

Chapter 1. General Provisions

Article 1. Main Objectives of This Law

The main objectives of this Law are to create guarantees and conditions for the free participation and interest of citizens in entrepreneurial activity, to increase their business activity, as well as to protect the rights and legitimate interests of business entities.

Article 2. Legislation on Guarantees of Freedom of Entrepreneurial Activity

The legislation on guarantees of freedom of entrepreneurial activity consists of this Law and other legislative acts.

This Law applies to non-profit organizations in that part of their activities which, by its nature, is entrepreneurial.

Relations related to guarantees and measures for the protection of the rights of business entities—enterprises with foreign investments—are also regulated by the legislation on guarantees and measures for the protection of the rights of foreign investors.

If an international treaty of the Republic of Uzbekistan establishes rules other than those provided for by the legislation of the Republic of Uzbekistan on guarantees of freedom of entrepreneurial activity, then the rules of the international treaty shall apply.

Article 3. Concept of Entrepreneurial Activity

Entrepreneurial activity (entrepreneurship) is an initiative activity carried out by business entities in accordance with the legislation, aimed at obtaining income (profit) at their own risk and under their own property liability.

Article 4. Business Entities

Business entities (subjects of entrepreneurship) are legal and natural persons who have undergone state registration in the established manner and are engaged in entrepreneurial activity.

State bodies (except for cases provided for by legislation), their officials, as well as other persons who are prohibited by law from engaging in entrepreneurial activity, may not be business entities.

Article 5. Small Business Entities

Small business entities include:

1. Individual entrepreneurs;
2. Micro-firms with an average annual number of employees in production sectors of no more than twenty people, in the service sector and other non-production sectors of no more than ten people, and in wholesale, retail trade, and public catering of no more than five people;
3. Small enterprises with an average annual number of employees in the following sectors:
 - Light industry, food industry, and the building materials industry, as provided by law—not more than two hundred people;
 - Metalworking and instrument-making, woodworking, furniture industries, and other industrial-production spheres, as provided by law—not more than one hundred people;
 - Mechanical engineering, metallurgy, fuel and energy, and chemical industries, production and processing of agricultural products, construction, and other industrial-production spheres, as provided by law—not more than fifty people;
 - Science, scientific services, transport, communications, the service sector (except for insurance companies), trade and public catering, and other non-production spheres—not more than twenty-five people.

The average annual number of employees of small business entities is determined in the manner established by law. This also includes the number of employees hired on a part-time basis, under contract agreements, and other civil-law contracts, as well as the number of employees at unitary enterprises, representative offices, and branches.

Legal and natural persons engaged in several types of activities (multi-profile) are classified as small business entities based on the criteria of the type of activity whose share is the largest in the annual turnover.

Benefits and preferences, guarantees, and rights provided by law for small business entities are applied by the business entities specified in part one of this article without written application to the authorized bodies and organizations (state tax and customs services, state statistics bodies, banks, etc.).

A list of benefits and preferences provided by law for small business entities is published and constantly updated in the Unified Register of Benefits and Preferences for Business Entities on the Unified Portal of Interactive State Services of the Republic of Uzbekistan.

The procedure for the formation and constant updating of the Unified Register of Benefits and Preferences for Business Entities on the Unified Portal of Interactive State Services of the Republic of Uzbekistan is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

If a micro-firm or small enterprise exceeds the established average annual number of employees, they are deprived of the benefits, preferences, guarantees, and rights provided by law for the period during which the excess occurred. This provision does not apply in cases where:

- A micro-firm or small enterprise concludes employment contracts with graduates of professional colleges, academic lyceums, and higher educational institutions of the

Republic of Uzbekistan, and the established average annual number of employees exceeds the limit by no more than 50 percent. The excess number of employees is permitted provided that no more than three years have passed since the graduation of the graduates from professional colleges, academic lyceums, and higher educational institutions of the Republic of Uzbekistan;

- A small enterprise concludes employment contracts with citizens working from home (homeworkers), and the established average annual number of employees exceeds the limit by no more than 30 percent.
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Article 6. Individual Entrepreneurship

Individual entrepreneurship is the entrepreneurial activity of a natural person without the formation of a legal entity (individual entrepreneur).

Individual entrepreneurship is carried out by an individual entrepreneur independently, on the basis of property belonging to them by right of ownership, as well as by virtue of another real right that allows for the possession and/or use of property.

An individual entrepreneur has the right to hire employees in the manner established by the Cabinet of Ministers of the Republic of Uzbekistan.

Individual entrepreneurs engaged in handicraft activities have the right to involve apprentices for the production of goods (works, services) with the payment of appropriate remuneration.

An individual entrepreneur engages in entrepreneurial activity, acquires and exercises rights and obligations under their own name. A natural person, when conducting transactions related to their entrepreneurial activity, must indicate that they are acting as an individual entrepreneur, unless this is clearly evident from the circumstances of the transaction. The absence of such an indication does not release the individual entrepreneur from the liability they bear for their obligations.

In carrying out their activities, an individual entrepreneur has the right to use personal business documentation forms, a seal, and stamps, the texts of which must indicate that the person is an individual entrepreneur.

In cases where one of the spouses uses the common joint property of the spouses to carry out individual entrepreneurship, the consent of the other spouse is required, unless otherwise provided by law, a marriage contract, or another agreement between the spouses.

Article 7. Joint Entrepreneurial Activity of Natural Persons without Forming a Legal Entity

Natural persons may engage in joint entrepreneurial activity without forming a legal entity in the forms of family entrepreneurship, a simple partnership, and a dekhkan farm.

Natural persons may be parties to a simple partnership agreement concluded for the purpose of joint entrepreneurial activity only after their state registration as individual entrepreneurs.

Relations related to the implementation of family entrepreneurship, the creation, activity, and termination of a simple partnership and a dekhkan farm are regulated by legislation.

Article 8. Rights of Business Entities

Business entities have the right to:

- Engage in any activity not prohibited by law;
- Be founders (participants) of other business entities—legal entities;
- Own, use, and dispose of property belonging to them by right of ownership;
- Independently choose the directions of their activities, suppliers, and consumers of their goods (works, services);
- Receive income (profit) from entrepreneurship in an unlimited amount, with the exception of business entities holding a dominant position in the market for goods (works, services);
- Sell their goods (works, services) and production waste at prices and tariffs established independently, based on market conditions or on a contractual basis, except in cases provided for by law;
- Freely dispose of the income (profit) remaining after covering all production costs and paying taxes and other mandatory payments, except in cases of compulsory collection by court order;
- Obtain loans, attract monetary funds and other property of other legal and natural persons on a contractual basis, including acquiring and/or receiving free of charge, leasing (leasing) buildings, structures, equipment, and other property, and direct them to entrepreneurial activity;
- Engage in foreign economic activity.

Business entities may have other rights in accordance with the legislation.

Article 9. Obligations of Business Entities

Business entities are obliged to:

- Fulfill obligations arising from contracts concluded by them;
- Pay taxes and other mandatory payments;
- Establish the amount of remuneration for persons working under an employment contract (agreement), not lower than the amount established by law for the first category of the Unified Tariff Scale for remuneration, make timely payments to them, and also insure their civil liability as an employer;
- Comply with the requirements of legislation and regulatory documents in the field of labor protection and safety, ecology, sanitation, and hygiene;
- Comply with the requirements of legislation on competition and consumer rights protection;
- Have certificates for the products and services they sell;
- Timely inform the relevant state bodies about changes in their location (postal address) and other details;
- Keep accounting, operational, and statistical records in accordance with the requirements of the legislation;

- Submit reports on their activities to the relevant state bodies in the established manner and timeframe.

Business entities may have other obligations in accordance with the legislation.

Article 10. Associations of Business Entities

Business entities, for the purpose of coordinating their activities, as well as representing and protecting their rights and interests, may unite in associations (unions) and other associations that are non-profit organizations.

Relations related to the creation, activity, reorganization, and liquidation of associations of business entities are regulated by legislation.

Article 11. Priority of the Rights of a Business Entity

In the relationship between business entities and state bodies, including law enforcement and regulatory bodies, as well as banks, the principle of the priority of the rights of the business entity applies, according to which all irresolvable contradictions and ambiguities in the legislation arising in connection with entrepreneurial activity are interpreted in favor of the business entity.

Article 12. Prohibition of Unfair Competition

Actions by business entities aimed at acquiring advantages in carrying out entrepreneurial activity that contradict legislation and business customs and cause or may cause losses to other business entities—competitors, or damage or may damage their business reputation, are not permitted.

Chapter 2. Foundations of Entrepreneurial Activity

Article 13. State Registration of Business Entities

State registration of business entities is carried out by the relevant state body on a "one-stop shop" principle and, as a rule, on a notification basis in the manner established by law.

Registering bodies do not have the right to refuse an applicant state registration as a business entity on the grounds of the inexpediency of its creation or to establish additional requirements not provided for by law.

A refusal of state registration of an applicant as a business entity, as well as a violation of the terms of state registration, may be appealed in court. If the court recognizes the decision of the registering body, as well as the actions (inaction) of its officials, as illegal, the latter shall compensate the applicant for losses and moral damage caused by the refusal of registration or violation of the registration period.

Article 14. Licensing of Certain Types of Entrepreneurial Activity

The types of entrepreneurial activity subject to licensing are determined by legislative acts.

The procedure for licensing certain types of entrepreneurial activity, except in cases provided by law, is established by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 15. Property Basis of Entrepreneurial Activity

Entrepreneurial activity may be carried out on the basis of the own property of business entities and/or attracted property.

Property, including property rights, on the basis and by means of which business entities carry out entrepreneurial activity, may be the object of purchase and sale, pledge, lease, and other transactions related to the establishment, modification, and termination of rights, in the manner prescribed by law.

Article 16. Lending and Insurance of Business Entities

Lending to business entities is carried out in the manner established by law.

When issuing loans to a business entity, banks, other credit or insurance organizations may act as guarantors. Solvent legal and natural persons, as well as citizens' self-government bodies, may act as sureties in the manner established by law.

As security for the fulfillment of obligations under loan agreements, a business entity may use its property, including things and property rights, except in cases established by law, as well as an insurance policy for the risk of non-repayment of the loan received.

Business entities, in cases provided for by law, have the right to preferential lending.

Insurance of business entities is carried out by insurance organizations in the manner established by law and by contract.

Article 17. Accounting and Reporting

Business entities maintain accounting and reporting in accordance with the legislation. At the choice of the business entity, reporting can be prepared on paper and/or in electronic form.

Reporting of business entities submitted in electronic form is confirmed by the electronic digital signature of the business entity. The state encourages business entities to keep records in electronic form by distributing software on preferential terms or free of charge.

Small business entities submit reports in the established forms only to the state statistics bodies and the state tax service bodies, and individual entrepreneurs—to the state tax service bodies.

State bodies are prohibited from establishing additional types of reporting for business entities not provided for by law.

Chapter 3. Guarantees of the Rights of Business Entities

Article 18. Constitutional Guarantees of Freedom of Entrepreneurial Activity

The state guarantees the freedom of economic activity, entrepreneurship, equality, and legal protection of all forms of ownership.

Business entities, in accordance with the law, have the right to engage in any activity and independently choose its direction.

Private property, along with other forms of property, is inviolable and protected by the state.

A business entity, at its discretion, owns, uses, and disposes of the property belonging to it by right of ownership.

On the territory of the Republic of Uzbekistan, the free movement of goods, services, labor resources, and financial resources of business entities is guaranteed, regardless of the territory of their state registration. Restriction, suspension, and prohibition of the free movement of goods, services, labor resources, and financial resources of business entities on a territorial basis are not allowed.

Business entities are guaranteed judicial protection of their rights and freedoms, the right to appeal to the court against illegal decisions of state bodies, citizens' self-government bodies, other organizations, and the actions (inaction) of their officials.

Article 18-1. Guarantees Against Unfavorable Changes in Legislation for Business Entities

Legislative acts that provide for the complication of the procedure for carrying out entrepreneurial activity and impose new obligations on business entities, as well as establish new measures of their responsibility, shall enter into force no earlier than three months from the date of their official publication.

In the legislative acts provided for in part one of this article, the date of their (or their parts') entry into force must be indicated.

Article 19. Guarantees of Freedom for Business Entities to Engage in Any Activity Not Prohibited by Law

Business entities have the right to engage in any activity not prohibited by law.

The founders of business entities—legal entities—have the right to list only the main types of activities in their constituent documents. Business entities—legal entities—may engage in a type of activity not specified in their constituent documents.

The types of activities that individual entrepreneurs can engage in are determined by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 20. Guarantees of Freedom for Business Entities to Dispose of Their Own Goods (Works, Services) and Income (Profit)

Business entities are the owners of the goods (works, services) they produce and the income (profit) received from their sale.

Business entities, at their discretion, dispose of the income (profit) remaining after covering all production costs, paying taxes and other mandatory payments, except in cases of compulsory collection by court order.

Article 21. Guarantees of Disposal of Monetary Funds

Business entities independently dispose of their monetary funds.

A bank or other credit organization may use the monetary funds available in the bank account (account) of business entities, guaranteeing their availability upon demand to the account and the right of business entities to freely dispose of these funds within the limits of the amounts on the account.

A bank or other credit organization is obliged to credit the monetary funds received to the account of a business entity, issue or transfer them from the account at the instruction of the business entity no later than the day following the day of receipt of the corresponding payment document by the bank, unless other terms are provided by law or contract. In case of violation of the established terms of operations on the account, the bank or other credit organization shall pay interest to the business entity in the manner and terms provided by law.

Unless otherwise provided by the contract, for the use of monetary funds on the account, the bank or other credit organization shall pay interest to the business entity, the amount of which is credited to its account.

State bodies, banks, or other credit organizations are not entitled to determine and control the direction of use of the monetary funds of business entities and to establish other restrictions on their right to dispose of monetary funds at their discretion, not provided by law or contract.

The funds of business entities held in their accounts in servicing banks may be received in the form of cash in the manner established by law.

It is prohibited to demand information about the availability of monetary funds in the bank accounts of business entities, as well as its provision by banks, except in cases provided by law.

Article 22. Guarantees of Freedom of Foreign Economic Activity of Business Entities

Business entities independently carry out foreign economic activity in accordance with the legislation.

State registration of business entities is the basis for opening foreign currency accounts and carrying out foreign economic activity. For individual entrepreneurs importing goods, the basis for carrying out foreign economic activity is also their registration as participants in foreign economic relations.

Article 23. Guarantees of the Right of Ownership and Other Real Rights of Business Entities

The property of business entities is inviolable and protected by law.

A business entity has the right to perform any actions with respect to the property belonging to it by right of ownership that do not contradict the law. In this case, the exercise by a business entity of its powers as an owner should not violate the rights and legally protected interests of other persons. In cases, on the conditions, and within the limits provided by law, a business entity is obliged to allow limited use of its property by other persons.

Seizure of property, termination of other real rights of a business entity, as well as their restriction, are not allowed, except in cases provided by law.

A business entity has the right to claim its property from another's illegal possession, as well as to demand the elimination of any violations of its right of ownership, even if these violations were not related to the deprivation of possession.

In the event of the adoption of a legislative act terminating the right of ownership, the losses caused to the business entity—the owner of the property—as a result of the adoption of this act, including the value of the property, shall be compensated by the state. Disputes over compensation for losses shall be resolved by a court. The value of property seized upon termination of the right of ownership is determined by an appraisal organization at the time of termination of the right of ownership, unless otherwise established by law.

The real rights of business entities are protected in the manner prescribed by law.

Article 24. Guarantees of the Right of Use of Land Plots by Farms

For farming, land plots are provided for lease on the basis of an open competition for a period of up to fifty years, but not less than thirty years.

When receiving a land plot for farming, persons residing in the area where the farm is being created have a preferential right.

The size of the land plot and its boundaries may be changed only with the consent of the head of the farm.

Seizure of a land plot or its part is allowed only in cases and in the manner prescribed by law.

A land lease agreement may be amended or terminated by agreement of the parties, and if an agreement is not reached by the parties—by a court. The grounds for amending or terminating land lease agreements concluded with farms are determined by law.

In the event of the liquidation of a farm, the lease agreement for the land plot provided for its maintenance is subject to termination in the manner established by law.

Article 25. Guarantees of the Right of Use of Land Plots by Dekhkan Farms

The rights and obligations of a dekhkan farm in the field of land ownership and land use are determined by law.

A land plot provided to a dekhkan farm is not subject to division.

The size of the land plot and its boundaries may be changed only with the consent of the head of the dekhkan farm.

Seizure of a land plot of a dekhkan farm for public needs is allowed only after full compensation as provided by law has been provided.

Article 26. Guarantees of Free Access for Business Entities to the Securities Market, Raw Materials, Goods, and Services Markets

Business entities have equal opportunities for free access to the securities market, raw materials, goods, and services markets, as well as participation in the supply of certain types of goods, performance of work, and provision of services for state needs. Any restrictions on the access of business entities to the securities market, raw materials, goods, and services markets by state bodies, as well as their officials, are not allowed.

State bodies take measures to place orders for the production and supply of goods (works, services) for state needs among business entities. When conducting tenders for public procurement, other things being equal, preference is given to small business entities. The Cabinet of Ministers of the Republic of Uzbekistan may establish other special conditions for the access of business entities to the securities market, raw materials, certain goods, and services markets.

Article 27. Guarantees of Free Access for Farms and Dekhkan Farms to Material and Technical Resources, Seeds, Seedlings, and Breeding Stock

Farms and dekhkan farms have equal rights with other business entities for free access to the markets for material and technical resources, including fuel and lubricants, compound feeds, organic and mineral fertilizers.

State bodies, economic management bodies, and citizens' self-government bodies create conditions to meet the needs of farms and dekhkan farms for seeds, seedlings, means of protecting agricultural crops from pests and diseases, and breeding stock.

Article 28. Guarantees of Water Use by Farms and Dekhkan Farms

Farms and dekhkan farms carry out water use on an equal basis with other agricultural enterprises based on annual water intake limits from water bodies, developed respectively by the Ministry of Water Resources of the Republic of Karakalpakstan and the basin departments of irrigation systems, as well as the Ministry of Agriculture of the Republic of Karakalpakstan and territorial departments of agriculture, and approved by the district (city) Kengashes of people's deputies.

Water intake limits from water bodies for farms and dekhkan farms, except in cases of reduced water availability in sources, cannot be changed without their consent.

Restriction of the right of water use of farms and dekhkan farms by state bodies is allowed only in cases established by law.

Article 29. Guarantees of Access for Business Entities to Credit Resources

Business entities have equal rights of access to credit resources.

The state may establish preferential interest rates for the use of loans allocated from extra-budgetary funds for the development of priority areas of entrepreneurial activity, including for the formation of initial (start-up) capital for small businesses, farms, and dekhkan farms.

The state may create favorable conditions for banks and other credit organizations that provide services for preferential lending to business entities.

When issuing loans to small businesses, banks have the right to include in the total loan amount the expenses related to the registration of the borrower's collateral.

Article 30. Guarantees of Access for Business Entities to Information

State bodies and their officials are obliged to provide business entities with the opportunity to familiarize themselves with legislative acts, documents, decisions, and other materials affecting their rights and legitimate interests. Access to information is provided through the publication and distribution of legislative acts and relevant materials in the media, including through the global information network Internet on the official websites of state bodies.

Liability measures are not applied to business entities for violating the requirements of normative-legal acts and other acts adopted by ministries and departments, local government bodies, regulating issues of interaction with business entities, which are not published on their official websites via the global information network Internet.

Information affecting the rights and legitimate interests of business entities is provided free of charge, and a fee may be charged for the provision of other information in the established manner.

State statistics bodies ensure the regular publication of publicly available statistical information.

Relevant state bodies ensure the regular publication in the media, including on their official websites via the global information network Internet, of a list of land plots provided for the construction of new enterprises, as well as objects of unfinished construction, vacant and inefficiently used buildings and structures offered for sale and lease to business entities.

Article 30-1. Guarantees of the Implementation of Benefits and Preferences Granted to Business Entities

State bodies and their officials are obliged, within their competence, to explain the procedure for applying benefits and preferences granted by law, as well as to ensure their application.

Article 31. Guarantees of Consideration of Appeals from Business Entities

Business entities have the right to appeal to state bodies or economic management bodies with applications, proposals, and complaints. Applications, proposals, and complaints of business entities are submitted directly to the state body or economic management body whose authority includes resolving the issues raised in them, or to a higher subordinate body.

The appeals must indicate the full corporate name of the business entity—a legal entity, its location (postal address) or the surname, name, patronymic of the business entity—a natural person, their place of residence (address), as well as the substance of the application, proposal, or complaint. Written appeals must be signed by an authorized person of the business entity—a legal entity or by the signature of the business entity—a natural person. Appeals from business entities submitted in electronic form are confirmed by the electronic digital signature of the business entity.

Appeals from business entities are subject to mandatory acceptance and consideration, except for appeals that do not meet the requirements provided for in the **second part** of this article. Appeals from business entities that do not meet the requirements provided for in the **second part** of this article are considered anonymous and are not subject to consideration.

Proposals from business entities are considered within one month from the date of receipt by the state body or economic management body, except for those proposals that require additional study, about which the business entity that submitted the proposal is informed within ten days. Applications or complaints are considered within one month from the date of receipt by the state body or economic management body, which is obliged to resolve the issue on its merits, and those not requiring additional study and verification—no later than fifteen days.

In cases where the consideration of an application or complaint requires an inspection, the request for additional materials, or the adoption of other measures, the deadlines for considering the application or complaint may, as an exception, be extended by the head of the respective state body or economic management body, but for no more than one month, with notification to the business entity that submitted the application or complaint.

State bodies and economic management bodies shall create a constantly updated page on the global information network Internet, providing business entities with the opportunity to file complaints about illegal decisions of state bodies or economic management bodies, actions (inaction) of their officials.

Article 32. Guarantees Against Nationalization, Confiscation, and Requisition of Property of Business Entities

The property of business entities is not subject to nationalization and confiscation, except in cases provided for by law.

The property of business entities is not subject to requisition, except in cases of natural disasters, accidents, epidemics, epizootics, and other circumstances of an emergency nature, with payment to the owner of the value of the requisitioned property. The decision on requisition is made by state bodies in the manner and on the terms established by law.

Business entities have the right to appeal in court against a decision on nationalization, confiscation, and requisition.

Article 33. Guarantees of the Use of a Corporate Name, Trademark (Service Mark)

A business entity—a legal entity—has the right to a corporate name, which it determines independently and which is indicated in its constituent documents.

The right to the corporate name specified in the constituent documents arises from the moment of state registration of the business entity.

A corporate name of a business entity that is identical or confusingly similar to a previously registered one, to the extent that it may lead to the identification of the respective business entities, cannot be registered.

The right to use a trademark (service mark) is granted on the basis of its registration. A trademark (service mark) may be registered in the name of a business entity—a legal or natural person.

The owner of a corporate name, trademark (service mark) has the exclusive right to use, make changes, and additions to them.

When publishing, publicly performing, or otherwise using a corporate name, trademark (service mark), any changes to the corporate name, trademark (service mark) itself, as well as to their designation, are allowed only with the consent of their owner.

The right to the integrity of a corporate name, trademark (service mark) belongs to the owner of the corporate name, trademark (service mark).

The right to use a corporate name, trademark (service mark) may be granted by their owner to another person on the basis of a license agreement or a comprehensive entrepreneurial license agreement concluded between them in accordance with the law.

Article 34. Guarantees of Non-Interference in Entrepreneurial Activity

State bodies, other organizations, and their officials do not have the right to interfere in the activities of business entities carried out in accordance with the law.

If state bodies and their officials discover violations of the law in the activities of business entities, they may take those measures to which they are authorized and which are directly related to the elimination of the specific violation. State bodies and their officials cannot use the fact of a violation as a basis for interference or restriction of other lawful activities of business entities.

State bodies, including law enforcement agencies, and other organizations, as well as their officials, are prohibited from:

- making decisions, issuing orders, and other instructions to business entities on matters of concluding transactions, distributing profits, electing (appointing) the head and members of the executive body, and other issues assigned to the competence of the management bodies of business entities, except in cases provided for by law;
- demanding that business entities affix a seal to documents or establishing a requirement for the certification of documents with a seal;
- applying liability measures to members of the management bodies of business entities for decisions made within their powers under conditions of entrepreneurial risk that have resulted in losses.

State bodies, other organizations, and their officials are prohibited from interfering in the activities of banks, including the appointment of senior officials of their branches, requiring various kinds of payments and contributions from the bank's funds. Law enforcement and regulatory bodies are prohibited from interfering in the activities of banks in managing entrepreneurial risks associated with the formation of the credit portfolio and assets of banks.

State bodies, other organizations, and their officials do not have the right to interfere in the entrepreneurial activities of dekhkan and farms, including in their choice of agrotechnical methods, the range of products produced, determining its price and direction of sale, except for purchases intended for state needs.

Chapter 4. Protection of the Rights of Business Entities

Article 35. Protection of the Business Reputation of a Business Entity

A business entity has the right to demand in court the refutation of information discrediting its business reputation if the person who disseminated such information does not prove that it corresponds to reality.

If the information discrediting the business reputation of a business entity is disseminated in the media, it must be refuted in the same media. If the said information is contained in a document originating from an organization, such a document is subject to replacement or withdrawal. The procedure for refutation in other cases is established by the court.

A business entity against whom information discrediting its business reputation has been disseminated has the right, along with the refutation of such information, to demand compensation for losses and moral damage caused by their dissemination.

Article 36. Protection of the Results of Intellectual Activity

The exclusive right of a business entity to objectively expressed results of intellectual activity and its means of individualization (corporate name, trademark, service mark, etc.) is protected by law and by the state.

The use of the results of intellectual activity and means of individualization, which are objects of exclusive rights, may be carried out by third parties only with the consent of the right holder.

Article 37. Protection of Trade Secrets and Undisclosed Information of Business Entities

Information constituting a trade secret, unknown to third parties (undisclosed information), is protected if such information has actual or potential commercial value due to its being unknown to third parties, there is no free access to it on a legal basis, and the owner of the information takes measures to protect its confidentiality.

The right to protect undisclosed information from illegal use arises regardless of the performance of any formalities in relation to this information (its state registration, obtaining certificates, etc.).

The rules on the protection of undisclosed information do not apply to information that, in accordance with the law, cannot constitute a service or trade secret (information about legal entities, rights to property and transactions with it subject to state registration, information to be provided as state statistical reporting, etc.).

A person who has illegally obtained or disseminated undisclosed information or uses it is obliged to compensate the person who lawfully possesses this information for the losses caused by its illegal use.

A person who has independently and lawfully obtained information constituting the content of undisclosed information has the right to use this information regardless of the rights of the owner of the corresponding undisclosed information and is not liable to them for such use.

Article 38. Compensation for Harm Caused to a Business Entity

Harm caused to a business entity is subject to compensation by the person who caused it, in full, including lost profits. The law may impose an obligation to compensate for harm on a person who is not the person who caused the harm.

Losses caused to a business entity as a result of illegal decisions of state bodies, citizens' self-government bodies, or actions (inaction) of their officials, including the adoption of an act of a state body or a citizens' self-government body that does not comply with the law, are subject to compensation by the state or the citizens' self-government body on the basis of a court decision. By a court decision, compensation for losses may be imposed on the officials of state bodies, citizens' self-government bodies, through whose fault the losses were caused.

Article 39. Restriction of Inspections of the Activities of Business Entities

The initiation of inspections of the activities of business entities is carried out by regulatory bodies in the established manner based on the results of risk analysis of the activities of business entities, based on the degree of risk of the respective business entity committing violations of the law.

Coordination of inspections of the activities of business entities and control over the legality of their conduct by regulatory bodies are carried out by the Commissioner under the President of the Republic of Uzbekistan for the protection of the rights and legitimate interests of business entities.

All inspections of the activities of business entities conducted by regulatory bodies are subject to mandatory registration in the Unified Electronic Registration System of Inspections, with the exception of desk tax audits.

The results of conducted inspections of the activities of business entities are entered by regulatory bodies into the Unified Electronic Registration System of Inspections within three days after their completion.

Inspections of the activities of business entities conducted without registration in the Unified Electronic Registration System of Inspections are illegal.

The duration of inspections not related to the financial and economic activities of business entities should not exceed ten calendar days.

Tax audits are conducted in the manner prescribed by the **Tax Code** of the Republic of Uzbekistan.

The basis for conducting an on-site tax audit is an order from the head (deputy head) of the tax authority. An on-site tax audit is conducted for a period of no more than ten days.

The conduct of a tax audit of business entities should not exceed the deadlines established by the **Tax Code** of the Republic of Uzbekistan.

The tax authority is obliged to notify the business entity in writing about the start of a tax audit at least thirty calendar days before the start of the tax audit, indicating the deadlines and subject of

the tax audit. The tax authority, in agreement with the State Tax Committee of the Republic of Uzbekistan, has the right to start a tax audit without prior notification of the business entity if there are signs of tax evasion.

A tax audit of business entities is carried out in the established manner only by the tax authorities, and if signs of crimes related to the violation of budget, tax, and currency legislation are identified during the tax audit—by the Department for Combating Economic Crimes under the General Prosecutor's Office of the Republic of Uzbekistan.

A tax audit is conducted in relation to:

- business entities—taxpayers who have not submitted an amended tax return (including after an amended demand issued based on the results of a desk audit) or have not provided justifications for the identified discrepancies or the justifications they have provided are deemed insufficient;
- business entities—taxpayers (tax agents) belonging to the category of taxpayers (tax agents) with a high degree of risk, determined on the basis of the results of a risk analysis of the activities of business entities.

Before the start of the inspection, the official conducting the inspection explains to the authorized representative of the business entity in writing their right to involve representatives of the legal service and/or a lawyer to participate in the inspection or to refuse their participation, about which a protocol is drawn up. In this case, the refusal of the services of a lawyer is not an obstacle to their involvement by the business entity at later stages of the inspection.

The results of inspections are documented in an act (certificate), one copy of which is handed over to the inspected business entity within the time limits established by law.

Article 40. Non-Application and Reduction of the Amounts of Financial Sanctions

If business entities comply with the prescriptions of regulatory bodies based on the results of inspections, as well as voluntarily compensate for the damage caused within the established time limits and in full, including in the case of payment of penalties, financial sanctions are not applied to them. This rule does not apply to cases of applying financial sanctions in connection with tax violations.

Upon admission of guilt in the identified tax offenses and voluntary payment of the amounts of financial sanctions within ten days from the date of receipt of the decision of the tax authority to bring to liability for committing a tax offense, the amount of the fine is subject to a reduction by half compared to the established amount.

Article 41. Requirements for Officials Conducting Inspections of the Activities of Business Entities

Inspections of the activities of business entities are carried out by officials of law enforcement and regulatory bodies.

The admission of officials of regulatory bodies to inspect the activities of business entities is carried out if these persons have a copy of the order of the regulatory body to conduct an inspection, indicating the purposes of the inspection, the composition of the inspecting officials, the deadlines for its conduct, the registration number in the Unified Electronic Registration System of Inspections, as well as a special certificate of admission to conduct inspections and the identity card of the inspecting officials.

When conducting inspections of the activities of business entities, officials of law enforcement and regulatory bodies make an entry in the inspection registration book in the manner prescribed by **law**.

Officials of law enforcement and regulatory bodies, when inspecting the activities of business entities, are obliged to ensure compliance with commercial, official, and other secrets protected by law, as well as the undisclosed information of business entities.

Article 42. Application of Legal Influence Measures to Business Entities

In cases provided for by law, legal influence measures are applied to business entities. At the same time, the following legal influence measures are applied to business entities only in court:

- termination of activity;
- termination and/or re-profiling of the activities of objects that have a harmful impact on the natural environment;
- restriction, suspension, and prohibition of activities, except for cases of restriction, suspension of activities for a period of no more than ten working days in connection with the prevention of emergencies, epidemics, and other real threats to the life and health of the population;
- suspension of operations on bank accounts, except in cases provided by law;
- conversion into state revenue of the objects of offenses;
- suspension for a period of more than ten working days or termination and cancellation of licenses (permits) for certain types of entrepreneurial activity, with the exception of licenses (permits) issued by the Cabinet of Ministers of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan.

The restriction and suspension of the activities of business entities under a state of emergency are carried out in the manner established by the Constitutional **Law** of the Republic of Uzbekistan "On the State of Emergency."

Chapter 5. State Support for Entrepreneurial Activity

Article 43. Powers of State Administration Bodies in the Sphere of Support for Entrepreneurial Activity

State administration bodies, within their competence:

- develop and implement state programs for the development of entrepreneurship;
- monitor compliance with the legislation on guarantees of freedom of entrepreneurial activity and the development of entrepreneurial activity, study existing problems and make proposals for improving normative-legal acts aimed at strengthening the legal guarantees of entrepreneurship;
- ensure the protection of the rights and legitimate interests of business entities;
- assist business entities in accessing financial, material-technical, and information resources;
- assist business entities in selling their goods (works, services) on foreign and domestic markets, including by actively involving business entities in the process of public procurement and creating specialized organizations to promote their products;
- organize informational and explanatory work among business entities, and the development of a system of consulting, leasing, insurance, and other services;
- assist business entities in the training, retraining, and advanced training of personnel.

State administration bodies may exercise other powers in the sphere of support for entrepreneurial activity in accordance with the law.

Article 44. Powers of Local Government Authorities in the Sphere of Support for Entrepreneurial Activity

Local government authorities, within their competence:

- develop and implement territorial programs for the development of entrepreneurship;
 - establish additional guarantees and measures to protect the activities of business entities;
 - Local government authorities may exercise other powers in the sphere of support for entrepreneurial activity in accordance with the law.
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Article 45. State Stimulation of Entrepreneurship Development

State stimulation of entrepreneurial activity is carried out by:

- creating conditions for attracting investments (including foreign ones), modern technologies and equipment to the sphere of entrepreneurship, as well as for the development of market infrastructure institutions;
- taking measures to expand the participation of business entities in export-import operations, international exhibitions and fairs, in the implementation of programs and projects in the field of foreign economic activity;
- providing business entities with legal, economic, statistical, production-technological, scientific-technical, and other information necessary for their effective activity;
- establishing benefits and preferences for taxes, other mandatory payments, and tariffs.

State stimulation of entrepreneurial activity may also be carried out in other ways in accordance with the law.

Article 46. Funds for the Support of Entrepreneurial Activity

For the purpose of supporting and stimulating entrepreneurial activity, funds may be created in the manner established by law.

Article 47. Benefits for Small and Private Businesses in the Consumption of Energy Resources

Preferential tariffs for energy resources, established for agricultural producers, apply to small and private businesses located and carrying out their activities in rural areas.

Article 48. State Support for Personnel Training for Entrepreneurial Activity

The state ensures the development of a system for the training, retraining, and advanced training of personnel for business entities.

Organizations that provide training, retraining, and advanced training for personnel of business entities in rural areas enjoy benefits in the manner established by law.

Chapter 6. Final Provisions

Article 49. Liquidation (Termination of Activity) of a Business Entity

The liquidation of a business entity—a legal entity—is carried out by a decision of its founders (participants) or a body of the legal entity authorized to do so by the constituent documents, or by a decision of a court or a registering body.

Upon the liquidation of a business entity, the released employees are guaranteed the observance of their rights and legitimate interests in accordance with the law.

The termination of the activity of a business entity—a natural person—is carried out by their decision or by a court decision.

A business entity is considered liquidated (having terminated its activity) after an entry on liquidation (termination of activity) is made in the corresponding state register of the registering body.

The liquidation (termination of activity) of a business entity is carried out in the manner prescribed by law.

Article 50. Appealing Decisions of State and Other Bodies, Actions (Inaction) of Their Officials

Business entities have the right to appeal illegal decisions of state and other bodies, actions (inaction) of their officials at their discretion to a higher subordinate body or official, or directly to a court.

Filing a complaint with a higher subordinate body or official does not exclude the right to file a similar complaint with a court.

Decisions of tax authorities taken based on the results of on-site tax audits and tax audits may be appealed in court only after they have been appealed to a higher tax authority. This rule does not apply to appealing a decision of the State Tax Committee of the Republic of Uzbekistan.

Business entities are exempt from paying state duty when applying to a court against decisions of state and other bodies, actions (inaction) of their officials regarding the violation of their rights and legitimate interests related to entrepreneurial activity.

Article 51. Dispute Resolution

Disputes in the field of activity of business entities are resolved in the manner prescribed by law.

Article 52. Liability for Violation of Legislation on Guarantees of Freedom of Entrepreneurial Activity

Persons guilty of violating the legislation on guarantees of freedom of entrepreneurial activity are held liable in the established manner.