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# In Uzbekistan a Presidential Decree on reforming enterprises with State participation and the privatization of State assets has been adopted

In the framework of the Presidential Decree No.УП-6096 “On measures to accelerate the reform of enterprises with the State participation and the privatization of state assets” dated October 28, 2020 (the “Decree No.УП-6096”), the following lists were approved:

- ▶ A list of state-owned enterprises and economic associations subject to transformation;
- ▶ The list of enterprises with a state share, where corporate governance and financial audit are introduced;
- ▶ The list of state assets that are planned to be sold through the public auction (Appendix 5 of the Decree No.УП-6096);
- ▶ The list of enterprises with State shares that are planned to be sold through public auction (Appendix 4 of the Decree No.УП-6096);
- ▶ List of State immovable objects that are planned to be sold to the private sector;
- ▶ Individuals that are responsible for organizing public auctions;
- ▶ New group of the State commission for holding public auction for the sale of state property.

The Decree No.УП-6096 also provides that state shares in enterprises are subject for public auctions if the value of the state share does not exceed UZS 100 million and the value of net assets is less than the capital of the enterprise.

The State shares specified in Appendix No.4 will be implemented as follows:

- ▶ Sold in public auction under single lot;
- ▶ Unsold shares not exceeding UZS 100 million are re-sold in public auction at the price of UZS 1 per 1 share.

It should be noted that the sale of State-owned facilities at a price of UZS 0 is terminated, where the starting price at a public auction should be UZS 1. Also, the Decree No.УП-6096 provides for the reorganization of unitary enterprises into business entities with the further sale of state shares through the public auctions.

In addition to the above, buyers of State assets will have a right to pay by installments. Buyers of the State share, who have paid a partial payment, will be granted with a certificate of ownership, which limits the right to dispose but the buyers can participate in the management of the company and receive dividends in proportion to the paid amount. In the case of real estate, the buyer of state property will be granted with a state order for the right of ownership, in accordance with this order, the right to dispose of the property is limited until the full amount is paid.

In the final paragraph of the Decree No.УП-6096, the additional functions that are planned to be introduced in the electronic auction platform “E-ijro auksion” were defined:

- ▶ from the beginning of 2021 – the integration of the platform with the government agencies and registration of all results of public auction with a QR code;
- ▶ acceptance of offers from the moment of the announcement of lots at the public auctions and organization of repeated

auctions for the re-sale of state real estate and shares no more than 1 time in 10 calendar days;

- ▶ conclusion of a sale and purchase agreement with a single participant of the public auction (the exception is State shares and real estate that are in the auction at a starting price of UZS 1).

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