KOSTA
LEGAL

Uzbekistan Legal Newsletter

SEPTEMBER 2026

UZBEKISTAN LEGAL NEWSLETTER: SEPTEMBER 2026

September 2026 brought some significant legislative and regulatory developments in Uzbekistan across the financial, investment, energy and digital sectors. Key developments included further steps towards the launch of the Tashkent International Financial Centre, new measures to accelerate privatisation and reduce state participation in the economy, and reforms to energy sector governance and investment planning. As part of Uzbekistan's transition to a wholesale electricity market, new electricity market rules introduce bilateral trading arrangements while preserving the existing framework for power producers operating under long-term PPAs. Other developments include expanded regulation of domestic and cross-border e-commerce and new construction permit and seismic safety requirements.

1. TASHKENT INTERNATIONAL FINANCIAL CENTRE: IMPLEMENTATION FRAMEWORK

On 10 September 2026, in furtherance of the Constitutional Law "On the Tashkent International Financial Centre", which was covered in our July Newsletter, the President signed Decree No. UP-188 aimed at ensuring the institutional and regulatory launch of the Tashkent International Financial Centre (the "Centre"). The Decree establishes the framework for further development of the Centre's special regulatory regime and, in particular, provides for the following:

- Approval of a number of documents governing the establishment and operation of the Centre, including (i) the Regulation on the Centre Council; (ii) a list of the Centre's decisions to be adopted in coordination with the state authorities of the Republic of Uzbekistan; and (iii) a list of decisions and rules to be adopted at the initial stage of the Centre's operation.
- Identification of the key regulatory acts to be adopted at the initial stage of the Centre's operation, including those governing the application of the law of England and Wales, including common law and equity principles, corporate structures, financial markets and services, tax and customs matters, data protection and employment relations. Separate regulations are also envisaged for the Tashkent International Commercial Court, including its jurisdiction, composition, judicial procedures and enforcement mechanisms.
- Establishment of the Centre Council as the highest governing body of the Centre and a permanent collegial body chaired by the President of the Republic of Uzbekistan. The Council is responsible for determining the Centre's strategy and development direction, approving key strategic documents and budgets, adopting Centre decisions within its competence, and establishing the Centre's institutional and legal framework. At the same time, the operational independence of the Financial Services Authority and the judicial independence of the Tashkent International Commercial Court must be preserved.
- Determination of the key responsibilities of the Centre's Governor, who serves as the Secretary-General of the Centre Council. These include coordinating the preparation of initial regulatory documents, submitting proposals concerning the organisational structures and

senior officials of the Centre's bodies, coordinating with state authorities and implementing measures necessary for the establishment of the Centre.

- Establishment of rules governing the publication and entry into force of decisions adopted by the Centre Council. Such decisions must be published in English in the official register. Unless a later effective date is specified, they enter into force upon publication and become binding on the relevant persons and bodies.

Presidential Decree No. UP-188 dated 10 September 2026

2. ACCELERATION OF PRIVATISATION AND REDUCTION OF STATE PARTICIPATION

In September 2026, Presidential Decree No. UP-177 entered into force and the Cabinet of Ministers adopted Resolution No. 520, introducing further measures aimed at reducing state participation in the economy, accelerating privatisation and promoting competition.

The Decree establishes the following key targets for 2026:

- offering for sale shares (participatory interests) held by the state and state-owned enterprises in 84 companies, 1,242 immovable property assets and land plots covering a total area of 8,000 hectares;
- liquidation or reorganisation of 85 enterprises with state participation; and
- offering state assets and land plots worth approximately UZS 100 trillion (approx. USD 8.5 billion) for sale, with expected proceeds of at least UZS 14 trillion (approx. USD 1.2 billion).

The Decree also approves lists of state assets to be offered for public sale in 2026–2027.

To facilitate privatisation and encourage private investment, the Decree introduces several incentives and simplified procedures, including:

- purchasers are generally required to make an advance payment of 15% of the purchase price within 30 days, with the remaining amount payable in interest-free instalments;
- for state assets with a purchase price exceeding 23,000 BCUs (currently approximately UZS 10.1 billion / USD 850,000) and non-agricultural land plots exceeding 8,000 BCUs (currently approximately UZS 3.5 billion / USD 300,000), purchasers are entitled to a 25% discount if the purchase price is paid in full within six months;
- alternatively, for such higher-value assets and land plots, the remaining purchase price may be paid in interest-free instalments over seven years if 50% is paid within six months, or over five years if 35% is paid within three months;
- where an enterprise with state participation is being privatised through a public invitation to negotiate, following receipt of a price proposal, any net profit of the enterprise that was taken into account in its valuation will remain at the disposal of the enterprise;
- notice periods for initial auctions and tenders are reduced from 30 to 15 days, while notice periods for repeated sales are reduced from 10 to 5 days;

- the starting price of state assets remaining unsold for three months may be progressively reduced to as low as 10% of the initial price;
- purchasers that have paid at least 50% of the purchase price may reconstruct or renovate acquired assets, or demolish them for new construction, before completing payment of the remaining purchase price; and
- existing rights to land plots attached to privatised state-owned immovable property, including permanent use and lease rights, are preserved without the need to re-execute existing land lease agreements.

Importantly, the new benefits also apply to qualifying privatisation processes initiated before the Decree entered into force, including where sale and purchase agreements have already been entered into.

Alongside these measures, Resolution No. 520 introduces new mechanisms for assessing whether continued state participation in particular sectors is justified. As part of the preparation of annual privatisation programmes, the Competition Committee will assess the level of competition in sectors in which entities proposed for privatisation operate, with its conclusions to be taken into account when such programmes are prepared. The Resolution also establishes an annual review of state institutions, resulting in proposals for their privatisation, liquidation or retention.

The Resolution further strengthens restrictions on the establishment and expansion of enterprises with state participation. In particular, the Competition Committee may refuse approval for the establishment or reorganisation of such enterprises or changes in their activities where the statutory criteria justifying state ownership are not satisfied. Approval may also be refused where a state-owned enterprise is to be established in a competitive market with five or more private businesses, where the relevant state authority also regulates or licenses the proposed activity, or where a state-owned enterprise intends to expand into unrelated activities or acquire interests in businesses operating in competitive markets. Certain exceptions apply where the relevant activity or transaction is expressly authorised by decisions of the President or the Cabinet of Ministers.

Presidential Decree No. UP-177 of 28 August 2026

Resolution of the Cabinet of Ministers No. 520 of 29 September 2026

3. FURTHER REFORMS IN THE ENERGY SECTOR

On 22 September 2026, the President adopted Decree No. UP-202 introducing further reforms in Uzbekistan's fuel and energy sector, aimed at improving sector governance, increasing transparency and promoting competition in the implementation of investment projects. The Decree introduces a number of measures, including the following:

- the Ministry of Energy will no longer issue individual permits to energy companies and consumers concerning contractual, service and other commercial arrangements. The Energy Market Development and Regulation Agency (the "Regulator") will have its existing mandate in the electricity sector extended to include the gradual introduction and regulation of market-based mechanisms in the natural and liquefied gas sectors, including licensing,

supervision and promotion of competition. In addition, the Inspectorate for Control over the Use of Electricity, Petroleum Products and Gas will increasingly follow a preventive, risk-based approach, focusing on early identification of violations and voluntary remediation;

- a long-term concept for the sustainable supply of fuel and energy resources until 2050 will be developed, alongside annually updated three-year forecasts and plans for energy supply and prospective investment projects. The investment plans will be approved and published by the Cabinet of Ministers;
- energy sector investment projects will be implemented based on approved investment plans, with project developers selected through competitive tenders. Direct negotiations with investors, the granting of individual incentives and preferences, and the initiation of projects not included in the approved investment plans will be prohibited;
- from 1 July 2027, a unified digital platform will be introduced for the tariff-setting procedures of the Interdepartmental Tariff Commission under the Cabinet of Ministers. From 2028, the Regulator will assume responsibility for approving regulated tariffs and charges for electricity, natural gas and liquefied gas supply; and
- the digital platform will also facilitate the automated management and monitoring of the allocation of payments received from electricity and gas consumers and wholesale resellers, including the establishment and quarterly review of payment allocation arrangements.

Presidential Decree No. UP-202 dated 22 September 2026

4. NEW RULES FOR THE ELECTRICITY MARKET

On 30 September 2026, the Cabinet of Ministers adopted Resolution No. 527 approving new market rules for the first stage of Uzbekistan's transition to wholesale and retail electricity markets, based on bilateral electricity purchase agreements (the "Rules"). The Rules will enter into force on 1 January 2027. The Rules further implement the electricity market reforms envisaged under Presidential Decree No. UP-166 dated 28 September 2023 and establish detailed requirements for electricity trading, supply, dispatching and settlement, as well as the roles and responsibilities of market participants. The Rules, among other things, provide for the following:

- independent power producers that have not entered into long-term guaranteed electricity purchase agreements may sell electricity directly to large consumers on the wholesale market, while micro and small power plants may sell electricity to non-household consumers on the retail market. Prices under such agreements are freely negotiated between the parties, and the term of each agreement may not exceed one year;
- bilateral agreements must be registered with the market operator and become effective upon registration. The agreements must specify, among other things, electricity volumes, pricing, payment terms, arrangements for deviations from scheduled volumes and allocation of transmission, distribution and dispatching costs;
- the Rules expressly recognise electricity producers operating under long-term guaranteed electricity purchase agreements, including those entered into in connection with PPP and

investment projects, as a separate category of market participants. Electricity and capacity from such producers will continue to be purchased by the Central Purchaser on the terms established under their respective PPAs. Accordingly, the Rules do not require such producers to transition to the new bilateral trading arrangements or replace their existing long-term PPAs;

- the Rules establish detailed procedures for electricity generation scheduling and dispatching, including the system operator's authority to modify approved generation schedules. These requirements also apply to producers operating under long-term PPAs. However, when preparing generation schedules, the system operator must take into account the generation schedules established under such PPAs in accordance with their terms.

Resolution of the Cabinet of Ministers No. 527 dated 30 September 2026

5. NEW E-COMMERCE REGULATIONS

On 10 September 2026, Uzbekistan adopted amendments to the Tax Code and the Law "On Electronic Commerce", effective from 12 December 2026. The amendments significantly expand the regulatory framework for domestic and cross-border e-commerce. Key changes include:

- foreign legal entities providing electronic services or selling goods through electronic trading platforms to individuals in Uzbekistan are recognised as taxpayers where Uzbekistan is the place of supply or sale. Where payments are received directly from individuals without intermediaries, such foreign suppliers must register with the Uzbek tax authorities within 30 calendar days from commencing the relevant activities;
- the tax-agent regime is expanded to certain intermediaries participating in settlements with individuals, Uzbek electronic trading platform operators making settlements in favour of foreign suppliers, and Uzbek legal entities and foreign legal entities operating through permanent establishments in Uzbekistan when purchasing electronic services from foreign suppliers;
- the regulatory framework expressly covers electronic trading platforms, order aggregators and digital streaming services. Depending on the type of operator, requirements include verification of sellers' licences and permits, protection of personal data, cybersecurity requirements for payments, transparency of algorithms used to offer and systematise goods, services and digital products, preservation of customer reviews and disclosure of platform rules and contractual terms;
- sellers remain primarily liable for their obligations to buyers. Where a seller is unable to satisfy a buyer's lawful claims, the relevant e-commerce operator bears subsidiary liability, unless otherwise provided by law or contract;
- e-commerce operators and sellers are required to use separate bank accounts for e-commerce settlements, with electronic wallets also permitted in certain cases;
- a statutory framework for cross-border e-commerce is introduced, with detailed procedures to be established by the Cabinet of Ministers; and

- digital products imported or exported through digital distribution are not subject to customs clearance, while digital products transferred on physical media remain subject to ordinary customs procedures.

Law No. ZRU-1173 of 10 September 2026

6. NEW CONSTRUCTION PERMIT AND SEISMIC SAFETY REQUIREMENTS

On 28 September 2026, Law No. ZRU-1179 was adopted amending Uzbekistan's construction legislation to strengthen state supervision, improve the seismic safety of buildings and structures, and increase liability for unauthorised construction. The Law will enter into force on 30 December 2026. The Law introduces a number of changes, including the following:

- the existing notification procedure for commencing construction and installation works will be replaced by a mandatory permit issued by the relevant territorial inspectorates responsible for construction and housing and communal services supervision. Construction works involving public roads and associated artificial structures will remain subject to the notification procedure;
- criminal liability for constructing multi-apartment residential buildings without the required permit will be strengthened. Where such construction is carried out following an administrative penalty for the same violation, it will be punishable by imprisonment for three to five years. Violations of construction legislation resulting in death or other serious consequences may result in imprisonment for five to seven years;
- the powers of the Inspectorate for Control in the Sphere of Construction and Housing and Communal Services under the Cabinet of Ministers will be expanded and clarified, including its responsibilities for monitoring compliance with seismic safety requirements and assessing the seismic vulnerability of buildings and structures;
- master plans will be expressly recognised as a separate category of urban planning documentation, with a maximum approval period of ten business days.

Law No. ZRU-1179 dated 28 September 2026

Subscribe to our legal newsletters:

KOSTA
LEGAL

18 Anhor Buyi Street, Tashkent, 100011, Uzbekistan
Tel.: (+998 71) 209 0240
Web site: www.kostalegal.com
Email: info@kostalegal.com

© Kosta Legal 2026. This publication is intended solely for informational purposes and should not be interpreted as legal advice.