



Uzbekistan Legal Newsletter

MARCH 2025

UZBEKISTAN LEGAL NEWSLETTER: MARCH 2025

March 2025 was marked by several important legal developments, including the adoption of presidential decisions aimed at improving the operation of special economic zones, aligning foreign trade legislation with WTO rules, reforming the heating and waste processing sectors, enhancing support for small and medium-sized businesses, and promoting localisation through public procurement. Some legal acts were also adopted to conduct mass appraisals of immovable property, support the development of the energy services market and small hydropower plants, and regulate remote participation in company meetings.

1. DEVELOPMENT OF SPECIAL ECONOMIC ZONES

The President has signed a Decree on the further development of special economic zones (SEZ) and industrial zones¹. The Decree, among other things, envisages the following:

- in 2025, SEZs are expected to attract USD 2.3 billion in investments, increase exports to USD 1 billion, and achieve a production output of USD 4.3 billion, while industrial zones are projected to attract USD 800 million in investments, increase exports to USD 512 million, and reach a production output of USD 1.8 billion;
- new special zones will be established exclusively as SEZs or industrial zones, and only on those non-agricultural lands that either have adequate infrastructure or where the development of infrastructure is deemed justified. The establishment of these zones must be coordinated with the Governmental Commission on Investment Attraction, Industry Development, and Trade Regulation (the "Commission");
- investors operating within SEZs and industrial zones will lease land plots for up to 49 years. Relevant amendments will be introduced to the Land Code to reflect this rule;
- the Ministry of Investments, Industry, and Trade is designated as the special authority responsible for managing SEZs, excluding touristic, privately operated, and other special zones specified in legislation;
- special rules for SEZs include the following: (i) they are created to implement export-oriented and high-tech projects; (ii) they may be created as special export zones for implementing

¹ It is worth noting that the terminology used in the Decree is somewhat misleading - by referring to "special economic zones," it appears to imply the free economic zones defined under the Law "On Special Economic Zones," rather than the broader concept of SEZs, which includes all types of special zones, including industrial zones.

exclusively export-oriented projects; (iii) land plots within SEZs are leased directly² to investors based on resolutions of the Cabinet of Ministers, through a selection process conducted by the Commission; (iv) the rent for land plots is determined using coefficients in relation to the market value, as assessed by an appraisal organization; (v) the establishment of service enterprises for residents of SEZs is permitted through the sale of land plots at online auctions; however, such enterprises will not be eligible for tax benefits.; (vi) the time limits on the operation of SEZs are abolished;

- special rules for industrial zones include the following: (i) they are created for the establishment of industrial and manufacturing enterprises based on a master plan in accordance with decisions made by the Councils of People's Deputies of the regions; (ii) the sale of land plots, buildings, and structures at online auctions is carried out by the industrial zone administration, who also determine relevant investment commitments; (iii) only legal entities are permitted to participate in online auctions; (iv) land plots are offered at online auctions with a lease term of no less than 10 years, with the option for privatization or extension of the lease term after fulfilling the investment obligations; (v) the starting rent for land plots is determined in accordance with the established procedure by regional municipalities, and must be no less than the land tax rate;
- the Ministry of Investments, Industry, and Trade in coordination with the Commission may transfer the operation of SEZs and industrial zones to private investors based on investment agreements, following proposals from local municipalities, ministries, and agencies. Private investors shall build the necessary infrastructure and assume investment commitments. They may divide and sublease land plots within the zones they operate;
- a new special export zone "Namangan" will be established. Materials and equipment imported into this zone from abroad will be placed under the "free customs zone" regime and considered as located outside the customs territory of Uzbekistan. Materials, equipment, and services supplied by local companies to participants of the zone will be classified as exports, while goods supplied from the zone into Uzbekistan will be treated as imports;
- starting from 1 June 2025, participants of SEZs will be allowed to place imported goods used in the production of export goods under the customs regime of "processing on the customs territory", without paying customs duties and taxes (except for customs clearance fees);
- by 1 August 2025, a draft resolution on the establishment of a SEZ with at least 500 hectares of land in the Tashkent region will be submitted to the Administration of the President;
- by 1 September 2025, draft laws "On Special Economic Zones" (new edition) and "On Industrial Zones" will be submitted to the Cabinet of Ministers;

² Except for zones specializing in tourism or under private management, as well as special zones specified in legislation.

- a Roadmap for Improving the Institutional Framework of SEZs and Industrial Zones is provided in [Annex 1](#) to the Decree.

[Presidential Decree No. UP-41 of 4 March 2025](#)

2. ALIGNING FOREIGN TRADE LEGISLATION WITH WTO RULES

The President has signed a Decree on harmonising export regulations with WTO standards. The following changes will be effective from 1 July 2025:

- export duties at specified rates will be imposed on certain raw materials and socially significant products, as listed in [Annex 1](#) to the Decree;
- the current practice of authorizing the export of certain products (such as meat and meat products, grain, flour, sugar, etc.) exclusively through decisions of the President or the Cabinet of Ministers will be abolished;
- export fees for silk waste (including silk floss), raw silk, semi-finished leather products, cotton yarn, and knitted fabric will be eliminated;
- the Interdepartmental Commission on Cooperation with the WTO has been tasked with providing quarterly briefings to the Administration of the President and the Cabinet of Ministers on the effectiveness of the implemented export duties and submitting proposals for their modification, if necessary.

[Presidential Decree No. UP-47 of 14 March 2025](#)

3. REFORM OF HEATING SECTOR

The President has signed Resolution No. PP-100 of 11 March 2025, introducing comprehensive reforms in the heating sector. Its key provisions include:

- some goals for the next 5 years are: (i) increasing nationwide coverage by centralized heating networks from 37% to 58%; (ii) reducing heat losses in the heating system from 38% to 20%; (iii) renewing 103 outdated boilers and 1,600 km of heating networks; (iv) implementing modernisation projects through public-private partnership (PPP) mechanisms in 9 cities and districts ([Annex 3](#) to the Resolution), and with the involvement of international financial institutions in 13 cities and districts ([Annex 4](#)); (v) developing and implementing a program for the installation of 8,681 individual heating substations in multi-apartment buildings and social facilities, along with transitioning centralized heating systems to a closed-loop system;
- a new state-owned joint-stock company “Issiqlik taminoti” will be established under the Ministry of Construction, Housing, and Communal Services within 1 month. All existing state-owned heating enterprises (listed in [Annex 1](#) to the Resolution) will be reorganized into limited liability companies, with their shares transferred to the new company;
- starting from 1 June 2025:

- in areas with centralised heating, newly constructed residential, administrative, social, industrial, and commercial buildings must be connected to the heating network;
- newly constructed and reconstructed boiler houses must have sufficient capacity to serve all residential, social, administrative, industrial, and private sector buildings within the heating enterprises' service zones;
- all newly constructed and reconstructed buildings that require technical conditions for infrastructure connection must be equipped with alternative heating systems (e.g., solar collectors, heat pumps) and renewable energy installations, regardless of the funding source;
- the installation of indoor heating and hot water supply systems, as well as metering devices on networks and structures, will be mandatory in multistorey residential buildings;
- all projects for the construction of new, and the modernization or reconstruction of existing centralized heating systems must provide for the implementation of a closed-loop heating system;
- tariffs for heat supply services provided by enterprises within JSC "Issiqlik taminoti" and those operating under PPP arrangements shall be regulated by the Interdepartmental Tariff Commission;
- within 4 months from the date of the Resolution, a draft resolution on the new tariff policy for billing based on the records of heat meters in centralised heating areas transitioned to a closed system shall be submitted to the Cabinet of Ministers;
- a full transition to self-sustainable (commercial) heat tariffs is planned to be implemented by 2030.

Presidential Resolution No. PP-100 of 11 March 2025

4. IMPROVEMENT OF WASTE PROCESSING

The President has signed a Resolution on the development of the waste processing system which, among other things, sets forth the following:

- some of the following goals are aimed to be achieved by 2030: (i) solid waste landfills will be reduced by 50%; (ii) the share of alternative energy generated through waste incineration will increase to 35%; and (iii) newly generated waste will be maximally recycled and incinerated without disposal in landfills, alongside the adoption of circular economy practices;
- eco-industrial zones will be established on landfill sites and will be solely managed by the Waste Management and Circular Economy Development Agency;
- a Coordination Council ([Annex 1](#)) will be formed to select the best proposals through direct negotiations for the implementation of projects valued at a minimum of USD 3 million in eco-industrial zones. These projects will focus on comprehensive waste sorting and recycling, including technologies for producing secondary and finished products, as well as generating alternative energy from waste. The Ministry of Ecology, Environmental Protection, and Climate

Change (the “Ministry of Ecology”) shall submit general plans of eco-industrial zones to the Coordination Council by 1 November 2025;

- the construction of external infrastructure within eco-industrial zones will be financed through state budget funds in accordance with [Presidential Resolution No. PP-4929 of 18 December 2020](#);
- starting in 2026: (i) tariffs for alternative energy generated through waste recycling within eco-industrial zones and sold to consumers within those zones will be set by the Coordination Council; and (ii) new waste landfills will be established by decision of the Cabinet of Ministers, based on a proposal from the Ministry of Ecology;
- electricity generated through waste recycling will be purchased at pre-agreed tariffs under power purchase agreements, with the Agency guaranteeing the supply of waste volumes to eco-industrial zones;
- by 1 June 2026, the Ministry of Ecology, along with local municipalities and responsible ministries, shall submit to the Cabinet of Ministers a Nationwide Target Program for Creating Waste Transfer Stations in 2027-2029 to be financed from the state budget;
- private sanitation enterprises rated in the “green category” may operate in areas that are unallocated and currently served by state unitary enterprises, or where contracts with private companies have been terminated, based on recommendations from the Agency and decisions made by local councils of people’s deputies;
- a target list for the creation of eco-industrial zones for the collection, sorting, neutralization, processing, incineration, utilization, and disposal of waste for the period 2025–2027 ([Annex 3](#));
- a list of incentives and preferences available to investors in eco-industrial zones ([Annex 4](#)).

Additionally, a Law has been adopted to improve the financial sustainability of private sanitation enterprises by enhancing payment discipline among consumers. The Law will enter into force on 8 June 2025 and will temporarily restrict the ability of consumers with overdue waste disposal payments to pay their electricity bills. Outstanding debts must be settled within 5 days of receiving an SMS notification from the electricity supplier.

[Presidential Decree No. UP-56 of 24 March 2025](#)

[Law No. ZRU-1044 of 7 March 2025](#)

5. SUPPORT FOR BUSINESSES

The President has issued a Decree aimed at stimulating the growth of small and medium-sized enterprises (SMEs). The Decree among other things, includes the following measures:

- in 2025, the share of SMEs in sectors such as drinking water supply and wastewater treatment, road construction, waste recycling, migration services, utilities, and cultural and social services is expected to double;

- starting from 1 July 2025, vacant state-owned immovable properties of up to 10,000 square meters will be provided for gratuitous use for a period of 5 years to high-tech manufacturing enterprises;
- starting from 1 September 2025, tax audits will not be conducted during the voluntary liquidation of SMEs that meet all of the following criteria:
 - total revenue from goods or services sales over the past three years does not exceed UZS 10 billion;
 - no outstanding tax liabilities or creditor debts, with a consistent history of tax compliance;
 - classified as "low-risk" under the electronic "Risk Analysis" system.
- by the end of 2026: (i) at least 200 start-ups in emerging business sectors (as listed in [Annex 5](#) to the Decree) will be launched; (ii) the Central Bank of Uzbekistan, in collaboration with commercial banks, will ensure the allocation of USD 50 million for start-ups through the venture funds LLC "United Ventures" and LLC "SQB Ventures"; (iii) by 1 April 2026, the Ministry of Economy and Finance, together with commercial banks with majority state ownership and venture funds, will attract USD 50 million in foreign capital for start-ups;
- starting from 1 July 2025, new regulatory requirements for business entities will come into effect only on 1 January or 1 July, except for regulations addressing emergency situations, threats to human life or health, or aligning national legislation with WTO standards;
- from 1 July 2025 to 1 January 2028: (i) a moratorium will be in place on the adoption of regulatory acts that impose new obligations on SMEs, with the same exceptions noted above; (ii) first-year business entities that commit first-time trade or entrepreneurship violations will be exempt from administrative liability;
- the regulatory guillotine concept will be introduced to reduce the regulatory burden. A comprehensive review of regulatory acts will be conducted every 2 years;
- in 2025, the following legal acts will be developed: (i) a new edition of the Law "On Guarantees of Freedom of Entrepreneurial Activity" and a new Law "On State Control of the Activities of Business Entities"; (ii) legislation supporting the development of PPPs in energy storage systems, attracting private sector participation in the electricity distribution sector, and facilitating the transition to wholesale and retail energy markets; (iii) regulations for the creation of external infrastructure funded from the state budget in cases where multiple projects valued at over UZS 200 billion (approximately USD 15.4 million) are implemented within a single district (makhalla); (iv) measures for outsourcing certain state infrastructure-related functions (services) to private businesses; (v) policies aimed at enhancing infrastructure support for special economic and industrial zones; (vi) promotion of green public procurement practices; (vii) a legal framework to protect businesses against emergency situations; (viii) removal of technical, administrative, and other regulatory barriers limiting market access for businesses; (ix) revision of pledge requirements based on the Basel standards; (x) optimization of insolvency, liquidation, and temporary suspension procedures for businesses; (xi) development of hedging mechanisms to

protect businesses against price volatility; and (xii) introduction of Responsible Business Conduct (RBC) standards;

- Small and Medium Business Development Strategy for 2025-2030 ([Annex 6](#));
- Action Plan for Implementing the Small and Medium Business Development Strategy in 2025 ([Annex 9](#)).

[Presidential Decree No. UP-50 of 19 March 2025](#)

6. DEVELOPMENT OF ENERGY SERVICES MARKET

The President has issued a Decree on the development of the energy services market. The following is, among other things, provided in the Decree:

- A National Energy Efficiency Agency is established under the Cabinet of Ministers to regulate and develop the market. Bank loans will be made available to finance projects of energy service companies using funds deposited by the Agency in commercial banks.
- starting from 1 January 2026:
 - following the implementation of energy efficiency projects in social facilities, these projects will be transferred to private operators through PPPs;
 - an electronic platform (marketplace) will be launched to connect consumers with companies offering services, supplies, and financing in the energy services market;
 - state programs for the development of social and industrial infrastructure will prioritise energy efficiency projects;
- by 1 September 2025, the Agency will launch a digital platform to maintain a register of energy efficiency auditors, consultants, managers, energy service companies, and verifiers;
- by 1 October 2025, green energy efficiency standards will be introduced for manufacturers and importers;
- in 2025, draft legal acts will be developed regarding: (i) amendments to the Law "On Saving Energy, Its Rational Use, and Energy Efficiency"; (ii) mechanisms for corporate power purchase agreements between renewable energy producers, entities involved in the installation of alternative heating and cooling technologies, and consumer enterprises, including those not connected to the centralized district heating network; (iii) a new Regulation on Energy Efficiency Services; (iv) an Energy Efficiency Strategy for 2026–2030.

[Presidential Decree No. UP-63 of 27 March 2025](#)

7. DEVELOPMENT OF SMALL HYDROELECTRIC POWER PLANTS

The President has signed a Resolution on the development of small hydroelectric power plants. The key provisions of the Resolution include:

- a total of 2,983 small hydroelectric power plants, with a combined capacity of 164 MW, are planned for construction. These plants are expected to generate 500 million kWh of electricity annually;
- the above hydroelectric power plants will be designed, constructed, and operated by private entities selected through public auctions in accordance with the public procurement procedure established in [Presidential Decree No. UP-220 dated 9 September 2022](#). Alternatively, LLC “Green Energy” may undertake the construction of these facilities and, upon commissioning, sell them to business entities on an instalment basis - requiring a 30% prepayment and allowing the remaining 70% to be paid over 5 years;
- private operators will lease land plots from the Ministry of Energy, with rent equivalent to the applicable land tax. Energosavdo LLC will guarantee the offtake of the electricity generated;
- tariffs for electricity will be determined in accordance with based on the rates provided in [Presidential Decree No. UP-220 dated 9 September 2022](#);
- the Ministry of Energy has been instructed to secure USD 150 million in funding from the World Bank to support the construction of the hydroelectric power plants;
- specific targets for the construction and commissioning of small hydroelectric power plants are outlined in [Annex 1](#) to the Resolution.

[Presidential Resolution No. PP-129 of 28 March 2025](#)

8. MASS APPRAISAL OF IMMOVABLE PROPERTY

The President has issued a Decree mandating a nationwide mass appraisal of immovable property to determine its real market value and ensure fairer taxation. Effective immediately, the Decree, among others, provides for the following:

- a mass appraisal of immovable property located in Tashkent will be conducted during 2025–2026, with the initiative to be gradually expanded nationwide starting in 2027;
- the Ministry of Economy and Finance (the “Ministry”) is designated as the policy-implementing authority, while the Cadastre Agency (the “Agency”) will act as the specialised expert authority. Executory functions will be assigned to a newly established state institution, the National Centre for Mass Appraisal of Immovable Property, to be created under the Agency;
- the Ministry and the Agency are instructed to: (i) submit a draft regulation on the Centre to the Cabinet of Ministers within 1 month; (ii) approve and officially register the Methodology for Mass Appraisal of Immovable Property within 3 months; and (iii) submit a draft Law “On Mass Appraisal of Immovable Property” to the Cabinet of Ministers by the end of 2026;
- by 1 December 2025, the Ministry must submit a proposal to the Cabinet of Ministers on reducing tax rates and redefining tax bases for property and land taxes, based on preliminary results of the mass appraisal in Tashkent.

[Presidential Decree No. UP-43 of 5 March 2025](#)

9. PROMOTING LOCALISATION IN PUBLIC PROCUREMENT

The Cabinet of Ministers has adopted a Resolution, effective immediately, establishing a framework for cooperation between businesses and public corporate customers (i.e., generally, state-owned enterprises and entities under their control) aimed at localising the production of goods and services previously imported.

Public corporate customers are required to publish and update, on a quarterly basis, a list of goods and services intended for import on a designated page of a special information portal. Both domestic and foreign business entities may electronically submit proposals to supply the listed goods and services, accompanied by the necessary documentation. Proposals will be considered even if submitted by only one participant.

A cooperation agreement is executed electronically with the selected candidate, who must maintain the agreed-upon level of localization and ensure that prices do not exceed the latest import prices.

Following this, and subject to the availability of a localization certificate, a guaranteed offtake agreement is signed for a period of 5 years (10 years for pharmaceutical products).

During the proposal evaluation and tendering phase, additional scoring points may be awarded to local producers based on their degree of localization.

[Resolution of the Cabinet of Ministers No. 159 of 11 March 2025](#)

10. REMOTE PARTICIPATION IN COMPANY MEETINGS

The National Agency for Prospective Projects has issued an Order regulating the remote participation of shareholders, founders, supervisory and management board members in company meetings through information communication technologies. It will enter into force on 26 June 2025 and, among other things, envisages the following:

- for all shareholder meetings, publicly traded companies must provide an option for remote participation. Other companies may offer this option at their discretion or upon request by participants;
- companies may either use their own digital platforms or engage third-party service providers to facilitate remote participation;
- participants must register for meetings through electronic channels that ensure authorization and identification prior to the start of the meeting. Shareholders of a joint stock company register for shareholders' meetings using their digital signatures;
- participants who attend and vote remotely must sign the meeting minutes using a matrix barcode (QR code);
- such minutes must be available for download from the platform and, along with information on remote participants, their representatives, and videoconference recordings, must be stored in the company's archive.

[Order of the Director of the National Agency for Prospective Projects No. 3613 of 24 March 2025](#)

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