



Doing Business in Uzbekistan 2025



Contents

Introduction	3
Business Forms	7
Starting Entrepreneurial Activity.....	8
Labor Relations and Hiring Foreign Employees General Provisions on the Employment of Foreign Workforce in the Republic of Uzbekistan	8
Exemptions from the Work Permit Requirement.....	8
Doing Business with Establishment of a Legal Entity.....	9
Special Forms Representative Office of a Foreign Legal Entity .	10
Branches of Foreign Legal Entities	10
Taxation	11
Types of Taxes.....	12
Tax Rates	12
Tax Rates for Individual Entrepreneurs.....	12
Tax Rates for LLCs	12
Joint-Stock Companies (JSCs)	13
Tax Rates for Permanent Establishments	13
Taxation of Non-Resident Individuals	13
Financial Operations and Currency Regulation	14
Currency Regulation.....	15
Definition of Residents and Exceptions.....	15
Intellectual Property Protection	16
Legal Protection of Intellectual Property.....	17
Trademark Registration Procedure.....	17
International Cooperation and Treaties	17
Investment Protection and Dispute Resolution	19
Guarantees for Foreign Investors.....	20
Dispute Resolution Mechanisms	20
International Agreements and Uzbekistan's Participation in Investment Forums	21
Incentives and Preferences	23
IT-park.....	24
Private Ownership by Non-Residents	26
Procedure for Acquiring Private Property. Lease.....	27



01

Introduction

Introduction

General Information about the Republic of Uzbekistan

The Republic of Uzbekistan is located in the very heart of Central Asia and borders five states of the region: Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, and Turkmenistan. This geographical position gives the country strategic importance – Uzbekistan serves as a vital link in regional and intercontinental transport and logistics routes connecting Europe, Asia, and the Middle East.

Its proximity to the main markets of Central Asia and its land borders with key partners facilitate the development of foreign trade and the expansion of economic cooperation. The geographical location creates broad opportunities for establishing logistics centers, transport hubs, and integrating into international transport corridors.

In addition, being one of only two countries in the world entirely surrounded by other landlocked states, Uzbekistan is actively developing alternative delivery routes and modernizing its transport infrastructure. This allows it to act as a reliable partner in ensuring stable overland transportation and to consolidate its role as a regional logistics and trade hub.

Key Trade Partners (Turnover, 2024):

- China – \$10.2 billion
- Russia – \$9.6 billion
- Kazakhstan – \$3.4 billion
- Turkey – \$2.4 billion
- South Korea – \$1.6 billion
- Germany – \$969.8 million
- Turkmenistan – \$947.7 million

- France – \$930.1 million
- Afghanistan – \$884.2 million
- India – \$770.6 million

Population and Demographics:

- Population: 37.6 million (as of January 1, 2025)
- Average age: ~28 years
- Annual population growth: ~2.1% (700–800 thousand people annually)
- Workforce: young and dynamically growing

Main Sectors of the Economy:

- Agriculture (cotton, fruits, vegetables)
- Energy (oil, gas, international projects)
- Information technologies and fintech
- Textile industry
- Mining (gold, copper, uranium)

Uzbekistan demonstrates steady positive dynamics in international rankings, confirming the effectiveness of reforms aimed at modernizing the economy, increasing government transparency, and creating a favorable business climate. These achievements strengthen international trust and investment inflows, while promoting the country's integration into global economic processes.

For example, in the **Corruption Perceptions Index (Transparency International, 2024)** Uzbekistan ranked 121st out of 180 countries with 32 points out of 100, compared to 156th place (22 points) in 2016. This steady improvement reflects progress in anti-corruption policy, enhanced legal mechanisms, and stronger public oversight.

In the **Statistical Performance Indicators (World Bank)**, Uzbekistan ranked 62nd among 217 countries, scoring 80.3 points. This indicates significant improvements

in transparency, timeliness, and quality of statistical data, which are critical for economic policymaking.

In the **Index of Economic Freedom (Heritage Foundation, 2025)**, Uzbekistan ranks 100th out of 184 countries, showing confident progress toward economic liberalization. The government has been reducing administrative barriers, improving the investment climate, strengthening property rights, and reforming the financial sector. These measures are driving investment inflows and boosting business activity.

The results show that Uzbekistan is steadily advancing on its path of institutional development, increasing openness and transparency, and strengthening its reputation as a reliable and predictable partner in the global economy.

Investment Climate and Government Support Measures

In recent years, Uzbekistan has become one of the most attractive destinations for foreign investors. Uzbekistan is one of the world's oldest civilizations, historically flourishing in trade, craftsmanship, and science. Cities such as Samarkand, Bukhara, Khiva, and Tashkent have long attracted those seeking knowledge and a better life. In the local culture, commerce and the pursuit of learning have always held a special place.

The business climate in Uzbekistan in 2025 shows steady improvement, making the country increasingly appealing to foreign investors. In 2024, real GDP growth reached 6.5%, driven by active investment, rising consumption, and structural reforms.

Investment in fixed capital grew by 127.6% compared to the previous year, reaching

\$39 billion — reflecting significant inflows of foreign investment and the implementation of large-scale infrastructure projects.

According to the Center for Economic Research and Reforms (CERR), in 2024 the consolidated business climate index averaged 53 points on a scale from -100 to +100, indicating positive sentiment among entrepreneurs.

The government of Uzbekistan continues to carry out reforms aimed at improving the investment climate, including legislative changes, investor protection, and private sector support.

These measures, combined with macro-economic stability and strategic initiatives such as the “Uzbekistan-2030” program, contribute to the formation of a favorable business environment and sustainable economic growth.

Furthermore, Uzbekistan is actively integrating into international trade and economic organizations — including the process of WTO accession, participation in the GSP+ scheme, and the development of regional initiatives with Central Asia and neighboring countries.

All these factors create a solid foundation for private sector growth, the attraction of long-term investment, and the further strengthening of Uzbekistan's role as a key economic center in the region.

Although the country remains primarily agro-industrial, Uzbekistan's economy is diversified, with strong sectors such as agriculture, engineering, textiles, hydrocarbons, and non-ferrous metals. In recent years, services have been taking up an increasingly large share of GDP due to diversification policies. According to

government programs, by 2026 it is planned to increase stock market turnover from USD 200 million to USD 7 billion, as well as raise the share of the private sector in the assets of the banking system to 60%.

Uzbekistan's economy has shown stable growth over the past 7–8 years, consistently ranking among the leaders in post-pandemic economic recovery. In December 2019, *The Economist* named Uzbekistan “Country of the Year,” and in the *World Bank Doing Business 2020* ranking it was among the top 20 jurisdictions for doing business.

On **June 26, 2025**, Fitch Ratings upgraded Uzbekistan's long-term foreign currency rating from “BB-” to “BB” with a “Stable” outlook, citing accelerated reforms, improved fiscal indicators, sustainable GDP growth of around 6.3% in 2025–2026, as well as substantial external reserves and low government debt (around 32% of GDP).

Macroeconomic Stability of Uzbekistan: International Assessments and Institutional Reforms

In **June 2025**, Moody's Ratings revised Uzbekistan's sovereign outlook from “stable” to “positive,” affirming its Ba3 rating. This followed a similar step by S&P Global Ratings, marking two consecutive positive signals from international agencies.

1. Institutional Reforms

- Corporate governance introduced in state-owned companies and banks: share of independent directors reached 25% in SOEs and 40% in SOBs, with a target of over 50% by 2027.

- Law on conflict of interest adopted; draft laws on e-declaration and whistleblower protection in development.
- Increased transparency in public accounting and statistics.

2. Energy Reform

- Gradual removal of subsidies and transition to market tariffs in electricity and gas sectors.
- Full cost recovery expected by 2027–2028.
- Social support measures provided (wage and pension indexation).

3. Privatization and Restructuring

- Privatization of banks and companies (Ipoteka Bank, SQB, Asaka, Navoi Mining).
- In 2025, a roadmap for IPOs/SPOs of 29 state-owned corporations was approved.
- National Investment Fund established under Franklin Templeton management for the sale of stakes in 18 assets.
- Goal: reduce state share in the banking sector from 65% to 46%.

4. Macroeconomics

- GDP growth in 2024 — 6.5%; forecast for 2025–2026 — 5.7–5.8%.
- Growth drivers: energy and infrastructure investments, capital inflows, diversified transfers.
- Fiscal deficit — 3.3% of GDP (2024), with a target below 3%.
- Public debt — less than 40% of GDP, mostly on concessional terms.

5. International Recognition

- Macroeconomic stability and low external vulnerability confirmed.

- Ongoing updates to investment, tax, and corporate legislation.
- Guaranteed access to international arbitration in investment agreements.

The key areas of foreign economic cooperation are:

- **Eurasian Economic Union (EAEU)** – Since 2020, Uzbekistan has participated as an observer. This provides access to EAEU markets and forms the basis for removing trade barriers, simplifying procedures, and standardizing technical requirements.
- **China** – A strategic partner under the *Belt and Road Initiative*, which includes major infrastructure and logistics projects, as well as investments in transport, energy, industry, and agriculture.
- **United Arab Emirates (UAE)** – One of the priority partners in attracting foreign direct investment into high-tech industries, green energy, and the development of an innovation-driven economy. Joint projects are also developing in Islamic finance and e-government digitalization.
- **European Union (EU)** – Uzbekistan is expanding trade and economic relations, benefitting from its *GSP+ beneficiary status*, which allows the duty-free export of a wide range of goods to EU markets.
- **Afghanistan and Central Asian neighbors** – Uzbekistan serves as a logistics and transit hub between Central and South Asia, including through projects to create railway and road transport corridors (e.g., the Trans-Afghan route).

In addition, Uzbekistan has signed more than **50 bilateral agreements** on the mutual protection and promotion of investments, and over **100 double taxation treaties** with

various countries, providing a solid legal foundation for long-term international partnerships.

Simplification of Customs Procedures

As part of foreign trade reforms, customs administration is being actively modernized:

- reduced customs duties and excise taxes
- digital services introduced for remote document processing.
- border control and certification procedures accelerated.
- expanded use of the “single window” system when interacting with state authorities.

These changes help simplify market access, reduce business costs, and improve conditions for international trade.

Entry Rules for Foreign Citizens

Entry into Uzbekistan for citizens of most countries is straightforward. Currently, **a visa-free regime** applies for citizens of more than 90 countries, with the possibility of obtaining an **e-visa** via the official portal.

For longer stays or for employment/entrepreneurship, foreigners may apply for different visa types – business, work, investor, or IT visas – all issued through simplified procedures upon providing supporting documents.

Citizens of the following countries are exempt from visa requirements for entry into Uzbekistan for a specified period:

- **Indefinitely:** Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russia, Ukraine.
- **Up to 60 days:** Kyrgyzstan.
- **Up to 30 days:** Andorra, Argentina, Australia, Austria, Bahamas, Barbados, Belgium, Bosnia and Herzegovina, Brazil, Brunei, Bulgaria, Canada, Chile, Croatia, Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Mongolia, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, San Marino, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, UAE, United Kingdom, Vatican.

Since **June 1, 2025**, Uzbekistan introduced visa-free entry for up to 30 days for citizens of **China** and **Kuwait**.

For citizens of countries not included in the visa-free list, an **electronic visa** may be obtained, valid for 30 days and issued within 3 business days. Options include single-entry, double-entry, and multiple-entry visas.

Registration requirement: All foreigners must register their place of stay within **three days** of arrival. Hotels register guests automatically. Those staying in private housing must register online or at migration authorities.

Exemptions: Holders of diplomatic passports (under bilateral agreements) and UN Red Passport holders (up to 30 days). Holders of UN Blue Passports are eligible for a simplified visa procedure within 2 business days if an invitation is provided.

02

Business Forms

Starting Entrepreneurial Activity

Before starting a business in Uzbekistan, a non-resident must obtain a Personal Identification Number (PINFL) at any convenient Public Service Center or at the citizenship registration office of the Ministry of Internal Affairs, based on their temporary residence address. The PINFL can also be obtained by proxy, requiring a notarized power of attorney (and an apostille if the grantor is from a country that has not ratified the Chisinau Convention), a passport scan, and an electronic photo of the grantor. All documents must be submitted in electronic form.

Obtaining a PINFL is essential, as subsequent steps for launching a business are linked to it. In addition, it is recommended to obtain a digital signature – a special file that provides individuals with access to a wide range of services on state platforms. If the company's director is a foreign citizen (the sole founder), they must obtain a **work permit** and a **work visa** (if required for entry). Work permits are generally issued for up to one year.

To start a business in Uzbekistan, if, for example, the company director is a foreign citizen and the sole founder, they must obtain a work permit and a work visa (if a visa is required for entry). A work permit is usually issued for up to one year. It is also important to note that certain business activities may only be carried out after obtaining a license, a special permit, or by completing notification procedures. However, the number of licensed activities is gradually being reduced.

Uzbekistan also allows foreign companies to operate through a permanent establishment (PE). A PE is a special tax status that enables foreign companies to conduct business without registering a separate legal entity. A PE arises when business activities are carried out for more than 183 days without company registration. This status is most often used by companies engaged in construction, repair, or other project-based activities of limited duration.

Labor Relations and Hiring Foreign Employees General Provisions on the Employment of Foreign Workforce in the Republic of Uzbekistan

In accordance with Resolution No. 244 of the Cabinet of Ministers of the Republic of Uzbekistan, dated March 25, 2019, “On Approval of the Regulation on the Procedure for Attracting and Employing Foreign Workforce in the Republic of Uzbekistan”, any foreign citizen engaged in employment in Uzbekistan – whether on a permanent, temporary, or remote basis – must obtain a work permit, unless otherwise expressly provided by law.

The procedure for obtaining this permit is carried out on the basis of an application by the employer – a legal entity registered in Uzbekistan – to the Ministry of Employment and Poverty Reduction. Applications can be submitted via the Unified Portal of Interactive Public Services

(my.gov.uz) or through local employment authorities.

The following documents are required:

- Copy of the foreign citizen's identity document (passport)
- Color photograph (3×4 cm)
- Documents confirming professional qualifications and education
- Draft employment contract
- Copy of visa (if visa regime applies)

Applications are processed within **15 working days**. The permit is issued for the term of the employment contract, but not more than one year, with the possibility of renewal.

A state fee is charged for application review and permit issuance in the following amounts:

- 1 Basic Calculation Unit (BCU) – for application review
- 1 to 30 BCUs – for permit issuance, depending on the specialist's qualification level

Exemptions from the Work Permit Requirement

The following categories of foreign citizens are exempt from obtaining a work permit in Uzbekistan:

- Holders of a residence permit in Uzbekistan
- Investors who have contributed at least 8,500 BCUs (at the time of investment)

by purchasing shares or stakes in local companies or by establishing a foreign enterprise

- Staff of permanent missions of foreign states, international intergovernmental or foreign governmental organizations accredited with the Ministry of Foreign Affairs, or other persons with diplomatic status
- Specialists recruited in the tourism sector upon request of the Ministry of Tourism and Cultural Heritage – for up to 3 months
- Founders or first executives of foreign or joint ventures operating or being established in Uzbekistan – from the date of signing an employment contract for that position, for up to 3 months
- Scholars and cultural figures working in organizations established under intergovernmental agreements
- Students undergoing internships during university holidays under programs of Uzbek higher education institutions
- Accredited press representatives with the Ministry of Foreign Affairs
- Employees of NGOs, representative offices, and branches of international and foreign non-governmental non-profit organizations accredited by the Ministry of Justice
- Teachers or specialists engaged to work in Presidential schools and universities in Karakalpakstan, the regions, and Tashkent
- Persons for whom international treaties of the Republic of Uzbekistan establish a different procedure for employment

Quotas and Restrictions

The employment of foreign workforce is subject to state regulation through a quota system. The annual quota for foreign workers is approved by a resolution of

the Cabinet of Ministers of the Republic of Uzbekistan. Employers must provide documented justification that no qualified local specialists are available to perform the same functions.

In certain sectors, additional limits – or complete restrictions – apply to the employment of foreign workers, specifically:

- Educational institutions
- Government bodies
- Mass media
- Other areas related to national security or state sovereignty

Doing Business Without Establishing a Legal Entity

Self-Employed Person

Foreign citizens have the right to conduct their activity as a **self-employed person**. The status of a self-employed person is acquired by registration in a special application of the tax authorities.

It should be borne in mind that a self-employed person may engage only in those types of activity that are specified in the regulated list (at present there are 104 of them).

No state duty is levied for the registration of self-employed persons.

Individual Entrepreneur

Non-residents are allowed to conduct business as individuals by registering as individual entrepreneurs. It is important to note that entrepreneurial activity is carried out on the basis of the entrepreneur's own

property. Like self-employed persons, individual entrepreneurs may only engage in activities included in a special list, which currently contains more than 90 types of business activities. An individual entrepreneur may also hire up to five employees.

Non-residents can register as individual entrepreneurs at Public Service Centers or via the Unified Portal of Interactive Public Services using a digital signature. The state fee is 1 BCU (375,000 UZS / approx. USD 29) for registration through service centers, and 0.9 BCU (338,000 UZS / approx. USD 26) if registered online.

Doing Business with Establishment of a Legal Entity

Foreign citizens may also conduct business in Uzbekistan by registering a legal entity. Currently, various legal forms are available for company incorporation. The most common forms in Uzbekistan are the Limited Liability Company (LLC) and the Joint-Stock Company (JSC).

Limited Liability Company (LLC)

An LLC is convenient for founders because liability is limited to the company's assets. It may be established by a single founder or by several participants (up to 50). If the number of participants exceeds 50, the company must be re-registered as a Joint-Stock Company (JSC). Founders may be either individuals or legal entities (at least 2 if there is more than one).

This form of business is considered the most practical, as registration is relatively quick and simple – usually taking no more than 1–3 business days – and there are no minimum charter capital requirements (unless specified by licensing regulations).

Uzbek law also provides for the concept of an Enterprise with Foreign Investment (EFI), which grants certain benefits. Companies qualify as EFIs if they have a charter capital of at least 400,000,000 UZS (approx. USD 32,500) and at least 15% foreign ownership. There are two types:

- Joint Venture (JV) – with at least 15% foreign participation
- Foreign Enterprise (FE) – with 100% foreign participation

However, foreign investors are not required to obtain EFI status and may freely establish a regular LLC with any charter capital size.

Non-residents may register an LLC at Public Service Centers or via the Unified Portal of Interactive Public Services using a digital signature and by submitting incorporation documents (decision/protocol, foundation agreement if there are 2 or more founders, and the charter). The state fee is:

- 1 BCU (375,000 UZS / ~USD 29) for registration via Public Service Centers
- 0.9 BCU (338,000 UZS / ~USD 26) for registration via the Unified Portal

Special Forms Representative Office of a Foreign Legal Entity

A representative office of a foreign legal entity in the Republic of Uzbekistan is a structural subdivision created in a different locality than the main legal entity, for the purpose of representing and protecting its interests. The representative office is not an independent legal entity and acts on behalf of and at the expense of the head organization. All rights and obligations arising within the framework of its activity belong to the foreign legal entity. A representative office is not entitled to carry out entrepreneurial or commercial activity. Exceptions are only individual cases provided for by law (for example, the activity of representative offices of foreign airlines).

Accreditation of representative offices is carried out by the Ministry of Investments, Industry and Trade of the Republic of Uzbekistan. The procedure may be carried out through Public Service Centers or through the Unified Portal of Interactive Public Services. For obtaining accreditation it is necessary to provide: an application, founding documents of the foreign organization, an extract from the relevant register, a power of attorney for the head of the representative office, as well as the regulation on the representative office. The state duty amounts to **48 BCUs**. The review period of the application is up to **5 working days**. After obtaining accreditation the representative office is obliged within 10 days to notify the ministry of its postal address, register with the tax authority at the place of location, and submit supporting documents.

Branches of Foreign Legal Entities

The legislation of the Republic of Uzbekistan does not contain a direct prohibition or restriction on the creation of branches by foreign legal entities. However, in practice there is no legally established procedure for the registration of branches of foreign companies.

In this regard, state authorities, as a rule, refuse to register branches of foreign legal entities.

Permanent Establishments

In Uzbekistan there also exists the practice of doing business by foreign companies through **permanent establishments**. A permanent establishment is a special tax status which allows foreign companies to do business without establishing a legal entity. A permanent establishment is recognized as doing business without company registration if the activity is carried out for more than **183 days**. Such status is most often applied to companies specializing in construction-repair works or other types of activity that have a defined term. A foreign legal entity carrying out entrepreneurial activity in the Republic of Uzbekistan leading to the formation of a permanent establishment is obliged to register as a taxpayer with the tax authority. For registration, an application and a set of documents of the foreign company must be submitted in the state (Uzbek) language.

03

Taxation

Types of Taxes

On the territory of Uzbekistan, depending on the activity, annual turnover, number and category of employees, the following types of taxes are applied:

- Value-added tax (VAT);
- Excise tax;
- Profit tax;
- Personal income tax;
- Subsoil use tax;
- Special rental tax on extraction of mineral resources;
- Water use tax;
- Property tax;
- Land tax;
- Social tax.

The tax legislation also provides for certain categories of taxpayers the following special tax regimes, which represent exemption from payment of certain taxes, application of reduced tax rates, or other tax benefits:

- Turnover tax, which may be paid either in a fixed amount or at a rate up to 4% of total income, depending on the type of activity and geographical location;
- Special taxation procedure for participants in production sharing agreements;
- Special taxation procedure for participants of special economic zones and separate categories of taxpayers;
- Special taxation procedure for certain territories of the Republic of Uzbekistan.

Tax Rates

Tax Rates for Self-Employed Persons

Taxation of self-employed persons is represented by the social tax, which is paid in the amount of **1 BCU (375,000 UZS)** per year. From 2024, if the annual income of a self-employed person exceeds **100 million UZS**, turnover tax at the rate of 4% is levied on the amount exceeding this threshold. If turnover further grows – over **1 billion UZS** per year – the self-employed person automatically becomes a payer of VAT and profit tax, similarly to individual entrepreneurs.

Tax Rates for Individual Entrepreneurs

The taxation of individual entrepreneurs depends on the presence of employees and the annual turnover. Regardless of annual turnover, an individual entrepreneur is required to pay social tax in the amount of 1 BRV per year.

If the annual turnover of an individual entrepreneur does not exceed UZS 100 million, the entrepreneur may choose either to pay personal income tax (PIT) in a fixed amount (ranging from UZS 65,000 to UZS 1,000,000 per month, depending on geographic location and type of activity), or to pay PIT based on a tax return at the rate of 12%.

If the annual turnover ranges from UZS 100 million up to UZS 1 billion, a special tax regime applies. In this case, the individual entrepreneur may choose either:

- to pay turnover tax at a rate of up to 4%, or
- to pay a fixed tax:
 - ✦ UZS 30 million per year if turnover is below UZS 500 million,
 - ✦ UZS 40 million per year if turnover exceeds UZS 500 million.

If the annual turnover exceeds UZS 1 billion, as well as in cases of import or export operations, the individual entrepreneur is required to pay corporate income tax (up to 20%) and VAT (12%).

Tax Rates for LLCs

LLCs with an annual turnover of less than UZS 1 billion may choose a special tax regime by paying turnover tax instead of VAT and corporate income tax. The turnover tax rate is 4%.

If the annual turnover is up to UZS 1 billion, an LLC may opt either:

- to pay turnover tax at a rate of up to 4%, or
- to pay a fixed tax:
 - ✦ UZS 30 million per year if turnover is below UZS 500 million,
 - ✦ UZS 40 million per year if turnover exceeds UZS 500 million.

An LLC may also choose to pay corporate income tax instead of turnover tax, at a rate of 15%.

If the annual turnover exceeds UZS 1 billion, or if the company engages in import/export operations or produces excisable goods, it is automatically subject to corporate income tax and VAT (12%).

LLCs that employ staff are required to pay social tax at the rate of 12%.

LLCs that own property in Uzbekistan are required to pay property tax at the rate of 1.5%.

Joint-Stock Companies (JSCs)

Joint-Stock Companies (JSCs) with an annual turnover of less than UZS 1 billion may choose a special tax regime by paying turnover tax instead of VAT and corporate income tax. The turnover tax rate is 4%.

Where the annual turnover does not exceed UZS 1 billion, a JSC may opt either:

- to pay turnover tax at a rate of up to 4%, or
- to pay a fixed tax:
 - ◆ UZS 30 million per year if turnover is below UZS 500 million,
 - ◆ UZS 40 million per year if turnover exceeds UZS 500 million.

A JSC may also choose to pay corporate income tax instead of turnover tax, at a

rate of 15%. If the annual turnover exceeds UZS 1 billion, or if the company engages in import/export operations or produces excisable goods, it is automatically subject to corporate income tax and VAT (12%).

Joint-Stock Companies employing staff are subject to social tax at the rate of 12%.

Joint-Stock Companies (JSCs) holding property located in Uzbekistan are subject to property tax at the rate of 1.5%.

Tax Rates for Representative Offices

A representative office of a foreign legal entity which has employees pays **social tax** at the rate of **12%**.

A representative office of a foreign legal entity which has property pays **property tax** at the rate of **1.5%**.

In the case of importation of goods and materials, the representative office of a foreign legal entity pays **customs duties and fees, excise tax, as well as VAT (12%)**.

Tax Rates for Permanent Establishments

A permanent establishment pays **profit tax** at the rate of **15%**.

A permanent establishment pays **withholding tax on dividends** at the rate of **10%**.

A permanent establishment which has employees pays **social tax** at the rate of **12%**.

A permanent establishment which has property pays **property tax** at the rate of **1.5%**.

Taxation of Non-Resident Individuals

Income of non-residents (foreign natural persons) received from sources in Uzbekistan is subject to personal income tax.

Payment of income to a non-resident individual of the Republic of Uzbekistan is made without withholding tax at the source of payment or with the application of a reduced tax rate in accordance with the provisions of an international treaty of the Republic of Uzbekistan and special provisions of international treaties regulating issues of avoidance of double taxation and prevention of tax evasion.

Income of a non-resident individual of the Republic of Uzbekistan received from sources in the Republic of Uzbekistan in the form of dividends and interest is taxed at the rate of **10%**.

Other income, including income received under labor contracts and civil-law contracts, is taxed at the rate of **12%**, except for income from providing transport services in international transportation (income from freight), which is taxed at the rate of **6%**.

04

Financial Operations and Currency Regulation

Currency Regulation

Uzbekistan's foreign exchange policy is based on the principles of market-driven exchange rate formation and transparent regulation by the Central Bank. All foreign exchange transactions are conducted through authorized banks, and foreign investors are guaranteed access to profit repatriation and cross-border transfers, subject to compliance with fiscal requirements. The financial system operates under a two-tier model with active participation of international institutions, including the EBRD, IFC, and ADB.

At the same time, foreign exchange legislation prohibits the use of foreign currency in contracts between residents. Settlements are permitted exclusively in the national currency (the Uzbek soum), except in cases explicitly provided for by law.

According to the provisions of the foreign exchange legislation of the Republic of

Uzbekistan, as clarified by the Central Bank of the Republic of Uzbekistan, residents are prohibited from establishing obligations, prices, payment amounts, or other settlement parameters in foreign currency in transactions between residents. Settlements are permitted only in the national currency – the Uzbek soum (UZS).

This restriction applies to all types of contracts concluded between residents, including but not limited to: sale and purchase agreements, lease agreements, service contracts, construction contracts, loan agreements, supply contracts, and other civil-law agreements.

Indirect linkage of contractual terms to foreign currency is likewise prohibited. This includes, among others, specifying equivalents in foreign currency, setting penalties or fines calculated on the basis of exchange rates, or determining payment procedures tied to currency fluctuations.

Definition of Residents and Exceptions

For the purposes of the above restriction, the term "residents" includes:

- legal entities duly registered in the Republic of Uzbekistan;
- branches and representative offices of foreign legal entities registered in Uzbekistan;
- individuals who are citizens of the Republic of Uzbekistan, as well as foreign citizens and stateless persons permanently residing in Uzbekistan.

Exceptions to this rule are permitted only in strictly defined cases provided by law, subject to special authorization from the Central Bank of the Republic of Uzbekistan, or when conducting foreign economic transactions and operations carried out under a special legal regime (in particular, within free economic zones).

05

Intellectual Property Protection



Legal Protection of Intellectual Property

The legal protection of intellectual property in the Republic of Uzbekistan is enshrined in Article 53 of the Constitution and further regulated by the Civil Code (Section IV). The legislation covers a wide range of intellectual property (IP) objects, including copyrighted works, inventions, trademarks, industrial designs, computer programs, databases, and know-how.

Protection arises as follows:

- **Automatically** – for copyright and related rights;
- **By registration** – for objects specified by law (e.g., inventions, trademarks, industrial designs).

Right holders enjoy the following rights:

- **Personal non-property rights** (authorship, attribution, protection of reputation);
- **Property rights**, including the exclusive right to use, transfer, and license the IP object.

Thus, Uzbekistan's legal framework provides a solid basis for the protection and commercialization of intellectual property, including its use in civil transactions and cross-border operations.

A trademark (or service mark) is a distinctive designation that enables the goods and/or services of one business entity to be distinguished from similar goods and/or services of others. In the Republic of Uzbekistan, legal protection of a trademark

is granted exclusively on the basis of its state registration with the Intellectual Property Agency under the Ministry of Justice.

A designation may take the form of a word, letter, number, graphic element, three-dimensional shape, or a combination thereof, including color elements. Legal protection applies only within the territory of Uzbekistan. For international protection, applications must be filed in other jurisdictions or through mechanisms such as the Madrid System, administered by WIPO.

Trademark Registration Procedure

The registration procedure consists of the following stages:

1. **Preliminary search** for identity and similarity with existing marks.
2. **Filing of the application**, indicating applicant details, a representation of the mark, and a list of goods/services.
3. **Formal examination** of the submitted documents.
4. **Substantive examination**, during which compliance with legislative requirements is verified.
5. **Registration and issuance of a certificate** confirming the exclusive right to the trademark.

A trademark registration is valid for 10 years and may be renewed for successive ten-year periods upon payment of the official fee.

In contrast to trademarks, copyright protection arises automatically at the moment a work is created and does not require registration, except in certain cases explicitly provided by law.

International Cooperation and Treaties

Uzbekistan actively participates in the international system of intellectual property protection, having acceded to a number of key treaties, including:

1. Convention Establishing the World Intellectual Property Organization (WIPO) – 25 December 1991
2. Paris Convention for the Protection of Industrial Property – 25 December 1991
3. Berne Convention for the Protection of Literary and Artistic Works – 27 August 2004
4. Patent Law Treaty – 19 July 2006
5. Trademark Law Treaty – 4 September 1998
6. International Convention for the Protection of New Varieties of Plants – 27 August 2004

7. Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks – 18 July 2006
8. Patent Cooperation Treaty (PCT) – 25 December 1991
9. Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure – 12 January 2002
10. Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks – 12 January 2002
11. Strasbourg Agreement Concerning the International Patent Classification – 12 October 2002
12. Locarno Agreement Establishing the International Classification for Industrial Designs – 14 March 2006
13. WIPO Copyright Treaty (WCT) – 17 July 2019
14. WIPO Performances and Phonograms Treaty (WPPT) – 17 July 2019
15. Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms – 25 April 2019
16. Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled – 12 January 2022
17. WIPO Performances and Phonograms Treaty – 19 February 2019
18. WIPO Copyright Treaty – 19 February 2019
19. Hague Agreement Concerning the International Registration of Industrial Designs – 10 January 2025

06

Investment Protection and Dispute Resolution

Guarantees for Foreign Investors

Under the legislation of the Republic of Uzbekistan, investors are provided with a wide range of legal guarantees and protective measures designed to create a stable, transparent, and predictable investment environment. The state formally affirms its commitment to the principles of non-interference, capital protection, free movement of funds, and stability of business conditions.

The key provisions of the investment legal regime are as follows:

1. Protection Against Improper State Interference

Investment activity in Uzbekistan is protected from arbitrary interference by state authorities and their officials. The law establishes the following principles:

- All actions of state authorities are permitted **only within the limits of their legally defined competence**.
- Any discrimination against investors, including based on nationality, country of capital origin, or location of the investment project, is strictly prohibited.
- When the state participates in an investment project as a shareholder or founder, equality of the parties and adherence to the principles of fair competition are ensured.

Exceptions to these guarantees are allowed **exclusively for the protection of**

national security and in accordance with Uzbekistan's international obligations.

2. Guarantees Regarding the Management of Income

Uzbekistan's legislation provides investors with full freedom to manage the income generated from investment activities:

- **Free disposal of profits** after fulfilling obligations related to taxes and fees.
- **Ability to allocate funds** for reinvestment, dividend distribution, or other operations at the investor's discretion.
- **Legal protection against unjustified write-offs or freezing** of funds held in accounts with financial institutions.

3. Guarantees of Free Transfer of Funds

Foreign investors have the right to freely transfer funds in foreign currency to and from the Republic of Uzbekistan, including:

- **Initial and subsequent investments;**
- **Profits, dividends, and other income** derived from the implementation of an investment project, including compensation in case of damages;
- **Payments under contracts, court rulings, and international arbitration decisions;**
- **Salaries and other payments to personnel.**

All such transfers are conducted in accordance with the applicable foreign exchange regulations, while investors are guaranteed **freedom in conducting foreign exchange operations**.

4. Guarantee of Free Repatriation of Investments

Upon the termination of investment activities, foreign investors retain the following rights:

- **To discontinue an investment project** at their discretion at any time;
- **To freely repatriate assets**, including cash and property acquired as a result of project completion;
- **To fulfill all obligations to the state and other creditors** without any additional restrictions.

5. Guarantee Against Deterioration of Investment Conditions (Stabilization Clause)

To protect investors' long-term interests, the legislation provides the following:

- For **ten years from the date of the initial investment**, a foreign investor may choose to apply the laws in effect at the time of the investment if subsequent mutually acceptable and voluntary changes in legislation worsen their position;
- At the same time, the investor may also **benefit from new legislative provisions** if they improve the conditions for investment activity.

Dispute Resolution Mechanisms

In the Republic of Uzbekistan, the resolution of investment disputes is regulated by both

domestic legislation and international obligations. The legal framework provides multiple alternative and complementary procedures for resolving conflicts arising during the implementation of investment projects, while maintaining a balance of interests between investors and the state.

1. Negotiation Procedure

According to Article 63 of the Law of the Republic of Uzbekistan “On Investments and Investment Activity” No. 3PY-598 dated 25 December 2019, in the event of an investment dispute between a foreign investor and the Republic of Uzbekistan, priority is given to out-of-court settlement through negotiations. Negotiations are considered a mandatory preliminary stage aimed at achieving a mutually acceptable and voluntary implementation of investment projects. Provisions of Article 271 of the Code of the Republic of Uzbekistan apply to resolve conflicts without recourse to formal legal procedures. This provision reflects the state’s commitment to constructive dialogue with investors and the creation of a stable environment of trust.

2. Application of Mediation Procedure

An investment dispute not resolved through negotiations is settled through mediation. Mediation is also provided for in Article 63 of the aforementioned Law and represents an out-of-court dispute resolution process involving a neutral mediator. Uzbekistan recognizes mediation as a full-fledged legal instrument that ensures effective and economically efficient dispute resolution while maintaining business relationships between the parties.

3. Consideration of Disputes in the Courts of the Republic of Uzbekistan

If a dispute cannot be resolved through negotiations or mediation, it shall be submitted to the courts of general jurisdiction of the Republic of Uzbekistan, depending on its legal nature. Specifically:

- In accordance with Article 25 of the Economic Procedural Code of the Republic of Uzbekistan, disputes arising in the context of investment activity between business entities are considered by economic courts;
- In cases where the subject of the dispute involves actions (or inaction) or decisions of state authorities, the matters are considered by administrative courts.

Thus, the national court system of Uzbekistan ensures investors’ access to effective legal protection depending on the nature of the violation and the composition of the parties involved.

4. Submission of Disputes to International Arbitration

In Uzbekistan, alongside the courts of general jurisdiction, it is possible to submit disputes to international arbitration under the conditions established in Article 63 of the Law “On Investments and Investment Activity”:

- There is no possibility of resolving the dispute through negotiations, mediation, and/or national courts;
- There exists an international agreement to which the Republic of Uzbekistan is a party containing an arbitration

clause, or a separate bilateral arbitration agreement between the investor and the state;

- The Republic of Uzbekistan provides written consent to submit the dispute to arbitration, expressed either in the text of the international agreement or in an individual agreement with the investor.

It should be noted that, in accordance with the legal position formulated by the Constitutional Court of the Republic of Uzbekistan in its Decision of 21 November 2006 on Bilateral Investment Treaties, the Republic of Uzbekistan does not recognize automatic consent to arbitration. Only explicitly expressed written consent to arbitration, recorded in a proper international or individual agreement, constitutes a legally binding basis for submitting a dispute to an international arbitral body.

International Agreements and Uzbekistan’s Participation in Investment Forums

International treaties and agreements are an important element of the investment framework of the Republic of Uzbekistan, providing capital protection, legal guarantees, and access to international dispute resolution mechanisms.

1. Bilateral Investment Treaties (BITs)

As of 2025, the Republic of Uzbekistan has concluded over 50 BITs with foreign states, including Germany, France, China, the Republic of Korea, Turkey, the UAE, Japan, and others.

BITs provide for:

- Most-favored-nation treatment;
- National treatment;
- Protection against expropriation without compensation;
- The right to free transfer of income and capital;
- The possibility for investors to resort to international arbitration (ICSID, UNCITRAL).

2. ICSID Washington Convention (1965)

Uzbekistan acceded to ICSID on 17 March 1994, and the Convention entered into force on 25 August 1995.

ICSID provides investors with the right to initiate arbitration if there is:

- an arbitration clause in an international agreement;

- a separate agreement with the state.

3. New York Convention (1958)

Uzbekistan has been a participant since 1996.

It guarantees:

- Recognition and enforcement of foreign arbitral awards;
- Uzbekistan's obligation to enforce awards issued in other Convention member states.

4. Multilateral Agreements within the CIS

Uzbekistan participates in the following agreements:

- Agreement dated 24 December 1993 "On Cooperation in the Field of Investment Activity";
- Agreement dated 8 June 2023 "On Free Trade in Services, Establishment, Operation, and Investment".

These agreements aim to harmonize approaches to investment and protect investors' rights within the CIS framework.

The background of the slide is a detailed mosaic. The top portion features a pattern of small, irregular tiles in shades of blue, teal, and white. Below this is a decorative border with repeating floral and geometric motifs in blue, green, and white. The central part of the slide is dominated by a large rectangular panel containing intricate Arabic calligraphy in white and gold on a blue background. To the right of this panel is another section with floral mosaic designs in blue, green, and white. The overall aesthetic is traditional Islamic art.

07

Incentives and Preferences

IT-park

The Republic of Uzbekistan is demonstrating rapid growth in the information technology sector, establishing one of the most dynamic markets in Central Asia. State policy focuses on supporting digital transformation, expanding export-oriented IT potential, and creating a favorable environment for foreign investment.

1. Rapidly Growing Export-Oriented Market

- The IT market is estimated at approximately \$1 billion by the end of 2024.
- The sector employs over 100,000 specialists, including 17,000+ in export-oriented companies.
- IT services exports exceeded \$900 million (a 2.6-fold increase since 2022), covering 78 countries.
- Over 900 IT Park residents serve international clients.

2. IT Park – Institutional Foundation of the Technology Sector

Since 2019, the Software Products and Information Technology Park (IT Park) has been operating in Uzbekistan as a key element of the state strategy for digital economy development.

Residents engage in software development, digital, and technological services, including exports. Activities are strictly regulated and approved by authorized state bodies.

3. Tax and Customs Preferences until 2028

In accordance with Presidential Decree No. UP-5099 dated 30 June 2017, IT Park residents benefit from significant fiscal and customs incentives until 1 January 2028.

For legal entities:

- Full exemption from all types of taxes and mandatory contributions to state funds;
- Exemption from social tax;
- Exemption from customs duties (excluding fees) on imported equipment, software, and components not produced in Uzbekistan, when used for own operations.

For employees of IT companies:

- Fixed personal income tax rate of 7.5% (instead of 12%);
- Income is not included in total annual taxable income.

4. Advantages for Investors

Uzbekistan offers investors in the IT sector:

- A favorable tax regime until 2028;
- Access to a growing pool of highly qualified personnel;
- Institutional support through IT Park;
- A rapidly expanding export market with global reach.

The developing technology sector in Uzbekistan presents opportunities for strategic placement of export-oriented projects, establishment of R&D centers, and localization of development with an optimal tax burden.

5. How to Become an IT Park Resident

To apply for residency, the following documents are required:

- Application;
- Founding documents of a company registered in the Republic of Uzbekistan;
- Business plan aligned with the approved List of Activities;

For service companies:

- At least 50% of revenue from exports;
- Export to a minimum of 2 countries.

Applications are submitted via the website: my.it-park.uz.

Government Initiatives and Support

From 1 January 2028 to 1 January 2040, tax incentives will remain in place for IT Park residents exporting more than 50% of their revenue. Such companies are exempt from all taxes, except VAT. Similar incentives are provided to educational IT organizations, provided that the majority of graduates are employed by export-oriented resident companies.

Foreign founders and participants of these resident companies are subject to a 5% tax on profit and dividends. Additionally, foreign companies providing services to IT Park residents with exports exceeding \$10 million per year may be exempt from corporate profit tax, if no double taxation agreement exists between the countries.

The Government of Uzbekistan actively supports the development of the IT sector

by implementing programs aimed at stimulating exports and attracting foreign investment.

Under the “Uzbekistan-2030” strategy, the goal is to increase IT services exports to \$5 billion by 2030.

In 2024, the “Zero Risk” program was launched, allowing foreign IT companies to open offices in regions of Uzbekistan with minimal risks and costs. Participants of the program are provided with free office space, assistance with equipment setup, and partial compensation for employee salaries.

Additionally, the “Local2Global” program helps local companies enter international markets by providing support for participation in international exhibitions, training, and export consulting.

Future Prospects

Uzbekistan continues to actively develop its IT infrastructure, opening new IT schools and centers in regional areas, which contributes to increasing the number of qualified specialists and expanding

the geographic reach of the IT business. Considering the current growth rates and state support, the country is confidently moving toward achieving its objectives in the information technology sector.

Special Economic Zones

Uzbekistan also operates over 20 special economic zones.

Free economic zones are established in the form of:

- Free economic zones;
- Special scientific and technological zones;
- Tourism and recreational zones;
- Free trade zones;
- Special industrial zones.

Incentives for SEZ Participants

- Exemption from all types of taxes and mandatory contributions to state target funds, including social tax.
- Exemption from customs duties (excluding customs fees) on imported equipment, components, parts, as-

semblies, technical documentation, and software not produced in the Republic of Uzbekistan, for own-use purposes, according to lists approved in the prescribed manner.

- Deferral (installment) of VAT and customs duties on imported components, raw materials, and supplies for production and own-use purposes for up to 120 days without interest accrual or requirement for payment guarantees.

Additional Conditions

- From 1 June 2025, SEZ participants may utilize a customs procedure for imported raw materials, supplies, and components used for production and export sales by placing them under the “Processing of Goods in the Customs Territory” regime without payment of customs duties (excluding customs clearance fees).
- SEZ participants are entitled to apply the tax and customs incentives that were in effect on the date of their inclusion in the SEZ Participant Registry for the duration of the incentive period, but for no more than ten years.

05

Private Ownership by Non-Residents

Procedure for Acquiring Private Property. Lease

Foreign citizens have the right to own property in the territory of the Republic of Uzbekistan. The state guarantees its inviolability and the free transfer abroad.

Foreign legal entities are entitled to own property in Uzbekistan necessary for conducting business or other activities not prohibited by the legislation of the Republic of Uzbekistan. The property of foreign legal entities is protected by the state.

Foreign citizens of certain countries are allowed to acquire the following real estate without a residence permit:

- In Tashkent region, and in the cities of Tashkent and Samarkand:
 - ✦ Real estate under construction with a contract value of at least USD 150,000;
 - ✦ Completed real estate with a value of at least USD 180,000.

- In other regions:
 - ✦ Real estate under construction with a contract value of at least USD 70,000;
 - ✦ Completed real estate with a value of at least USD 85,000.

From 1 June 2025, a simplified procedure for obtaining a 5-year residence permit for foreign citizens and stateless persons has been introduced. To qualify, a contribution of USD 200,000 to the state budget is required, plus USD 100,000 for each family member (spouse, parents, children). This mechanism is referred to as the “Golden Visa.”

Thus, Uzbekistan provides foreign citizens with the opportunity to acquire real estate and obtain a residence permit, subject to the established conditions.

Today, business activity by non-residents in Uzbekistan is flourishing. The number of enterprises with foreign investment is steadily increasing, reflecting a favorable business climate. You are invited to expand your operations by entering the Uzbekistan market.



Doing Business in Uzbekistan 2025

Подготовлено совместно с компанией ABACUS.LAW, партнёром,
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