

State Licensing Authority: District (city) Khokimiyats

Wholesale distribution, except those carried out by republican specialized wholesale stock establishments, which are members of the Association of Wholesalers and also regional (viloyat) “Matlubotsavdo” joint stock companies

10. EXPORT AND IMPORT REGIME

10.1 General

Uzbekistan implements a strict import regulation regime. This is due to the Government’s strong local production and export policy, as well as its stringent currency controls.

Registration of contracts with the Ministry for Foreign Economic Affairs, Investments and Trade are required for the import and export of certain economically essential items such as precious metals (and goods made from precious metals), as well as for the import and export of potentially harmful and dangerous goods and products, including military weapons and uranium. Also, export contracts concluded on the basis of government acts also need to be registered with the Ministry for Foreign Economic Affairs, Investments and Trade.

Certain import contracts must also be evaluated by the Ministry for Foreign Economic Affairs, Investments and Trade. However, only entities which finance their import from state budget sources are required to register import contracts. Thus, the two major types of import contracts subject to registration requirements are those which are financed:

- From the state budget; and/or
- With credits under a guarantee from the Uzbek Government.

In addition, import contracts of Uzbek entities which are more than 50% owned by the state, and which do not finance their import from their own sources, are subject to registration with the Ministry for Foreign Economic Affairs, Investments and Trade.

Any import contracts, irrespective whether they are subject to registration or evaluation with the Ministry for Foreign Economic Affairs, Investments and Trade must be recorded by authorized banks and, in the case of imported goods, also by customs agencies.

11. PRIVATIZATION

11.1 General Provisions

The primary law governing matters related to privatization of state property in Uzbekistan is the *Privatization Law*.²⁶ The *Privatization Law* defines the legal concept of privatization in Uzbekistan, which consists of citizens' and private legal entities' acquisition of state-owned facilities or shares in state-owned JSCs. Privatization in Uzbekistan has lagged behind that of a number of other CIS countries. In the first few years following independence, only apartments and very small businesses (*e.g.*, shops) were privatized, while nearly all industrial enterprises and other medium and large enterprises were kept firmly under state control. However, in late 1998 the Government began to actively promote the privatization of major enterprises in a number of key sectors of the economy. Government Resolutions passed in 2005, 2006 and 2007 envisaged an ambitious privatization program for the forthcoming years. As of January 2009, few of the major enterprise privatizations envisaged by this resolution have been completed, although preliminary work in preparing some of the other enterprises for privatization is underway. In most cases, only 49% of shares in the charter capital of large and important enterprises are offered for privatization.

11.2 Facilities Subject to Privatization

The Government of Uzbekistan determines the facilities subject to privatization under a program of privatization of state-owned facilities during the current and forthcoming years.

²⁶ Law "On Denationalization and Privatization" dated 19 November 1991, as amended.