



Uzbekistan Legal Newsletter

DECEMBER 2024

Notable legal developments in Uzbekistan in December 2024 included the adoption of the Law “On the State Budget for 2025” and a Law introducing corresponding adjustments in tax rules and rates, the enactment of a new Law “On Telecommunications”, and further improvements to public procurement regulations. Other changes occurred in the railway sector, online gambling and bookmaking, e-commerce, and the management of special economic zones. Additionally, as a result of the President's dialogue with leading entrepreneurs on 20 December 2024, a Presidential Decree was issued to enhance the business environment.

1. STATE BUDGET FOR 2025

On 24 December 2024, the Law “On the State Budget for 2025” was adopted. It, among other things, provides for the following:

- GDP growth is projected at 6% with growth in industry amounting to 6.1%, growth in the service sector – 14.5%, and growth in agriculture – 4.1%;
- inflation is expected to reach 7-8%;
- the total revenues of the consolidated state budget are projected to amount to UZS 430.9 trln (approx. USD 33.3 bln), while the total expenditures – UZS 480.4 trln (approx. USD 37.2 bln);
- the limit of the consolidated budget deficit for 2025 is 3% of GDP;
- the maximum net volume of government securities issued on behalf of Uzbekistan shall not exceed UZS 30 trln (approx. USD 2.3 bln);
- the maximum total amount of external borrowings attracted on behalf of Uzbekistan shall not exceed USD 5.5 bln.

[Law No. ZRU-1011 of 24 December 2024](#)

2. TAX POLICIES FOR 2025

In accordance with established practice, with the adoption of the Law “On the State Budget for 2025”, tax policies and regulations, including tax rates, have been revisited:

- tax rates for most taxes have remained unchanged, including those for corporate income tax (15%, with certain categories at 20%), personal income tax (12%), social tax (25% for budgetary establishments, 12% for other entities), turnover tax (4%), and VAT (12%);
- the excise tax on mobile communication services has been abolished;
- VAT on the sale of state property, including non-agricultural land plots, has been abolished;
- starting from 1 January 2025, the excise tax on petroleum, tobacco products, and locally manufactured alcohol has been increased, while the excise tax on imported alcohol has been reduced. Starting from 1 April 2025, the excise tax on imported and locally manufactured tobacco products will be unified and increased, and an excise tax on non-carbonated drinks and energy and tonic drinks will be introduced;
- basic land tax rates for non-agricultural lands and water use tax rates have been increased;

- until 1 January 2028, the sale of goods and services, as well as the import of goods by budgetary organizations, state unitary enterprises, and legal entities with more than 50% state ownership, will be exempt from VAT for infrastructure projects funded by state external borrowings, from international financial institutions, and foreign government financial institutions. It is established that this exemption also applies to other project participants (though there are no details regarding which specific participants are meant).

[Law No. ZRU-1014 of 24 December 2024](#)

3. NEW LAW ON TELECOMMUNICATIONS

On 27 December 2024, a new Law “On Telecommunications” was adopted. Effective immediately, it replaced the Law [“On Telecommunications”](#) of 20 August 1999. Introducing many changes of a technical nature, the Law also seeks to enhance competition in the telecommunications sector by, among other things, introducing the following novelties:

- licenses for specific activities will now be issued through competitive tenders, with the rules for conducting these tenders to be approved by the Cabinet of Ministers;
- a license is no longer required for the operation or provision of services related to data transmission networks when these networks are used for production or technological processes, or for signal delivery associated with banking, payment systems, payment organizations, and e-commerce platforms;
- in addition to the existing state regulatory bodies, a new independent regulator is envisaged to be designated by the Cabinet of Ministers to assume certain functions of the Ministry of Digital Technologies. This regulator will be responsible for licensing, setting tariffs for specific telecommunications services, approving the list of universal services, protecting user rights, and fostering a competitive environment for operators and providers.

[Law No. ZRU-1015 of 27 December 2024](#)

4. CHANGES IN PUBLIC PROCUREMENT REGULATIONS

The President has signed a Resolution on improving public procurement procedures. The following is, among other things, envisaged by the Resolution:

- starting from 1 January 2025, the Ministry of Economy and Finance (MoEF) will launch a Manufacturers Ecosystem to facilitate the direct participation of manufacturers in public procurement procedures. The platform will feature an industrial map of producers by region and product, as well as a B2B and B2C marketplace, providing opportunities to conclude offtake contracts. The procurement of goods by government customers from manufacturers, included in the Manufacturers Ecosystem, excluding procurements within projects involving international

financial institutions and foreign government financial organizations, shall be carried out on a priority basis;

- producers with "medium" and "high" sustainability ratings will receive a 50% discount on commission fees for participating in public procurement procedures and will be exempt from additional deposit requirements;
- state bodies and state enterprises shall take measures and regularly report on progress in reducing the number of direct agreements and import contracts in public procurement;
- the eligibility of businesses for public procurement will be assessed using a scoring system based on data from the special public procurement information portal;
- MoEF, in cooperation with foreign experts, shall develop proposals to address existing issues and introduce new methods for the participation of consortiums in public procurement procedures;
- a Public Procurement Reform Group will be created under MoEF, comprising active manufacturers, to streamline public procurement procedures.

Additionally, the Cabinet of Ministers has approved a Resolution on public procurement, which, among other things, includes the following:

- the Strategy for the Improvement and Development of the Public Procurement System (2025–2027) ([Annex 1](#) to the Resolution), which focuses on introducing green public procurement, increasing business participation, and enhancing digitalization and risk management;
- the Plan of Measures for Implementing the Strategy for the Improvement and Development of the Public Procurement System (2025–2027) ([Annex 2](#)).

[*Presidential Resolution No. PP-417 of 3 December 2024*](#)

[*Resolution of the Cabinet of Ministers No. 865 of 20 December 2024*](#)

5. MEASURES TO IMPROVE BUSINESS ENVIRONMENT

The President has issued [Decree No. UP-229](#) to foster a favorable business environment, reflecting initiatives proposed during the dialogue of the President with leading entrepreneurs on 20 December 2024. Key measures outlined in the Decree include:

- corporate income tax and VAT rates will not be increased until 1 January 2028;
- Centres for Assisting Entrepreneurs in Entering Foreign Financial Markets will be established under the Chamber of Commerce. These Centres will provide advice to businesses on securing financing from international financial institutions, foreign governmental financial organizations, and other credit institutions;
- the Fund for Reconstruction and Development will allocate an additional USD 100 million in 2025 to JSC "Trade Development Company" to finance loans for replenishing the working capital of agricultural, industrial, and trade enterprises;

- within 1 month from the Decree's issuance, the electronic platform "Open Dialogue with Entrepreneurs" will be fully operational;
- a Roadmap for the Implementation of Business Initiatives has been developed, outlining specific measures to support business growth ([Annex 2](#) to Decree No. UP-229):
 - lease payments for auctioned agricultural land plots may be made over a 10-year installment period;
 - the starting price of agricultural land plots in auctions may be reduced by 2 to 5 times, depending on the size of the plot;
 - the draft Customs Code will be submitted to the Oliy Majlis (Uzbekistan's Parliament) for review to ensure compliance with WTO standards;
 - export restrictions on certain goods will be lifted.

Additionally, [Presidential Decree No. UP-228](#) has been adopted to adjust export financing mechanisms in line with WTO standards and to abolish the compensation for exporters' road, air, and rail transportation costs.

[Presidential Decree No. UP-228 of 27 December 2024](#)

[Presidential Decree No. UP-229 of 27 December 2024](#)

6. GOVERNANCE IN SPECIAL ECONOMIC ZONES

A Law has been adopted to simplify the governance of special economic zones (SEZs) and attract investors. The administrative councils of SEZs have been abolished, with their functions now delegated to the SEZ directorates. Additionally, feasibility studies for investors are no longer subject to mandatory expertise, and decision-making timelines have been streamlined.

[Law No. ZRU-1010 of 5 December 2024](#)

7. RAILWAY SECTOR ACTIVITIES

Following the adoption of the new Law "[On Railway Transport](#)" last month, which aims to unbundle the sector, attract private investment, and liberalize relevant regulation, including tariff policy, the Cabinet of Ministers has adopted a resolution approving comprehensive lists of railway sector activities. These lists categorize all types of railway sector activities as follows:

- List of Regulated Railway Sector Services ([Annex 1](#));
- List of Services Rendered on Market Principles ([Annex 2](#));
- List of Services Rendered to Consumers Free of Charge ([Annex 3](#)).

[Resolution of the Cabinet of Ministers No. 851 of 18 December 2024](#)

8. REGULATION ON E-COMMERCE

The Cabinet of Ministers has adopted a Resolution aimed at improving the regulation of e-commerce activities. The following is, among other things, envisaged:

- e-commerce operators (including trade platform operators, aggregators, and digital streaming operators) must be legal entities based in Uzbekistan;
- the mere provision of product information through digital platforms, without assuming any contractual obligations, will not be considered as engaging in e-commerce operator activities;
- starting from 1 July 2025: (i) e-commerce operator activities may be carried out through a notification procedure without the need for licenses or permits; (ii) a Register of e-commerce participants will be established; (iii) reporting forms for e-commerce participants will be introduced, based on international best practices;
- within 3 months of the Resolution's adoption, the National Agency for Perspective Projects will submit proposals to the Cabinet of Ministers regarding: (i) regulations for e-commerce courier services; (ii) rules for engaging in e-commerce activities in Uzbekistan; (iii) mechanisms for online dispute resolution in e-commerce;
- the List of New Definitions Introduced into E-Commerce Regulation ([Annex 1](#));
- the Requirements for Engaging in E-Commerce Activities through Notification Procedures ([Annex 2](#)).

[Resolution of the Cabinet of Ministers No. 885 of 26 December 2024](#)

9. REGULATIONS ON ONLINE GAMING

The Cabinet of Ministers has issued a Resolution regulating lotteries, bookmaking, and gambling activities on the Internet, which will be permitted starting from 1 January 2025, based on the [Presidential Decree of 19 April 2024](#). The Resolution, among other things, provides the following:

- relevant licences will be issued by the National Agency for Prospective Projects;
- Licensing Requirements for Risk-based Games, Lotteries and Bookmaking Activities on the Internet ([Annex 1](#) to the Resolution);
- Restrictions for Risk-based Games, Lotteries and Bookmaking Activities on the Internet ([Annex 2](#));
- Rules for Digital Identification of Users of Risk-based Games, Lotteries and Bookmaking Activities on the Internet ([Annex 3](#)).

[Resolution of the Cabinet of Ministers No. 814 of 6 December 2024](#)

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