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Amendments to the Legislation of Uzbekistan

Over the last month, a number of amendments were introduced to the legislation of the Republic of Uzbekistan. In particular, amendments were made to the Constitution of the Republic of Uzbekistan and to the Law "On Public-Private Partnership". In addition, the Senate approved the Urban Planning Code in new edition and the Cabinet of Ministers adopted a new Resolution in the field of taxation.

Amendments to the Constitution

At its eleventh plenary session on January 6, the Senate of the Oliy Majlis of the Republic of Uzbekistan approved the Law "On Amendments to the Constitution of the Republic of Uzbekistan".

According to the amendments, from January 1, 2021:

- ▶ courts of general jurisdiction of the Republic of Karakalpakstan, regions and the Tashkent city are established replacing regional courts and equivalent courts for civil cases, criminal cases and economic courts, at the same time maintaining strict specialization of judges and creating separate judicial boards based on types of legal proceedings; and
- ▶ inter-district administrative courts are established in the Republic of Karakalpakstan, regional centers and Tashkent city, specializing on deciding cases arising from administrative procedures and other public legal relations and in this regard, district (city) administrative courts are abolished.

Following these changes, article 107 of the Constitution of the Republic of Uzbekistan is being duly amended.

Amendments to the Law "On Public-Private Partnership"

The Senate of the Oliy Majlis of the Republic of Uzbekistan at its tenth plenary session approved amendments to the Law "On Public-Private Partnership". An important change in the Law is the introduction of such concepts as "concession", "public-private partnership project" and "contender".

Furthermore, the amendments also strengthen the guarantee provided to the private investor in case of worsening of the conditions of investment into the object of public-private partnership due to changes in the legal acts of the Republic of Uzbekistan. In such cases, the private investor now has the right to demand a compensatory increase in the fee for the availability of the object and (or) the use fee, as well as to demand a one-time compensation payment from the public partner and (or) making appropriate changes and (or) additions to the public-private partnership agreement.

In addition, local executive authorities are granted the authority to identify the objects at their disposal, determine factors and problems that hinder the timely and effective implementation of public-private partnership projects, including projects with the participation of foreign investors, as well as take measures to eliminate them.

Urban Planning Code in new edition

The Senate of the Oliy Majlis at its eleventh plenary session discussed and approved the Urban Development Code of the Republic of Uzbekistan in new edition (the "Code").

It is noted that the current conditions in the field of construction hinders the acceleration of reforms and the development of a

healthy competitive environment in the country.

According to the Code, objects are divided into “localities”, “city”, “town” and “village (aul)”. In addition, the Code defines such concepts as “unauthorized construction”, “urbanization”, “participation of citizens in the implementation of urban development activities” etc.

The Code also provides for ensuring public participation in the discussion of decisions in the field of urban planning, establishes main ways of compensation for damage caused to individuals and legal entities, as well as the rights and obligations of experts in the examination of urban planning documentation.

In addition, the Code establishes requirements for building materials, products and structures, the procedure for financial support of urban development activities and liability for violations of urban planning legislation.

Resolution of the Cabinet of Ministers in the field of taxation

On January 7, the Cabinet of Ministers of the Republic of Uzbekistan adopted a Resolution “On the procedure for managing tax risks, identifying taxpayers with tax risks and on the procedure for organizing and conducting tax audits” (the “Resolution”).

The Resolution, among others, contains provisions prescribing:

- ▶ procedure for the analysis of tax risk;
- ▶ criteria for the degree of tax risk and the segmentation of taxpayers by their level of tax risk;
- ▶ rights and obligations of officials of the tax authority, taxpayers and their representatives.

According to the document, tax inspections are divided into the following three types: desk, on-site and audit.

In accordance with the Resolution, legal entities and individual entrepreneurs in retail trade are now required to post information about their state registration (TIN) in places that are convenient for customers to get familiarized with.

It is also important to note that the moratorium on conducting tax audits of entrepreneurs, announced at the initiative of the President, will be valid in 2021.

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