

LAW OF THE REPUBLIC OF UZBEKISTAN
ON PRIVATIZATION OF NON-AGRICULTURAL LAND PLOTS

Adopted by the Legislative Chamber on April 26, 2019
Approved by the Senate on May 3, 2019

CHAPTER 1. GENERAL PROVISIONS

Article 1. Purpose of this Law

The purpose of this Law is to regulate relations in the area of privatization of non-agricultural land plots (hereinafter - the land plot).

Article 2. Legislation on privatization of non-agricultural land plots

Legislation on privatization of land plots shall consist of this Law and other legislative acts.

Article 3. Basic terms

The following basic terms are applied in this Law:

land plot - land plot not provided or not intended for the needs of agricultural or any other related purposes;

privatization of land plot - alienation of land plot in public ownership to the property of individuals - citizens of the Republic of Uzbekistan and (or) legal entities - residents of the Republic of Uzbekistan;

vacant land plot - land plot on which no buildings and structures are located, not burdened with any obligations or prohibitions and is in public ownership;

electronic online auction - a method of electronic bidding in the form of an auction, in which land plots are sold through a specialized electronic trading platform in the worldwide information network Internet on the basis of equal access of potential bidders to them.

Article 4. Basic principles of this Law

The main principles of land plots privatization are:

legitimacy;

voluntariness;

'applicant-pays' principle;

unity of privatized land plots and real estate objects located on them;

openness and transparency.

Article 5. Principle of legitimacy

Privatization of land plots shall be carried out strictly in accordance with the requirements of this Law and other legislative acts.

Article 6. Principle of voluntariness

Privatization of land plots shall be carried out on a voluntary basis.

Legal entities and individuals shall exercise their rights to privatize land plots by their will and based on their interests.

Coercion to privatize land plots is prohibited.

Article 7. The 'applicant - pays' principle

Privatization of land plots is carried out on a paid basis.

Article 8. Principle of unity of privatized land plots and real estate objects located on them

The right to privatize land plots on which real estate objects of legal entities and individuals are located, belongs exclusively to the owners of these objects.

Privatization of land plots on which real estate objects are located is carried out together with privatization of real estate objects located on these land plots.

Article 9. The principle of openness and transparency

The process of land plots' privatization shall be open and transparent.

State bodies and organizations are obliged to provide free access to information on the land plots privatization in the manner established by legislation on openness state executive and administrative bodies activities.

Article 10. Objects of privatization

The objects of land plots privatization include the following:

land plots on which the buildings, structures and industrial infrastructure facilities of legal entities are located, as well as the land adjacent to them to the extent necessary to carry out production activities;

land plots provided to citizens of the Republic of Uzbekistan for individual housing construction and maintenance of residential houses;

vacant land plots;

land plots provided to the Fund for Urbanization Development under the Ministry of Economy and Industry of the Republic of Uzbekistan (hereinafter – Fund for Urbanization Development).

Article 11. Land plots not targeted for privatization

Following land plots are not subject to privatization:

located in territories that do not have approved and published planning schemes;

with mineral deposits, strategic state objects that are not subject to privatization, the list of which is determined in accordance with the legislation;

belong to lands of conservation, health, recreational, historical and cultural value, as well as lands of forest and water funds, public lands of cities and towns (squares, streets, driveways, roads, embankments, boulevards);

infected with hazardous substances and exposed to biogenic contamination;

provided to residents of free economic and small industrial zones.

Article 12. Subjects of the land plots privatization

The subjects of land plots privatization shall be individuals - citizens of the Republic of Uzbekistan and legal entities - residents of the Republic of Uzbekistan.

Foreign citizens and legal entities - non-residents of the Republic of Uzbekistan, as well as stateless persons, shall not be subjects of land plots privatization.

Article 13. Forms of land plots privatization

Land plots privatization is carried out in the following forms:

buyout by legal entities and individuals of the land plots owned on the rights of permanent use (possession) or lifelong inheritable possession;

sale of land plots through an electronic online-auction.

Article 14. Allocation of funds received from the privatization of land plots

The funds received from privatization of land plots shall be allocated to the Fund for Urbanization Development.

CHAPTER 2. STATE REGULATION IN THE AREA OF LAND PLOTS PRIVATIZATION

Article 15. Powers of the Cabinet of Ministers of the Republic of Uzbekistan in the area of land plots privatization

The Cabinet of Ministers of the Republic of Uzbekistan shall execute the following functions:

implement a single state policy in the area of land plots privatization;

organize development, approval and publication of urban planning documentation on the planning and development of settlements and territories;

determine the procedure for privatization of vacant land plots;

set the amount of fee and the method of payment for land plots being privatized;

approve Administrative regulation for the provision of public land privatization services;

establish the procedure for determining the market value of land plots.

Article 16. Powers of local state authorities in the area of land plots privatization

Local state authorities shall exercise the following functions:

take a decision on privatization of land plots;

identify available land plots with the aim of further privatization through electronic online auction;

define land plots to be transferred to the Fund for Urbanization Development.

Article 17. Powers of the State Committee of the Republic of Uzbekistan on Land Resources, Geodesy, Cartography and State Cadastre in the area of land plots privatization

State Committee of the Republic of Uzbekistan on Land Resources, Geodesy, Cartography and State Cadastre shall exercise the following functions:

manage land plots inventory;

map land plots;

define area and boundaries of the land plots being privatized;

prepare materials on vacant land plots subject to privatization;

carry out state registration of rights to land plots.

Article 18. Powers of the Agency for State Assets Management of the Republic of Uzbekistan in the area of land plots privatization

Agency for State Assets Management of the Republic of Uzbekistan shall provide the following:

open and transparent mechanism of land plots privatization through the initiator of the auction;
functioning of a specialized electronic trading platform in the worldwide information network Internet and organization of electronic online auctions.

Article 19. Powers of the Fund for Urbanization Development in the area of land plots privatization

Fund for Urbanization Development shall exercise the following functions:

accumulate funds received from the land plots privatization, followed by their use for the development of urbanization processes;

carry out sales of the provided land plots after completion of works on infrastructure development through electronic online auction.

Article 20. Interaction of state bodies

State authorities shall cooperate by exchanging information relating to the privatization of land plots from the relevant databases.

CHAPTER 3. PRIVATIZATION OF LAND PLOTS WITH REAL ESTATE OBJECTS

Article 21. Application for privatization of land plots with real estate objects

The application for privatization of land plots with real estate objects (hereinafter - application) is submitted with respect to the following land plots:

by legal entity - resident of the Republic of Uzbekistan, with respect to land plots, on which buildings and infrastructure facilities belonging to legal entities are located, as well as the land adjacent to them to the extent necessary to carry out production activities;

by individual - citizen of the Republic of Uzbekistan, with respect to land plots provided to him for individual housing construction and maintenance of residential house.

In the cases when the right of lifelong inheritable possession to a land plot is transferred to an individual, the right to privatize the land plot concerned is considered to be transferred to him/her as well.

In the cases of share or joint ownership of real estate or multi-apartment residential building, the land privatization shall be agreed upon all parties (owners) and accompanied by an agreement corresponding to civil legislation. Failing this, the land privatization shall be carried in accordance with the court decision. If the land plot contains real estate objects

Article 22. Determination of the area and boundaries of the land plots subject to privatization

Privatization of land plots on which real estate objects of legal entities and individuals are located, is carried out within the area and boundaries of the land plots specified in the document certifying the ownership right or the proprietary right to them. Changes in the area and boundaries of these land plots during their privatization are not allowed.

Privatization of land plots adjacent to buildings and structures, industrial infrastructure objects, necessary for the implementation of production activities is carried out in the manner prescribed by part one of this Article. The area and boundaries of these land plots in their privatization may be challenged in court.

Article 23. Procedure for submission and consideration of the application

The application is submitted through the centers of public services or a Single portal of interactive public services of the Republic of Uzbekistan addressed to *khokim* of a district (city) at the place of land plot location.

Application shall be the basis to consider a matter on land plot privatization by the Commission for matters on land plots provision (sale).

The Commission for matters on land plots provision (sale) within ten business days from the date of receipt of the application considers it and prepares the positive or negative conclusion according to the Administrative regulation on provision of the state services on privatization of the land plots.

The decision of the Commission for matters on land plots provision (sale) shall be the basis for the adoption of relevant decision of the *khokim* on land plots privatization or refusal in their privatization.

Article 24. Grounds for refusal to privatize land plots

The grounds for refusal to privatize land plots are the following:

lack of grounds for privatization of land plots provided for in this Law;
outstanding court proceedings in relation to the target land plot;
prohibition or arrest imposed on immovable located on the target land plot;
approved master plans of residential areas as well as acts of authorized state bodies on withdrawal of the land plots for state and public needs and on construction of infrastructure facilities that were adopted prior to the application for privatization and that directly prevent privatization;
false, controversial or distorted information in the application for privatization;
non-payment or incomplete payment for the privatized land plot within the period established by this Law.

Refusal in privatization of land plots on the grounds other than mentioned above is not allowed.

Article 25. Fee for land plots privatization

Individuals and legal entities shall pay for the privatized land plot within ten business days after receipt of the written or electronic notification on the positive conclusion of the Commission for matters on land plots provision (sale).

The amount of payment for the privatized land plot with real estate objects is determined by the Cabinet of Ministers of the Republic of Uzbekistan as multiples of the land tax rate on legal entities and individuals established for the relevant lands on the date of privatization.

When determining the amount of payment for a privatized land plot, the Cabinet of Ministers of the Republic of Uzbekistan is entitled to establish differentiated coefficients in relation to certain categories of land plots, legal entities and individuals, including those exempt from payment of land tax.

Article 26. Decision on privatization of land plots or refusal to privatize them

Decision on privatization of land plots shall be taken within three working days after the payment for the privatized land plot.

The decision on the privatization of land plot is not subject to review out of court.

The decision on refusal to privatize land plots shall be taken on the day the Commission for matters on land provision (sale) takes a negative decision and may be appealed to the administrative court.

CHAPTER 4. PRIVATIZATION OF VACANT LAND PLOTS AS WELL AS LAND PLOTS PROVIDED TO THE FUND FOR DEVELOPMENT OF URBANIZATION

Article 27. Privatization of vacant land plots

Vacant land plots are determined by the local state authorities in accordance with the master plans of settlements and territories.

Vacant land plots are sold to legal entities and individuals through electronic online auction in agreement with the Agency for Urbanization Development under the Ministry of Economy and Industry of the Republic of Uzbekistan.

Vacant land plots may be sold through an electronic online auction with investment obligations attached.

Article 28. Application for participation in electronic online auction on privatization of vacant land plots

Application for participation in the electronic online auction for the privatization of vacant land plots is submitted:

by legal entity - resident of the Republic of Uzbekistan - for business and urban development activities;

by individual - a citizen of the Republic of Uzbekistan - for individual housing construction and maintenance of a residential house, as well as for business and urban development activities.

Article 29. Fee for privatized vacant land plot

The cost of privatized vacant land plot is determined by the results of an electronic online auction.

The starting price of land plots allocated for electronic online auction equals to their market value at the time of their placement on electronic online auction.

The size of the deposit and the step price are set as a percentage of the starting price and in monetary terms.

The fee for the services of organizing an electronic online auction is charged according to the contract concluded between the organizer of the auction and the initiator of the electronic online auction.

Article 30. Procedure for privatization of land plots transferred to the Fund for Urbanization Development

Land plots provided to the Fund for Urbanization Development are sold through an electronic online auction in the manner and under the conditions provided for in this Chapter.

CHAPTER 5. LEGAL STATUS OF PRIVATIZED LAND PLOTS

Article 31. Private ownership right to the privatized land

Privatized land plots shall be regarded as a private property and objects of civil circulation.

The private ownership right to a privatized land plot arises from the moment of state registration of the right to it by making an appropriate record in the State register of rights to real estate and transactions with them in electronic form.

The private ownership right to privatized land plots is inviolable and protected by the state in accordance with the Law of the Republic of Uzbekistan "On protection of private property and guarantees of owners' rights".

Article 32. Rights of owners of privatized land plots

Owners of privatized land plots are entitled to:

freely own, use and dispose privatized land plot at their own discretion and in own interests, in particular use it as a collateral, contribute to an authorized capital (charter fund) of legal entity, lease without violating the rights and interests protected by the law of legal entities and individuals or state;

demand the elimination of any violations of the property right to the privatized land plot;

independently operate on a privatized land plot;

construct residential, industrial, cultural and welfare and other buildings and structures, carry out their reconstruction and demolition.

Article 33. Obligations of owners of privatized land plots

Owners of privatized land plots are obliged to:

comply with the requirements of legal documents in the area of technical regulation when using land plot; compensate in accordance with the established procedure the damage caused to other owners of land plots;

perform investment obligations imposed upon the acquisition of land.

Article 34. Special cases when the ownership right to land plots appear

Foreign citizens and legal entities — non-residents of the Republic of Uzbekistan, as well as stateless persons are not entitled to purchase privatized land plots, unless otherwise provided in the Land code and international treaties of the Republic of Uzbekistan.

Acts, transactions and other actions committed with the aim to transfer ownership right to land plots by foreign legal entities and individuals, stateless persons not eligible to purchase privatized land plots, are void.

In the case of a transfer of the ownership right to land plots to foreign legal entities and individuals, stateless persons not eligible to purchase privatized land plots as a result of bankruptcy of legal entities and individuals, acceptance of inheritance, reorganization or liquidation of a legal entity and in other circumstances, the acquired land plots shall be alienated within six months from the date of occurrence of such event.

Article 35. Seizure of privatized land plots from the owner

Seizure of the privatized land plot from the owner is allowed only in case of foreclosure to this land plot for the obligations of the owner in the cases and procedure provided by legislative acts, as well as in the order of nationalization, requisition and confiscation.

Article 36. Determination of the value of the seized privatized land plot to which the foreclosure is directed

In the cases of foreclosure caused by the default of the owner, the value of the seized privatized land plot is determined in accordance with the Law of the Republic of Uzbekistan "On the execution of judicial acts and acts of other bodies".

The value of the seized privatized land plot determined by the appraisal organization may be challenged in court.

Article 37. Nationalization of privatized land

Nationalization is a paid transfer of property right to the land plot of legal entities and individuals to the state.

Nationalization of privatized land is characterized by the following:

is carried out exclusively for state and public needs and with the consent of the owner of the land;

is issued by the contract of land's plot sale concluded on equal terms between the owner of the land plot and the state body authorized by the Cabinet of Ministers of the Republic of Uzbekistan;

is carried out on condition of preliminary compensation by the state of contractual cost of the privatized land plot and other losses.

Nationalization of the privatized land plot for state and public needs is allowed exclusively for the following purposes:

provision of land for the needs of defense and state security, protected natural areas, creation and operation of free economic zones;

fulfillment of obligations arising from international treaties of the Republic of Uzbekistan;

discovery and development of mineral deposits;

construction (reconstruction) of roads and railways, airports, airfields, air navigation facilities and aircraft centers, railway transport facilities, bridges, subways, tunnels, energy systems facilities and power lines, communication lines, objects of space activities, trunk pipelines, engineering and communication networks;

execution of master plans of settlements in terms of construction of facilities at the expense of the State budget of the Republic of Uzbekistan, as well as in other cases directly provided by the laws of the Republic of Uzbekistan and decisions of the President of the Republic of Uzbekistan.

Nationalization of the privatized land plot for commercial purposes is not allowed.

The state body initiates the conclusion of a contract of land plot's sale after an open discussion with interested parties, whose land plots are subject to nationalization, as well as assessment of benefits and costs.

Compensation of contractual value of the nationalized land plot and other losses shall be made in full until the moment of transfer of the property right to the nationalized property to the state, or at the request of the land plot's owner alternative equivalent land plot is provided for property.

Compensation of contractual value of the nationalized land plot shall be paid lump sum. Nationalization involving the installment of compensation payment is not allowed.

Disagreements between the state authorities and the owner of the privatized land plot on the conclusion of the contract of land plot's sale may be challenged in court.

The actual transfer of a nationalized land plot shall be carried out only after the owner and other persons whose rights in respect of the nationalized land plot are terminated or restricted by nationalization receive equivalent compensation.

In case of subsequent denationalization of the land plot, the former owners have a preferential right to its privatization.

Article 38. Requisition of privatized land plot

In cases of natural disasters, accidents, epidemics, epizootics and other circumstances of an emergency nature, by the decision of the Cabinet of Ministers of the Republic of Uzbekistan, the privatized land may be withdrawn from its owner (requisition) with compensation to the owner of the privatized land plot caused losses and issuance of a document on requisition.

Requisition of the privatized land plot is carried out exclusively for the purpose of protection of the rights and legitimate interests of citizens, society and the state from the threats arising in connection with emergency circumstances.

Upon termination of the circumstances in connection with which the requisition was made, the former owner of the requisitioned land plot has the right to demand the return of the preserved property to him.

In case of impossibility to return the requisitioned land plot to its owner, the market value of this land plot is compensated or at his will other equivalent land plot is provided for property.

In case of occurrence of the circumstances specified in part one of this Article, in the absence of need to requisition the land plot, it can be temporarily for the period of action of these circumstances occupied for use with compensation to the land plot owner of the losses caused in connection with temporary restriction of his rights.

The assessment according to which the owner of the land plot receives compensation in the amount of market value of the requisitioned land plot, losses caused in connection with its requisition or temporary restriction of the rights of the land plot's owner may be challenged in court.

Article 39. Confiscation of privatized land plot

In the cases provided by the criminal procedure legislation, the privatized land plot may be seized from the owner by a court decision (confiscation).

CHAPTER 6. FINAL PROVISIONS

Article 40. Dispute resolution

Disputes arising in the area of privatization of land plots shall be settled in accordance with the procedure established by law.

Article 41. Liability for violation of legislation on privatization of land plots

Persons responsible for violation of the legislation on privatization of land plots shall be liable in accordance with the established procedure.

Article 42. Enforcement, dissemination, clarification of the essence and meaning of this Law

The Ministry of economy and industry of the Republic of Uzbekistan and other interested organizations shall ensure the execution, communication to the performers and explanation among the population of the essence and meaning of this Law.

Article 43. Adaption of legislation into compliance with this Law

The Cabinet of Ministers of the Republic Of Uzbekistan shall:

adapt government decisions in compliance with this Law;

accommodate revision and revocation by government bodies of their legal acts contradicting this Law.

Article 44. Entry into force of this Law

This Law shall enter into force on March 1, 2020.

**The President of the
Republic of Uzbekistan**

Sh. Mirziyoev

Tashkent city,
August 13, 2019
No. ZRU-552