



Uzbekistan Legal Newsletter

APRIL 2025

UZBEKISTAN LEGAL NEWSLETTER: APRIL 2025

There were several significant legal developments in April 2025. These included presidential decisions aimed at streamlining and improving privatisation procedures, abolishing certain exclusive rights held by state-owned enterprises, liberalising trade and certification requirements for businesses, promoting agricultural development, and introducing ecological certification. In addition, a number of legal acts were adopted to strengthen financial market operations. These covered improvements to pledge and financing rules, procedures for the sale of foreclosed assets by banks, and the regulation of factoring and guarantee organisations. Uzbekistan also joined the Eurasian Development Bank, a regional financial development institution founded in 2006 by Russia and Kazakhstan.

1. PRIVATISATION MEASURES

The President has signed a Resolution launching a large-scale privatisation initiative involving the country's major state-owned enterprises. The following is, among other things, envisaged in the Resolution:

- the List of Shares in Large State-Owned Enterprises to Be Sold on International and Domestic Markets with the Engagement of International Consultants ([Annex 1](#) to the Resolution);
- the List of Large Enterprises Selected for Initial Public Offerings and Second Public Offerings on International and Local Stock Exchanges ([Annex 2](#));
- the Privatisation Mechanisms for Specific Enterprises ([Annex 3](#));
- the Working Group for the Coordination of Preparation Works for Privatising Shares in Large State-Owned Enterprises ([Annex 4](#));
- the Working Group will facilitate: (i) the preparation of financial reports for state-owned enterprises; (ii) the engagement of consultants to streamline selling procedures; and (iii) the organisation of international media campaigns;
- the State Commission on Privatisation will approve roadmaps for the privatisation of specific enterprises;
- till 1 July 2025, the public sale of thermal power stations on the international market will commence with support from the Ministry of Energy, which will provide guarantees for a minimum fuel supply to ensure investor confidence.

Another Presidential Decree has been adopted to approve the privatisation program for 2025, which, among other things, sets the following:

- goals for 2025 include: (i) the privatisation of state assets and land plots totalling UZS 30 trillion (approximately USD 2.3 billion); and (ii) the sale of shares in 115 companies, 659 immovable properties, 6.1 hectares of land, and permits for at least 30 mineral deposits;

- till 1 January 2030, a moratorium will be in place on the creation of new state-owned enterprises, with exceptions only for entities related to defence and national security, as well as cases specified by the President;
- non-agricultural land plots leased through public auction and compliant with subsequently approved urban development plans may be privatised, unless the lease agreement explicitly provides otherwise;
- results of privatisation cannot be reconsidered or nullified;
- the List of Shares Proposed for Sale via Public Trades ([Annex 1](#) to the Decree);
- the List of Immovable Properties and State-Owned Enterprises to Be Put up for Public Trades ([Annex 2](#));
- the List of Permits for Mineral Deposits to Be Auctioned ([Annex 4](#));
- Incentives for Business Entities for Participating in the Privatisation or Lease of State Assets ([Annex 6](#));
- the Action Plan for Legislative Changes to Expedite Privatisation Procedures ([Annex 7](#)).

Presidential Resolution No. PP-145 of 21 April 2025

Presidential Decree No. UP-70 of 21 April 2025

2. ABOLISHMENT OF EXCLUSIVE RIGHTS OF STATE-OWNED ENTERPRISES

The President has issued a Decree abolishing the exclusive rights of state-owned enterprises in order to expand market access for private sector players. Among other provisions, the Decree provides for the following:

- The following exclusive rights of state-owned enterprises are gradually abolished¹:
 - o JSC “Uzenergosotish” – centralised purchase of electricity from producers. Any licensed entity engaged in wholesale or retail electricity sales may now offtake electricity, including through direct contracts or public-private partnership agreements;
 - o JSC “Uzgaztrade” – sole operator for gas purchases from producers, as well as centralised gas exports and imports;
 - o JSC “Uztransgaz” – exclusive rights to transport gas through main pipelines as a single operator;

¹ Apparently, immediately for LLC “Uzkiymyoimpeks”, and starting from 1 July 2026, for JSC “Uzenergosotish”, JSC “Uzgaztrade”, and JSC “Uztransgaz”.

- o LLC "Uzkimyoimpeks" – exclusive agency for export-import operations of JSC "Uzkimyosanoat".
- tax duties shall no longer be levied for purely fiscal purposes;
- price preferences for domestic manufacturers of electrical products participating in public procurement involving foreign manufacturers will no longer apply where public corporate customers purchase goods for resale or commercial production purposes.

[Presidential Decree No. UP-74 of 30 April 2025](#)

3. LIBERALISATION OF TRADE AND CERTIFICATION REQUIREMENTS

The President has signed a Decree on measures for supporting industrial enterprises and improving export-import regulations. It, among other things, provides for the following:

- the customs value of imported goods shall be calculated based on the requirements of the General Agreement on Tariffs and Trade (GATT) and the 1994 Agreement on Implementation of Article VII of the GATT. Preferences or special customs clearance procedures shall not apply. Duty-free import limits and customs clearance conditions will align with international standards;
- the mandatory state registration of high-risk products is abolished and replaced by the declaration of conformity;
- starting from 1 May 2025, declarations of conformity will no longer require registration with certification bodies and will instead be generated and recorded via the Technical Regulation Information System. Till 1 August 2025, the Cabinet of Ministers will significantly reduce the list of goods subject to mandatory certification while expanding the practice of submitting declarations of conformity;
- within 1 month from the date of the Decree, the Cabinet of Ministers shall make a "*guillotine*" decision on shortening the list of goods subject to sanitary-epidemiological, veterinary, plant quarantine and technical regulatory oversight and approve roadmaps for the sale of state-owned laboratories. Till 1 September 2025, the Ministry of Justice and the Agency for Technical Regulation shall submit draft Laws "On General Product Safety" and "On Market Oversight" to the Cabinet of Ministers;
- on 1 August 2025, technical regulations and standards for food products will be repealed. By that date, the Sanitary Committee shall approve new sanitary standards for priority food products, based on the Codex Alimentarius guidelines;
- legal entities employing 20 or more employees may pay property and land taxes as well as lease charges, in instalments on 15 July 2025 and 1 December 2025;
- expenses incurred by exporters of construction materials for obtaining foreign certificates will be fully reimbursed from the state budget;

- exporters without outstanding tax liabilities may annually disburse up to USD 50,000 for the establishment of trade houses abroad without obtaining special authorisation from the government;
- the List of goods exempt from sanitary-epidemiological, veterinary, plant quarantine, and technical regulatory oversight (Annex to the [Decree](#)).

[Presidential Decree No. UP-67 of 18 April 2025](#)

4. ENHANCEMENT OF LENDING AND PLEDGE RULES

On 22 April 2025, a Law improving lending and pledge regulations was adopted, introducing, among other things, the following novelties:

- unless otherwise provided by the agreement, in the event of early loan recovery through court proceedings, the lender shall first seek repayment of the overdue amount. If the borrower fails to repay it in full, the lender may demand early repayment of the remaining loan balance;
- a breach of an obligation secured by a pledge will be deemed insignificant and will not result in foreclosure if:
 - the outstanding amount is less than 15% of the value of the pledged asset; and
 - the delay does not exceed 3 consecutive months.
- if the pledged asset is confiscated from the pledgor as a result of a crime or other violation, the pledgee retains a priority right to satisfy its claims from the asset's value;
- the initial sale price of the pledged asset at public auction shall be determined by mutual agreement between the pledgor and the pledgee. If no agreement is reached, an independent appraiser shall be engaged to determine its market value;
- if the foreclosed asset is not sold during public auction, the bailiff shall offer it to the pledgee at a 25% discount from the starting sale price set for repeated public auction.

[Law No. ZRU-1060 of 22 April 2025](#)

5. SALE OF FORECLOSED ASSETS BY BANKS

The President has issued a Resolution to enhance banks' liquidity by expediting the sale of foreclosed assets. Effective immediately, it, among other things, provides for the following:

- commercial banks may sell foreclosed assets (buildings and facilities) as ready businesses to investors through their investment companies;
- starting from 1 May 2025, state-owned banks (where the state holds over 50% of shares) and their investment companies may sell assets unsold at auctions directly at market value, including through loan agreements, instalments, or leases;

- within 2 months from the date of the Resolution, a draft Law will be submitted to the Uzbek parliament to allow vesting the ownership over unsold foreclosed assets to relevant entities based on a bailiff's decision, with the clearance of all applicable restrictions and encumbrances;
- starting from 1 September 2025, the thresholds for simplified judicial consideration of claims will be raised as follows:
 - for legal entities – 150 baseline calculation units (approx. USD 4,354);
 - for individual entrepreneurs – 100 BCUs (approx. USD 2,903);
 - for individuals – 50 BCUs (approx. USD 1,451).

Presidential Resolution No. PP-142 of 15 April 2025

6. FACTORING AND GUARANTEE INSTRUMENTS

On 17 April 2025, a Law promoting the development of the financial sector was adopted. Its key provisions include the following:

- the definitions of factoring and credit guarantee organisations have been added to the Law “On Non-Banking Credit Organisations and Microfinancing Activity”;
- factoring organizations may be established as either limited liability companies or joint-stock companies, while guarantee organisations may only be established as joint-stock companies. Both types of institutions must obtain a permit from the Central Bank of Uzbekistan (CBU) to conduct their respective activities;
- in addition to factoring organisations, factoring services may also be provided by banks and microfinance organisations;
- local credit institutions involved in factoring may extend financing to local clients in foreign currency, provided the debtors under the assigned receivables are foreign entities;
- in factoring arrangements, the client is responsible for providing the financial agent with accurate information regarding any counterclaims by the debtor and the validity of the assigned monetary claim. Unless otherwise agreed, the client is not liable for the debtor's failure to perform or for improper performance;
- in factoring arrangements, the assignment of monetary claims becomes enforceable against third parties only upon registration in the pledge register. If the same claim is assigned to multiple factors, priority is determined by the order of registration;
- the Central Bank of Uzbekistan may provide emergency liquidity support in the form of short-term loans of up to 6 months to solvent and stable commercial banks. In exceptional cases, the loan term may be extended to one year.

Law No. ZRU-1058 of 17 April 2025

7. DEVELOPMENT OF AGRICULTURAL SECTOR

The President has signed a Resolution aimed at enhancing export potential and strengthening the product processing chain in the agricultural sector. Effective immediately, the Resolution, among other measures, provides for the following:

- it is anticipated that in 2025-2026: (i) exports of fruit, vegetables and foodstuffs will reach USD 3.5 bln; (ii) investment projects for the production of packaging for fruits and vegetables totalling USD 40.5 mln will be implemented; (iii) phytosanitary permits for the export of 30 new types of products to 8 countries will be obtained; and (iv) export of fruits and vegetables to promising markets will reach USD 442 mln in 2025 and USD 575 mln in 2026;
- till 1 January 2028, corporate income tax for business entities selling fruits and vegetables in modern packaging (accounting for at least 50% of total income) and social tax rates for their employees (with a monthly salary of no less than twice the minimum wage) will be set at 1%;
- till 1 April 2027, a customs duty rate for the import of equipment used for planting, harvesting, and sorting leguminous crops will be set at 1%;
- local audit offices of international certification, testing, and consulting firms (such as Ecocert, TUV NORD, Demeter, etc.) will be established to service producers of organic agricultural products;
- the Sanitary Committee will harmonise national food sanitary safety standards with the Codex Alimentarius (as listed in [Annex 5](#) to the Resolution);
- till 1 June 2025, a draft resolution will be submitted to the Cabinet of Ministers to: (i) establish laboratories to test genetically modified organisms (GMOs) in exported fruits and vegetables; and (ii) introduce a system for issuing "healthy" certificates;
- to streamline logistics services, an electronic platform "E-Logistika" will allow: (i) direct interaction between exporters and transport companies; (ii) booking of cargo vehicles and real-time tracking; and (iii) formation of optimised delivery chains to foreign markets.

Additionally, on 14 April 2025 a Law "On Insurance of Agricultural Risks" was adopted, which will enter into force on 17 July 2025. Its key provisions include:

- agricultural risks will be insured by the Agricultural Insurance Fund to be created under the Cabinet of Ministers. The Fund will develop a template insurance agreement;
- insurance of agricultural risks will be a prerequisite for agricultural producers seeking access to governmental preferential loans;
- producers shall only pay to the Fund 50% of the insurance premium with the rest to be covered from the state budget;
- agricultural insurance will cover property interests of agricultural producers related to the risk of loss (destruction) of future harvests and produced agricultural goods, damage to crops and livestock, as well as to greenhouses and agricultural products grown in them;
- the Cabinet of Ministers will approve the types of agricultural products and risks to be insured.

Presidential Resolution No. PP-136 of 8 April 2025

Law No. ZRU-1056 of 14 April 2025

8. ECOLOGICAL CERTIFICATION

The Cabinet of Ministers has issued a Resolution regulating the procedures for ecological certification of technological processes, goods, and services, referred to as the "Green Certificate." The Resolution will enter into force on 17 July 2025 and will, among other things, provide for the following:

- technological processes related to the manufacturing of goods and the delivery of services shall be subject to ecological certification. Enterprises that enter into certification agreements within 12 months of the Resolution's effective date will be granted a 100% discount on certification-related services;
- certification may be conducted only by accredited organisations, and certificates will be valid for 5 years. To be legally recognised, a certificate must be recorded in the official register maintained by the Ministry of Ecology, Environmental Protection, and Climate Change;
- starting from 1 October 2025, state ecological expertise of ecological standards for category I and II environmental impact facilities will be contingent upon the availability of an ecological certificate. Similarly, for products requiring conformity certificates, the presence of an ecological certificate will be a prerequisite;
- enterprises will be voluntarily ranked under a newly introduced "Top Green Uzbekistan" ecological performance rating system;
- within 3 months of the Resolution's effective date, draft legal acts will be submitted to the Cabinet of Ministers to promote the adoption of ecological certification among businesses, expand its use in public procurement procedures, and introduce liability for non-compliance with certification requirements.

Resolution of the Cabinet of Ministers No. 230 of 15 April 2025

9. ACCESSION TO EURASIAN DEVELOPMENT BANK

On 9 April 2025, a Law on accession of Uzbekistan to the Agreement Establishing the Eurasian Development Bank was adopted. The Agreement, signed in 2006 by Russia and Kazakhstan, created an international financial institution aimed at promoting economic growth, regional integration, and development among member states. The Bank provides financing for investment projects that enhance connectivity and cooperation, focusing on sectors like infrastructure, energy, and industry across its member countries, which now also include Armenia, Belarus, Kyrgyzstan, and Tajikistan.

Law No. ZRU-1052 of 9 April 2025

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