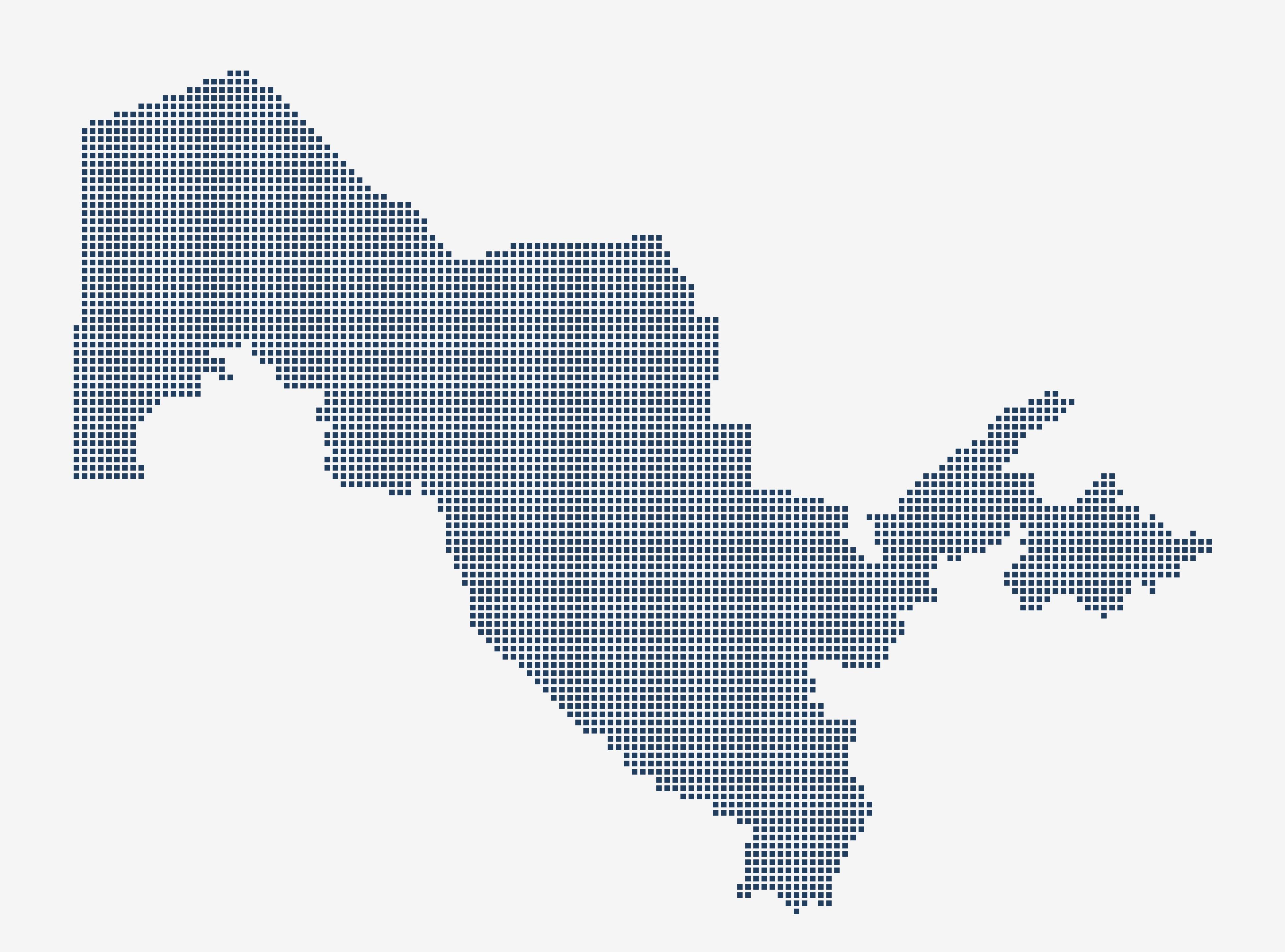




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INVESTMENT PROMOTION AGENCY UNDER
THE MINISTRY OF INVESTMENTS AND FOREIGN TRADE
OF THE REPUBLIC OF UZBEKISTAN



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# Enterprises with foreign investment

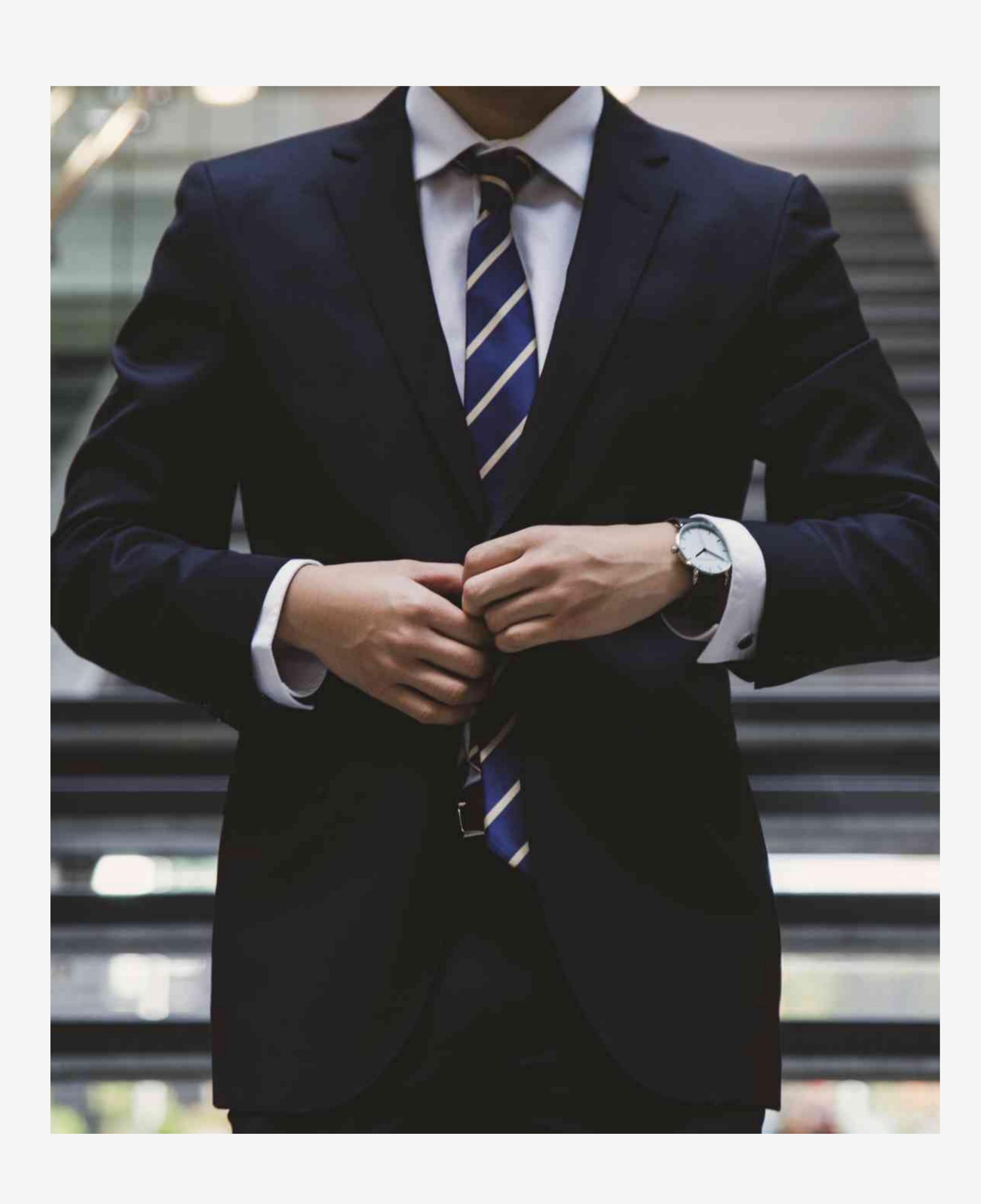
On the territory of the Republic of Uzbekistan, foreign investors can establish enterprises with foreign investments, the activities of which are regulated by the Law of the Republic of Uzbekistan Nº 598 dated 25 December, 2019 (NºLRU-598) "On investments and investment activities" (hereinafter Law). In accordance with Article 3 of Law, enterprises with foreign investments on the territory of the Republic of Uzbekistan are enterprises in which foreign investments constitute at least 15% of shares (stakes, shares) or authorized capital (fund), while the minimum size of the authorized capital must be 400 mln UZS.

Foreign investors can create enterprises with foreign investments on the territory of the Republic of Uzbekistan and enjoy all the rights, guarantees and benefits provided to them by legislation and international treaties of the Republic of Uzbekistan.

The enterprise also has the right to create subsidiaries, branches with the right of a legal entity and other separate divisions that are not legal entities on the territory of the Republic of Uzbekistan in compliance with the requirements of the legislation of the Republic of Uzbekistan, which is enshrined in article 52 of the Law.

In accordance with the Decree of the President of the Republic of Uzbekistan dated August 1, 2018, (Nº DP-5495) "On measures for cardinal improvement of investment climate in the Republic of

Uzbekistan" the foreign citizens and stateless persons who have invested in the Republic of Uzbekistan in the amount of at least 8500 times the basic calculation established in the Republic of Uzbekistan at the time of making investments, in the form of acquiring shares and shares in business entities, as well as the creation of a foreign enterprise, a multiple three-year a visa with the possibility of an unlimited number of extension of its validity period without the need to leave the territory of the Republic of Uzbekistan.



# The most demanded organizational and legal forms of a business entity in Uzbekistan:

### 1. Private enterprise

According to the Law of the Republic of Uzbekistan Nº-558-II dated 11 December 2003 "On a private enterprise" (NºLRU-558-II), a private enterprise (hereinafter - PE) is a commercial organization created and managed by the owner - one individual. The possibility of transferring management powers to hired personnel is excluded.

PE owns separate property, can, on its own behalf, acquire and exercise property and personal non-property rights, bear obligations, be a plaintiff and defendant in court and is responsible for its obligations with all property belonging to it.

The owner of a private enterprise, in accordance with the legislation, bears subsidiary liability for the property belonging to him for the obligations of a private enterprise in case of insufficient property of the enterprise.

In case of bankruptcy, the owner bears unlimited liability for his obligations. This risk is offset by the absence of dividend tax.

# 2. Limited Liability Company

Limited Liability Companies are the most popular form of business in the Republic of Uzbekistan. In accordance with NºLRU-310-II dated 06 December 2001 "On limited and additional liability companies", a limited liability company (LLC) is a business company established by one or several persons, the authorized capital is divided into shares of the size determined by the constituent documents. Members of a limited liability company are not liable for its obligations and bear the risk of losses associated with the activities of the company, within the value of their contributions.

To establish an LLC, the founders of the company must conclude a memorandum of association and approve the charter of the company.

The authorized capital of the company is determined by the charter of the company and consists of the par value of the shares of its participants. The minimum size of the authorized fund (authorized capital) of the company can be determined in the licensing requirements. The number of participants cannot exceed 50 individuals or legal entities.

The LLC participants who have not fully made their contributions are jointly and severally liable for its obligations within the value of the unpaid part of the contribution of each of the company participants.

#### 3. Joint stock company

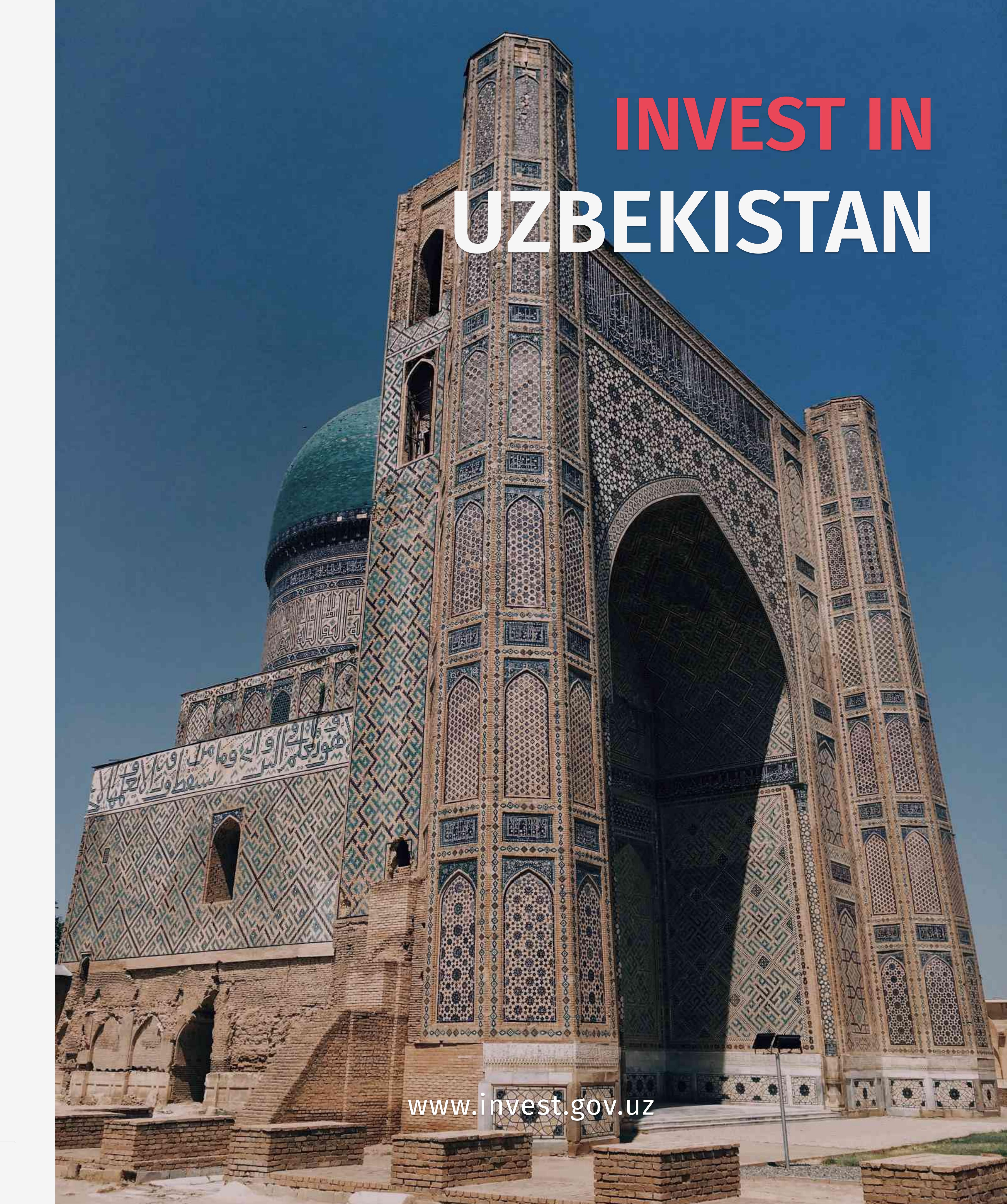
The activities of joint stock companies are regulated by the NºLRU-370 dated 05 May 2014 "On joint stock companies and protection of shareholders' rights". According to NºLRU-370, a joint-stock company (JSC) is a commercial organization, where the authorized capital is divided into a certain number of shares that certify the rights of shareholders in relation to the company. A JSC is responsible for its obligations with all property belonging to it, is not responsible for the obligations of its shareholders, and may also have subsidiaries and dependent economic companies in the form of a joint stock company or a limited liability company.

A JSC can be created through the establishment or reorganization of a legal entity (merger, division, separation, transformation) and is subject to state registration as a legal entity.

The authorized capital of a JSC is made up of the nominal value of the company's shares acquired by shareholders and is expressed in the national currency of the Republic of Uzbekistan. The par value of all shares issued by the company must be the same. The minimum size of the authorized capital (authorized capital) of a JSC can be determined in the licensing requirements. The nominal value of shares cannot exceed five thousand soums (\$ 0,5).

Earlier, when registering joint-stock companies, limited and additional liability companies, business partnerships and family enterprises, their authorized capital could not be lower than the minimum established. The minimum sizes of the authorized funds of the listed above organizational and legal forms of legal entities were fixed in legislative acts. While, nowadays the founders are free to determine the size of the statutory fund, there are no lower boundaries. However, the requirements for the minimum size of the "charter" are currently retained as:

- a) licensing requirements. For example, it is necessary to form a statutory fund in a certain amount in order to obtain a license for the right:
  banking activities at least 100 billion soums;
  activities of microcredit organizations at least 2 billion soums;
  activities of pawnshops at least 500 million soums;
  insurance activity differentiated by type;
  production of ethyl alcohol and alcoholic beverages at least 10,000 minimum wages;
  activities for organizing lotteries at least 200 million soums;
  activities in the direction of "outbound and inbound tourism" at least 400 minimum wages (on the basis of minimum wage rate which set in Uzbekistan, thereinafter minimum wage).
- b) requirements for enterprises with foreign investment. They have a minimum authorized capital of 400 million soums, and in the territory of Karakalpakstan and Khorezm region 200 million soums.



# Business registration

Business registration in Uzbekistan is carried out as follows:

When registering a legal entity (commercial organization), the following are necessary: application and constitutive documents. Exceptions will be mergers, splits, and separations, in which it is also required to present a scanned transfer certificate or separation balance.

Since 2017, business registration is carried out in real time within 30 minutes from the moment of submission of the application. This does not apply to cases: an increase in the authorized fund and the transfer of the share (contribution) of the founders, the registration of which will be carried out within 16 working hours.

With automated business registration (through Unified Portal of Interactive Public Services, EPIGU), the signing of documents by electronic digital signature is required. It is possible to pay state duties through electronic payment systems operating in the republic.

### Procedures:

## 1. Business Registration

There are 2 ways to register a business: in an explicit manner and online registration.

- For registration on an explicit basis:



 The entrepreneur applies to the Agency of Public Services of a certain district and city to complete the necessary data.



 After completing the necessary data, the entrepreneur will be given the invoice number to which payment is made.



• After payment, the "Certificate" will be automatically generated, which the entrepreneur will receive from an employee of the Public Services Agency.

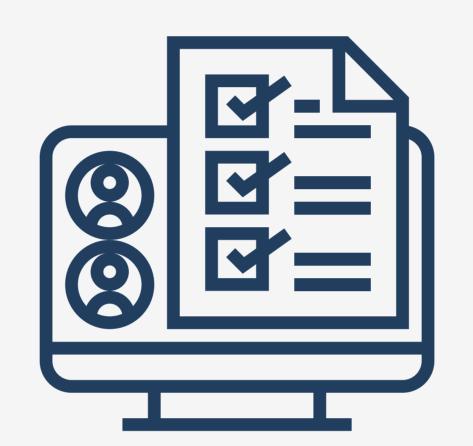
# For online registration (through Unified Portal of Interactive Public Services, EPIGU):



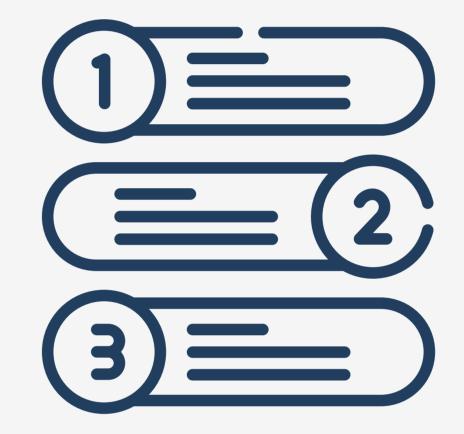
• The entrepreneur receives an EDS key from the Public Services Agency (optional). Automated business registration does not require the signing of documents by electronic digital signature. It is enough to have registration with EPIGU.



 The entrepreneur is then registered on the id.gov.uz website for Login and Password



 After that, he enters the fo.birdarcha.uz website, enters the Login and Password obtained during registration on the id.gov.uz



• After logging in, you need to go to the "Business Registration" section and go through all steps in stages.

By means of an automated system, an enterprise entity can notify all authorized public authorities at the same time about changes in legal or physical address.

# The applicant may:

When making a request via the Internet:

- select a company name for legal entities;
- Issue an electronic request containing relevant information;
- pay the state duty (0,9 Base Calculated Value, about \$21).

# When applying to the registering authority on an explicit basis:

- pay the state duty (1 BCV, about \$24);
- provide originals of relevant documents on paper in one copy;
- fill out the application together with the employee of the registration body.

## Required documents and conditions for registration of a legal entity:







- 1. Passport;
- 2. TIN of an individual;
- 3. Charter and activities;
- 4. Pay a registration fee in the amount of 0.9 1 BCV (about \$ 21.5-24);
- 5. Open a settlement account with a bank;
- 6. The size of the authorized capital. A contribution to the authorized capital of an LLC with one founder can be money, securities, other property or property rights or other alienated rights that have a monetary value;
- 7. Decide on a legal address. Letter of guarantee from the lessor (if necessary);
- 8. Register an LLC with the district tax office. The registration period with the State Tax Inspectorate (STC) is 10 (ten) working days from the date of registration of the LLC.

Detailed information on the procedure for registering business entities was approved by Cabinet of Ministers Decree Nº-66 (NºCMD-66) "On measures to implement the Decree of the President of the Republic of Uzbekistan" dated October 28, 2016 and NºDP-2646 dated 28 October 2016 "On improving the system of state registration of business entities".

#### 2. Opening a bank account

Opening a bank account for all business entities is carried out in a general manner, in accordance with the Instruction on bank accounts opened in banks of the Republic of Uzbekistan, approved by the Decree of the Board of the Central Bank of March 16, 2009. Foreign investors can open the following types of accounts with banks:

- demand deposit accounts;
- savings deposit accounts;
- urgent deposit accounts;
- other deposit accounts.

In order to open bank accounts for business entities, a fee of 0,5 minimum wages (about \$ 12) is charged. To open deposit accounts on demand in national currency, non-resident legal entities submit the following documents to the bank:

- a) application for opening an account;
- b) a copy of the certificate of assignment by the state tax service bodies of the taxpayer identification number, unless otherwise provided by law;
- c) two copies of cards with samples of signatures and a seal imprint in the form in accordance with the Resolution of the Central Bank of the Republic of Uzbekistan;
- d) an identity document of a person (passport or a document replacing it) who has the authority to sign cash settlement documents on behalf of a non-resident legal entity. A copy is accepted by the bank after the presentation of the original identity document;
- e) copies of constituent documents (memorandum of association, charter) certified by a consulate or a notary and amendments and additions made to them by non-resident legal entities participants in open electronic trading of commodity exchanges, foreign investors selling (acquiring) shares at organized auctions;
- f) a copy of an agreement on the provision of brokerage services between a legal entity not a resident a participant in open electronic trading of a commodity exchange and a stock broker;
- g) a copy of the agreement on the provision of brokerage services between legal entities non-residents foreign investors who sell (acquire) shares at organized auctions, and an investment intermediary.

\_\_\_\_\_

# Public-private partnership

Regulation of the implementation of public-private partnership with Uzbekistan is carried out by

NºLRU-537 dated 10 May 2019 "On public-private partnership". According to the Law, the initiator of a public-private partnership (PPP) project can be both the state, represented by local executive authorities, state administration or other bodies authorized by the Cabinet of Ministers of the Republic of Uzbekistan, and a private partner, represented by a foreign investor, enterprises with foreign investments. or another business entity.

#### If the initiator is the state

The state initiator develops the concept of a PPP project, as a rule, in the priority areas of the economy and social sphere, which are within the scope of his competence.

The preparation of a PPP project is carried out on the basis of preliminary financial calculations, ensuring the identification of rationality, efficiency and its optimal form in order to implement it, taking into account:

financial and economic efficiency indicators of the PPP project;

structure and parameters of designed, established, financed, reconstructed, operated or maintained object of public private partnership by the private partner in accordance with the PPP agreement;

expected scope of investments by the private partner and envisaged scope of financing from the budgets of the budgetary system of the Republic of Uzbekistan;

obligations of the public partner and the private partner;

types of state support provided to the private partner;

time periods for holding negotiations; conditions of access to goods (work, services), provided using the object of PPP

In order to take into account, the interests of the population, consumers, users of goods (works, services), the preparation of a PPP project should be accompanied by public discussions.

#### If initiated by a private partner

A private initiator has the right to develop and present a concept of a PPP project to a potential government partner. The concept of a PPP project should contain an innovative approach to solving existing problems and provide a balanced benefit acceptable to the parties.

Before presenting the concept of a PPP project, a private initiator can conduct preliminary discussions, as well as exchange information about the project with a potential public partner. A potential government partner who has received the concept of a PPP project, within 30 days, makes a decision to approve or refuse to implement it.

Possible reasons for refusal implementation are defined in Article 17 NºLRU-537 dated 10 May 2019:

non-compliance of the private initiator with the requirements for applicants established by this Law;

the potential public partner does not have the right of economic management or the right of operational management to the object of public-private partnership;

no need for design, construction, creation, financing, reconstruction, operation and maintenance of a public-private partnership facility;

lack of economic feasibility and (or) social need for project implementation.

If any individual entrepreneur has declared his interest in implementing a PPP project, then a private partner for the project is determined on the basis of a tender.

### Project registration procedure

In case of acceptance of the concept of public-private partnership project submitted by the private initiator with total value exceeding the equivalent of one million USD, the potential public partner submits this concept for agreement to the authorized government body.

If the concepts of public-private partnership project is approved, the potential public partner, within five calendar days, publishes the concept of public-private partnership project, on its official website, on the official website of the authorized government body and other specialized websites, with the proposal to other applicants to declare their interest in implementation of the public-private partnership project.

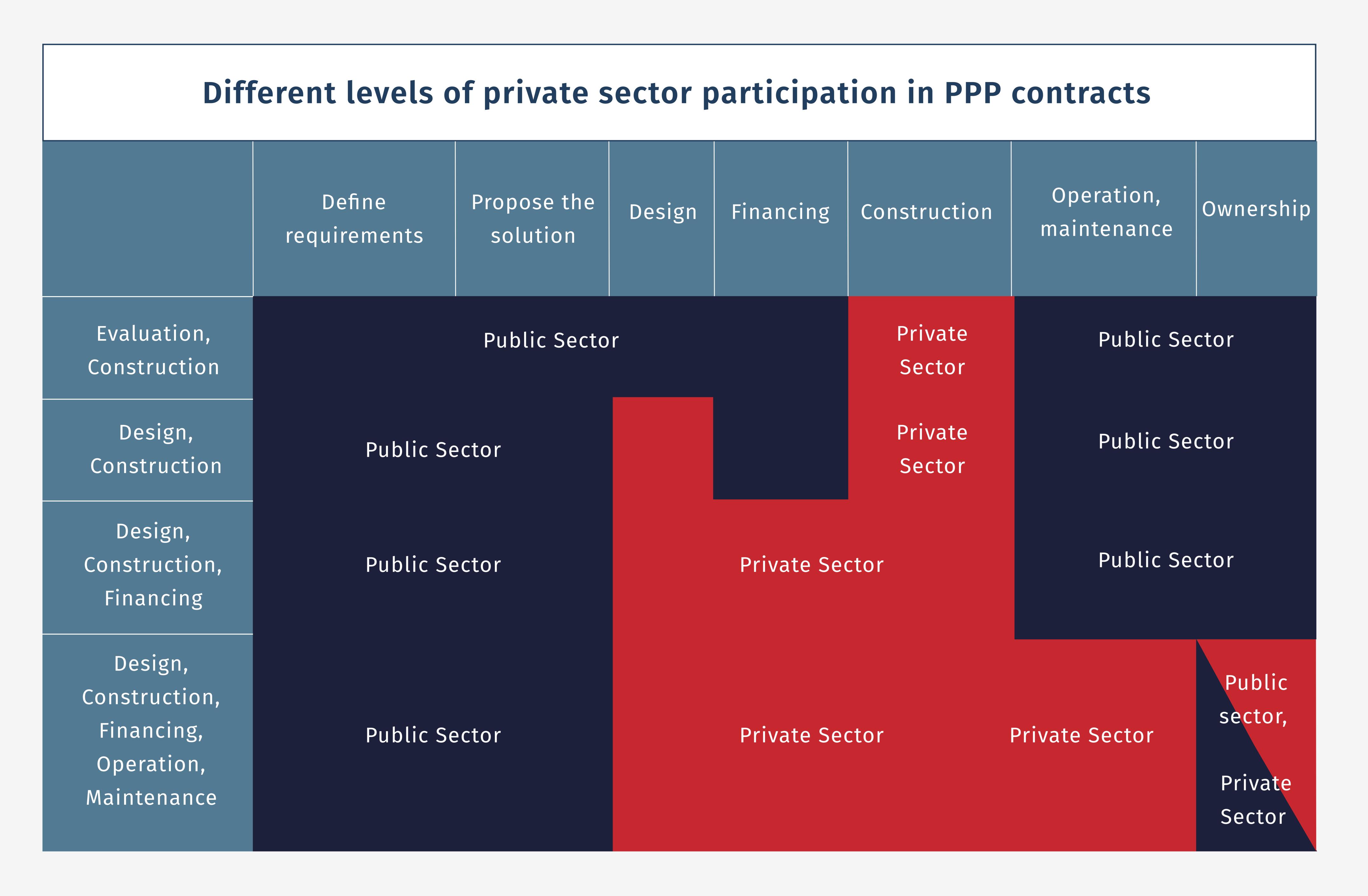
If any individual entrepreneur has declared his interest in implementing a PPP project, then a private partner for the implementation of the project is determined on the basis of a tender. If within 45 days from the date of publication of the concept of the project no one declared interest, then the state representative decides the implementation of the project and starts negotiations, coordinates and concludes a PPP agreement with a private initiator without a tender within 60 days from the date project approval.

The private initiator may be reimbursed for the costs associated with the preparation of the project in the amount not exceeding one percent of the total cost of the PPP project at the expense of the winner or the reserve winner of the tender.

### Approval of the concept of the PPP project

Approval of the concept of a PPP project with a total cost of up to \$ 1 million inclusive is carried out by the state body independently, if the cost of the project is within \$ 1 million and \$ 10 million inclusive, then approval is carried out in agreement with the authorized state body. Approval of the concept of a PPP project with a total cost of over \$ 10 million is carried out by the Cabinet of Ministers of the Republic of Uzbekistan.

After approval of the project concept and its inclusion in the Register of PPP Projects, the public partner makes a decision on the preparation of the PPP project within 30 days.



# Taxation

Table 2. Types of taxes and their rates

Tax type	Payer	Rate
VAT	Legal entities	15%
Income tax	Legal entities (commercial banks, manufacturers of cement (clinker) and polyethylene granules, mobile operators)	20%
	Other legal entities	15%
Income tax	Individuals	12%

Tax type	Payer	Rate
Property tax	Legal entities	2%
Social tax	Business entities	12%
	Budget organizations	25%
Sales tax	Legal entities and individual entrepreneurs	base rate 4%
Subsoil use tax	Legal entities and individuals	The rate varies from 4 to 30%. For example, a flat tax rate of 5%, but not less than 7,500 soums per cubic meter, for the following types of minerals: building sand; Sand and gravel; sandstones; building crushed stone (carbonate rocks); crushed stone (granites, porphyrites and shale rocks).
Water use tax	Enterprises of all sectors of the economy, as well as individuals who use water resources in the process of doing business	182 soums per cubic meter - surface water sources and 221 soums per cubic meter - underground water resources
Land tax	Legal entities and individuals	The base rate varies depending on the region, class and type of land, as well as the city and district.

Actual rates of taxes and payments depending on the territory and type of activity are indicated in №DP-4086 dated 26 December 2018 and the Tax Code of the Republic of Uzbekistan (№LRU-599 dated 30 December 2019)

The taxation of legal entities in Uzbekistan does not depend on their organizational and legal form.

#### Utilities tariffs.

Actual tariffs for electricity supply, cold water supply, hot water, waste disposal, gas supply and heating for individuals and legal entities in the Republic of Karakalpakstan, regions and Tashkent city can be found (in Uzbek and Russian) by the link: http://ek.uz/ru/fees/fees/.

# Protection and guarantees of investors' rights

In accordance with the NºLRU-598 "On Investments and Investment Activities" dated 25 December, 2019, guarantees and measures are established to protect the rights of foreign investors carrying out investment activities in the territory of the Republic of Uzbekistan.

# Article 15. Guarantees of the rights of subjects of investment activity.

The state guarantees the rights of subjects of investment activity. State bodies and their officials are not entitled to interfere with the activities of subjects of investment activities carried out in accordance with the legislation.

State bodies and their officials cannot use the fact of a violation as a basis for interference or restriction of other, not related to investment, legal activities of subjects of investment activity.

The state guarantees non-discrimination against investors in connection with their citizenship, place of residence, place of economic activity, as well as depending on the country of origin of investors or investments.

#### Article 16. Guarantees for the use of funds

The income of the subject of investment activity, received as a result of investment activity, can be reinvested after taxes and payments or used in any other way at its discretion.

Use restrictions or forced withdrawals from accounts of enterprises with foreign and domestic investments on the part of government bodies can be carried out exclusively in the manner prescribed by law.

# Article 17. Guarantees of free transfer of funds

Investors are guaranteed a free transfer of funds in foreign currency to and from the Republic of Uzbekistan without any restrictions, in case of taxes and fees are paid, including currency conversion for repatriation.

Article 18. Guarantees for the return of foreign investments in connection with the termination of investment activities

A foreign investor has the right to terminate

investment activities in the Republic of Uzbekistan.

After the termination of investment activities, a foreign investor has the right to free repatriation in cash or in kind of his assets received as a result of the termination of investment activities, without prejudice to the fulfillment of the obligations of the foreign investor in relation to the Republic of Uzbekistan or other creditors.

# Article 19. Guarantee against unfavorable changes in legislation for an investor

Legislative acts are not retroactive in cases where their execution harms the investor or investment.

If the subsequent legislation of the Republic of Uzbekistan worsens the investment conditions, then the legislation in force on the date of investment is applied to investors within ten years from the date of investment. The investor has the right, at his discretion, to apply those provisions of the new legislation that improve the conditions for his investment.

# Article 21. Investment protection

Government guarantees the protection of investments in accordance with the legislation and international treaties of the Republic of Uzbekistan.

Investments and other assets of investors are not subject to nationalization.

Investments and other assets of investors are not subject to requisition (expropriation), except in cases of natural disasters, accidents, epidemics, epizootics

and in other circumstances of an extraordinary nature.

# Benefits for foreign investors.

In accordance with the Decree of the President of the Republic of Uzbekistan dated April 11, 2005 NºDP-3594 enterprises that attract FDI and specialize in the production of goods (provision of services) in sectors of the economy according to the approved list (according to the appendix of NºDP-3594) are exempt from income tax legal entities, property tax, a single tax payment for micro firms and small businesses, as well as mandatory contributions to the Republican Road Fund.

These tax incentives are provided for the volume of direct private foreign investment:

- from 300 thousand US dollars to 3 million US dollars for a period of 3 years;
- over 3 million US dollars up to 10 million US dollars for a period of 5 years;
- over 10 million US dollars for a period of 7 years



The above tax incentives apply under the following conditions:

- the placement of these enterprises in all cities and rural settlements of the republic, with the exception of the city of Tashkent and the Tashkent region. This territorial restriction does not apply to enterprises operating in the field of tourism and waste management;
- implementation by foreign investors of private FDI without providing a guarantee of the Republic of Uzbekistan;
- the share of foreign participants in the authorized capital of the enterprise must be at least 33%, and for joint-stock societies at least 15%;
- investment of foreign investments in the form of freely convertible currency or new modern technological equipment;
- the direction of at least 50% of the income received as a result of the provision of these benefits during the period of their application, for reinvestment for the purpose of further development of the enterprise.

If the investment conditions deteriorate by subsequent legislation, the benefits provided are valid for the entire period for which they are provided.

The regulation on the procedure for applying these tax benefits was approved by a joint Resolution of the Ministry of Finance, the State Tax Committee and the Ministry of Economy dated August 26, 2016 (Registration Nº-2822).



# Free economic zones in Uzbekistan

The activities of special economic zones (hereinafter - SEZ) are regulated by NºLRU-604 dated 17 February 2020 "On special economic zones" as well as decisions of the President and the Government of the Republic of Uzbekistan.

# Special economic zones can be created in the form of:

free economic zones; special scientific and technological zones; tourist and recreational zones; free trade zones; special industrial zones.

The general requirements for investment projects proposed for implementation on the territory of special economic zones include:

compliance with the requirements of legislation in the field of architecture and construction, technical regulation, ecology and environmental protection, labor protection and industrial safety;

availability of funding sources;

compliance with the functional and industry specialization of the special economic zone;

compliance of the parameters of technological equipment and technological processes with modern energy efficiency requirements.

In addition, there are special requirements for investment projects proposed for implementation on the territory of free economic zones, which are defined in NºLRU-604 dated 17 February 2020 "On special economic zones".

Participants of special economic zones are provided with the specifics of the application of privileges for certain taxes, as well as customs payments in the manner established by the Tax Code of the Republic of Uzbekistan and No.LRU-604. Participants of special economic zones are exempt from paying customs duties (except for VAT and customs clearance fees) for building materials that are not produced in the republic and imported in with the accordance established procedure for the implementation of an project, technological investment equipment, according to the approved list, raw materials, materials and components used for the production and sale of products for export.

Participants in special economic zones have the right to receive a deferral for payment of VAT when importing goods for up to 120 days.

The amount of VAT resulting from the excess of the amount of VAT attributable to offset over the amount of accrued tax is reimbursed to a participant in a special economic zone according to a simplified procedure within 7 days, the procedure for reimbursement is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

The above benefits in accordance with NPDP-4853 dated 26 October 2016 "On additional measures to expand the activity

of free economic zones" are provided for a period of 3 to 10 years, depending on the volume of investments made, including the equivalent:

from \$ 300 thousand to \$ 3 million - for a period of 3 years; over \$ 3 million to \$ 5 million - for a period of 5 years; over \$ 5 million to \$ 10 million - for a period of 7 years; from 10 million and more - for a period of 10 years.

# Labor activity of foreign qualified specialists and labor resources in Uzbekistan

The procedure for attracting and using the labor of foreign labor in the Republic of Uzbekistan was approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan Nº-244 (NºRCM-244) dated 25 March, 2019 "On approval of the Regulation on the procedure for attracting foreign labor in the Republic of Uzbekistan".

Since December 1, 2018, foreign citizens who have invested in the Republic of Uzbekistan in the amount of at least 8,500-times BCV, established at the time of making investments, in the form of acquiring shares of economic companies, as well as creating a foreign enterprise, have the right to carry out labor activities in any positions in this organization without going through any licensing procedures.

According to NºDP-4008 dated 7 October 2018 "On measures to create favorable conditions for the implementation of labor activity in the territory of the Republic of Uzbekistan by qualified specialists of foreign states" from December 1, 2018:

the requirement on the need to obtain (extend) permits for attracting foreign

labor to the Republic of Uzbekistan in terms of highly qualified and qualified foreign specialists has been canceled;

the validity period of the issued confirmations for highly qualified and qualified foreign specialists is, at the request of the applicant, up to 3 years from the date of their issue, with the possibility of an unlimited number of extensions, but not more than 3 years in each case.

#### Also, orders were introduced in which:

highly qualified specialists are foreign citizens who graduated from universities from the Top 1000 in the rating of internationally recognized organizations with at least 5 years of experience in their specialty. The conditions for attracting these specialists to labor activity in the Republic of Uzbekistan presuppose that they receive wages in the amount of at least an amount equivalent to 60 thousand US dollars per year;

qualified specialists are foreign citizens with higher education with at least 5 years of work experience in the declared specialty. The conditions for engaging in labor activities presuppose that they

receive a salary in the amount of at least an amount equivalent to USD 30 thousand per year;

highly qualified and qualified specialists have the right to work part-time in the territory of the Republic of Uzbekistan without receiving confirmation for part-time work;

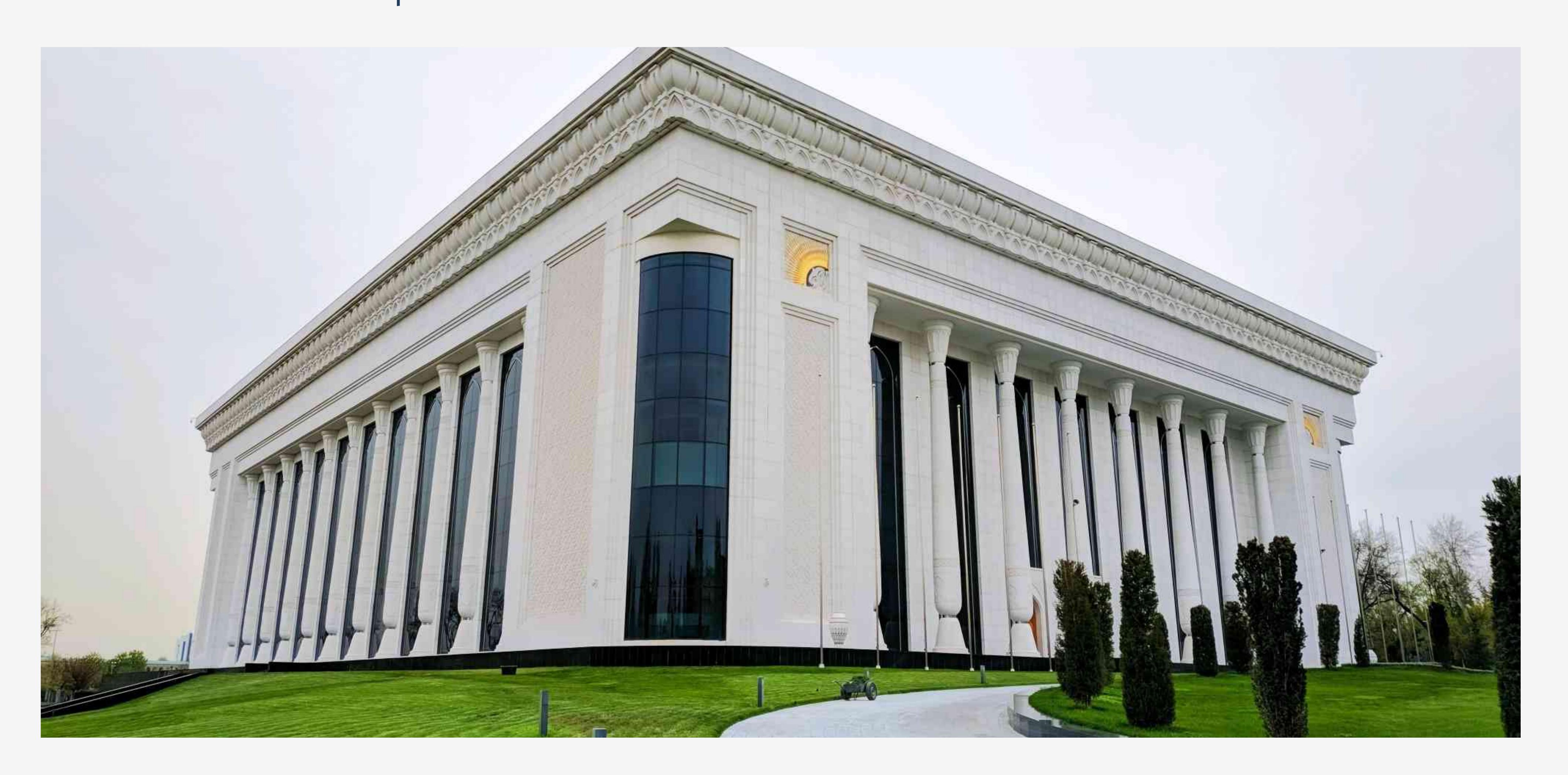
a multiple-entry work visa for highly qualified and qualified specialists is issued for the period of validity of an employment or civil contract, but not more than 3 years;

the extension of the validity period of work visas issued to highly qualified and qualified specialists is carried out without the need for them to leave the territory of the Republic of Uzbekistan for the duration of the labor or civil law contract, but for no more than 3 years in each case.

#### Labor resources in Uzbekistan

The number of labor resources in 2020 exceeded 19 million people. As of 2021, the minimum wage in the Republic of Uzbekistan is 747,300 soums (about \$72).

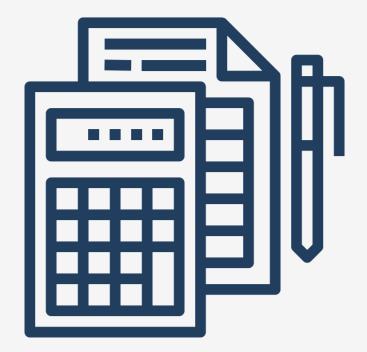
In accordance with the Law of the Republic of Uzbekistan N2-598 dated 25 December, 2019 "On investments and investment activities", foreign investors and enterprises with foreign investments with the aim of carrying out investment activities in accordance with the legislation of the Republic of Uzbekistan have the right to freely conclude labor contracts with citizens of any foreign state and stateless persons, permanently residing outside the Republic of Uzbekistan. Issues of remuneration, granting of leave, pension provision for foreign workers should be resolved in labor contracts with each of them and comply with the Labor Code of the Republic of Uzbekistan.



# Appendix No.1. Step-by-step procedure for registering a business



# Step 1. State registration of the enterprise



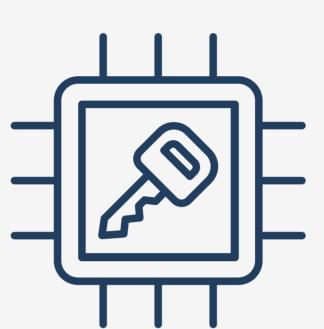
Step 2. Opening a current account

- The center of public services
- Passports of founders, copies of passports, TIN
- Fees amount: 245 000 soums (BCV)
- Time: 30 minutes

- Commercial Bank
- Copies: certificate of the company, charter of the company, protocol of meeting of founders, order on the appointment of the director
- Fees: Free
- Time: 1 hour



# Step 3. Conclusion of a lease agreement



# Step 4. Obtaining an electronic key

- Select a building
- Certificate of the enterprise (copy), order on the appointment of a director (copy), bank details
- Agree on the rental fees

- The center of public services
- Certificate of the enterprise (copy), order on the appointment of a director (copy), bank details
- Fee: 24 500 soums (0,1 BCV)
- Time: 2 days

# Appendix No.2. List of activities for licenses requirement

# Nº Name of forms of entrepreneurial activity

Development, production, repair and sale of weapons and ammunition for them, protective equipment, military equipment, spare parts, components and devices for them, if they are not used in other industries, as well as special materials and special equipment for their production.

- Development, production, transportation, storage and sale of explosive and toxic substances, materials and products with their use, as well as explosives.
- Elimination (destruction, utilization, burial) and processing of released military-technical means
- 4 Production, repair and sale of hunting and sporting firearms, and ammunition for them, as well as edged weapons (except for knives of national types).
- Design, installation, adjustment, repair and maintenance of fire-prevention automation equipment, security, fire and security-fire alarms
- 6 Activities in the field of circulation of sources of ionizing radiation.
- Import (export), storage, sale (release), distribution, transportation, development and production, manufacture, destruction of narcotic drugs, psychotropic substances and precursors, use of narcotic drugs, psychotropic substances and precursors for scientific and educational purposes, for production needs, in including in medicine and veterinary medicine, as well as the cultivation of narcotic plants
- Veterinary activities.
- 9 Medical activity.
- 10 Pharmaceutical activity.
- Design, construction, operation and repair of bridges and tunnels.
- Design, construction, operation and repair of defense facilities.
- Design, construction and operation of high-risk facilities and potentially hazardous industries.
- Development of architectural and urban planning documentation.

15	Expertise of construction projects.	29	Insurance activities of insurers and insurance brokers.	
16 Repair, construction and installation work at heights using industrial mountaineering methods		30	Auditing activity.	
17	Transportation of passengers and goods by rail, domestic	31	Activity of pawnshops.	
	and international.	32	Organization of lotteries.	
18	Urban, suburban, intercity and international transportation of passengers and goods by road.	33	Lawyer activity.	
19	Design, construction, operation and provision of services for telecommunication networks.	34	Establishment of a customs warehouse.	
20	Extraction, processing and sale of oil, gas and gas condensate.	35	Duty free shop establishment.	
21	Extraction of precious and rare earth metals, precious stones	36	Establishment of a warehouse in the customs regime - "free warehouse".	
22	Sale of petroleum products (motor gasoline, aviation gasoline, extra	37	Geodetic and cartographic activities.	
	gasoline, diesel fuel, jet fuel, fuel oil, heating oil, petroleum bitumen, as well as technical oils and lubricants), except for those packaged in factory packages		Publishing activity.	
23	Production of ethyl alcohol and alcoholic beverages.	39	Activities in the field of providing non-state educational services.	
24	Banking activities.	40	Reproduction of audiovisual works, phonograms and computer programs.	
25	Conducting operations in foreign currency by banks.	41	Production of phonograms.	
26	Производство бланков ценных бумаг.	42	Implementation of concert and entertainment activities.	
27	Production of blanks for securities.	43	Exchange activity.	
28	Appraisal activity	44	Tourist activities.	
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45	Wholesale.
46	Manufacture of tobacco products.
47	Activity of microcredit organizations.
48	Development, production, transportation, storage, sale, use, destruction and disposal of pyrotechnic products (except for military products).
49	Real estate activity.
50	Credit bureau activities.
51	Trade in approved uniforms for military personnel and employees of ministries, departments and organizations.
52	Manufacture of jewelry and other products from precious metals and precious stones.
53	Manufacture of jewelry and other products from precious metals and precious stones.

Note: The list was approved by the Resolution of the Oliy Majlis of the Republic of Uzbekistan dated May 12, 2001 No. 222-II

# Appendix No. 3. List of Special Economic Zones of the Republic of Uzbekistan.

## Free Economic Zones of the industrial sector:

- FEZ "Navoi"
- FEZ "Angren"
- FEZ "Jizzakh"
- FEZ "Urgut"
- FEZ "Gijduvan"
- FEZ "Kokand"
- FEZ "Khazarasp"
- FEZ "Nukus"
- FEZ "Syrdarya"
- FEZ "Namangan"
- FEZ "Termez"
- FEZ "Nukus"

## Free Economic Zones of the pharmaceutical industry:

- FEZ "Zomin-farm"
- FEZ "Boysun-farm"
- FEZ "Sirdaryo-farm"
- FEZ "Kosonsoy-farm"
- FEZ "Bustonlik-farm"
- FEZ "Parkent-farm"
- FEZ "Andijan-farm"

# Free Economic Zones of the agricultural industry:

• FEZ "Bukhara-agro"

#### Free Tourism Zones:

FTZ "Charvak"

# Appendix No. 4. Information on the organizational and legal forms of business entities

	Private Enterprise	LLC	Joint Venture LLC	Foreign Venture LLC	JSC
Participants	The owner is one individual.	Individuals or legal entities	Individuals or legal entities	Individuals or legal entities	One or more founders and members.
Charter capital	The legislation does not provide for a minimum amount	It is determined by the charter of the company and consists of the par value of the shares of its participants.	The size of the authorized capital of an enterprise cannot be less than 400 million soums;	The size of the authorized capital of an enterprise cannot be less than 400 million soums;	The size of the authorized capital of an enterprise cannot be less than 400 million soums;
		The minimum size of the authorized fund (authorized capital) of the company can be determined in the licensing requirements.	The size of the authorized capital of an enterprise cannot be less than 400 million soums;	The share of foreign investments is 100% of the authorized capital of the enterprise.	The share of foreign investments is at least 15% of the authorized capital of the enterprise
Constituent documents	The charter	Memorandum of association and charter	Memorandum of association and charter	Memorandum of association and charter	The charter
Attract partnerships and funds	Can't attract	By making contributions to the statutory fund, subject to the consent of all members of the company	By making contributions to the statutory fund, subject to the consent of all members of the company	By making contributions to the statutory fund, subject to the consent of all members of the company	Issue of additional shares

	Private Enterprise	LLC	Joint Venture LLC	Foreign Venture LLC	JSC
	out any activity not	of the contribution	•	Income is taxed at a lower rate.	of shareholders, it is difficult to
ges	owner bears	Restrictions on the sale or assignment of a share in another way	sale or assignment of a share in	sale or assignment of a share in another way	With a large number of shareholders, it is difficult to manage on the part of the owners.  Relatively low liquidity of securities, legal regulation  Need to organize many internal structures:  supervisory board, audit committee, internal audit.

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# Appendix No. 5. The procedure for obtaining land plots in FEZ and SIZ.

Obtaining land plots on the territory of FEZ and Small Industrial Zone (SIZ)

The investor registers an economic entity as a legal entity in the manner prescribed by the

legislation of the Republic of

Uzbekistan

Requirements: Submits a completed investment application to the Directorate Minimum investment amount: USD 300 thousand;

SIZ

Selection of participants in industrial zones is carried out on a competitive basis The announcement of the competition for the selection of participants in industrial zones is published by the Directorate on the basis of the decision of the competition commission in the media at least thirty days before the competition, in at least two periodicals distributed in the relevant territory of the republic, as well as on the websites of the State Competition Committee Of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan, khokimiyats of regions and the city of Tashkent

The announcement must contain the following information:
name, number, characteristics of land plots and production areas
put up for the competition, their location and the availability of
engineering and technical communications; industrial zone profile;
the minimum number of new jobs created; the last deadline
(indicating the day and hour) for accepting applications; name and
postal address of the competition committee, its contact phone
number, telefax, e-mail address; the date, time and place of
opening the envelopes with the proposals of the bidders
(hereinafter - the applicants); address where you can get additional
information.

The decision on the allocation of land is made after the management has considered the business plan or feasibility study of the proposed investment project

To participate in the competition, the applicant submits an application to the Directorate with an attachment in 2 copies of a competitive proposal containing: a copy of the certificate of state registration; name, volumes and range of products planned for release, including for export; the number of new jobs created and newly hired workers at the time of the start of production activities in the industrial zone;

the amount of expected investments;

data on the provision of the project with financing from its own funds, as well as credit resources;

the schedule for the implementation of the project and the start of production activities;

the estimated need for electricity, water supply, gas supply and other types of utilities required for the project.

All of the above sheets must be certified by the seal and signature of the applicant

Bids are submitted by the Directorate for consideration of the tender committee in two copies in sealed envelopes. The tender committee makes a mark on the acceptance of the bids on the second copy of the application, indicating the date and time of their acceptance and returns it to the directorate for sending to the applicant.

Refusal to participate in the competition is not allowed except in cases of filing an application after the expiration of the admission period.

Within a week, the commission determines the winner of the competition The winners of the competition are the applicants who offered the most attractive bids in terms of: the number of new jobs created; competitiveness and relevance of manufactured products (works, services); terms of project implementation and start of production activities; investment volumes.

Applicants who organize the production of export-oriented products, who have real financial capabilities for the implementation of the project, as well as located in the corresponding region of the republic, have an advantage

The winners of the competition are determined by a majority of votes of the members of the commission, while in case of equality of votes, the vote of the chairman of the competition commission is decisive.

If only one applicant participated in the competition, the competition is declared invalid at the same time, the tender commission has the right to consider the tender proposal of the only applicant and decide on its placement on the territory of the industrial zone

The competition is considered invalid: if the winner has not been determined; no decision was made to place a single applicant on the territory of the industrial zone.

In this case, the tender commission sets the date for the re-holding of the tender.

# Appendix No. 6. The list of countries for which a visa-free regime has been introduced when entering the Republic of Uzbekistan:

Uzbekistan has introduced a visa-free regime for citizens of 90 countries.

From 1 March 2021, a visa-free regime will be introduced for citizens of the Kingdom of Bahrain, Qatar, Kuwait, the Sultanate of Oman and the People's Republic of China, including the special administrative regions of Hong Kong and Macau

In this case, citizens of these countries will need to present their own air ticket to a third country for a period of 10 days from the date of entry into the territory of Uzbekistan.

### Visa regime of Uzbekistan with countries

List of countries whose nationals are granted visa-free travel to Uzbekistan

#### No time limit:

- 1. the Republic of Azerbaijan
- 2. Georgia
- 3. Republic of Armenia
- 4. Republic of Belarus
- 5. The Republic of Kazakhstan
- 6. Republic of Moldova
- 7. Russian Federation
- 8. Ukraine

# Up to 60 days:

9. Kyrgyz Republic

Up to 30 days:	32. Kingdom of Sweden
10. Commonwealth of Australia	33. Republic of Latvia
11. Republic of Austria	34. Republic of Lithuania
12. Argentine Republic	35. Malaysia
13. Bosnia and Herzegovina	36. Mongolia
14. Vatican City	37. New Zealand
15. Grand Duchy of Luxembourg	38. United Arab Emirates
16. Hungary	39. Republic of Portugal
17. State of Brunei Darussalam	40. Republic of Bulgaria
18. State of Israel	41. Republic of Indonesia
19. Republic of Greece	42. Republic of Cyprus
20. Ireland	43. Republic of Korea
21. Iceland	44. Republic of Malta
22. Republic of Italy	45. Republic of Poland
23. Canada	46. Republic of San Marino
24. Principality of Andorra	47. Republic of Serbia
25. Principality of Liechtenstein	48. Republic of Slovenia
26. Principality of Monaco	49. Republic of Tajikistan
27. Kingdom of Belgium	50. The Republic of Croatia
28. Kingdom of Denmark	51. Republic of Chile
29. Kingdom of Spain	52. Romania
30. Kingdom of the Netherlands	53. Singapore
31. Kingdom of Norway	54. Slovak Republic

55. United Kingdom of Great Britain and Northern Ireland
56. Republic of Turkey
57. Federative Republic of Brazil
58. Federal Republic of Germany
59. Republic of Finland
60. French Republic
61. Montenegro
62. Czech Republic
63. Swiss Confederation
64. Republic of Estonia
65. Japan
66. Antigua and Barbuda
67. Barbados
68. Belize
69. Grenada
70. Dominican Republic
71. United States of America
72. Republic of Guatemala
73. Republic of Honduras
74. Republic of Costa Rica
75. Republic of Cuba
76. Republic of Nicaragua
77. Republic of Panama

- 78. Republic of Trinidad and Tobago
  79. Republic of El Salvador
  80. Republic of Saint Vincent and the Grenadines
  81. Saint Lucia
- 82. Commonwealth of the Bahamas

83. Commonwealth of Dominica

- 84. Federation of Saint Kitts and Nevis
- 85. Jamaica

# No more than 10 days:

- 86. People's Republic of China, including Hong Kong and Macao Special Administrative Regions of the People's Republic of China.
- 87. Kingdom of Bahrain
- 88. Qatar
- 89. Kuwait
- 90. Sultanate of Oman

# Appendix No. 7. List of normative legal acts

Law of the Republic of Uzbekistan №-598 "On Investments and Investment Activities" dated 25 December 2019.

Law of the Republic of Uzbekistan №-537 dated 05 October 2019 "On public-private partnership" dated 10 May 2019.

Law of the Republic of Uzbekistan №-558-II "About a private enterprise" dated 11 December 2003.

Law of the Republic of Uzbekistan № 328 "On guarantees of freedom of entrepreneurial activity" dated 2 May 2012.

Law of the Republic of Uzbekistan №310-II "On limited and additional liability companies" dated 6 December 2001.

Law of the Republic of Uzbekistan №-370 "On joint stock companies and protection of shareholders' rights" dated 6 May 2014.

Resolution of the President of the Republic of Uzbekistan №-4434 "On additional measures to stimulate the attraction of foreign direct investment" dated 10 April 2012.

Resolution of the President of the Republic of Uzbekistan №-3818 "On measures to further streamline foreign economic activity and improve the system of customs and tariff regulation of the Republic of Uzbekistan" dated 29 June 2018.

Decree of the President of the Republic of Uzbekistan Nº-3594 "On additional measures to stimulate the attraction of direct private foreign investment" dated 11 April 2005.

Resolution of the Ministry of Finance of the Republic of Uzbekistan, the State Tax Committee of the Republic of Uzbekistan, the Ministry of Economy of the Republic of Uzbekistan №-2822 "On approval of the regulation on the procedure for applying tax incentives for enterprises attracting direct private foreign investment" dated 26 August 2016.

Resolution of the Cabinet of Ministers No. 244 "On approval of the Regulation on the procedure for attracting and using foreign labor in the Republic of Uzbekistan." dated 25 March 2019.

Note: this guide is for informational purposes only and has no legal effect.