



# Uzbekistan Legal Newsletter

DECEMBER 2025

## UZBEKISTAN LEGAL NEWSLETTER: DECEMBER 2025

In December 2025, Uzbekistan adopted several major legal measures, including the Law "On the State Budget for 2026" and related amendments to tax rules and rates. Further legislative and regulatory acts were issued to reform public procurement and customs regimes, combat the shadow economy, and establish new rules on state incentives. Additional presidential and governmental decisions addressed the development of the capital market and passenger railway services, and improvements in industrial zone governance. The legal cooperation agreement between Uzbekistan and the United Arab Emirates was also ratified.

### 1. STATE BUDGET FOR 2026

On 25 December 2025, the Law "On the State Budget for 2026" was adopted. It, among other things, provides for the following:

- GDP growth is projected at 6.6% with growth in industry amounting to 6.4%, growth in the service sector – 14.5%, and growth in agriculture – 4.2%;
- inflation is expected to reach 7%;
- the total revenues of the consolidated state budget are projected to amount to UZS 515.8 trln (approx. USD 43.1 bln), while the total expenditures – UZS 567.7 trln (approx. USD 47.4 bln);
- the maximum total amount of external borrowings attracted on behalf of Uzbekistan shall not exceed USD 5 bln;
- the maximum net amount of government securities to be issued is UZS 30 trln (approx. USD 2.5 bln);
- the total value of new PPP projects requiring government obligations (take-or-pay or comfort letters) is capped at USD 6.5 bln;
- consolidated budget deficit cap is set at 3% of GDP.

[Law No. ZRU-1105 of 25 December 2025](#)

### 2. TAX POLICIES FOR 2026

With the adoption of the Law "On the State Budget for 2026", 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%);
- excise duties on petroleum products have been increased. At the beginning of 2026, excise rates on domestically produced tobacco and alcohol will increase, while excise rates on imported tobacco and alcohol will decrease. By mid-2026, excise rates for domestically produced and imported tobacco and alcohol are expected to be unified;
- basic land tax rates for non-agricultural land, as well as property tax and water use tax rates, have been increased;

- corporate income tax incentives will be granted only in the form of a right to apply accelerated depreciation to depreciable fixed assets for a period of up to 3 years;
- property tax and land tax exemptions for legal entities will apply only if, for the preceding calendar year: (i) sales revenue exceeds the amount of the exempted taxes; and (ii) at least twice the minimum monthly wage is paid per employee (i.e., UZS 2.5 mln, approx. USD 212), and the average annual headcount is at least 3. These criteria do not apply to: (a) entities with foreign direct investment; (b) PSA participants; (c) non-governmental organisations and budgetary entities; (d) entities that obtained the special economic zone participant status by 1 January 2026; and (e) legal entities where persons with disabilities constitute at least 50% of the workforce and their wage fund accounts for at least 50% of total payroll;
- water-use tax exemptions and incentives effective until 1 January 2026 will expire upon the end of their respective terms and will not be extended;
- tax authorities will pre-populate (proactively prepare) tax filings for legal entities' property and land taxes, individuals' income tax, social tax, VAT and turnover tax based on information uploaded by taxpayers (tax agents). Taxpayers may correct discrepancies within 5 business days;
- financial sanctions imposed following an on-site tax audit may also be paid in instalments;
- taxpayers will be able to settle tax arrears by assigning/offsetting accounts receivable from their debtors. The taxpayer submits an application and a reconciliation act to the tax authority; these are then sent to the debtor's personal account in the tax portal. Unless the debtor provides a justified rejection, the tax authority may issue a payment order against the debtor's bank accounts. Tax authorities may also initiate this mechanism where relevant debts are identified.

[Law No. ZRU-1108 of 25 December 2025](#)

### 3. LIBERALIZATION OF CROSS-BORDER TRADE RULES

The President has issued a Decree on optimising cross-border trade rules, which, among other things, introduces the following measures:

- where the customs information system identifies no risk factors, customs cargo declarations will be cleared automatically for: (a) foreign trade cargo imported by large taxpayers, state organisations, and entities in which the state holds more than 50% of the equity; and (b) exported cargo not subject to tariff or non-tariff restrictions;
- from 1 March 2026, where goods are pre-declared prior to arrival at border crossing points: (i) the customs clearance fee will be reduced by 20%; and (ii) no interest will be charged on customs payments made by instalments or under deferred payment arrangements for up to 14 days;
- from 1 May 2026, (i) customs payments may be made separately for each shipment where imports are cleared under periodic declarations; and (ii) new foreign trade prohibitions and restrictions, as well as the amounts and calculation methodologies of state fees and charges,

must be published in advance (at least 3 months) in the "Single Window" customs information system;

- from 1 June 2026, businesses will be able to defer payment of customs duties or pay them by instalments for up to 120 days;
- from 1 July 2026, (i) certification and permitting procedures will be differentiated based on the risk profile of imported and exported goods, with automatic issuance of permits for low-risk goods; (ii) customs audits will follow a "consultant–auditor" model, allowing businesses to remedy deficiencies following prior notification; and (iii) liability for customs violations will be tiered according to the nature and materiality of the breach;
- from 1 January 2028, financial sanctions for customs violations will apply only to legal entities and individual entrepreneurs, without additional administrative fines imposed on management;
- the Decree also approves an Action Plan for Improving the Activities of Customs Authorities ([Annex 5](#)).

*[Presidential Decree No. UP-250 of 17 December 2025](#)*

#### 4. MEASURES TO COMBAT SHADOW ECONOMY

The President has signed a Decree on promoting cashless payments and combating the shadow economy. Effective immediately, the Decree provides, among other things, for the following:

- by 1 January 2026, the Central Bank of Uzbekistan will introduce a unified QR code for electronic payments; from 1 July 2026, all businesses in the trade and services sectors will be required to accept payments via the unified QR code;
- from 1 January 2026: (i) the tax base for immovable property will be determined based on its market value; (ii) businesses in the construction and trade sectors will be required to register their authorised capital and any changes thereto with the tax authorities via a personal online account; and (iii) certificates of conformity and environmental certificates for identical goods imported under a single cross-border contract will be issued once, with a validity period of up to one year;
- from 1 March 2026, a pilot project will be launched in the Navoi and Tashkent regions enabling individuals and tax authorities to submit annual total income declarations (based on actual expenditures) through a dedicated electronic platform;
- by 1 April 2026, the Ministry of Transport, together with businesses, must develop an electronic platform for the online recording of cargo transportation and specialised transport services, enabling online ordering, contracting and payment, independent pricing by service providers, and service quality ratings;
- from 1 April 2026, payments via bank cards and electronic payment systems will become mandatory for public services, utility payments, alcohol and tobacco products, petrol and gas filling stations, EV charging stations, goods valued above UZS 25 mln (approximately USD 2,074), as well as certain real estate and vehicle transactions. Payments under real estate

and vehicle agreements will be processed through information exchange between banks and, where applicable, notaries;

- a list of inspections of business entities required to be conducted using body cameras is set out in [Annex 1](#) to the Decree; and
- the Action Plan for Combating the Shadow Economy is approved in [Annex 2](#) to the Decree.

[Presidential Decree No. UP-246 of 10 December 2025](#)

## 5. CHANGES IN PUBLIC PROCUREMENT REGIME

The President has issued a Decree aimed at improving public procurement procedures, which, among other things, provides for the following:

- from 1 January 2026:
  - introduction of a new procurement method - request for proposals. The list of goods and services eligible for procurement through requests for proposals is set out in [Annex 1](#), and the procurement procedure is set out in [Annex 2](#);
  - abolition of [the List of Goods Eligible for Direct Procurement](#), except where direct procurement is expressly permitted under the Law "On Public Procurement";
  - where a legislative act allows direct procurement, it must expressly identify a specific contractor; otherwise, competitive procurement procedures will apply;
  - draft legislative acts permitting direct procurement will be subject to review by the Ministry of Justice, the Ministry of Economy and Finance, and the Competition Development Committee, and must undergo anti-corruption expertise;
  - following the publication of procurement plans by contracting authorities, electronic notifications will be automatically sent to domestic manufacturers;
  - draft public procurement documents must be published on the official portal for at least 2 business days to allow public feedback. The Competition Development Committee will monitor compliance and issue binding instructions where competition law breaches are identified;
  - introduction of local auction trading between budget customers and domestic manufacturers, conducted through electronic reverse auction procedures, with notices published within two business days and without price-related restrictions on contract value;
  - where only one business entity participates in a reverse auction, the auction will be deemed valid;
  - where a tender for the best proposal has only one participant, and the same entity is the sole bidder in an unchanged repeat tender, the tender is deemed valid, provided the participant complies with public procurement requirements.
- from 1 March 2026, an AI-based electronic module for calculating the average market price of public procurement items will be launched on the public procurement information portal. Contracting authorities must determine the average market price in the module before conducting a procurement. Procurements where the starting price or contract price

significantly deviates from the calculated average market price will be treated as high-risk and subject to priority and unscheduled review. Direct procurements may not exceed the calculated average market price, unless otherwise permitted by law;

- from 1 July 2026: procurement offers will be evaluated electronically via the public procurement system, and powers of attorney for the acceptance of goods and services will be issued in electronic form;
- the Action Plan for Improving Public Procurement Procedures is approved in [Annex 3](#).

*[Presidential Decree No. UP-259 of 26 December 2025](#)*

## 6. APPLICATION AND REVOCATION OF SUBSIDIES AND INCENTIVES

The Cabinet of Ministers has adopted a Resolution introducing new rules for the application of subsidies, incentives and preferences to businesses. It will enter into force on 13 March 2026.

Under the Resolution, the responsible authorities (as listed in [Annex 2](#)) are required to define clear target performance indicators for each incentive and to continuously monitor whether beneficiaries use the incentives for their intended purpose and achieve the prescribed targets.

Incentives will remain in place only where the relevant efficiency indicators are met. Where incentives are used inefficiently or not in line with their intended purpose, the beneficiary may be required to repay the received amounts; failing voluntary repayment, recovery may be pursued through court proceedings. A register of entities that have used incentives inefficiently or improperly will be maintained.

Information on granted incentives and the results of their monitoring will be published on [subsidiya.mf.uz](#). The rules do not apply to incentives granted in emergency situations to meet state or public needs, to provide social support, or to incentives granted under international agreements.

*[Resolution of the Cabinet of Ministers No. 784 of 11 December 2025](#)*

## 7. CAPITAL MARKET DEVELOPMENT

The President has issued a Decree on promoting the development of the capital market. Effective immediately, it, among other things, provides for the following:

- targets for 2030 include: (i) attracting USD 1 bln in investments, including the issuance of corporate bonds of at least UZS 5 trln (approximately USD 414 mln); and (ii) increasing the level of mandatory disclosure of financial statements, corporate actions, and material facts to 95%;
- the regulatory sandbox regime introduced by [Presidential Resolution No. PP-291 dated 2 September 2023](#) has been extended for an indefinite period. Within the sandbox:
  - resident legal entities may obtain sandbox participant status;
  - resident issuers may issue and place foreign-currency-denominated corporate bonds on Uzbekistan-licensed exchanges, with settlement in foreign currency;

- licensed investment intermediaries may open accounts with foreign intermediaries, banks, depositories, trading venues and central securities depositories in recognised foreign jurisdictions for transactions in foreign securities;
- custodial and nominee holding services may be provided in respect of securities issued by or belonging to foreign participants and resident legal entities, including investment funds;
- trading is permitted in shares included in foreign stock indices, bonds of foreign issuers and sovereigns, ETFs, index fund securities and depository receipts of foreign companies, in accordance with a list approved by the National Agency for Prospective Projects, with trade volumes subject to agreement with the Central Bank and the Agency;
- issuers may purchase foreign currency to service foreign-currency-denominated securities, and in certain cases may issue unsecured corporate bonds exceeding share capital;
- exchange-listed securities may be accepted as collateral for credit and repo transactions, subject to applicable rating requirements;
- from 1 July 2026, the unsecured issuance of corporate bonds exceeding equity may be permitted (in accordance with regulatory standards), without certain profitability, solvency or liquidity requirements, provided that prescribed leverage thresholds are met;
- the Decree also approves:
  - Licensing Requirements for Professional Capital Market Activities ([Annex 1](#));
  - Licensing Requirements for Exchange and OTC Trading Organisers ([Annex 2](#));
  - Notification Procedures for Investment Advisers ([Annex 3](#));
  - State Registration Fees for the Issuance of Securities ([Annex 7](#)); and
  - the Action Plan for Capital Market Development ([Annex 9](#)).

*[Presidential Decree No. UP-254 of 18 December 2025](#)*

## 8. IMPROVEMENT OF GOVERNANCE IN INDUSTRIAL ZONES

The Cabinet of Ministers has adopted a temporary Resolution setting out procedures for reimbursing expenses incurred by former industrial zone participants whose membership was terminated due to failure (or anticipated failure) to meet investment commitments. Reimbursable expenses include contributed capital investments and construction costs for unfinished facilities. Zone directorates will take ownership of unfinished buildings, which will be valued, and the reimbursable amounts will be covered by new zone participants. These procedures will apply until the adoption of the new Law "On Industrial Zones".

In addition, a separate Resolution introduces procedures for the construction of servicing facilities in industrial zones under an industrial mortgage model. Under this model, land lease rights are first auctioned, and the winning bidder establishes a special-purpose vehicle (SPV) together with the relevant zone directorate. The zone directorate contributes its land lease rights to the SPV at market value, with its participation capped at 49%, and the SPV is granted the land lease rights for project implementation. Only projects with a value exceeding USD 100,000 are eligible.

The directorate's share in the SPV may be privatized - if other founders waive their pre-emptive rights - within the period specified in the investment agreement (typically after 3 years), in accordance with applicable law, through electronic online auctions.

[Resolution of the Cabinet of Ministers No. 802 of 19 December 2025](#)

[Resolution of the Cabinet of Ministers No. 803 of 19 December 2025](#)

## 9. DEVELOPMENT OF PASSENGER RAILWAY TRANSPORT

The President has adopted a Resolution aimed at expanding the capacity of passenger railway services. Effective immediately, the Resolution, among other things, provides for the following:

- increasing annual domestic rail passenger traffic from 10.5 million to 23.5 million, and expanding the number of electric train routes from 40 to 53;
- launching, from 2026, high-speed electric train services on the Tashkent–Urgench–Khiva route (including the Bukhara–Khiva section, 465 km), and completing by the end of 2026 the electrification of the Misken–Nukus section (196 km) with the introduction of high-speed electric services;
- modernising key railway sections, including Angren–Pap and Tashguzar–Baysun–Kumkurgan, to extend fast electric train services to additional regions by 2030;
- procuring 6 high-speed trains, 8 fast trains, and 20 modern electric trains, as well as 200 passenger coaches and additional locomotives, including passenger and shunting units;
- adopting, within 2 months, a legal act on the development of railway station infrastructure in Tashkent, Samarkand, Bukhara, Urgench, Navoi, and Kokand through a public–private partnership (PPP) model;
- approving the Target Parameters for the Improvement of Railway Passenger Transportation for 2026–2030 ([Annex 1](#)); and approving the Program for the Development of Railway Infrastructure and Modernisation of Trains ([Annex 3](#)).

[Presidential Resolution No. PP-391 of 27 December 2025](#)

## 10. UZBEKISTAN - UAE COOPERATION AGREEMENT ON CIVIL AND ECONOMIC MATTERS

A Law has been adopted to ratify the Agreement on the Provision of Mutual Assistance in Civil and Economic Matters signed in Tashkent on 27 September 2024 between Uzbekistan and the United Arab Emirates. The Agreement is expected to facilitate faster and more predictable handling of cross-border disputes, in particular with respect to the service of process, taking of evidence, enforcement of decisions, and other forms of procedural cooperation between the two jurisdictions.

[Law No. ZRU-1103 of 18 December 2025](#)

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