



REPUBLIC
OF UZBEKISTAN

LAWS
AND DECREES

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LAW OF THE REPUBLIC OF UZBEKISTAN

ON PROPERTY IN THE REPUBLIC OF UZBEKISTAN

The property in the Republic of Uzbekistan is inviolate.

The existence of any form of property is allowed in the Republic of Uzbekistan, promoting 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 the Law.

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

Property relationships are regulated by the Constitution of the Republic of Uzbekistan, this Law, and other legislative Acts, issued as they develop.

SECTION I GENERAL PROVISIONS

Article 1. Right of Property

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

2. The proprietor on his own will effects the right to own, use and command the property belonging to him.

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

3. The proprietor has the right to hand over his right to own, use, and command the 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 the use of his 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 labour during the implementation of his property rights.

Independently on the property, on the basis of which citizen's labour is used, he should be guaranteed payment and labour conditions, as well as other socio-economic guarantees, which are stipulated by the legislation in force.

5. The implementation of the right to property should not be detrimental to the environment, or violate the rights and interests of citizens, enterprises, institutions, organizations and the State, protected by the Law.

Article 2. Objects of the Right of Property

1. The objects of property include the land, its soil and mineral resources, water resources, air basin within the boundaries of the Republic, flora and fauna, buildings and structures, equipment, objects of material and spiritual culture, money, securities, other property, the ability of human beings to a productive and creative work.

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

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

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

Article 3. Entities of the Right of Property

The entities of the right of property are the State, citizens of the Republic of Uzbekistan, collectives, their associations, public, religious organizations, family and other associations of citizens, Soviets of People's Deputies of all levels represented by the bodies and authorized by the Soviets, foreign States, international organizations, such other foreign legal entities and citizens. The owners of the same property may be different legal entities and citizens.

Article 4. Forms of Property

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

— individual (personal and private) property of citizens;

— collective (shirkat) property, which includes family, mahalla's, cooperative property, the leased property, joint stock, collective enterprises, concerns (consortiums), public and religious organizations, such also different economic societies and companies, and associations which are legal entities;

— State property, including Republican property, the property of the Republic of Karakalpakstan, the property of administrative-territorial formations (communal);

— combined forms of property;

— the property of joint ventures, foreign citizens, organizations, States, including foreign legal entities.

2. All forms of property in the Republic of Uzbekistan enjoy equal rights.

Article 5. Exaction for Owner's Property

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

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

2. Citizens shall be responsible for the liabilities with their property which belongs to them according to the right of property.

The list of citizens' property which cannot be included in creditors' claims, is determined by legislative Acts.

SECTION II

PROPERTY OF CITIZENS

Article 6. General Provisions

1. The citizens' property in the Republic of Uzbekistan is represented by individual property: personal and private. These types of property are created and augmented at the expense of citizens' incomes from the participation in public production, the private economy and incomes proceeding from their resources, invested

into credit institutions, shares and other securities, inherited property and other sources, envisioned by the Law.

2. In conformity with the proprietor's consent a citizen has the right to make a monetary or other investments in the property of an enterprise or any economic organization where he works under the labour contract, and to participate in the distribution of the profit (income) of the given enterprise (organization) with due account of investment's size.

3. Citizens are granted plots of land as life hereditary ownership to run a private subsidiary horticultural and market-garden, for the construction and maintenance of dwelling houses, as well as meeting other needs stipulated by the Law.

4. Citizens' right to life hereditary ownership is recognized and protected by the Law.

Article 7. Personal Property of Citizens

1. Citizens can own dwelling houses, country houses, garden houses, plantations on the plot of land, domestic animals, transportation and monetary means, items for household and personal use, property necessary to run personal subsidiary farms, horticulture, market-gardens, produce, and also other consumer property.

A citizen has an exclusive right of personal property to his labour abilities — labour force. He enjoys this right independently or on the basis of a labour agreement.

2. A member of a housing, 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 acquires the right to own the property.

A tenant of a premises in a house belonging to the State or a departmental public dwelling fund, and the members of his family have the right to redeem the corresponding apartment or house from the proprietor.

After the acquisition of the abovementioned property, the citizen has the right to manage it according to his wishes. He can sell, devise, lease, and carry out other deals which do not contradict the Law.

Article 8. Private Property

The private property means a right to own land privately, and use and manage one's property with the aim of a making profit out of it. Any form of private property can be based on personal direct participation of a proprietor in the process of production and (or) by using someone else's labour force by hiring it.

The private property appears in the case of acquiring it from State, cooperative or other enterprises, leased property, or from other sources, allowed by the Law.

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

SECTION III

COLLECTIVE (SHIRKAT) PROPERTY

Article 9. General Provisions

1. Collective (shirkat) property includes family, mahalla property, and the property belonging to cooperatives, leased, joint stock, 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, joint stock companies, other economic societies and companies.

3. The list of enterprises and industries, which are not subject to transferring into different forms of collective property shall be defined by the Supreme Council of the Republic of Uzbekistan.

Article 10. Family Property

The family property means a property belonging to members of a family. It may include the means of production and household items, manufactured products necessary for family, life work, 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 personal and private property belonging to each one person.

Article 11. 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 the property created by the joint work of mahalla's residents or by their joint incomes, as well as by the profits made up of economic usage of the given property. Also included are voluntary dues, and material aid rendered by the enterprises, organizations, institutions, and financial resources turned over by the local Soviets of Peoples's Deputies.

2. Residents of the mahalla are entitled to be the members of mahalla's property. Elected bodies of the mahalla own, use and run the property with the rights of complete economic management.

Article 12. Cooperative Property

1. The 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 of cooperative members, 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 after having settled accounts with the budget, banks and other creditors.

Article 13. Property of Leased Enterprise

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

The 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 14. 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 working collective, or redemption of leased property or by acquiring the property in any 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 a 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 a worker's share in the growth of the property is determined by his participation in the enterprise's activities.

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

The worker, who has cancelled labour 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 15. Property of a Joint Stock Company (Society)

1. The joint stock company is an owner of a property formed at the expense of selling shares and obtained as a result of its economic activities, as well as being acquired under other basis permitted by the Law.

2. Enterprises, institutions, organizations, government bodies, citizens of the Republic of Uzbekistan and other States can be shareholders if there are no other provisions in the legislative Acts or company's statute.

3. In conformity with a joint decision of the working collective and authorized government body, the State enterprise can be transformed 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 defrayment of the State enterprise's expenses and debts, shall enter into a corresponding budget.

Article 16. Property of Production Societies and Companies

1. The property of production societies and companies, being legal entities, is formed at the expense of participants shares. A property can be received as a result of economic activities, and acquired under other basis permitted by the Law.

2. Production society and company members shares are made up of capital and working funds, financial resources and securities, as well as the right to use the property.

3. Enterprises, institutions, organizations, government bodies, and citizens can be the participants of a production society and company, if no other provisions are stipulated by legislative Acts of the Republic of Uzbekistan.

Article 17. Property of Production Associations (Amalgamations)

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 discontinuing its activities shall be distributed among the enterprises and organizations it is composed of in proportion to their invested shares.

Article 18. 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, shares, and other securities and property, necessary for the material security of their activities stipulated by their regulations.

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

The financial means of public associations are made up of admission and membership dues if their payment is envisioned by their regulations; voluntary fees and donations; income received as a result of conducting lectures, exhibitions, sports and other undertakings; lotteries, which are in conformity with regulations; incomes of production-economic and publishing activities and other incomes not prohibited by the Law.

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

The legislative Acts of the Republic of Uzbekistan may establish the types of the property, which for State and security reasons, 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 abroad in accordance with their aims and task, 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 foreign organizations and citizens.

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

Article 19. Property of Religious Organizations

1. The property of religious organizations may include buildings, the items of cult, the 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 stipulated by the Law.

Religious organizations may have as their property stocks abroad.

Stock transfer to the 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 20. General Provisions

1. The State property of the Republic of Uzbekistan includes the Republican property, the property of the Republic of Karakalpakstan and the property of administrative-territorial formations (communal property). The administration and management of the State property is implemented by respective Soviets of the People's Deputies and their authorized bodies of government on behalf of the people (the population of administrative-territorial formation).

Under the agreement between the proprietors of the State property, it can be placed in their joint ownership.

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

3. The Republic of Uzbekistan is not responsible for the liabilities of the Republic of Karakalpakstan and the

administrative-territorial formations. Likewise, the Republic of Karakalpakstan and the administrative territorial formations are not responsible for the liabilities of the Republic of Uzbekistan, or the liabilities of each other.

Article 21. Objects of the Republican Property

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

land and its soil and mineral resources, internal water basin, flora and fauna, air basin (space) within the boundaries of the Republic;

property belonging to the bodies of government 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 State sector and the economic complexes formed by them (fuel and power, mining and metallurgical, machine building, oil and gas, chemical and forest, agroindustrial, transport), State institutions of higher education, the objects of social-cultural sphere and other State property which ensure the sovereignty and economic independence of the republic.

Article 22. Entity of the Republican Property

People are entitled to be subjects of the Republican property. The implementation of property rights is executed on behalf of the people by the Supreme Council of the Republic of Uzbekistan, the President of the Republic of Uzbekistan and local administrative body.

Article 23. Property of the Republic of Uzbekistan Beyond the Boundaries of the Republic

The ownership, use, and command of the property which belongs to the State, cooperative and public organizations, and the citizens of the Republic of Uzbekistan in other Republics and foreign States shall be regulated by the legislation of the Republic of Uzbekistan and the Laws of those States where the property is situated, as well as by the norms of the International Law and concluded treaties and agreements.

The Republic of Uzbekistan shall render assistance to the owners of that property in its protection.

Article 24. Property on Land and Other Natural Resources

1. The exclusive property of the Republic of Uzbekistan is the land and its soil and mineral resources, water resources, flora and fauna, air space within the boundaries of the Republic.

2. On behalf of the Republic of Uzbekistan the right of property, use and administration of land, its soil and mineral resources, water resources, flora and fauna, other natural resources is implemented by the administrative body at all levels.

3. The procedure of allocating plots of land, other natural resources and objects for providing joint Republican needs by the Republic of Karakalpakstan shall be determined by agreements between the Republic of Karakalpakstan and the Republic of Uzbekistan.

Article 25. Property of the Republic of Karakalpakstan

The right of property of the Republic of Karakalpakstan shall be defined by the Law "On property in the Republic of Karakalpakstan".

Article 26. Interstate Property

The Republic of Uzbekistan shall be entitled to form together with other States interstate property with fixed shares of every state with the right to own the property and share in the results of economic activities.

The use of water resources, air basin and other forms of property, touching on the interstate interests shall be implemented under the agreement between the States.

Article 27. Objects of Administrative-Territorial Formations' Property (Communal Property)

The property objects of a region, district, town or other administrative-territorial formation are the property which belongs to the bodies of government and the management of administrative-territorial formation. In addition, the means of the local budget, include dwelling houses, dwelling-communal houses, and apartments of the local Soviet of People's Deputies, the enterprises of industry, construction, agriculture, trade, consumer service establishments, transport, other enterprises and estab-

lishments, educational institutions, cultural, health care establishments, other types of property, which are created at the expense of a local budget and necessary for the economic and social development of the territory and the implementation of other tasks, facing respective administrative-territorial formations. The procedure for turning over the Republican property to a communal one shall be determined under agreement by both sides.

Article 28. Property Entities of Administrative-Territorial Formation (Communal Property)

The population of respective administrative-territorial formation is the entity of communal property. The population entrusts the local administration bodies with the implementation of property rights.

Article 29. 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 in its own discretion can effect any actions towards it which do not contradict the Law. The rules of the right of property shall be applied to the right of complete economic management if no other provisions are stipulated by the legislation.

2. State bodies authorized to manage State property shall solve the issues of setting up enterprises, determine the aims of their activities, reorganization, and liquidation. They will also implement control of efficient use and safe keeping of the assigned State property, as well as other authority in conformity with the legislative Acts of the Republic of Uzbekistan.

3. In the case of adoption, the decision to reorganize, privatize, or liquidate the State enterprise by the State body which is authorized to manage the State property, excluding such cases as when the enterprise is recognized as bankrupt, the working collective has the preference to lease the enterprise, or reorganize it into another enterprise, based on a collective property. Disputes arising in such cases between the State body and working collective shall be examined by the arbitration tribunal.

Article 30. Property of Working Collective Members of the State Enterprise

1. Profit remaining with the State enterprise after taxes and other deductions to the budget (net profit) shall enter the ownership of the working collective and be used in conformity with the regulations of the enterprise and legislation.

2. The sum of the profit, 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 31. 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 32. 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 entities in the territory of the Republic of Uzbekistan, and other States is permissible.

SECTION VI

PROPERTY OF JOINT VENTURES, FOREIGN CITIZENS, ORGANIZATIONS AND STATES

Article 33. Property of Joint Ventures

Joint Ventures with the participation of Uzbek legal entities, and foreign legal entities and citizens are set up in the territory of the Republic of Uzbekistan in the form of joint stock companies, economic societies and associations, and can have in their ownership the property necessary for the implementation of activities envisaged in their founding documents.

Article 34. Property of Foreign Citizens

The provisions of this Law concerning the property of the Republic of Uzbekistan shall also be applied to the property of foreign citizens which is situated in the Republic of Uzbekistan.

Article 35. Property of Foreign Legal Entities

Foreign legal entities have the right to own industrial and other enterprises, buildings, structures, the objects of cult and other properties in the territory of the Republic of Uzbekistan, necessary for the implementation of economic and other activities in cases and in order which are established by the legislation.

Article 36. 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, and other international relations in the territory of the Republic of Uzbekistan, in cases and in order, which are stipulated

by the international agreements and legislative Acts of the Republic of Uzbekistan

SECTION VII

GUARANTEES AND THE PROTECTION OF THE RIGHT OF PROPERTY

Article 37. Guarantees of the Right of Property

1. The Republic of Uzbekistan guarantees the stability of property relationships, established in conformity with this Law. In connection with this forced confiscation of a property from its owner it is not permissible except in cases stipulated by the Law.

2. In the case of adoption of legislative Acts by the Republic of Uzbekistan which discontinue the right of property the losses incurred by the proprietor as a result of adoption of such Acts shall be compensated to the proprietor to the full either voluntarily or by the court's decision.

3. The Republic of Uzbekistan ensures equal conditions for the protection of the right of property to all citizens, organizations, and other properties.

Article 38. Protection of the Right of 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 of property is realized by the court, arbitration tribunal, or court of arbitration.

4. The rights are 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 39. Protection of Proprietor's Interests at the Discontinuation of his Rights on the Basis, Stipulated by the 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 and order, and 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 of property.

In the case of proprietor's disagreement the decision resulting in the right of property discontinuation cannot be implemented until the dispute is settled by the court, arbitration tribunal or court of arbitration. 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 the 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 arbitration tribunal.

Article 40. Invalidity of the Acts, Which Violate Proprietors' Rights

If rights of the proprietor, or other persons on ownership, or use and administrating 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 at the expense of funds, which are at available to the respective body of administration and control.

*President
Republic of Uzbekistan*

I. KARIMOV

City of Tashkent
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