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The Rules for conducting foreign exchange transactions have been approved in the Republic of Uzbekistan

The Resolution of Board of the Central Bank as registered with the Ministry of Justice under No.3281 dated 31 August 2020 approved the Rules for conducting foreign exchange transactions in the Republic of Uzbekistan (the "Rules"). These Rules entered into force on 1 September 2020.

The Rules have introduced a number of amendments to facilitate the simplification of the procedure for conducting foreign exchange transactions within the territory of the Republic of Uzbekistan.

In accordance with the international practice, the Rules determine a single procedure for conducting foreign exchange transactions by combining the norms of by-laws in the field of currency regulation and by revoking five regulatory legal acts.

The Rules govern the following:

- ▶ management of residents' and non-residents' accounts in foreign currency by the commercial banks;
- ▶ carrying out foreign exchange transactions on purchase and sale of foreign currency by economic entities in the domestic exchange market;
- ▶ carrying out currency exchange transactions with individuals;
- ▶ acceptance of foreign currency in cash within the territory of the Republic of Uzbekistan;
- ▶ import and export of the foreign currency cash by commercial banks from the territory of the Republic of Uzbekistan.

Moreover, the Rules introduce the following amendments:

- ▶ cancellation of the norm establishing the requirement to certify the identity by presenting the copy of passport while carrying out their foreign exchange transactions;
- ▶ cancellation of time-consuming norms as well as norms that require submission of excessive documents in the course of foreign exchange transactions by banks and customers;
- ▶ simplified procedures for converting the funds of business entities and procedure for banks to review applications submitted for the purchase of foreign currency;
- ▶ the requirement to reserve funds in the client's personal account for participation in foreign exchange trades has been abolished;
- ▶ additional conveniences have been created for the use of the purchased funds, in particular, it became possible to reuse, by the bank's clients, the funds returned for various reasons to their special personal account;
- ▶ the practice of registering and issuing certificates to foreign exchange points by the Central Bank has been abolished;
- ▶ banks are independent in determining the procedure for processing currency exchange transactions, the number of employees and security requirements at foreign exchange points, their monitoring procedure, and other requirements.

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