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Law of the Republic of Uzbekistan “On Limited and Additional Liability Companies” is amended

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Firstly, the procedure of transfer of participating interest (its part) in authorised capital from one shareholder of limited liability company (hereinafter referred to as “LLC”) to another one and/or third parties is detailed. Shareholder intending to exercise right of privilege purchase has to notify another shareholder who suggested to sell the participating interest (its part) within a 7-day period. Whereas, shareholder intending to buy participating interest (s) should specify whether he/she intends to purchase in full or partly.

Further succession of events depends on the cumulative size of the received offers:

- ▶ if it does not exceed the size of the participating interest being sold, each of shareholders will acquire part that they specified in the notice, and remained part can be alienated to the third party if no offers from shareholders of LLC are received;
- ▶ if it exceeds the size of the participating interest being sold (a part of participating interest), shareholders acquire proportion to the sizes of their shares in an authorised capital if other distribution is not provided by the charter or the foundation agreement of LLC.

Secondly, a person, that has become owner of 50 and more percent in an authorized capital (except the state), who does not own participating interest or owns less than 50 percent of participating interest, is obliged to offer minority shareholders to sell their participating interest to him at a market price. This offer can be communicated through the company notice if it is envisaged in the charter of LLC. Upon receipt of written consent of the minority shareholders on sale of their participating interest, majority shareholders are obliged to buy it.

Thirdly, time limit for repayment of dividends is specified – dividends should be paid within 60 days following the decision on profit distribution among shareholders. Specific term and procedure for repayment of dividends are determined in the charter of LLC or by the decision of general meeting of shareholders.

Locations

UZBEKISTAN