

5.8.4 Excise Tax on Imports

An excise tax is imposed on certain types of imported goods; the rate of this tax varies depending on the type of goods.

6. EMPLOYMENT

6.1 Introduction

The employment of nationals and foreign citizens in Uzbekistan is regulated by the *Labor Code*.¹² Labor relations are regulated by collective agreements and individual employment contracts. Employment contracts must meet the standards prescribed by Uzbek law. Foreign and local companies may hire employees directly, without using employment or recruitment agencies.

6.2 Workbooks

Uzbek nationals must provide an employer with a workbook containing their personal details and a record of their past and current work history. The workbook is issued for the purpose of determining the amount to be paid from the State Social Insurance Fund for an employee's temporary illness or disability, and for determining an employee's rights to a state pension. Where an employee does not have a workbook, the employer is obliged to supply a new one within five days of commencing employment.

6.3 Probationary Period

An employment contract may include a probationary period which cannot exceed three months.

¹² Labor Code of the Republic of Uzbekistan dated 21 December 1995, as amended.

6.4 Minimum Wage

Wages may not be lower than the minimum monthly wage. As of 1 January 2009, the minimum monthly wage is 28,040 Soums (approximately US\$ 19.9 at the official exchange rate). The Government usually increases the MMW several times per year.

6.5 Working Week

The regular working week is 40 hours. Overtime work may be allowed only with the employee's consent. There are certain categories of work where overtime work is not permissible. Overtime work may not exceed four hours within two days or exceed 120 hours within one year. Overtime work must be compensated at a rate of at least 200% of the employee's regular wage.

6.6 Holidays

Uzbekistan has nine official public holidays. The minimum paid annual leave is 15 working days, at least 12 days of which must be used by the employee at one single time.

6.7 Sick Leave

An employer is not obliged to pay for an employee's leave of absence due to temporary illness or disability, however, in practice most employers provide paid leave of absence to their employees for a limited period of days per year.

6.8 Maternity Leave

Maternity leave is paid for no less than 70 days prior to the birth and 56 days following the birth (up to 70 days in certain cases). Maternity leave is paid for by the employer at the employee's normal salary level but it is effectively reimbursed to the employer through deductions from contributions due to the State Social Insurance Fund by the employer.

6.9 Cost of Employment

Information on mandatory Social Fund contributions for employees and employers is given in Section 5.3.3 above.

6.10 Foreign Workers in Uzbekistan

Companies with foreign employees in Uzbekistan must obtain a foreign labor license from the Agency on Foreign Labor Migration Issues (the “Agency”). The license authorizes the company to engage foreign work force. A licensed company must also obtain a work permit (confirmation) from the Agency for each foreign employee. The permit allows a specific foreign employee to work in Uzbekistan.

The Agency is obliged to issue a foreign labor license within 30 days from the date of submission of all necessary documents. The procedure for issuing work permits for foreign employees is similar to the procedure for obtaining foreign labor licenses.

A foreign labor license and/or employee’s work permit are valid for no more than one year. The fee for a foreign labor license is ten times the minimum monthly wage (*i.e.*, 280,040 Soums). There is no fee for an employee’s work permit.

Foreigners working in representative offices are excluded from the foreign labor license and work permit requirements. However, each foreigner working in a representative office is required to obtain an individual accreditation card from the Agency for Foreign Economic Relations.