

Local Knowledge for Global Business

Covid-19. Force Majeure mode for contracts in Uzbekistan

In connection with the pandemic triggered by the spread of the COVID-19 virus (coronavirus) in the world and for mitigation of the negative impact on the economy, the Government of the Republic of Uzbekistan adopted a number of decisions for introducing a force majeure mode for business in the country.

The mode implies that if it is impossible to execute the contract due to circumstances of insuperable force (force majeure), legal entities (enterprises or companies) can receive a confirming certificate from an authorized body.

According to the presidential decree "On priority measures to mitigate the negative impact on the economy of the coronavirus pandemic and global crisis" No. UP-5969 of March 19, 2020, the Ministry of Investment and Foreign Trade ("MIFT") and the Chamber of Commerce were appointed as authorized bodies ("CCI") of the Republic of Uzbekistan.

The certificates issued by MIFT apply only to contracts of foreign economic activity (FEA). To obtain a certificate, the company submits an application for a certificate in the order prescribed by the *Regulation on the procedure for confirming circumstances* of insuperable force (Appendix to the Resolution of the Cabinet of Ministers No. 63 of February 15, 2005).

At the same time, the certificates issued by the CCI apply to all types of contracts. To obtain a certificate, the company should apply for a certificate in the manner prescribed by internal regulations and orders of the CCI.

If it turns out that the force majeure in the contract of FEA was in fact triggered by coronavirus pandemic, the MIFT or CCI issues the corresponding certificate within 1-2 days after the company submits the application.

Alternatively, the parties can resolve the issue of force majeure in amicable way - by extending the deadlines for fulfilling obligations or by amending the contract.

In case one of the parties refuses or does not respond to the proposal to amend the contract for more than 30 days, the other party may demand an amendment or even termination of the contract by judicial means (Articles 383-384 of the Civil Code of the Republic of Uzbekistan).

Meanwhile, the Government of the Republic of Uzbekistan guarantees a number of relaxations in contracts concluded with the state bodies.

Read more

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