

LAW OF THE REPUBLIC OF UZBEKISTAN  
ON CURRENCY REGULATION  
(new version)

CHAPTER 1. GENERAL PROVISIONS

**Article 1. Purpose of this Law**

The purpose of this Law is to regulate relations in respect of currency operations and currency control.

**Article 2. Legislation on currency regulation**

Legislation on currency regulation shall consist of this Law and other legislative acts.

Where an international treaty of the Republic of Uzbekistan establishes other rules than those contained in the legislation of the Republic of Uzbekistan on currency regulation, the rules of the international treaty shall be applied.

**Article 3. Scope of the Law**

This Law applies to relations that ensure the implementation of the unified state currency policy of the Republic of Uzbekistan.

**Article 4. Basic terms**

The following basic terms are applied in this Law:

**exchange rate** — the rate of foreign currency in relation to the currency of the Republic of Uzbekistan;

**currency control** — the activities of currency control bodies aimed at ensuring compliance by residents and non-residents with the requirements of the legislation on currency regulation;

**currency operations** — operations connected with assignment of ownership and other rights to currency valuables, use of currency valuables as legal tender, and also carriage, mailing and transfer in and out of the Republic of Uzbekistan, of currency valuables, as well as operations in the currency of the Republic of Uzbekistan between residents and non-residents;

**currency regulation** — the activity of the currency regulation body to establish the procedure for circulation of currency valuables, rules for ownership, use and disposal of currency valuables;

**currency valuables** — foreign currency, securities and payment documents with face value expressed in foreign, securities without face value issued by nonresidents, refined gold in bullion;

**foreign currency** — banknotes that are authorized medium of circulation and a legal tender of cash payment in the territory of a foreign state (group of foreign states), and also withdrawn banknotes or those to be withdrawn from circulation with subsequent exchange, as well as funds in bank accounts and deposits in monetary units of foreign states (group of foreign states) or in international monetary or settlement units;

**derivative financial instruments related to foreign currency (currency derivatives)** — contracts for the purchase and sale of foreign currency, under which the performance of obligations is carried out after a certain period or depending on the value or change in the exchange rate of foreign currency;

**the currency of the Republic of Uzbekistan (national currency)** - the monetary unit of the Republic of Uzbekistan (Soum).

#### **Article 5. Basic principles of this Law**

The following main principles are applied in this Law:

unity of the currency regulation system and currency control;  
priority of economic measures in the implementation of the state policy in the field of currency regulation and currency control;  
prevention of illegal interference of state bodies in currency operations of residents and non-residents.

#### **Article 6. Residents and non-residents**

Residents of the Republic of Uzbekistan (hereinafter — “residents”):

citizens of the Republic of Uzbekistan, including those residing abroad  
foreign citizens who have a residence permit in the Republic of Uzbekistan  
stateless persons who have a residence permit in the Republic of Uzbekistan  
all legal entities established under the legislation of the Republic of Uzbekistan, and also their branches and representative offices thereof located in the Republic of Uzbekistan and beyond its borders  
diplomatic, trade and other official representative offices of the Republic of Uzbekistan, including those located outside of the Republic of Kazakhstan  
international organizations with headquarters located in the territory of the Republic of Uzbekistan.

Non-residents of the Republic of Uzbekistan (hereinafter - “non-residents”) are persons who do not fall under the concept of a resident in accordance with the part one of this article.

### **CHAPTER 2. CURRENCY REGULATION**

#### **Article 7. Body of the state currency regulation**

The Central Bank of the Republic of Uzbekistan (hereinafter — the Central Bank) is the body of state currency regulation.

The Central Bank, within its powers, shall exercise the following functions:

adopts normative legal acts binding on non-residents in the territory of the Republic of Uzbekistan, as well as on residents in the territory of the Republic of Uzbekistan and abroad;  
defines the rules of currency operations implementation;  
carries out licensing and regulates the activities of currency exchange markets;  
sets exchange position limits for banks;  
prepares and publishes foreign exchange and external sector statistics in accordance with generally accepted international practice;  
establishes the procedure for monitoring currency operations conducted by residents and non-residents, including with currency control authorities;  
establishes forms of accounting and reporting on currency operations for banks of the Republic of Uzbekistan and determines the procedure and timing of their submission;  
establishes forms of accounting and reporting on currency operations, mandatory for submission by all residents and non-residents, for the compilation of statistics of the external sector;

carries out regulation and control over activity of banks of the Republic of Uzbekistan on observance by them of the legislation on currency regulation.

The Central Bank has the right to conduct all types of currency operations in the Republic of Uzbekistan and abroad.

#### **Article 8. Exchange rate**

The exchange rate for operations on the purchase and sale of foreign currency in the territory of the Republic of Uzbekistan is determined on the agreement bases, proceeding from supply and demand.

When determining the exchange rate of the Republic of Uzbekistan in relation to foreign currency, only market mechanisms shall be used.

While establishing the procedure for purchase and sell of foreign currency, the Central Bank provides for the creation of conditions for determining the exchange rate, based on the demand for foreign currency and its supply.

The Central Bank regularly sets the exchange rate for the purposes of accounting, statistical and other reporting on currency operations, as well as for the calculation of customs and other mandatory payments in the territory of the Republic of Uzbekistan.

#### **Article 9. Settlements and payments in the territory of the Republic of Uzbekistan**

All calculations and payments for goods (works, services) in the territory of the Republic of Uzbekistan shall be made in the currency of the Republic of Uzbekistan, except for the cases provided for by this Law.

Tariffs, prices for goods (works, services), including on national electronic trading platforms, as well as requirements for the size of authorized funds (authorized capital) of legal entities in the territory of the Republic of Uzbekistan are determined only in the currency of the Republic of Uzbekistan.

Prices for goods (works, services) sold on the territory of the Republic of Uzbekistan are not allowed to be pegged to foreign currencies and conventional units.

State duties, fees and other mandatory payments are collected only in the currency of the Republic of Uzbekistan, except for consular fees.

#### **Article 10. Currency valuables of residents and their use**

In order to carry out currency operations, residents – individuals shall have the following rights:

to own currency valuables imported, transferred or sent to the Republic of Uzbekistan, received or acquired in the Republic of Uzbekistan, and use them at their discretion;

to carry out international money transfers of non-commercial nature;

to import, transfer and send to the Republic of Uzbekistan, as well as export, transfer and send from the Republic of Uzbekistan currency valuables in the manner prescribed by law.

In order to carry out currency operations, residents - legal entities shall have the following rights:

to own foreign currency;

to transfer to the Republic of Uzbekistan, as well as to transfer from the Republic of Uzbekistan foreign currency in the manner prescribed by law.

## **Article 11. Repatriation of assets in foreign trade operations**

Repatriation of assets for foreign trade operations is the fulfillment of obligations of a non-resident partially or completely by:

receipt of funds or goods (performance of works, provision of services) pursuant to the obligations of a non-resident;

termination of a non-resident's obligation by way of set-off;

termination of the obligation that existed between the parties by another obligation between the same parties providing for a different subject or method of performance;

receipt of insurance payment.

If a resident assigns the right to make demands on non-resident to another resident, the corresponding obligation to ensure compliance with the asset repatriation requirement shall pass to the resident who has accepted the right of claim.

A resident (non-resident) is obliged to ensure the repatriation of assets in the course of foreign trade operations.

In case of exceeding the term of assets repatriation in the course of foreign trade operations by 180 days from the date when non-resident's obligation arises, this operation is qualified as a capital movement operation.

## **Article 12. Residents' accounts**

Residents have the right to open foreign currency accounts in banks of the Republic of Uzbekistan.

Residents-individuals have the right to open foreign currency accounts and deposits in banks of the Republic of Uzbekistan and abroad.

Residents-legal entities may open and use accounts outside the territory of the Republic of Uzbekistan pursuant to decisions of the President of the Republic of Uzbekistan or the Government of the Republic of Uzbekistan or provisions of international treaties of the Republic of Uzbekistan, which provide for the opening and use of accounts in the currency of the Republic of Uzbekistan or foreign currency in banks abroad.

Residents-legal entities after opening accounts outside the territory of the Republic of Uzbekistan are obliged to notify the tax authorities at the place of registration, as well as the Central Bank of the opening (closing) of accounts and changes in account details, as well as quarterly report on balances and turnover on these accounts not later than one month after the end of the reporting quarter in the manner prescribed by the Central Bank.

Opening and use of accounts outside the territory of the Republic of Uzbekistan by diplomatic and other representative offices of the Republic of Uzbekistan, as well as by representatives of organizations of the Republic of Uzbekistan outside the territory of the Republic of Uzbekistan, which do not carry out economic or other commercial activities, is allowed for the period of their stay and activities abroad. Upon completion of their stay and activities abroad, the accounts are subject to closure and the account balances are transferred to the Republic of Uzbekistan.

Residents have the right to transfer foreign currency from their accounts in banks of the Republic of Uzbekistan or in banks outside the Republic of Uzbekistan to their accounts in banks of the Republic of Uzbekistan without restrictions.

#### **Article 13. Non-residents' accounts**

Non-residents have the right to open and use bank accounts in banks of the Republic of Uzbekistan in both foreign currency and the currency of the Republic of Uzbekistan.

To open and use bank accounts in the Republic of Uzbekistan, non-residents-legal entities are required to carry out activities on the territory of the Republic of Uzbekistan.

### **CHAPTER 3. CURRENCY OPERATIONS**

#### **Article 14. Types of currency operations**

Currency operations are divided into domestic and international (cross-border) ones.

Domestic currency operations are transactions conducted on the territory of the Republic of Uzbekistan.

International (cross-border) currency operations are divided into current cross-border operations and capital movement (capital transfers) operations.

#### **Article 15. Current cross-border operations**

Current cross-border operations include:

all payments payable in connection with the conduct of foreign trade, other current activities, including services (work);

payments payable in the form of interest and other income, including bank deposits, loans, leasing, as well as in the form of net income from other investments;

loan repayment given that the amount of each loan repayment installment does not exceed the sum that equals to two times the amount to be paid for the given period as per the loan agreement;

non-trade transfers.

The following operations are considered non-trade transfers:

transfers between individuals in the amount of up to one hundred million Soums;

payment for goods (services, works) for personal needs;

payment of salaries, scholarships, pensions, alimony;

payment of expenses related to the sending of employees outside the Republic of Uzbekistan;

payment for education, medical treatment and tourism;

payment for the maintenance of diplomatic and other representative offices of the Republic of Uzbekistan in foreign countries, as well as permanent representative offices of the Republic of Uzbekistan subordinate to interstate or intergovernmental organizations;

payments related to notary and investigative actions, as well as payment of state fees in connection with the consideration of cases in the courts;

payments of funds on the basis of court decisions, arbitration, as well as investigative and other law enforcement agencies;

payments for participation in international congresses, symposia, conferences, sports and cultural events, as well as other international meetings, exhibitions and fairs, excluding investment and material costs;

payments related to the burial of the deceased;

payment of royalties, payment of patent fees and payment of obligations of license agreements in the area of intellectual property;

contributions to international non-profit organizations.

Current cross-border operations and associated purchase or sale of foreign currency by residents and non-residents are carried out without restrictions.

#### **Article 16. Capital movement operations**

Capital movement operations include all international (cross-border) currency operations that are not classified as current cross-border operations, including:

implementation of investment activities, including working capital injections by residents-legal entities of their branches outside the territory of the Republic of Uzbekistan;

receiving and granting of credits (loans), the implementation of leasing operations;

purchase and sell of real estate;

attraction from foreign countries and placement of funds to accounts and deposits in foreign countries;

acquisition or sale of the exclusive right to intellectual property.

Attraction to the Republic of Uzbekistan of foreign direct investments and their repatriation, as well as the realization of the rights acquired in connection with the implementation of foreign direct investments, are carried out without restrictions.

Capital movement operations on acquisition and construction of real estate objects outside the Republic of Uzbekistan for needs of diplomatic and other representative offices of the Republic of Uzbekistan are carried out pursuant to the decision of the Cabinet of Ministers of the Republic of Uzbekistan.

The procedure for circulation of securities in foreign currency on the territory of the Republic of Uzbekistan, acquisition by residents of securities in foreign currency, as well as acquisition by non-residents of securities issued by residents, shall be established by the authorized state body for regulation of the securities market in accordance with the Central Bank.

#### **Article 17. Currency operations between residents**

Currency operations between residents are allowed in the following cases:

transactions related to settlements in duty-free shops, as well as with settlements in the sale of goods and provision of services to passengers on the route of vehicles in international transport;

transactions between commission agents (attorneys) and clients (principals) at rendering by commission agents (attorneys) services related to the negotiation and execution of contracts with non-residents on transfer of goods, performance of works, rendering of services, transfer of information and results of intellectual activity, exclusive rights thereto, including operations on return of the client's (principal's) money (other property);

transactions involving settlements and transfers of funds in foreign currency received from abroad from the implementation of freight forwarding services to the account of forwarding companies, on the basis of contracts;

operations on payment and reimbursement of expenses of individuals associated with the Commission of business trips outside the territory of the Republic of Uzbekistan, as well as operations on repayment of unspent advance issued in connection with business trips;

transactions involving settlements and transfers of funds to diplomatic missions, consular institutions of the Republic of Uzbekistan, as well as permanent missions of the Republic of Uzbekistan to interstate or intergovernmental organizations;

transfers on non-trading operations of funds by a resident individual from accounts opened in banks of the Republic of Uzbekistan in favor of other resident individuals to their accounts opened in banks of the Republic of Uzbekistan;

transactions related to settlements between transport organizations and individuals located outside the territory of the Republic of Uzbekistan, as well as branches, representative offices and other divisions of legal entities under contracts of carriage of passengers;

transactions between Commission agents (attorneys) and agents (principals) in the provision of services by Commission agents (attorneys) related to the conclusion and execution of contracts, obligations under which are subject to execution on the basis of clearing, if the final buyer or seller is a non-resident; operations related to the use of currency valuables as security for the performance of obligations, as well as their recovery;

operations related to the introduction and return of currency valuables in the authorized capital (authorized capital) of legal entities;

transactions related to the implementation of banking services;

operations associated with the charity;

transactions related to the receipt of currency valuables by inheritance.

Currency transactions between residents not provided for in part one of this article shall be prohibited.

#### **Article 18. Currency operations between non-residents**

Non-residents have the right to make transfers between themselves related to current cross-border operations from accounts in banks outside the territory of the Republic of Uzbekistan to Bank accounts in banks of the Republic of Uzbekistan or from Bank accounts in banks of the Republic of Uzbekistan to accounts in banks outside the territory of the Republic of Uzbekistan.

Non-residents - individuals may make non-trade transfers from accounts opened in banks of the Republic of Uzbekistan in favor of other non-residents - individuals to their accounts opened in banks of the Republic of Uzbekistan.

Non-residents may carry out currency operations with securities from accounts in banks of the Republic of Uzbekistan to accounts in banks of the Republic of Uzbekistan taking into account the requirements established by the legislation of the Republic of Uzbekistan on the securities market.

#### **Article 19. Purchase and sale of foreign currency on the territory of the Republic of Uzbekistan**

Purchase and sale of foreign currency by residents and non-residents in the territory of the Republic of Uzbekistan are carried out exclusively through banks of the Republic of Uzbekistan.

Purchase and sale of foreign currency on the interbank currency market in the Republic of Uzbekistan are carried out exclusively by the banks of the Republic of Uzbekistan and the Central Bank.

#### **Article 20. Rights and obligations of banks of the Republic of Uzbekistan in foreign exchange transactions**

Banks of the Republic of Uzbekistan have the right to have correspondent and other accounts in banks of the Republic of Uzbekistan and foreign banks and to carry out transactions on purchase and sale of foreign currency, including currency derivatives, directly among themselves, with the clients, and also through currency exchanges and in the international markets.

Banks of the Republic of Uzbekistan are obliged to carry out currency

#### **Article 21. Restrictions on currency transactions**

The Central Bank may impose restrictions on currency transactions:

in order to counter the legalization of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction;

in cases of threats to the stability of the balance of payments in compliance with the obligations under the Articles of Agreement of the International Monetary Fund.

The Cabinet of Ministers of the Republic of Uzbekistan, in coordination with the Central Bank, may impose restrictions on currency transactions in the event of a threat to economic security.

The term of the restrictions may not exceed one year from the date of introduction. At the end of the specified period, the restrictions are considered to be canceled. The restrictions may be cancelled in whole or in part ahead of time.

#### **Article 22. Import into the Republic of Uzbekistan and export from the Republic of Uzbekistan of cash currency of the Republic of Uzbekistan and foreign currency**

Import to the Republic of Uzbekistan of cash currency of the Republic of Uzbekistan and foreign currency by individuals is carried out without restrictions.

Export by individuals of cash currency of the Republic of Uzbekistan and foreign currency outside the Republic of Uzbekistan is carried out in the amount not exceeding the equivalent of one hundred million soums. Export of cash currency in the amount exceeding the established equivalent shall be carried out in accordance with the procedure determined by the Cabinet of Ministers of the Republic of Uzbekistan.

Import into the Republic of Uzbekistan and export from the Republic of Uzbekistan of cash currency of the Republic of Uzbekistan and foreign currency by legal entities, except for banks of the Republic of Uzbekistan, is prohibited.

### **CHAPTER 4. CURRENCY CONTROL**

#### **Article 23. Currency control authorities**

Currency control bodies in the Republic of Uzbekistan are the Central Bank, the Audit Chamber, the Ministry of Finance, the State tax Committee and the State Customs Committee of the Republic of Uzbekistan.



## **Article 24. Rights and obligations of currency control bodies**

Currency control bodies within their powers are obliged to monitor currency operations conducted by residents and non-residents in the Republic of Uzbekistan, in terms of compliance of these operations with the legislation of the Republic of Uzbekistan.

Currency control bodies, within the limits of their authority, shall have the following rights:

to carry out checks of observance by residents and non-residents of the legislation on currency regulation;

to carry out checks of completeness and reliability of accounting and reporting on currency transactions of residents and non-residents in accordance with the established procedure;

request documents and information related to currency transactions;

establish the procedure for reporting on foreign exchange transactions;

to make demands on elimination of the revealed violations and to take other measures which are obligatory for execution by all residents and non-residents in the Republic of Uzbekistan.

Currency control authorities may require the submission of only those documents that are directly related to the currency transaction.

In accordance with the legislation of the Republic of Uzbekistan, currency control bodies are obliged to preserve commercial, banking and other secrets protected by law, which they have become aware of in the exercise of their powers.

The Central Bank exercises currency control over currency operations conducted by banks of the Republic of Uzbekistan.

## **Article 25. The rights and obligations of residents and non-residents in the course of inspections conducted by currency control authorities**

Residents and non-residents carrying out currency transactions in the Republic of Uzbekistan have the following rights:

get acquainted with the materials of inspections conducted by the currency control authorities;

appeal against actions of currency control bodies;

on compensation of the real damage caused by illegal actions (inaction) of bodies of currency control and their officials.

Residents and non-residents carrying out currency transactions are obliged to:

provide currency control authorities with all requested documents and information on currency transactions;

to provide explanations to the currency control authorities during their inspections, as well as according to their results;

keep records and prepare reports on currency transactions, as well as ensure their safety;

to comply with the requirements (instructions, representations) of the currency control bodies on elimination of the revealed violations;

to ensure currency control authorities access to its premises, documents, and automated databases in the course of conducting their audits.

## CHAPTER 5. FINAL PROVISIONS

### Article 26. Reporting on currency operations

The procedure for reporting on currency operations, types of reporting, its form and time of submission shall be determined by the Central Bank together with other currency control authorities within their competence.

Individuals shall not report on the purchase and sale of foreign currency.

### Article 27. Dispute resolution

Disputes arising in the area of currency operations and currency control shall be settled in accordance with the legislation.

### Article 28. Liability for violating the legislation on currency regulation

Persons responsible for violating the legislation on currency regulation shall be liable in accordance with the established procedure.

The President of the Republic of Uzbekistan

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