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Uzbekistan Bars Enterprises with State Participation from Entering into Domestic Arbitration Agreements

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On July 24, 2026, the Law of the Republic of Uzbekistan "On Introducing Additions and Amendments to Certain Legislative Acts of the Republic of Uzbekistan in Connection with the Further Improvement of Arbitration Courts and Strengthening Budget Discipline" No. ZRU-1141 dated April 21, 2026 ("**Law No. ZRU-1141**") came into force.

Law No. ZRU-1141 amended the Law of the Republic of Uzbekistan "On Arbitration Courts" No. ZRU-64 dated October 16, 2006 (the "**Domestic Arbitration Law**"), the Code of Administrative Liability, the Budget Code, the Civil Procedure Code, the Economic Procedure Code, and the Law of the Republic of Uzbekistan "On Public Procurement" No. ZRU-684 dated April 22, 2021.

The amendments tighten the regulation of domestic arbitration, limit the categories of disputes and parties eligible for that mechanism, introduce additional procedural safeguards, and strengthen controls over public funds.

This note summarises the principal changes, with particular focus on the new regulations for domestic arbitration courts.

> Firm's Note:
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> Uzbekistan currently has two separate statutory regimes for arbitral proceedings:
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> - The older domestic arbitration regime is governed by the Domestic Arbitration Law. It regulates non-state permanent and *ad hoc* tribunals ("*treteyskiy sud*") resolving disputes arising from civil-law relations, including economic disputes between business entities. Such tribunals apply exclusively Uzbek legislation, and their arbitrators must be Uzbek citizens meeting statutory qualification requirements. A domestic award is enforced by applying to the competent state court for a writ of execution.
> - International commercial arbitration is governed by the Law of the Republic of Uzbekistan "On International Commercial Arbitration" No. ZRU-674 dated February 16, 2021 (the "**ICA Law**"). The ICA Law is based on the UNCITRAL Model Law on International Commercial Arbitration (1985, with amendments adopted in 2006) and applies to international commercial disputes. The parties may choose any applicable law, including foreign law, and appoint arbitrators irrespective of nationality. An ICA award is subject to recognition and enforcement by the competent state court.
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> Law No. ZRU-1141 amended the Domestic Arbitration Law, but did not amend the ICA Law itself. Accordingly, the restrictions described below were introduced within the domestic arbitration regime. The treatment of a cross-border arbitration clause falling within the ICA Law requires a separate analysis.

1. Enterprises with state participation may no longer enter into domestic arbitration agreements

The most significant reform is an express statutory prohibition applicable to public-sector entities. Under the amended Domestic Arbitration Law, state bodies, state organisations and institutions, enterprises with state participation, and citizens' self-government bodies may not:

- establish a domestic arbitral tribunal; or
- be a party to a domestic arbitration agreement.

The prohibition is backed by administrative liability. If an official permits one of these entities to participate as a party to a domestic arbitration agreement, and the conduct does not amount to a criminal offence, the official may be fined from 5 to 10 basic calculation units ("**BCUs**"). A repeated offence committed within one year after an administrative penalty carries a fine from 10 to 15 BCUs.

The same entities are also prohibited from voluntarily complying with awards rendered by domestic arbitral tribunals.

2. Tighter institutional and jurisdictional rules for domestic arbitration

Law No. ZRU-1141 also introduces stricter requirements for the organisation and jurisdiction of domestic arbitral courts:

- A permanent domestic arbitral court may now be established only:
    - by a non-governmental non-profit organisation;
    - with an approved list of arbitrators that includes at least three arbitrators.
- Domestic arbitral tribunals may no longer now hear disputes relating to:
    - land, the establishment of rights to buildings and structures, or
    - the recovery of funds from the state budget, state bodies, state organisations and institutions, enterprises with state participation, or citizens' self-government bodies.
- Domestic arbitrators must complete a training course under a programme approved by the Ministry of Justice and continuously maintain their professional knowledge and qualifications.
- A person who acted as an arbitrator in a dispute may not subsequently represent a party in the same proceedings.

3. Additional procedural safeguards

The amendments also strengthen procedural protection for affected persons:

- A person who was not joined to domestic arbitration proceedings, but whose rights or obligations were determined by the award, may apply to set the award aside within 30 days after becoming aware of it. If the applicant cannot provide specified supporting documents, the court may obtain them from the person holding them.
- Arbitrators, tribunal-appointed experts, employees of arbitral institutions, and domestic arbitrators may not be compelled to testify in civil proceedings about circumstances learned during arbitral proceedings (the same regulation for economic proceedings was introduced in 2022).

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