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NEW LEGISLATION IN PHARMACEUTICS: MARCH 2019

Dear Clients and Partners,

This legal alert highlights the most important legal developments of March 2019 that affect the Uzbek pharmaceutical industry as a whole and activities of foreign pharmaceutical producers and their representative offices in Uzbekistan in particular.

1. LAW ON REPRODUCTIVE HEALTH

The Law on the Protection of Reproductive Health of Citizens has been adopted. The Law defines the main principles and directions of the relevant state policy.

With the adoption of the Law it has become possible to apply assisted reproductive technologies in Uzbekistan. The Ministry of Health has the authority to identify the procedures allowed to be used as well as to control and regulate the activities of medical organizations offering reproductive assistance.

Law No. ZRU-528 of March 11, 2019

2. GENERAL MEASURES FOR IMPROVING THE BUSINESS ENVIRONMENT

The President has signed a new law on improving the country's business environment. Among other things, the following legal requirements have been abolished: (i) mandatory requirement for companies to have a seal; (ii) for joint stock companies – to have minimum 15% foreign shareholding; (iii) for LLCs and JSCs – the requirement for the minimum charter capital (except for cases where the minimal charter capital is set as one of the licensing requirements).

In addition, the simplified procedural rules for insignificant economic disputes are introduced. In case of the simplified procedure the relevant claim, the amount of which does not exceed 20 times the minimum monthly wages (approximately USD 478) for legal entities and 5 times the minimum monthly wage (approximately USD 120) for individual entrepreneurs, is considered without calling the parties to the court within 20 calendar days.

Further, (i) the deadline of 60 days for paying dividends in LLCs is set; (ii) it is

*The Law No. ZRU-531 of March 20, 2019***3. SIMPLIFICATION OF THE REPATRIATION OF PROFITS**

Some technical restrictions that hindered foreign investors to repatriate profits have been abolished. Now foreign companies that have created a permanent establishment in Uzbekistan are able to transfer dividends and other income from their investment activities to their bank accounts in foreign and national currencies in Uzbekistan and then, direct this income to their accounts outside the country.

Moreover, non-resident legal entities that buy and sell shares of public companies at organized public trades may now open bank accounts in national and foreign currencies in Uzbekistan and accumulate their income from these activities.

Resolutions of the Board of the Central Bank No. 511-12 and No. 510-5 of March 25, 2019

4. NEW RULES FOR EMPLOYING FOREIGN INDIVIDUALS

On March 25, 2019, new rules for attracting foreign employees were adopted by the Cabinet of Ministers.

Now, for obtaining the license for attracting foreign employees and relevant work permits, companies have to apply to the Centers for State Services. The license is issued for a period of 1 year for a fixed number of foreign individuals specified in the relevant application. The state fee for issuing the license has increased from 10 times the minimum monthly wage (approximately, USD 240) to 50 times the minimum monthly wage (approximately, USD 1,200).

Individual work permits are also issued for 1 year and the state fees for the issuance of individual work permits varies depending on the qualification of the individuals.

Resolution of the Cabinet of Ministers No. 244 of March 25, 2019



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