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NEW LEGISLATION IN PHARMACEUTICS: OCTOBER 2019

Dear Clients and Partners,

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



UZBEKISTAN TO INTRODUCE NEW CURRENCY CONTROL RULES

1. INCENTIVES TO STREAMLINE PROCUREMENT PROCEDURES

- The President has signed the document that simplifies procedures for procuring medicines by [strategic companies](#) (e.g. JSC “Dori-Darmon”) and companies, whose shares are owned by a strategic company. As a result of the changes, such companies are no longer required to submit technical specifications for medicines being procured provided that relevant procurement contracts has been concluded with manufacturers of the medicines directly. Previously, a general rule applied, under which all strategic companies were obliged to submit their technical specifications for external expertise, if the amount of the relevant procurement procedure exceeded USD 50,000.
- It is to note that the obligation to register contracts on the purchase/import of medicines in excess of USD 50,000 has remained.

2. EXPORT-IMPORT OPERATIONS CONTROL

- Amendments have been introduced to the Regulation on the Foreign Currency Control over Export and Import Operations. Some rules for the imposition of fines on local businesses for delays in performing contractual obligations under export-import contracts have changed. Based on the new rules, entrepreneurs may get the opportunity to avoid payment of relevant fines or to get a refund of paid fines in case if contractual obligations have been performed (i) at the time of consideration of the imposition of a fine by the court or before the relevant court decision on the fine is executed – it may be possible to avoid payment of the fine, (ii) within 90 days after the fine has been paid – to get a refund of the paid amount.

[*Presidential Decree No. UP - 5856 of October 24, 2019*](#)

3. ELECTRONIC SYSTEM IN EMPLOYMENT RELATIONS

- Starting from January 2020, the electronic system “Single National Labor System” (SNLS) for administering employment relationships will be launched. All employers will have to (i) register employment contracts, amendments to them and their termination, (ii) keep a record of employees’ professional experience in the SNLS. It is envisaged that fines for the failure to register and to make records will be introduced.
- The SNLS is focused on creating an integrated electronic database of labor contracts, employment records, salary arrangements, pension schemes and the other key details related to one’s employment. It will be required to record all the key facts related to employment relations by the registration of relevant electronic employment documents. The entry into e-contracts will become mandatory for all new employment relations that will begin after 1 January 2020. All existing labor contracts will have to be recorded in the SNLS by September 2020.
- The corresponding regulations for the registration procedures are to be adopted by the Cabinet of Ministers.

[*Presidential Decree No. PP - 4502 of October 31, 2019*](#)



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