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A Draft Law of the Republic of Uzbekistan “On Limited Partnership”

For the purposes of further improving legal conditions to attract investments to the Republic of Uzbekistan and implementing investment projects, a draft Law “On Limited Partnership” (the “Draft Law”) was prepared and published for public discussion.

A limited partnership shall be incorporated on the basis of a limited partnership agreement (the “Agreement”) for the period not exceeding 15 years, while entailing the consolidation of contributions of two or more persons (partners) for carrying out the investment activity with the formation of legal entity.

In accordance with the Draft Law, the following entities and individuals can be a party to the Agreement:

- ▶ partners – legal entities and individuals that have entered into the Agreement and made a contribution to the common assets of partners;
- ▶ managing company – commercial organization performing the conduct of business and management of investment contributions in accordance with the Agreement;
- ▶ qualified investors – legal entities and individuals, including foreign individuals that have made investments in cash in the amount of at least 2 500 base calculation values^[1] (the “BCV”) in the national and/or foreign currency equivalent at the exchange rate of the Central Bank on the date of contribution.

In accordance with the Draft Law, a limited partnership cannot have more than 50 partners. Please note that one or several partners (managing company) can act on behalf of all partners..

A managing company is responsible for separate accounting of income and expenses, opening a bank account, keeping tax records, maintaining the record of partners and providing partners with information about the amount of expenses incurred in the course of the business, the amount of remuneration and the current amount of each partner's share.

It is important to note that limited partnership can be involved in any business activity, except banking activity.

^[1] One base calculation value is UZS 223,000 (approximately USD 22).

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ЎЗБЕКСТАН