



Uzbekistan Legal Newsletter

FEBRUARY 2025

UZBEKISTAN LEGAL NEWSLETTER: FEBRUARY 2025

In February 2025, Laws were adopted to modernize corporate legislation, introduce the regulation for microfinance banks, and revise the rules for ecological expertise. Other significant legal developments included the enactment of legal acts on implementing the "Uzbekistan – 2030" Strategy in 2025, enhancing foreign trade control, providing exclusive rights to business entities, implementing projects supported by international financial institutions, maintaining the Register of Single Supplies, and regulating underwriting activities. There were also key developments in the energy sector, including the adoption of Presidential Resolution No. PP-39 on the transfer of rights and obligations from JSC "National Electric Grid of Uzbekistan" to JSC "Uzenergosotish" under the signed power purchase agreements with independent power producers and the adoption of Cabinet of Ministers Resolution No. PP-91, establishing rules for licensing activities in the power industry.

1. REFORMS IN CORPORATE LEGISLATION

A Law introducing changes to Uzbekistan's corporate legislation has been adopted. It will come into force on 8 May 2025 and includes the following provisions:

- abolition of the legal form of an additional liability company due to its limited practical application;
- abolition of unitary enterprises and the right of economic management. Existing state unitary enterprises will be transformed into state institutions, limited liability companies, or joint-stock companies, depending on the nature of their activities;
- introduction of the concept of shareholders' agreements to ensure their enforceability. These agreements may regulate how shareholders (i) exercise or waive specific rights, including voting at general meetings, (ii) coordinate company management; (iii) acquire or dispose of shares at a pre-agreed price upon specific events; (iv) refrain from acquiring or disposing of shares;
- introduction of the concept of a consortium agreement. A consortium is an association of legal entities formed to carry out joint activities. Consortia will not have legal entity status, and their members may freely participate in multiple consortia;
- automatic transfer of rights and obligations in cases of reorganization through merger, accession, or change in legal form, regardless of their inclusion in the transfer deed;
- the foundation agreement of a limited liability company and amendments to it no longer have to be registered;
- powers of attorney issued by legal entities to representatives to attend general meetings of shareholders of other legal entities no longer need to be notarized;
- if changes to the charter of a limited liability company are related to the establishment of a branch or representative office, or a change in postal address, the charter does not need to be re-registered. A notification to the registering body is sufficient;

- non-monetary contributions to the charter capital of a limited liability company, valued at over 10,000 times the baseline calculation value (approximately USD 288,000), must be assessed by an appraisal organization. The contribution value cannot exceed the assessed value;
- decisions of supervisory boards regarding securities issuance are now subject to mandatory public disclosure.

[Law No. ZRU-1025 of 7 February 2025](#)

2. NEW LAW ON ECOLOGICAL EXPERTISE

On 24 February 2025, the new Law “On Ecological Expertise, Environmental Impact Assessment, and Strategic Ecological Assessment” No. ZRU-1036 was adopted. The Law will enter into force on 25 August 2025 and replace the current [Law “On Ecological Expertise”](#) No. 73-II of 25 May 2000. Along with technical updates, the Law introduces the following novelties:

- according to the Law, ecological expertise is carried out in the form of state or public (open) ecological expertise. The following are subject to ecological expertise: materials related to the selection and/or allocation of land for all types of construction; pre-design and design documentation; normative, technical, and instructive-methodological documents regulating economic and other activities related to the use of natural resources; documents concerning the creation of new types of technologies and technical means, materials, products, biological and chemical substances, and means for neutralizing, recycling, and disposal of waste; operating enterprises and other facilities that negatively affect the environment and human health; facilities with a special legal regime;
- the concept of strategic ecological assessment is introduced. The following are subject to this procedure: (i) all types of town-planning documentation; (ii) drafts of state programs, concepts, and schemes for the placement and development of production infrastructure, as well as sectors of the economy and the social sphere; and (iii) materials from a comprehensive survey of territories intended for subsequent designation as protected natural areas;
- provisions regarding developers of documentation/materials for environmental impact assessments and drafts of environmental policies have been added to the Law. These organizations must employ at least 2 certified environmental specialists with relevant experience. Together with the project developer (client), design organizations share joint liability for the accuracy and validity of the documents submitted for environmental impact assessment;
- the timeline for conducting ecological expertise is slightly shortened;
- the process for reissuing an ecological expertise conclusion in cases of reorganization or renaming of an entity is streamlined;
- a mechanism for assessing cross-border environmental impact is introduced;
- within 6 months following the publication of the Law, the Cabinet of Ministers shall approve regulations on: (i) the activities of documentation development organizations, (ii) the issuance of qualification certificates for specialists involved in developing documentation for ecological

expertise, (iii) the preparation and assessment of environmental reports for strategic ecological assessment, and (iv) the procedures for conducting public ecological expertise.

[Law No. ZRU-1036 of 24 February 2025](#)

3. REGULATION FOR MICROFINANCE BANKS

On 11 February 2025, Law No. ZRU-1026 was signed to introduce the concept of microfinance banks, bridging the gap between microfinance institutions and conventional banks. Effective immediately, the Law, among other things, provides the following:

- microfinance bank operations are limited as follows:
 - each deposit holding is capped at UZS 200 mln (approx. USD 15,458);
 - the maximum risk exposure per borrower or a group of connected borrowers is set at UZS 5 bln (approx. USD 386,458);
 - at least 70% of the credit portfolio must consist of loans to entrepreneurs and self-employed individuals;
 - opening correspondent accounts in foreign banks, issuing guarantees for foreign obligations, and servicing cross-border transactions are prohibited;
 - only highly liquid bonds, as determined by the Central Bank of Uzbekistan, may be purchased;
 - establishing banks, representative offices, and branches abroad, as well as participating in the creation or capital of foreign banks, is prohibited;
- microfinance banks are subject to licensing by the Central Bank of Uzbekistan. The minimum authorized capital for a microfinance bank is set at UZS 50 bln (USD 3.8 mln);
- conventional banks may engage in fiduciary management of customer funds and assets;
- flexible mechanisms have been introduced to allow the following transformations: from a microfinance institution to a microfinance bank, from a microfinance bank to a commercial bank, from a commercial bank to a microfinance bank, and from a microfinance bank to a microfinance institution.

[Law No. ZRU-1026 of 11 February 2025](#)

4. IMPLEMENTATION OF STRATEGY “UZBEKISTAN – 2030” IN 2025

The President has signed a Decree on the implementation of the Strategy “Uzbekistan — 2030” in 2025, which, among other things, envisages the following:

- as part of the Strategy, it is envisaged that, in 2025, the following measures will be taken:
 - (i) ensure GDP growth of 6% and increase its volume to USD 200 bln;
 - (ii) attract USD 42 bln in foreign investments;
 - (iii) expand exports to USD 45 bln and increase added value in industry to USD 28.5 bln;
 - (iv) keep the annual inflation rate at 5% and the fiscal deficit at 3%;

- green energy initiatives in 2025 will include: (i) increase of the share of renewable energy in the power generation up to 26% by launching solar and wind plants with a total capacity of 4.5 GW, installation of solar panels with a capacity of 785 MW, construction of hydroelectric stations with a capacity of 225 MW; (ii) introduction of a green building certificate based on energy efficiency parameters of new buildings and facilities; (iii) publication of nationally determined contributions (NDC) for the next 5 years and development of national carbon trading mechanisms; (iv) introduction of an accreditation system for companies validating and verifying reduced greenhouse emissions; (v) implementation of environmental, social and governance (ESG) standards in strategic and leading state-owned enterprises; (vi) introduction of green energy tariffs; (vii) and establishment of pilot industrial zones specialized in the manufacture of environmentally friendly products in the Samarkand and Ferghana regions;
- within a month from the date of the Decree, a district/city level program for the installation of solar panels and heliocollectors in 2025 and a nationwide program for the construction of small hydroelectric plants will be submitted to the Cabinet of Ministers;
- responsible ministries will attract USD 500 mln in investments for developing touristic complexes consisting of apart-hotels, capsule houses and other similar facilities in mountainous areas with high touristic potential as well as in coastal zones of reservoirs, water basins and rivers;
- a single window public service system will be made available for investors and 13 types of licenses and permits will be abolished;
- state registration of medical and pharmaceutical professionals, along with the system of electronic prescriptions, will be gradually implemented;
- draft Laws will be developed on: (i) gradual implementation of mandatory environmental liability insurance for enterprises; (ii) the obligation for manufacturers of plastic packaging or plastic products as well as their importers to implement a container return through special waste collection equipment with consumer compensation; (iii) "On Food Safety", "On Anti-Dumping Measures", "On Countervailing Measures", and "On Safeguard Measures" for harmonizing national laws with WTO standards;
- starting from 1 May 2025, the launch of specific production facilities affecting the environment as specified in the Decree will be prohibited in Tashkent, Nukus and regional centres. By 1 October 2025, a proposal on the gradual relocation and modernization of these facilities, as well as all high-energy-consuming enterprises, will be submitted to the Cabinet of Ministers;
- by the end of 2025, a nationwide ban will be imposed on the sale of AI-80 gasoline and the use of fuel oil in thermal and power plants. A proposal will be submitted to implement a carbon levy system for industrial products with high carbon footprint (cement, coal, compressed gas, etc.);
- starting from 1 August 2025, mandatory ecological standards will be adopted. Starting from 1 October 2025, sectoral ecological norms for enterprises in the chemical industry, energy and production of construction materials will be introduced instead of individual ad-hoc ecological norms;

- lists of practical measures/projects for 2025: (i) across the economic sectors ([Annex 4](#) to the Decree); (ii) for saving water resources and protecting the environment ([Annex 7](#)); (iii) in the sphere of public administration ([Annex 10](#)); and (v) in the sphere of international cooperation ([Annex 17](#)).

[Presidential Decree No. UP-16 of 30 January 2025](#)

5. EXCLUSIVE RIGHTS FOR BUSINESSES

The President has issued a Decree regulating the provision of exclusive rights for specific business activities, which, among other things, envisages the following:

- exclusive rights are rights granted to one or several business entities or state organizations for exclusive manufacturing, sale, or purchase of certain goods or services, including the provision of services as a single operator;
- starting from 1 April 2025, exclusive rights will be granted to business entities only on the basis of Laws and Decrees and Resolutions of the President for a period not exceeding 3 years, solely for the purposes of (a) ensuring the constitutional order, public health, defence capability, state and public security, and public order; (b) preventing and eliminating natural disasters, catastrophes, and epidemics;
- starting from 1 April 2025, exclusive rights granted to a number of entities will be abolished, including, among other things: (a) the exclusive right of JSC "Uzbekexpertiza" and its regional divisions to issue certificates confirming that specific property is imported by an enterprise with foreign investment for its own production needs; (b) the exclusive right of the Design Institute "UzEngineering" to develop pre-project and project documentation for investment projects;
- business entities with exclusive rights shall be included in a special register maintained by the Competition Committee and will be subject to regulatory restrictions similar to those that apply to natural monopolies and dominant undertakings;
- by 1 April 2025, the Competition Committee shall conduct an inventory of legislative acts granting exclusive rights and publish their register in the media.

[Presidential Decree No. UP-35 of 28 February 2025](#)

6. ENHANCEMENT OF FOREIGN TRADE CONTROL

The Cabinet of Ministers has issued a Resolution streamlining cross-border trade regulations. It will enter into force on 19 May 2025 and introduce the following changes:

- the Central Bank, the Customs Committee, and the Ministry of Investments, Industry, and Trade shall exercise stricter control over the suspension of operations under foreign trade contracts that are not compliant with foreign trade legislation by commercial banks;

- contracts under which goods and works/services are provided to non-residents for use within Uzbekistan, and payment is made in foreign currency are classified as internal export contracts;
- works/services shall be deemed performed/rendered once the relevant acts or certificates are uploaded into the Unified Electronic Information System of Foreign Trade Operations;
- the concept of a financial agent has been introduced. This refers to banks and other credit institutions that are allowed (licensed) to provide factoring services;
- a local financial agent involved in the transaction will assume responsibility for asset repatriation into Uzbekistan. If a foreign financial agent is involved, the responsibility remains with the exporter;
- a premium of up to 10% on the receivable amount charged by financial agents shall not be considered a debt for the purposes of asset repatriation.

[Resolution of the Cabinet of Ministers No. 77 of 11 February 2025](#)

7. COOPERATION WITH IFIs AND FGFI

The President has issued a Resolution on the development of mechanisms for the implementation of investment projects involving international financial institutions (IFI) and foreign governmental financial institutions (FGFI). The Resolution includes the following key provisions:

- target parameters for 2025 include: (i) attraction of USD 2.76 bln through unsecured loans; (ii) attraction of USD 5.26 bln through loans under sovereign guarantee; and (iii) exploring promising investment projects valued at USD 6.17 bln;
- in 2025, the European Bank for Reconstruction and Development (EBRD) will allocate USD 1.1 billion to support investment projects, while the Islamic Development Bank (IDB) will allocate USD 1 billion. Responsible ministries and agencies, in collaboration with officials from EBRD and IDB, will annually develop an investment portfolio comprising district/city-level projects valued at a minimum of USD 5 mln and regional projects valued at a minimum of USD 50 mln;
- an Emergency Group has been formed to coordinate projects supported by IFIs and FGFI ([Annex 1](#) to the Resolution);
- the Regulation on the Development, Implementation, Monitoring, and Post-Monitoring of Projects Supported by IFIs and FGFI has been approved ([Annex 2](#)). It outlines in detail the procedural aspects and stakeholder roles throughout the entire project lifecycle, covering, among other things, project initiation and pre-project documentation, project implementation and monitoring, modification of project parameters, and project completion procedures;
- financial agreements for projects requiring sovereign guarantees must comply with the state external borrowing cap, State Investment Programs, and the above Regulation. Financing for new investment projects is contingent upon the preparation of project evaluation documents in accordance with the Regulation;

- the Ministry of Justice will issue legal opinions on financial agreements for projects supported by IFIs and FGFI and included in the State Investment Program without requiring special instructions;
- the List of State Bodies and Officials Participating in the Management of IFIs on behalf of Uzbekistan ([Annex 3](#)).

[*Presidential Resolution No. PP-51 of 11 February 2025*](#)

8. REGISTER OF SINGLE SUPPLIERS

The Cabinet of Ministers has adopted a Resolution regulating the procedure for including individuals and legal entities in the Register of Single Suppliers, which allows the conclusion of direct public procurement contracts. Applications can be submitted either through Public Services Centres or the Unified Portal for Interactive Public Services. Responsible state agencies, including the Competition Committee, the Technical Regulation Agency, and others, verify the uniqueness and technological complexity of the goods (works/services) provided by the applicant. Once their positive assessments are obtained, the Ministry of Economy and Finance issues a conclusion and registers the applicant in the Register.

[*Resolution of the Cabinet of Ministers No. 102 of 18 February 2025*](#)

9. REGULATION OF UNDERWRITING ACTIVITIES

The National Agency for Prospective Projects has issued an Order regulating the underwriting activities in the securities market. Effective immediately, it, among other things, envisages the following:

- underwriting services may be provided by licensed investment intermediaries, commercial banks, and foreign investment intermediaries participating in the special regulatory sandbox regime under the [Order of the Agency No. 3493](#) of 29 January 2024;
- issuers may engage underwriters through preliminary negotiations or public or closed tenders;
- underwriters may offer either a fully guaranteed placement of all issued securities or a guaranteed placement of at least 10% of the issued securities;
- underwriters may form temporary associations to collectively manage the risk of potential losses during the placement of securities. In such cases, the underwriting services agreement will be executed between the association and the issuer, with mutual relations among association members governed by a cooperation agreement.

[*Order of the Director of the National Agency for Prospective Projects No. 3610 of 28 February 2025*](#)

10. TRANSFER OF POWER PURCHASE OBLIGATIONS TO UZENERGOSOTISH

Following [Presidential Decree No. UP-166](#) of 28 September 2023 and the new [Law "On the Electric Energy Industry" No. ZRU-939](#) of 7 August 2024, which provide for the separation of functions between JSC "National Electric Grid of Uzbekistan" (NEGU) as the transmission lines operator and JSC "Uzenergosotish" (UES) as the sole purchaser of electric energy, the President has signed a Resolution extending the deadline from 1 January 2025 for the transfer of obligations from NEGU to UES under the signed power purchase agreements with independent power producers. The Resolution has approved the list of projects where rights and obligations have already been transferred to UES ([Annex 1](#) to the Resolution), as well as the list of 39 projects scheduled for the transfer of rights and obligations between 2025 and 2028 ([Annex 2](#)). UES shall, among other things and where applicable, assume obligations to ensure the supply of water and gas, the transmission of energy, and the provision of dispatch management services to the relevant project companies by entering into back-to-back agreements with the appropriate suppliers, including NEGU.

[Presidential Resolution No. PP-39 of 3 February 2025](#)

11. LICENSING OF POWER SECTOR ACTIVITIES

Following the new [Law "On the Electric Energy Industry" No. ZRU-939](#), dated 7 August 2024, the Cabinet of Ministers has adopted a Regulation on the "Procedures for Licensing the Power Sector Activities". The licensed activities include: (i) activities of the electricity market operator; (ii) generation of electric energy; (iii) storage of electric energy; (iv) transmission of electric energy; (v) single off-taker functions; (vi) distribution of electric energy; (vii) supply of electric energy; and (viii) electric energy trading.

Power producers and power storage facility operators operating multiple power plants and/or storage facilities must obtain a separate license for each plant and/or facility. Licenses are issued by the Energy Market Development and Regulation Agency via the Ministry of Justice's "License" IT system. The Regulation outlines the application process, processing timelines, fees, grounds for license suspension and revocation, as well as specific rules regarding asset disposal and pledging, changes in ownership, and reorganization.

[Resolution of the Cabinet of Ministers No. PP-91 of 13 February 2025](#)

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