

SPECIAL ECONOMIC ZONES

REGULATIONS



Law “On Investments and Investment Activities”



Law “On Special Economic Zones”



Tax Code of the Republic of Uzbekistan



Decree “On measures to further improve the system of coordination and management of the activities of free economic zones”



Decree “On additional measures to improve the efficiency of special economic, small industrial, youth industrial and business zones”

TYPES OF INDUSTRIAL ZONES



SMALL INDUSTRIAL ZONE

part of the territory of a settlement or inter-settlement territory intended for carrying out production activities, to which legislative documents have assigned a certain status and on its territory there is a service infrastructure on which production areas are located and the boundaries of which are clearly defined



SPECIAL ECONOMIC ZONE

a territory with defined borders and a special legal regime, specifically allocated in order to attract foreign and domestic investment, high technology and management experience for accelerated socio-economic development of the relevant region



YOUTH INDUSTRIAL AND ENTREPRENEURIAL ZONE

a zone created similar to small industrial zones and aimed at supporting entrepreneurship among young people

TYPES OF SPECIAL ECONOMIC ZONES



FREE ECONOMIC ZONE

production facilities and high-tech manufacturing focused on competitive, import-substituting, and export-oriented finished industrial products, supported by comprehensive industrial, engineering, transport, and logistics infrastructure



SPECIAL SCIENTIFIC AND TECHNOLOGICAL ZONE

innovation hub concentrating scientific organizations, technology parks, technology transfer centers, innovation clusters, venture funds, and business incubators to develop advanced technological infrastructure and foster breakthrough innovation



TOURIST AND RECREATIONAL ZONE

territory dedicated to modern tourism infrastructure including hotel complexes, cultural and recreational facilities, shopping and entertainment venues, with seasonal recreational areas and comprehensive tourist servicing



FREE TRADE ZONE

free trade zones include consignment warehouses, territories with special customs and tax regimes, as well as sites for processing, packaging, sorting, and storage of goods. Free trade zones are established at border points, airports, railway junctions or other places on the customs territory of the Republic of Uzbekistan



SPECIAL INDUSTRIAL ZONE

the territory where a special regime of management, economic and financial activities is being introduced. Special industrial zones include service and production zones, which are formed by allocating land plots to create the necessary administrative, scientific and technological, industrial, engineering and communication, road transport and social infrastructure

FREE ECONOMIC ZONES

1

REPUBLIC OF KARAKALPAKSTAN

"Nukus" FEZ

2

KHOREZM REGION

"Hazarasp" FEZ

3

BUKHARA REGION

"Bukhara-agro" FEZ
"Karakul" FEZ
"Gijduvan" FEZ

4

KASHKADARYA REGION

"Chiroqchi" FEZ

5

NAVOI REGION

"Navoi" FEZ

6

SURKHANDARYA REGION

"Termez" FEZ

7

JIZZAKH REGION

"Jizzakh" FEZ
"Zomin-Pharm" FEZ

8

SAMARKAND REGION

"Urgut" FEZ

9

TASHKENT REGION

"Angren" FEZ
"Bustanliq-Pharm" FEZ
"Parkent-Pharm" FEZ

10

TASHKENT CITY

"New generation" SIZ

11

NAMANGAN REGION

"Namangan" FEZ
"Kosonsoy-Pharm" FEZ

12

SYRDARYA REGION

"Syrdarya" FEZ
"Syrdarya-Pharm" FEZ
"MTSPK" FEZ

13

FERGANA REGION

"Kokand" FEZ

14

ANDIJAN REGION

"Andijan-Pharm" FEZ
"Ipak Yuli" FEZ



TAX BENEFITS AND EXEMPTIONS FROM PAYMENT



FREE ACCESS TO LAND



TAX & CUSTOMS BENEFITS



INFRASTRUCTURE TO THE 'GATE'



Tax on property



Water usage tax



Land tax

3 years

for investment of
\$0,3M – \$3M

5 years

for investment of
\$3M – \$5M

7 years

for investment of
\$5M – \$10M

10 years

for investment
above **\$10M**



Zero tax
on profits

3 years

for investment of
\$3M – \$5M

5 years

for investment
of **\$5M – \$15M**

10 years

for investment
above **\$15M**



Exempt from customs payments (except for customs clearance fees) for construction materials not produced in Uzbekistan



For entire period of activity in FEZ exempt from customs duties (except for customs clearance fees) on imported raw materials, materials and components used for export products

2

years

Customs duty exemption for import of equipment & raw material for own needs

120

days

Deferment of payment of VAT for imported goods and raw materials

ADVANTAGES OF OBTAINING THE STATUS OF A FEZ PARTICIPANT



Resolution of the President “On measures for the further development of engineering and communication infrastructure in the regions”



Resolution of the President “On measures for the further development of engineering and communication infrastructure in special economic and small industrial zones”

Budget funds allocated for the development of industrial zones

2022 year
1,2 trln sum

2023 year
1,6 trln sum

2024 year
1,5 trln sum

ADVANTAGES OF OBTAINING THE STATUS OF A FEZ PARTICIPANT

Engineering and communication networks in special economic zones are built at the expense of the state:

- ✓ Electricity
- ✓ Natural gas
- ✓ Drinking water
- ✓ Sewerage
- ✓ Car roads



PROCEDURE FOR OBTAINING SEZ STATUS

Stages of selection of investment projects



GENERAL REQUIREMENTS FOR INVESTMENT PROJECTS

1

GENERAL REQUIREMENT

Investment projects proposed for implementation in the territory of free economic zones should provide for the production of **new types of products** that are not produced in the republic or whose production volumes **do not cover the needs of the domestic market.**

2

GENERAL REQUIREMENT

Investment projects should provide for a **change in the commodity position** of the final product according to the code of the commodity nomenclature of foreign economic activity of the Republic of Uzbekistan in comparison with the raw material at the level of **one of the first four characters** or an increase in the volume of value-added products at the level of at least thirty percent

3

GENERAL REQUIREMENT

The investment project should be based on modern high-tech production specializing in the production of competitive, import-substituting, **export-oriented finished industrial products.**

4

GENERAL REQUIREMENT

The technological equipment used in the framework of the investment project must be new and meet modern requirements for **energy efficiency of technological processes.**