foreign trade operations will be suspended.
- tax audits of business activities have been suspended until 1 January 2021, with the exception of tax audits related to criminal cases and in connection with the liquidation of a legal entity.

Entrepreneurs are permitted to:

- export goods without guarantee security if existing overdue receivables do not exceed 10% of total exports for the reporting year;
- during 2020, make one-off imports of equipment and raw materials in exchange for the repayment of overdue receivables from foreign trade operations.

The President signed a Decree on 3 April 2020 introducing additional measures to support the population, economic sectors and business during the coronavirus pandemic.

Responsibility for violation of quarantine rules

Law No. 613 from 26 March 2020 introduces additional forms of liability in the Administrative Liability Code, Criminal Code and Criminal Procedure Code in connection with changes to the Administrative Liability Code and Criminal Code.

The Administrative Liability Code has been amended as follows:

- if there are appropriate medical grounds, compulsory medical measures in the form of treatment or quarantine may be applied (article 29 of the Administrative Liability Code).
- gathering in public places without a mask during the emergency period contrary to quarantines rules to combat the spread of infections harmful to

humans established by the authorities, is punishable by a fine of up to 5 BRV (article 54 of the Administrative Liability Code).

- a violation of mandatory rules established to prevent the occurrence or spread of infections is punishable by a fine of 20-30 BRV (article 54 of the CAO).

The Criminal Code was also amended to include the following offences:

- for distributing false information on the spread of quarantine and other dangerous infections to humans (article 244 of the Criminal Code)
- for violating sanitary legislation and rules for combating epidemics (article 257 of the Criminal Code).

The minimum sanction for these criminal offenses is a fine of 50 BRV, and in the event of aggravated circumstances (death of a person or human victims), the maximum sanction for this offence is up to 10 years in prison.

How Deloitte can help

The Deloitte Legal team will be glad to provide more detailed advice on any issues that you have after reading this newsletter.

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