



Uzbekistan Legal Newsletter

NOVEMBER 2024

Some of the most notable legal developments in November 2024 included the adoption of new Laws "On Railway Transport" and "On Agricultural Cooperatives", amendments to the Law "On Public Procurement", the introduction of the register of public functions, and measures to streamline regulatory inspections of businesses.

1. NEW LAW ON RAILWAY TRANSPORT

On 27 November 2024, a new Law "On Railway Transport" was adopted. It consolidates earlier efforts to unbundle the state-dominated railway sector and foster competition within it. It will come into force on 1 January 2025, replacing the existing Law "[On Railway Transport](#)" of 15 April 1999. The new Law, among other things, provides the following:

- the state regulates railway sector activities through licensing and permits, technical regulations, tariff policies, monitoring compliance with laws, and other means;
- various participants in the railway services market are defined, including wagon (container) operators, carriers, operator of public rail transport infrastructure, and public rail transport enterprises;
- infrastructure and mainline locomotives of public railway transport shall belong to the operator of public infrastructure and cannot be disposed to third parties. Public railway tracks, the operator of public infrastructure and enterprises servicing the public railway tracks shall belong to the authorized organization in the public railway tracks sector – currently, state-owned JSC "Uzbekistan Railways";
- the carriage of passengers and cargo is subject to licensing. Carriers without their own rolling stock enter into service contracts with wagon (container) operators and the operator of public infrastructure. Access to railway infrastructure is granted by the operator of public infrastructure;
- state-regulated tariffs in Uzbekistan cover public railway infrastructure services, locomotive traction on public tracks, and domestic passenger transport, excluding high-speed and express trains. These tariffs are set by a collegial body authorized by the Cabinet of Ministers. Losses from passenger transport at regulated tariffs are fully compensated by the state budget;
- railway transport facilities and land plots may be transferred to private partners for construction, modernization, and management under public-private partnership (PPP) agreements based on lease, ownership, or use rights for the duration of the agreement;
- the Cabinet of Ministers shall approve the Railway Transport Charter, as well as the rules for licensing and granting permits, tariff formation for public rail transport services, compensation for carrier losses from passenger transportation at regulated tariffs, and access to railway infrastructure.

[Law No. ZRU-1006 of 27 November 2024](#)

2. INSPECTIONS BY STATE AUTHORITIES

The President has signed a Decree aimed at improving the country's business environment, which includes, among other things, measures to streamline regulatory inspections of businesses. The following is provided in the Decree:

- the approval of the following documents: (i) the List of the State Authorities Responsible for Overseeing the Activities of Business Entities with a specification of their respective areas of responsibility ([Annex 1](#) to the Decree); (ii) the List of Inspections Conducted by State Authorities with Notification to the Business Ombudsman ([Annex 2](#)); (iii) the Roadmap for Improving the Protection of the Rights and Interests of Entrepreneurs ([Annex 3](#));
- state authorities not listed as regulators/controllers with respect to specific areas in the List in Annex 1 are not authorized to conduct inspections in those areas;
- inspections of business entities, as per Annex 2, must be notified to the Business Ombudsman and registered in the Unified State Control Information System within 24 hours of starting in cases where the business entity subject to inspection has not been identified or for the purpose of promptly preventing or eliminating risks to citizens' life and health, public safety, state interests, or the environment;
- the activities of business entities classified as "low risk" in the electronic "Risk Analysis" system are not subject to inspection by state authorities;
- starting from 1 January 2025, abolition of administrative liability for: (i) violation of the procedure for displaying fiscal marks; (ii) violation of the rules for mandatory digital labelling of goods (products); and (iii) concealment of the number of employees;
- starting from 1 March 2025, court fees will be refunded to business entities and individuals when parties to a dispute reach a settlement after the initiation of proceedings.

[*Presidential Decree No. UP-184 of 14 November 2024*](#)

3. CHANGES TO LAW ON PUBLIC PROCUREMENT

The Law bringing in amendments to the Law "[On Public Procurement](#)" has been adopted. It will come into force on 1 March 2025 and will provide, among other things, the following:

- a simplified small-value procurement procedure will be added which is carried out by comparing prices obtained from open sources of information or by requesting prices from at least 3 potential suppliers of goods (works, services);
- a two-stage public procurement will also be added for procuring technically complex goods (works, services) of a certain value under a single contract. The process will be carried out in two interrelated stages: (i) the first stage involves submitting and evaluating initial technical proposals that meet the minimum requirements for the goods; (ii) in the second stage the state customer revises the initial requirements based on the submitted proposals and presents the

updated requirements to the participants. The proposals will then be evaluated based on their technical merit and aspects of economic sustainability, including life cycle costs;

- multiple state customers may carry out a centralized procurement of similar goods through a centralized procurement body appointed by the Cabinet of Ministers. The list of such goods will be available on a special portal;
- state customers may enter into framework agreements with multiple winners for a term of 1 to 3 years. These agreements will outline the volume of goods to be procured, although the state customers are not obligated to purchase all the goods listed in the agreement;
- state customers may maintain and regularly update the list of prequalified participants for the supply of separate categories of goods on a special portal. Enlisted participants will be exempt from the prequalification process where the procurement documentation requires it.

[Law No. ZRU-1005 of 27 November 2024](#)

4. REGISTER OF PUBLIC FUNCTIONS

The Cabinet of Ministers has adopted a Resolution approving a Regulation on maintaining the register of public functions with the Ministry of Justice. All functions of state authorities and local municipalities will be entered into the register and regularly updated. The register will be available in open sources.

[Resolution of the Cabinet of Ministers No. 796 of 29 November 2024](#)

5. NEW LAW ON AGRICULTURAL COOPERATIVES

A new Law "On Agricultural Cooperatives" was adopted on 7 August 2024 and will enter into force on 1 January 2025, replacing the existing Law "[On Agricultural Cooperatives \(Shirkats\)](#)" of 30 April 1998. An agricultural cooperative is defined as an independent commercial organization based on the equity principle, formed through the voluntary association of individuals and/or legal entities for the purpose of engaging in agricultural activities. The Law outlines the corporate framework of agricultural cooperatives, detailing the procedures for their formation, charter, membership, governance, capital structure, transaction authorizations, and processes for reorganization and liquidation.

[Law No. ZRU-995 of 8 November 2024](#)

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