

1. LEGAL RIGHTS AND GUARANTEES FOR THE FOREIGN INVESTORS

Types of guarantees	Content of privileges	Legislation
<p>Guarantee of the legislation stability</p>	<p>If the subsequent legislation of the Republic of Uzbekistan makes worse investment conditions, than the legislation current on the date of investment is applied to foreign investments within ten years starting from the date of investment.</p> <p>The indicated guarantees are applied in the following cases:</p> <ul style="list-style-type: none"> - increase of income tax rate (amount), received as dividends, paid for foreign investors; - introduction of additional requirements, complicating the procedure of repatriation or decreasing the amount of foreign investors income, transferred abroad, except for the cases of suspension of repatriation of resources of foreign investor by the state provided nondiscriminatory application of the legislation in the cases of insolvency and bankruptcy of the enterprise with foreign investors or protection of the creditor's rights, criminal acts or administrative offences, committed by the foreign investor – individual, or in the other cases of suspension of such repatriation in concordance with the court or arbitration decision; - introduction of quantitative restrictions on the volume of investments and other additional requirements on the volume of investments, including increase of the minimum amount of foreign investments in the enterprises with the foreign investments; - introduction of restrictions on shares of foreign investors in the charter fund of the enterprises of the republic; - introduction of additional measures on issuance and prolongation of foreign investors' visas, and also additional requirements on attraction of foreign investments. <p>Provide that any of the above-mentioned cases worsening conditions of foreign investors occur, investors notify the appropriate authorized body on application of the guarantee. In the case of disagreement with the notification of the foreign investor the authorized body can turn to the Ministry of Justice of the Republic of Uzbekistan for the legal conclusion or to court with the claim of illegal</p>	<p>Law of the Republic of Uzbekistan No. 611-I dated 30.04.1998 “On guarantees and measures for foreign investors' rights protection”, <i>Article 3</i></p> <p>«Regulation on the order of application guarantees, fixed by the part 4 of the article 3 of the Law of the Republic of Uzbekistan «On guarantees and measures of protection foreign investors' rights»» (Appendix №1 to the resolution of the Cabinet of the Ministers of the Republic of Uzbekistan, dated 02.08.2005, № 180)</p>

	<p>application of the guarantee by foreign investor.</p> <p>Disagreement of the authorized body with the notification of the foreign investor, his turn to the Ministry of Justice of the Republic of Uzbekistan for the legal conclusion or to court with the claim of illegal application of the guarantee by foreign investor is not a reason to suspend the application of foreign investor's guarantee.</p>	
Guarantee of property preservation	<p>Foreign investments and other assets of foreign investors of the Republic of Uzbekistan are not subject to nationalization. Foreign investments and other assets of foreign investors are not subject to requisition except for cases of natural calamities, accidents, epidemics, epizootics. The decision on requisition is taken by the Cabinet of Ministers of the Republic of Uzbekistan. Requisition is accompanied by payment of compensation adequate to inflicted loss.</p>	Law of the Republic of Uzbekistan No. 611-I dated 30.04.1998 "On guarantees and measures for foreign investors' rights protection", <i>Article 5</i>
Guarantee to use resources	<p>Foreign investor's profits received in the Republic of Uzbekistan can be re-invested on the territory of the Republic of Uzbekistan or used by all means at the foreign investor's discretion.</p> <p>The enterprises with foreign investments have the right for the following: to open, use and dispose accounts in any currency and any bank on the territory of the Republic of Uzbekistan as well as outside it; to receive and return loans in foreign currency.</p>	Law of the Republic of Uzbekistan No. 611-I dated 30.04.1998 "On guarantees and measures of foreign investors' rights protection", <i>Article 6</i>
Guarantee to transfer resources	<p>Foreign investors are guaranteed a free transfer of funds in foreign currency to and from the Republic of Uzbekistan without any limitations provided payment of taxes and other obligatory payments by them in accordance with the procedure established by the legislation of the Republic of Uzbekistan.</p>	Law of the Republic of Uzbekistan No. 611-I dated 30.04.1998 "On guarantees and measures of foreign investors' rights protection", <i>Article 7</i>
Guarantee of foreign investments return due to cessation of investment activity	<p>After investment activity cessation, the foreign investor has a right for free repatriation of his assets expressed either in money or natural form and got as a result of investment activity cessation without loss for fulfillment of foreign partner's obligations with regard to the Republic of Uzbekistan or other creditors.</p>	Law of the Republic of Uzbekistan No. 611-I dated 30.04.1998 "On guarantees and measures of foreign investors' rights protection", <i>Article 8</i>
Insurance protection	<p>Insurance of foreign investments provides insurance protection and guarantees against political and other risks including the following: the expropriation of the property as well as any legislative or administrative measures leading to withdrawal of property or alienation from it, the loss of the control over it or income derived from it; the introduction of restrictions for transfer of foreign currency outside the country; the introduction of amendments, having discriminatory nature with regard</p>	Law of the Republic of Uzbekistan No. 609-I dated 30.04.1998 "On foreign investments", <i>Article 16</i>

	<p>to some groups of foreign investors to the legislation; the interference of the state administration bodies, local authorities and their officials to contract relations of investors; the wars, civil troubles and the same events; other kinds of political and other risks associated with foreign investors and foreign investments.</p>	
Guarantee to transfer of salaries abroad	<p>Questions associated with payment for work, granting of holidays, pension security of foreign personnel should be discussed with every worker who signed contracts. The salaries of such personnel and other earnings got in a legal way, can be transferred by them to other states without any restrictions after payment of taxes and obligatory payments established by the law.</p>	<p>Law of the Republic of Uzbekistan No. 609-I dated 30.04.1998 “On foreign investments”, <i>Article 14</i></p>
Additional, for the established guarantees and protection measures (privileges and preferences) by the legislation	<p>Additional guarantees and protection measures (privileges and preferences) are granted for foreign investors in every concrete case on investing:</p> <ul style="list-style-type: none"> - to priority field, providing stable economic growth, progressive economic changes of the country; - to priority projects, providing consolidation and extension of production and export potentials of the republic, its integration into international economic relations; - to projects of the small entrepreneurship, implementation of which directed for processing of raw materials, production of consumer goods and services, providing employment of the people. <p>Aiming at providing the fulfillment of the obligations by the foreign investors, who are granted additional guarantees and protection measures (privileges and preferences), an investment contract between the Government of the Republic of Uzbekistan in the person of the Ministry for Economic Relations, Investments and Trade of the Republic of Uzbekistan and the foreign investor (investors) is obligatorily concluded without fail.</p>	<p>«Regulation on the order of conclusion and realization of investment contracts» (Appendix № 2 to the resolution of the Cabinet of the Ministers of the Republic, of Uzbekistan dated 02.08.2005, № 180)</p>