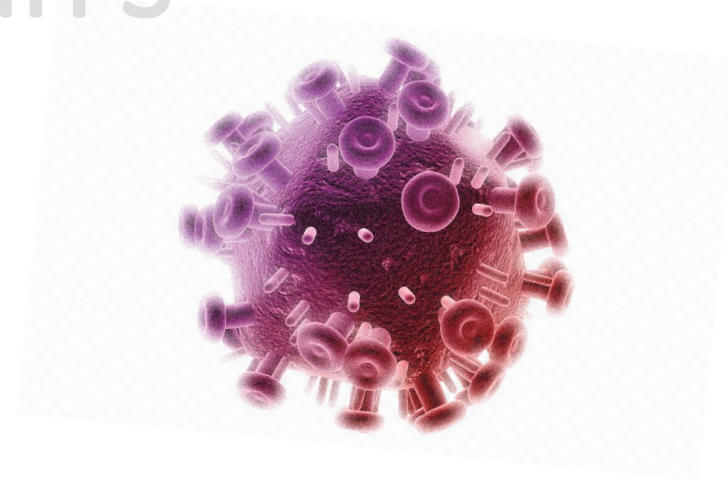


CORONAVIRUS COVID-19: Uzbekistan's response (part 3)



MAY 13, 2020

DOCUMENT INTENDED TO PROVIDE AN OVERVIEW OF THE CURRENT
SITUATION IN UZBEKISTAN RATHER THAN SPECIFIC CLIENT ADVICE

Executive summary

To date, in Uzbekistan, the limitations associated with the quarantine have been slightly eased. Due to that, starting from 11 May 2020, many business entities have resumed their activities.

Starting from 10 May 2020, the following measures apply:

- ▶ Zoning
- ▶ Export-import measures
- ▶ Business support measures
- ▶ Special rules for dispute resolution

Zoning

In order to ease the quarantine measures, the government has divided areas of Uzbekistan into **3 categories** based on the severity of the epidemiological situation.

- ▶ **Red Zones** (Karakalpakstan, Andijan, Namangan, Fergana, Tashkent region, Bukhara, Syrdarya) – entities engaged in the following activities are allowed to resume their activities: construction, cafeteria (take away only), markets (selling food products), textile, wholesale trade markets, laundries, delivery services, banks, law firms and insurance companies, notaries, banks, health services.
- ▶ **Yellow Zones** (Surkhandarya, Khorezm, Tashkent city) – in addition to the above, the following entities may now operate: all type of markets and shops, including shopping malls (except for their recreation areas), taxi services, car services, hotels (excluding motels), institutions providing state (public) services.
- ▶ **Green Zones** (Navoi, Jizakh, Kashkadarya) – all business entities are allowed to resume their activities, except for the entities engaged in the provision of recreational/educational/ cafeteria services

Samarkand is a red zone where special restrictive measures have been taken – almost all entities are prohibited from operating, except for those providing basic service, e.g. pharmacies and entities selling food products.

Zoning (cont.)

- ▶ In all the zones, it is allowed to use vehicles in particular times of the day (7 a.m. – 10 a.m. in the morning and 5 p.m. – 8 p.m. in the evening) (this does not apply to taxi services).
- ▶ All the entities allowed to operate must observe temporally sanitary rules adopted by the Chief Public Health Officer to prevent the spread of COVID-19.

Export – import operations

- ▶ In accordance with the [Resolution of the Cabinet of Ministers No. 247 of April 23, 2020](#), from 1 May to 31 December 2020 – all exports of raw materials used in the production of particular medical products – e.g. non-woven materials, must be temporally suspended. The same applies to the import of cement products.
- ▶ According to the [Presidential Decree No. UP-5989 of May 5, 2020](#), raw materials used in the textile, clothing and knitwear industries are exempted from customs duties until January 1, 2022. A [list](#) of materials subject to the exemption is attached to the Decree.

Business support

- ▶ On 22 April 2020, the [President signed the Decree No. 4691](#) aimed at supporting private and state-owned businesses. According to the Decree, the government achieved some preliminary arrangements with international financial institutions (IFIs) for the provision of long-term loans and grants for the total amount exceeding USD 3 bln.
- ▶ The Ministry for Healthcare was given the right to directly procure medicines and medical equipment via global platforms of UN organizations (based on advice of IFIs).
- ▶ Funds of the European Bank for Reconstruction and Development (USD 220 mln) will be attracted to finance some ongoing projects.
- ▶ Funds of the Asian Infrastructure Investment Bank (USD 200 mln) will be attracted for funding exporters, small and medium-sized enterprises.
- ▶ A full and detailed list of the attracted funds is available [here](#).

Business support (cont.)

The [Presidential Decree No. UP-5989 of May 5, 2020](#), targeted at supporting the textile, clothing and knitwear industries introduced the following measures:

- ▶ until 5 June 2020, the starting price for locally manufactured cotton fiber will be determined based on futures quotes at the New York Mercantile Exchange;
- ▶ the time period within which all the payments must be received for cotton fiber sold in commodity markets for the national currency was prolonged from 90 to 150 days.
- ▶ for entities-exporters in the industry, a simplified procedure for the VAT reimbursement will be available from 1 May 2020 to 31 December 2020.
- ▶ a portfolio of anticipated investment projects for 2020-2025, envisaging the construction of factories of famous international brands in the textile industry, will be adopted in short term.

Litigation

On 28 April 2020, [the Resolution of the Plenum of the Supreme Court of the Republic of Uzbekistan No. 8](#) aimed at regulating court proceeding during the quarantine was adopted. It includes the following measures:

- ▶ the duration of statutory limitation periods for the quarantine period is suspended;
- ▶ courts shall consider the quarantine as a valid ground to exempt from liability (in cases when quarantine measures have a direct impact);
- ▶ till 1 October 2020, courts (i) will not consider claims on the imposition of penalties for delayed payments under foreign trade contracts on exporting (importing) entities, (ii) will not accept claims on initiating bankruptcy proceedings in respect of entities-debtors, (iii) will refuse in satisfying claims on the collection of loan debts.