

LAW OF THE REPUBLIC OF UZBEKISTAN

October 31, 1990

On Property in the Republic of Uzbekistan

In this Law amendments were introduced by the Laws of 07.05.93, 23.09.94, 06.05.95, 27.12.96

The property in the Republic of Uzbekistan is inviolate. Every person has a right for property.

The existence of any form of property is allowed in the Republic of Uzbekistan which promotes the efficient functioning of the economy and the growth of the people's well-being. The inviolability and equal conditions for the development of all forms of property are guaranteed by this Law.

The Republic of Uzbekistan creates all necessary conditions for the proprietor to ensure the safety and augmentation of property.

Section I. Main Clauses

Article 1. Right on Property

1. The right of property in the Republic of Uzbekistan is recognized and protected by Law.

2. The proprietor will possess, use and dispose of property belonging to him at his discretion.

The proprietor has the right to accomplish any actions towards his property which do not contradict Law. He can use his property to conduct any economic or other activities which are not prohibited by legislative Acts.

3. The proprietor has the right to hand over the right to own, use, and command property to other persons. In cases, conditions and within the limits stipulated by the Laws of the Republic of Uzbekistan, a certain obligation to limit use of the property by other persons may be placed on the owner.

4. The proprietor has the right within the conditions and limits stipulated by the legislative Acts of the Republic of Uzbekistan to conclude the agreements with citizens to use their labor during the implementation of property rights.

Regardless of property, on the basis of which citizen's labor is used, he should be secured with socio-economic rights and guarantees stipulated by the Constitution and other legislative Acts of the Republic of Uzbekistan.

5. The implementation of the right to property should not be detrimental to the environment, or violate the rights and interests of physical or legal entities and the State.

Article 2. Legislation on Property

1. Property relations in the Republic of Uzbekistan shall be regulated by the Constitution of the Republic of Uzbekistan, by this Law and other legislative acts of the Republic of

Uzbekistan.

2. Property relations in the Republic of Karakalpakstan shall be also regulated by the legislation of the Republic of Karakalpakstan.

Article 3. Objects of Property

1. Objects of property include the following: land, its depths, inland waters, air within the republic's territory, flora and fauna, buildings and structures, commodities, dwelling-houses and apartments, inventions, useful models, industrial samples, topology of integral microcircuits, equipment, objects of material and spiritual culture, selection achievements, trademarks and service marks, money, securities, other assets, person's ability to labour (In version of the Law of the Republic of Uzbekistan dated 23.09.94, No. 2022-XII)

2. Relationships regarding creation and usage of inventions, discoveries, works of science, literature, art, information, scientific ideas, technical processing, and other objects of intellectual property shall be regulated by special legislation of the Republic of Uzbekistan.

3. Implementation of the right on property on historical and cultural monuments shall be determined by special legislation of the Republic of Uzbekistan.

4. The results of a property's economic use (products and incomes) belong to the proprietor, if not stipulated by agreement or the Law.

Article 4. Entities of the Right on Property

The entities of the right on property are citizens of the Republic of Uzbekistan, collectives, their associations, public, religious organizations, family and other associations of citizens, Councils of People's Deputies of all levels and state power bodies authorized by them, other States, international organizations, legal entities and citizens of other states, and persons without citizenship. The owners of the same property may be different legal entities and citizens as well as persons without citizenship.

Article 5. Forms of Property

1. Property in the Republic of Uzbekistan is represented in the following forms:

- private property of citizens;
- shirkat (collective) property;
- State property of administrative-territorial formations (communal);
- combined forms of property;
- property of legal and physical entities of other states and international organizations.

2. The Republic of Uzbekistan guarantees equal rights and legal protection of all property forms.

Article 6. Exaction for Owner's Property

1. In conformity with the obligations of legal entities, owners have complete economic management or operative direction over any property belonging to them.

The proprietor shall not be responsible for liabilities of legal entities, formed by him, and the legal entities shall not be responsible for the proprietor's liabilities, except in cases stipulated by legislative Acts.

2. Physical persons shall be responsible for the liabilities with their property according to the right of property.

The list of physical persons' property which cannot be included in creditors' claims shall be determined by legislative Acts.

Section II. Private property

Article 7. Private Property

1. Private property means a right to own, use and dispose of one's property. Private property can be based on personal direct participation of a proprietor in the process of production and (or) on the use of hired labor.

2. Private property, along with other forms of property is inviolate and protected by the State. A proprietor may be deprived of property only in cases and in the manner stipulated by the Law.

3. Private property is formed and augmented through citizens' incomes from hired work, entrepreneurial activity and incomes from assets put into credit institutions, shares and other securities, acquisition of inherited property or by other means not prohibited by the legislative Acts in force. Private property of citizens may be formed through their participation in of State property privatization .

4. A citizen has an exclusive right to dispose of his labor abilities - labor force. He enjoys this right independently or by contract (agreement).

5. A member of a house, housing-cooperative, country house, garage or other cooperative who has paid the full share price for a flat, country house, garage or other structure or facility allocated for his use shall acquire the right to own this property.

Owner of a registered bond of Tashjilsberbank, who completely settled the privilege credit or deposited full value of an apartment being purchased, has the right of property for this apartment.

(Introduced by the Law of December 27, 1996 No. 357-I)

A tenant of an apartment in a house belonging to the State or departmental dwelling fund, and the members of his family have the right to repurchase the corresponding apartment or house (part of the house) from the proprietor.

After acquisition of the above mentioned property the citizen has the right to dispose of it on his own judgement - to sell, to devise, to lease, to use as mortgage, or to conduct other deals which do not contradict the Law.

6. Private property appears in cases of investments of one's own

assets, acquisition of the State, cooperative and other enterprises' property, leased property, purchase of a property at an auction or from other sources allowed by Law.

7. The legislation of the Republic of Uzbekistan defines objects which cannot be placed in private property.

8. Objects of trade and service jointly with land where they are located, can be given private ownership to legal and natural entities according to an order and on terms established by the legislation (Introduced by the law of the Republic of Uzbekistan dated 23.09.94, No. 2022-XII and in version of the Law of the Republic of Uzbekistan dated 6.05.95)

Section III. Shirkat (collective) property

Article 8. Main Clauses

1. Shirkat (collective) property includes family, mahalla property, and property belonging to cooperatives, leased, collective enterprises, public and religious organizations, various economic societies and associations, and other unions which are legal entities.

2. The formation and augmentation of collective property is provided by transferring State enterprises to rent, providing to working collectives the opportunity to use earned incomes to buy State property, transforming State enterprises into joint stock companies, voluntarily uniting citizens' property and legal entities for establishing cooperatives, and other economic societies and companies.

3. The list of property which is not subject for transfer into different forms of collective property shall be defined by the Oliy Majlis of the Republic of Uzbekistan.

Article 9. Family Property

Family property means property belonging to members of a family. It may include the means of production and household items, manufactured products necessary for meeting the needs of family members, running the household and subsidiary farm, as well as other legal activities with the aim of obtaining profits.

The right to family property is made up from the right of common joint property of a married couple and other family members, including the right of private property belonging to each person.

Article 10. Mahalla's Property

1. The mahalla's property comprises property, owned, used and run by the primary (grass roots) links of public local government - mahalla, and property created by the joint work of mahalla's residents or by joint incomes, as well as by profits made up of economic use of a given property. Also included are voluntary dues, material and charitable help rendered by legal and physical entities, and material and financial resources transferred by the local Councils of People's Deputies.

2. Residents of the mahalla are entitled to be members of

a mahalla's property. Elected bodies of the mahalla own, use and run the property with the rights of complete economic management.

Article 11. Cooperative Property

1. Cooperative property is the common property of citizens who have voluntarily united on the basis of membership with the right of jointly running economic or other activities.

2. The cooperative property is formed by monetary and other property fees to cooperative members, and products manufactured by them, incomes obtained after sale and other activities envisioned by the cooperative's regulations.

3. When the cooperative is dissolved, its property shall be distributed among the members of the cooperative in the manner stipulated by the Statute after having settled accounts with the budget, banks and other creditors.

Article 12. Property of Leased Enterprise

The property of leased enterprises includes manufactured products, obtained incomes and other property acquired at the expense of that enterprise.

Procedures and working conditions of the collective membership of the leased enterprise in administration and profit (income) distribution are defined by the legislation on leasing.

Article 13. Property of Collective Enterprise

1. The property of the collective enterprise occurs in the case of transferring the entire property of the State enterprise to the property of the members of working collective, or redemption of leased property by acquiring the property in a legal manner.

The property of the collective enterprise, including manufactured products and obtained incomes, are the joint properties of a collective.

2. Workers' shares shall be defined in the property of the collective enterprise. The share shall include the sum of workers' shares in a property of State or leased enterprise according to the basis the collective enterprise was formed on as well as the worker's share in the growth of the enterprise's property after its formation.

The size of worker's share in the growth of the property is determined by participation in the enterprise's activities.

Additional percentages are added and paid to the worker's share which shall be determined by the labor collective, based on the results of the enterprise's production activities.

The worker who has cancelled labor relations with the enterprise, and the legates of a deceased worker shall be paid the cost of his share.

When the collective enterprise terminates its activities the value of each share paid to the workers (legatees) from the property shall be determined after settling accounts with the budget, banks and other creditors of the enterprise.

Article 14. Property of Production Association and Company

1. The property of the production association and company, being a legal entity, is formed from the shares of participants, the property

acquired as a result of economic activities or under and other basis permitted by Law.

2. The share of the production association's and company's participation may include fixed and circulating assets, monetary means and securities, other property and property rights.

3. Legal and physical entities and State administration bodies can be participants of a production society and company unless otherwise stipulated by the legislative Acts of the Republic of Uzbekistan.

4. The joint-stock company is an owner of a property formed from sales of shares and obtained as a result of its economic activities, as well as acquired under other basis not prohibited by Law.

Enterprises, institutions, organizations, state administrative bodies, citizens of the Republic of Uzbekistan, and legal and physical entities of foreign States can be shareholders unless otherwise stipulated by the legislative Acts of the Republic of Uzbekistan.

The State enterprise, in conformity with the decision of the authorized government body, can be transferred into a joint stock company by way of issuing shares covering the entire cost of the enterprise's property. Monetary resources received as a result of shares' sale, after the repayment of the State enterprise's expenses and debts, shall enter into a corresponding budget.

Article 15. Property of Production Associations (Amalgamation)

1. The production association of enterprises and organizations (including concern, branch, interbranch and territorial amalgamation) has the right to own the property which was voluntarily turned over to it by the enterprises and organizations, including what was received as a result of its economic activities.

2. The production association has no right to the property of enterprises and organizations which constitute it.

3. The property of the production association remaining after the discontinuation of its activities, shall be distributed among the enterprises and organizations it is composed of in proportion to their invested shares.

Article 16. Property of Public Associations

1. Public associations (political parties, mass movements including popular fronts, trade unions, women's, veterans', youth and children's organizations, voluntary societies, creative unions, foundations, associations and other unions of citizens) can have as their property buildings, structures, dwelling houses, equipment, inventory, the property of cultural-enlightening and health care purposes, financial resources, securities and property necessary for the material security of their activities stipulated by regulations.

The property of public associations may also include enterprises established at the expense of these associations in conformity with aims mentioned in their regulations.

The financial means of public associations are made up of admission and membership dues, voluntary fees and donations, income received as a result of conducting undertakings, lotteries, incomes of

production, publishing activities, and other incomes not prohibited by the Law.

Authorities of the unions and their amalgamation pertaining to the ownership, use and the administration of the property which belongs to these unions and their composing amalgamation shall be determined by their regulations.

The legislative Acts of the Republic of Uzbekistan may establish the types of the property, which, in the interests of national security or in conformity with international agreements of the Republic of Uzbekistan, cannot be owned by public associations.

Public associations can receive financial resources and other property from other states in accordance with their aims and tasks, determined by their regulations, and defined by legislation.

Political parties and mass movements, which pursue political aims have no right to receive financial or other forms of material aid from legal and physical entities of other states.

2. The property which remains after the liquidation of a public association shall be distributed according to the guidelines stipulated by its Statutes.

Article 17. Property of Religious Organizations

1. The property of religious organizations may include buildings items of cult, objects of production, social and charitable purposes, financial means and another stock necessary to carry on their activities.

Religious organizations have property rights to stock which is acquired or made by them at the expense of their own means, donated by citizens, organizations, turned over to them by the State, or acquired from other sources which are not prohibited by the Law.

Religious organizations may have their property stocks outside the boundaries of the Republic of Uzbekistan.

Stock transfer for charitable purposes is permissible in the Republic of Uzbekistan. Religious organizations have the right to appeal for voluntary financial gifts and other donations and receive them.

2. Financial and property donations received by religious organizations and likewise all the forms of monetary incomes coming from citizens are not liable to a tax.

Section IV. State Property

Article 18. Main Clauses

1. The State property of the Republic of Uzbekistan includes the property of administrative-territorial formations (communal property). The administration and management of the State property is implemented by corresponding Councils of the People's Deputies and their authorized state administration bodies on behalf of the people (the population of administrative-territorial formation).

On agreement between owners of the state property, it may be their common property.

2. Property which is created or acquired at the expense of the budget or other means of the Republic of Uzbekistan, administrative-territorial formation, or the means under their authorities, enterprises, organizations, institutions, is included in the property of the Republic of Uzbekistan or the property of the administrative-territorial

formation.

3. The Republic of Uzbekistan is not responsible for the liabilities of the administrative-territorial formations. Likewise, the administrative-territorial formations are not responsible for the liabilities of the Republic of Uzbekistan.

The Republic of Uzbekistan shall have the right to form jointly with other states property with fixed shares of each state with the right to own the property and share the results of economic activities.

The use of water resources, air basin and other forms of property adjoining interstate interests shall be implemented upon agreement between states.

Article 19. Objects of the State Property

1. The following objects are the exclusive property of the Republic of Uzbekistan:

land (with the exception of land granted for possession in cases, order and on terms stipulated by the legislation) and its soil and mineral resources, internal water basin, flora and fauna, air basin (space) within the boundaries of the Republic; (As amended by the Law of 23.09.94 and 06.05.95)

property belonging to the bodies of state power and administration of the Republic of Uzbekistan;

cultural and historical values of the peoples of the Republic;

resources of the Republican budget, the Republican and State banks, insurance, reserve and other State funds;

enterprises of national significance, state institutions of higher education, objects of the socio-cultural sphere and other state property which ensures the sovereignty and economic independence of the Republic.

2. The procedure for allocating plots of land, other natural resources and objects for providing state needs by the Republic of Karakalpakstan and the Republic of Uzbekistan.

Article 20. Entity of the State Property

People are entitled to be subjects of State property. The implementation of property rights is executed on behalf of the people by the Oliy Majlis of the Republic of Uzbekistan, the President of the Republic of Uzbekistan and their authorized state administrative bodies.

Article 21. Property of the Entities of the Republic of Uzbekistan Beyond Its Boundaries

The ownership, use and disposal of the State property of the Republic of Uzbekistan beyond its boundaries shall be regulated by the legislation of the Republic of Uzbekistan, by the Laws of those States where the property is situated, by International Law.

Article 22. Objects of Administrative-Territorial

Formations' Property (Communal Property)

The property of a region, district, town or other administrative-territorial formation is formed and acquired through the local budget, as well as transferred from the State property. Exclusive State property is not the communal property.

Objects being exclusively the state ownership, can not be the public property.

Article 23. Property Entities of Administrative-Territorial Formation (Communal Property)

The population of respective administrative-territorial formation is the entity of communal property. The property right shall be determined by the local Councils of People's Deputies of the Republic of Uzbekistan.

Article 24. Property of a State Enterprise

1. The property which is in State ownership and is assigned to the State enterprise, belongs to it with the right of complete economic management.

By implementing the right of complete economic management of its property, the enterprise owns, uses and commands the given property and, at its own discretion, can conduct any actions towards it which do not contradict the Law. The rules of the right on property shall be applied to the right of complete economic management if no other provisions are stipulated by the legislation.

Items 2 and 3 was excluded in accordance with the Law of 07.05.93

Article 25. Property of Working Collective Members of the State Enterprise

1. The part of profits (income) remaining with the State enterprise after paying taxes and other deductions to the budget (net profit) shall enter in the ownership of the members of the enterprise's working collective and be used in conformity with the legislation of the Republic of Uzbekistan and the Statute of the enterprise.

2. The sum of the profit (income) belonging to a member of the working collective shall equal his share in the collective. When the enterprise is liquidated the sum of share (the cost of shares) which remains after settling accounts with the budget, banks and other creditors of the enterprise shall be paid to the members of the working collective (legates) out of the property.

Article 26. Property of the State Institution

1. The property which is State owned and assigned by the proprietor to a State institution (organization) paid from the budget, shall be in operative management of that institution (organization).

2. State institutions (organizations) paid from the State budget, and which can implement economic activities in conformity with the legislative Acts of the Republic of Uzbekistan, shall acquire the right to independently administer the incomes received as a result of such activity, as well as property acquired with the use of these

incomes.

3. The State institution (organization) is responsible under the liabilities by the financial means, which are at its disposal. In the case of insufficient funds at the disposal of the State institution the responsibility under its liabilities shall be born by the proprietor of the respective property.

Section V. Combined Property

Article 27. Right to Combined Property

Combined forms of property are composed by joining the material and monetary means of the proprietors. Combined property ownership can be implemented according to the principal of share partnership, as well as on the basis of incomes distributed among the proprietors who combined their resources, and on the basis of agreements of all involved parties.

The combined property can be in different forms. These forms are determined by the proprietors' status and the integration of their resources. The unification of property of the Republic of Uzbekistan and other States, various legal and physical entities.

Article 27-1. Privatisation of the state property

Enterprises, property complexes, buildings, structures and other assets being the property of the Republic of Uzbekistan or administrative and territorial formations (communal), can be alienated into ownership of natural and legal entities of the republic and other states according to an order and on terms established by legislative acts of the Republic of Uzbekistan (Version of the Law of the Republic of Uzbekistan dated 6.05.95)

Article 28. Property of enterprises with foreign investments

Enterprises with foreign investments on the territory of the Republic of Uzbekistan are considered to be ones in which foreign investments constitute not less than 10 per cent of shares (dividends) or an authorized fund. They act in any organization and legal forms not contradicted the legislation of the Republic of Uzbekistan.

An enterprise with foreign investments can be established either by its foundation or acquisition by foreign investor of a share in enterprise established earlier without foreign investments or by complete acquisition of such enterprise including in the course of privatisation.

(Version of the Law of the Republic of Uzbekistan dated 23.09.94, No. 2022-XII)

Section VI. Property of foreign citizens, organizations and states

Article 29. Property of Foreign Citizens

Foreign citizens shall have the right to their own property in the territory of the Republic of Uzbekistan. The State guarantees its inviolability and free transfer to the other countries.

Article 30. Property of Foreign Legal Entities

Foreign legal entities have the right to have their own property in the territory of the Republic of Uzbekistan, necessary for carrying out economic and other activities not prohibited by the legislation of the Republic of Uzbekistan. The property of the foreign legal entities shall be protected by the state. The legislation shall ensure the augmentation and transfer of the property to the other countries.

Article 31. Property of Foreign States and International Organizations

Foreign States and international organizations have the right to own the property necessary to implement diplomatic, consular, social-cultural, charitable and other international relations in the territory of the Republic of Uzbekistan, in cases which are stipulated by international agreements and legislative Acts of the Republic of Uzbekistan. The safety, possibility of augmentation and transfer of such property to other States shall be guaranteed.

Section VII. Guarantees and the protection of the right on property

Article 32. Guarantees of the Right on Property

1. The Republic of Uzbekistan guarantees the implementation of the right on property, ensures the constitutional rights of the proprietor. Limitation of the property increase and forced confiscation of it is not permissible with the exception of the cases envisaged by the legislation of the Republic of Uzbekistan.

2. The Republic of Uzbekistan ensures equal conditions for the protection of the right on property to the legal and physical entities of the Republic of Uzbekistan and other states.

Article 33. Protection of the Right on Property

1. The proprietor has the right to obtain on demand his property from someone else's illegal ownership in conformity with the civil legislation of the Republic of Uzbekistan.

2. The proprietor can demand the elimination of any violations of his right even if those violations haven't been connected with ownership deprivation.

3. The protection of the Right on Property is realized by the Court or Economic Court.

4. The rights stipulated by the present article belonging to a person, who may not be a proprietor but who owns the property with the right of complete economic management, operative management, life inherited ownership, or on another basis envisaged by the Law or an agreement. That person has the right to protect his ownership from the proprietor as well.

Article 34. Protection of Proprietor's Interests at the Discontinuation of his Rights Stipulated by Law

1. The discontinuation of the right of property in connection with the decision on the withdrawal of a plot of land where there is a house, other buildings, structures or plantations, belonging to a

proprietor or by another decision of a State body not directed immediately to the withdrawal of the property from the proprietor shall be permissible only in cases stipulated by the legislative Acts of the Republic of Uzbekistan. In such cases there will be complete compensation of losses incurred by the proprietor as a result of discontinuation of his right on property.

In the case of the proprietor's disagreement the decision resulting in the right on property discontinuation cannot be implemented until the dispute is settled by the Court or Economic Court. During the settlement of the dispute all the issues linked with damage compensation to a proprietor should be solved.

2. The withdrawal of a property from the proprietor by the State is permissible only in the case of directing the prosecution towards that property under the liabilities of the proprietor in cases and order envisaged by the legislative Acts of the Republic of Uzbekistan as well as requisition and confiscation.

In cases of calamities, accidents, epidemics, epizootics or other circumstances which have an extraordinary nature, the property in the interests of the society can be withdrawn from the proprietor by the decision of State bodies of government in conformity with procedures and conditions established by the legislative Acts of the Republic of Uzbekistan with compensation of property cost (requisition).

In cases, which are envisaged by the legislative Acts of the Republic of Uzbekistan, the property can be withdrawn from the proprietor by a decision of the Court or Economic Court.

Article 35. Invalidity of the Acts, Which Violate Proprietors' Rights

If rights of the proprietor, or other persons on ownership, or use and administration of a propriety belonging to them are violated as a result of promulgation of an Act by the body of State administration or a local administration body, which is not in conformity with the Law, such an Act shall be invalidated by the court's decision instigated at the proprietor's or another person's suit whose rights are violated.

The losses, incurred by the citizens, organizations and other persons as a result of such Acts' promulgation shall be compensated to the full extent at the expense of funds, which are available to the respective body of administration and control.

Article 36. Responsibility of the state authorities for intervention into process of execution by the owner of his power

The state authorities has no right to establish additional obligations or restraints not provided by the legislative acts of the Republic of Uzbekistan for owners or persons who own land on the right of complete economic running, operative management or on other base provided by the law or agreement.

The state authorities bear property accountability for damage caused by their unlawful intervention into the process of execution of the power on possession, use and disposal of assets in volume stipulated by an article 35 of the present Law by owners and persons indicated in the first part of the present article".

(Introduced by the Law of the Republic of Uzbekistan dated 23.09.94, No. 2022-XII)

President

Republic of Uzbekistan

I.KARIMOV