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Uzbekistan Legal Newsletter

AUGUST 2026

August 2026 brought significant legislative and regulatory developments in Uzbekistan, particularly in digital investment, business regulation and judicial reform. Key developments included the establishment of the International Centre for Digital Technologies with a special legal regime for digital businesses and investors; new protections, regulatory relief and state support measures for businesses; reforms to the judicial system and economic and administrative court proceedings; and Uzbekistan's accession to the Singapore Convention on Mediation. Other developments include a new national financial reporting standard and a Constitutional Law formalising the status and powers of the Presidential Administration.

1. INTERNATIONAL CENTRE FOR DIGITAL TECHNOLOGIES

On 19 August 2026, the Constitutional Law on the International Centre for Digital Technologies (the Law) was adopted. The Law will enter into force on 21 January 2027 and establishes the International Centre for Digital Technologies (the Centre) as a special legal and regulatory environment for the development of digital technologies and attraction of investment in the digital sector. The Centre will provide its participants with a dedicated legal regime, including specific rules and incentives relating to taxation and customs, financial services, employment, intellectual property and other matters connected with their activities.

Among other things, the Law provides that:

- the Centre will operate under its own legal framework, comprising the Constitution of Uzbekistan, the Law, certain acts of the President and decisions of the Centre. Where necessary and consistent with the foregoing, the common law of England and Wales and principles and rules of equity may apply. Uzbek legislation will apply to matters not otherwise regulated and to the extent it is not inconsistent with the Centre's framework;
- the special legal regime will remain in effect until 2100 and will apply to digital technology and related activities within the Centre. It may also extend outside the Centre to designated production areas used for Centre projects, including research and data centres, production facilities, educational institutions and other infrastructure. Such areas will be designated by the President. Incentives, preferences and exemptions under the regime are protected against adverse changes or early termination;
- the Centre's participants will comprise residents and investors. Residents will be legal entities carrying out activities within the Centre from a list to be approved by the Management Council, while investors may be individuals or legal entities investing in the Centre. The Centre will be governed by a Management Council and an Administration, while service providers may operate as accredited partners;
- a regulatory sandbox may generally be introduced for up to 12 months, allowing exemptions from or simplification of certain regulatory, licensing and permitting requirements. Successfully tested projects may be continued or scaled up within the Centre or proposed for implementation elsewhere in Uzbekistan;
- a special tax regime will apply, including 0% VAT on supplies within the Centre and exports and corporate income tax exemptions for qualifying priority activities. Individual investors

will be exempt from personal income tax on dividends and other investment income, with corresponding corporate income tax exemptions for legal-entity investors;

- qualifying highly skilled foreign employees will be exempt from personal income tax on salary and dividend income. Other foreign employees will generally be taxed at 12%, while Uzbek citizens and stateless employees of Centre participants will generally be taxed at 7.5%;
- a simplified customs regime will apply, including VAT and customs duty exemptions for qualifying imports for digital technology projects, sandbox activities and investments. Electronic customs declarations will generally be reviewed within two business days;
- foreign bank branches may be established subject to agreement with the Central Bank of Uzbekistan, while accredited partners may provide banking, investment, securities, insurance, fintech and other financial services;
- Uzbek public procurement legislation will not apply within the special legal regime, with procurement instead being governed by rules approved by the Management Council;
- foreign employees and their family members may obtain visas for up to 3 years, extendable without leaving Uzbekistan. Foreign employees will not require confirmation of the right to work and will generally be exempt from applicable quotas and restrictions;
- employment relations will be based on contractual regulation and freedom of contract, with flexible arrangements for hiring and termination, working hours, remote work, leave and remuneration;
- data may be stored and processed using cloud technologies, subject to applicable international and security standards, while participants must maintain personal-data protection policies compliant with international standards and the Centre's regulations;
- the development, testing and implementation of artificial intelligence technologies and related research will be permitted, subject to safeguards for individual rights, public security and Uzbekistan's international obligations;
- disputes under the special legal regime will fall within the jurisdiction of the Tashkent International Commercial Court, including civil, commercial, corporate and employment disputes, insolvency and restructuring matters, challenges to Centre decisions, certain arbitration-related matters and disputes submitted by agreement; and
- funds, assets, investments and property rights of the Centre, its participants and employees will be protected against confiscation, nationalisation, expropriation, freezing and similar restrictions, subject to limited exceptions, including final court decisions and measures relating to AML/CFT, sanctions, criminal proceeds or insolvency.

Constitutional Law No. ZRU-1169 of 19 August 2026

2. STRENGTHENING GUARANTEES FOR BUSINESS ACTIVITIES

On 17 August 2026, the Law aimed at strengthening guarantees of entrepreneurial freedom and improving state support for businesses was adopted. Entering into force on 18 November 2026, the Law introduces additional protections for businesses and new mechanisms for state support. Among other things, the Law provides that:

- businesses will be classified, based on annual income, as small (up to UZS 10 billion), medium-sized (UZS 10–100 billion) or large (UZS 100 billion and above) for state support and statistical purposes;
- new principles of regulatory stability and protection of legitimate expectations will apply, requiring a consistent and predictable business environment and protection of businesses acting in good faith in reliance on decisions of state authorities and established administrative practice;
- draft legislation introducing new obligations, restrictions or liabilities for businesses will be subject to regulatory impact assessment and consultation with businesses and their associations;
- businesses will have a statutory right to reliable and uninterrupted energy supply, subject to temporary restrictions in the public interest, including in emergencies, to maintain the balance of the energy system or for maintenance;
- land may be withdrawn from businesses for public needs only after full compensation for, among other things, the market value of affected property and land rights, relocation costs and lost profits;
- attempts to review, invalidate or cancel privatisation results will constitute a violation of the principle of inviolability of private property, and related claims, applications and complaints will not be accepted for consideration by state bodies, including supervisory and law enforcement authorities, or by courts;
- a public register of benefits and preferences available to businesses will be maintained, specifying their types, duration and procedure for obtaining them;
- business inspections may generally be initiated based on the electronic “Risk Analysis” system or information received from individuals, businesses, state authorities, the media or other sources indicating potential violations. Inspections may only be conducted by authorised supervisory authorities within their respective areas of competence;
- businesses subject to financial sanctions may pay 50% of the fine within 1 month and be released from the remaining 50%, or pay the full fine in equal instalments over 6 months;
- certain enforcement measures against businesses, including termination or suspension of activities, financial sanctions, suspension of bank account operations and certain measures affecting licences and permits, may generally be imposed only by a court, subject to specified exceptions;
- a Unified Register of Mandatory Requirements will be introduced, and businesses will not be liable for failure to comply with requirements that are not included in the Register;
- a responsible business framework will be introduced for businesses meeting criteria relating to human rights, labour practices, environmental protection, anti-corruption, transparency and other responsible business practices. Qualifying businesses will be included in a public register and may benefit from state support measures, including grants, tax benefits and priority in public procurement;

- state support for businesses may include subsidies, grants, preferential lending, tax and other benefits, and infrastructure support, taking into account, among other things, sustainability ratings, responsible business status and the category of the relevant district or city.

Law No. ZRU-1168 of 17 August 2026

3. REDUCING REGULATORY BURDENS AND EXPANDING BUSINESS SUPPORT

On 27 August 2026, the President adopted a Decree introducing measures to reduce the regulatory burden on businesses, strengthen entrepreneurs' legal protection and expand financial and other forms of state support. Key measures include:

- a 3-year moratorium on inspections of small businesses, subject to specified exceptions, including inspections conducted in connection with criminal proceedings, risks to public health and safety, complaints from individuals, VAT refunds and business liquidation;
- further development of the risk-based approach to inspections, including a requirement for approval by the Business Ombudsman for repeated inspections concerning the same matter and application of the "first violation – warning" principle to certain violations;
- introduction of the presumption of good faith of entrepreneurs, under which state authorities bear the burden of proving a business violation and the legality of measures taken against an entrepreneur;
- a "Second Chance" mechanism for small and medium-sized businesses, allowing certain tax liabilities, penalties and other consequences of previous violations to be waived, subject to the required payments and corrections being made by 31 December 2026;
- expansion of financing for startups and young entrepreneurs under the "Future Entrepreneur" programme, including financing of up to UZS 5 billion for selected startup projects;
- expansion of loan guarantees and preferential financing for businesses, including through existing entrepreneurship support mechanisms;
- additional tourism and export support measures, including financial assistance and incentives aimed at increasing exports and supporting tourism projects; and
- establishment of a unified digital platform for business support, providing access to financial and non-financial support measures and incorporating AI-based tools for identifying suitable support programmes and services.

Presidential Decree No. UP-175 of 27 August 2026

4. STARTING OPERATIONS BEFORE LICENSING

On 13 August 2026, the Law introducing a new "Business Entry without a Licence" regime was adopted, allowing businesses to commence certain regulated activities before obtaining the required licence or permit.

Under the new regime, businesses may carry out eligible activities for up to 3 months after notifying the competent authority. During this period, they must take the necessary steps to comply with the applicable requirements and obtain the relevant licence or permit. Businesses will not be subject to liability solely for carrying out the relevant activity without such licence or permit during this period.

If the required licence or permit is not obtained within 3 months, the business must cease the relevant activity.

The regime will apply only to specified activities, to be determined under the applicable licensing and permitting framework.

Law No. ZRU-1164 of 13 August 2026

5. JUDICIAL SYSTEM REFORM – "JUSTICE 2030" STRATEGY

On 14 August 2026, the President adopted Decree No. UP-160 approving the "Justice 2030" Strategy, which sets out a comprehensive programme for reforming Uzbekistan's judicial system through 2030. Key measures include:

- by 1 March 2027 – submission of a draft law aimed at increasing the transparency of courts and judicial bodies and improving public access to information on their activities;
- from 1 July 2027 – establishment of new interregional courts for civil, criminal, economic and administrative cases. They will take over certain appellate, cassation and revision functions currently exercised by regional and equivalent courts;
- from 1 July 2027 – expansion of the powers of investigating judges to review, when considering applications for certain coercive measures, the legality and justification of detention and whether there are sufficient grounds for suspicion or charges;
- from 1 August 2027 – publication and regular updating of Supreme Court Presidium resolutions forming uniform judicial practice in a publicly accessible "Precedents" register;
- by the end of 2027 – further digitalisation of court services, including an updated Supreme Court mobile application, improved online tools for preparing court filings and expanded electronic access to judicial decisions;
- from 1 January 2028 – introduction of Proactive Case Management in economic proceedings, requiring judges to take measures to remedy non-material procedural deficiencies identified during consideration of a case;
- from 1 January 2028 – introduction of a new court administration model, providing, among other things, for the establishment of a judicial administration responsible for the organisational, financial, technical and digital support of courts, with a view to relieving judges of non-judicial functions;
- by 2030 – phased establishment of "one-stop shop" service offices at courts to provide information, assistance with procedural filings and access to digital court services.

The Decree also envisages further procedural reforms to be developed and implemented under the Strategy, including jury trials in criminal cases, court-based mediation in civil and economic disputes, mandatory pre-trial resolution of certain disputes, expansion of the jurisdiction of administrative courts and simplification of court filings. The latter includes transferring cases filed with the wrong court directly to the competent court, rather than returning them to the claimant, and allowing minor formal deficiencies in claims to be remedied with the court's assistance.

Presidential Decree No. UP-160 of 14 August 2026

6. AMENDMENTS TO ADMINISTRATIVE AND ECONOMIC COURT PROCEEDINGS

On 14 August 2026, a law introducing amendments to economic and administrative court proceedings was adopted. Aimed at improving access to justice for individuals and businesses and increasing the efficiency of economic and administrative courts, the Law, among other things, provides for:

- extraterritorial jurisdiction in economic and administrative proceedings. In economic cases, it may be agreed by the parties, while in administrative cases it may be requested by the applicant. The court hearing the case will be selected through an automated information system;
- preliminary hearings in administrative cases challenging decisions, actions or inaction of administrative authorities and their officials, to be held within 20 days of receipt of the application;
- introduction of the principle of protection of legitimate reliance, under which the legitimate reliance of a person acting in good faith on the lawfulness of an administrative decision or an official's action is protected by law;
- mandatory participation of administrative authorities or their representatives in proceedings challenging their decisions, actions or inaction, with the possibility of a court fine for unjustified failure to appear;
- authority for administrative courts to impose administrative liability for certain offences identified in the course of proceedings; and
- additional grounds for the refund of state duty, including where an application is left without consideration following a preliminary hearing.

For more detailed information, please refer to our Legal Alert, available here.

Law No. ZRU-1165 of 14 August 2026

7. UZBEKISTAN TO JOIN THE SINGAPORE CONVENTION ON MEDIATION

On 14 August 2026, Uzbekistan adopted a law on accession to the UN Convention on International Settlement Agreements Resulting from Mediation (the Singapore Convention on Mediation). The Convention provides a framework for the recognition and enforcement of international commercial settlement agreements resulting from mediation.

Uzbekistan's accession is subject to two reservations:

- the Convention will apply only where the parties to a settlement agreement have agreed to its application;

- the Convention will not apply to settlement agreements involving Uzbekistan, any government agency or any person acting on behalf of a government agency.

Law No. ZRU-1167 dated 14 August 2026

8. NEW NATIONAL FINANCIAL REPORTING STANDARD

From 1 January 2027, a new National Financial Reporting Standard No. 1 on Presentation and Disclosure of Information in Financial Statements will take effect, replacing the existing National Accounting Standard No. 1 on presentation of financial statements and accounting policies.

The new Standard will apply to legal entities operating in Uzbekistan, irrespective of their form of ownership, except for public interest entities and budgetary organisations. It establishes updated requirements for general-purpose financial statements, including their composition and presentation, classification and aggregation of financial information, materiality, comparative information and required disclosures.

In particular, a complete set of financial statements will comprise a statement of financial position (balance sheet), statement of financial performance, statement of changes in equity, cash flow statement and accompanying notes, as well as comparative information and, where required, an additional opening statement of financial position.

Order of the Minister of Economy and Finance No. 392 of 23 July 2026, registered with the Ministry of Justice under No. 3923 on 13 August 2026

9. ADMINISTRATION OF THE PRESIDENT OF UZBEKISTAN

On 14 August 2026, the Constitutional Law on the Administration of the President of the Republic of Uzbekistan (the Law) was adopted. The Law establishes the legal status and powers of the Presidential Administration (the Administration) as a state body directly subordinate and accountable to the President and having legal-entity status.

Among other things, the Administration may prepare and finalise draft legislation and acts of the President and the Cabinet of Ministers, coordinate and monitor state bodies and state-owned enterprises, and oversee priority and strategic projects designated by the President. It may also request information and access information systems of state bodies and organisations.

The Head of the Administration may issue orders and instructions for the implementation of Presidential acts and initiatives and on other matters within the Head's competence, which are binding on all state bodies, enterprises, institutions, organisations and officials throughout Uzbekistan.

Constitutional Law No. ZRU-1166 of 14 August 2026

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