



Ministry of Foreign Economic Relations,
Investments and Trade of the Republic
of Uzbekistan



NAVOI FREE INDUSTRIAL ECONOMIC ZONE REGULATORY AND LEGAL DOCUMENTS UZBEKISTAN

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Chapter 1

Navoi FIEZ - General Information

1.1 Navoi Free Industrial Economic Zone - Oasis of high technologies

To encourage further promotion of foreign investments, create favorable conditions for them and ensure more effective use of the large economic and investment potential of Uzbekistan, pursuant to the resolution of the President of the Republic of Uzbekistan Islam Karimov dated December 2nd, 2008 Navoi Free Industrial Economic Zone (Navoi FIEZ) has been established on the territory of Navoi region.

Navoi FIEZ offers foreign investors a wide range of opportunities for doing business and initially endows them with important competitive advantages.

Covering an area of 564 hectares Navoi FIEZ is located adjacent to the one of the most industrial cities of Uzbekistan Navoi city and 100-175 km from large cities and industrial centers as Bukhara and Samarkand.

Navoi FIEZ territory is granted special legal regime, including taxation, currency exchange and customs regimes, simplified order for entry, stay and departure, as well as obtaining work permits for non-residents of the Republic of Uzbekistan; extensive tax and customs preferences as well as preferences on other dues are provided thereof. A term of operation of Navoi FIEZ is 30 years with possibility of further extension.

Land plots on the territory of Navoi FIEZ are provided to enterprises for rent for the period of investment activity either on free of charge basis or for minimal rent payment, which eliminates the necessity for the investors to buy land for carrying out production activity, and therefore the necessity to make additional investments for production start-up.

To create the most favourable conditions for investors, enterprises in Navoi FIEZ are provided with high-level infrastructure. FIEZ enterprises are provided with adequate transport infrastructure, utilities, labour safety systems and comfortable environment for employees.

1.2 Production activities in Navoi FIEZ

As the main direction of activity of on the territory of Navoi FIEZ is determined manufacture of wide range of advanced technology products competitive on world markets through introduction of foreign up-to-date efficient equipment and machinery, manufacturing lines and modules and innovation technologies.

Navoi FIEZ territory is provided with all the necessary conditions for establishment of industrial complexes with full production cycle from raw materials to manufacturing finished commodities in all branches of industry.

Based on the concept of creation of Navoi FIEZ and the identified priorities, enterprises of the following sectors are located in Navoi FIEZ:

- manufacture of electronics and electrotechnics;

- enterprises of machinery, instrument making and manufacture of component parts for cars;
- manufacture of pharmaceuticals and medical equipment;
- production of foodstuffs;
- manufacture of plastic and polymer articles.

1.3 Management structure of Navoi FIEZ

The body, which coordinates and regulates the activity of Navoi FIEZ, is the Administrative Board, established on January 27, 2009 by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan. Administrative Board is a collegial body, which consists of representatives of state authorities carrying out interaction of government bodies to ensure effective operation of Navoi FIEZ.

Administrative Board performs the following functions:

- selects investors for placement in Navoi FIEZ, determines the basic terms of investment agreement;
- carries out coordination of activity of the agencies of state management and local agencies of state power concerning matters related to operation of Navoi FIEZ;
- determines the cost of lease of land plots, and also buildings and structures being in state ownership;
- approves the construction projects of production infrastructure in Navoi FIEZ, financed at the expense of centralized sources;
- appoints the director of Directorate Navoi FIEZ, manages and supervises the activity of Directorate of Navoi FIEZ, and also controls use of funds of independent budget and Fund of development of Navoi FIEZ;
- decides on pre-scheduled cancellation of investment agreements if undertaken obligations have not been fulfilled.

Operative management of Navoi FIEZ is conducted by the Directorate, established in the form of State unitary enterprise with status of legal entity. The charter of the Directorate is approved by the Cabinet of Ministries of the Republic of Uzbekistan.

The Directorate of Navoi FIEZ:

- registers and keeps register of participants of Navoi FIEZ, issues them corresponding certificates;
- keeps records of other economic establishments, which are not the participants of Navoi FIEZ;
- provides participants of Navoi FIEZ and other economic establishments with land plots on the territory of Navoi FIEZ for lease without the right to sublease, transfer of the rights and obligations under the lease agreement to other person, hand over the lease right for pledge, contribute it as a share in chartered capital. Sale and other alienation of land plots in Navoi FIEZ are forbidden;
- manages state ownership immovable property located on the territory of Navoi FIEZ within limits of its authority;
- exercises control for the proper fulfillment of undertaken obligations by investors;
- based on the decision of the Administrative Board files an application to a court to terminate investment agreements if undertaken obligations have not been fulfilled;
- carries out other functions related to operative management of Navoi FIEZ

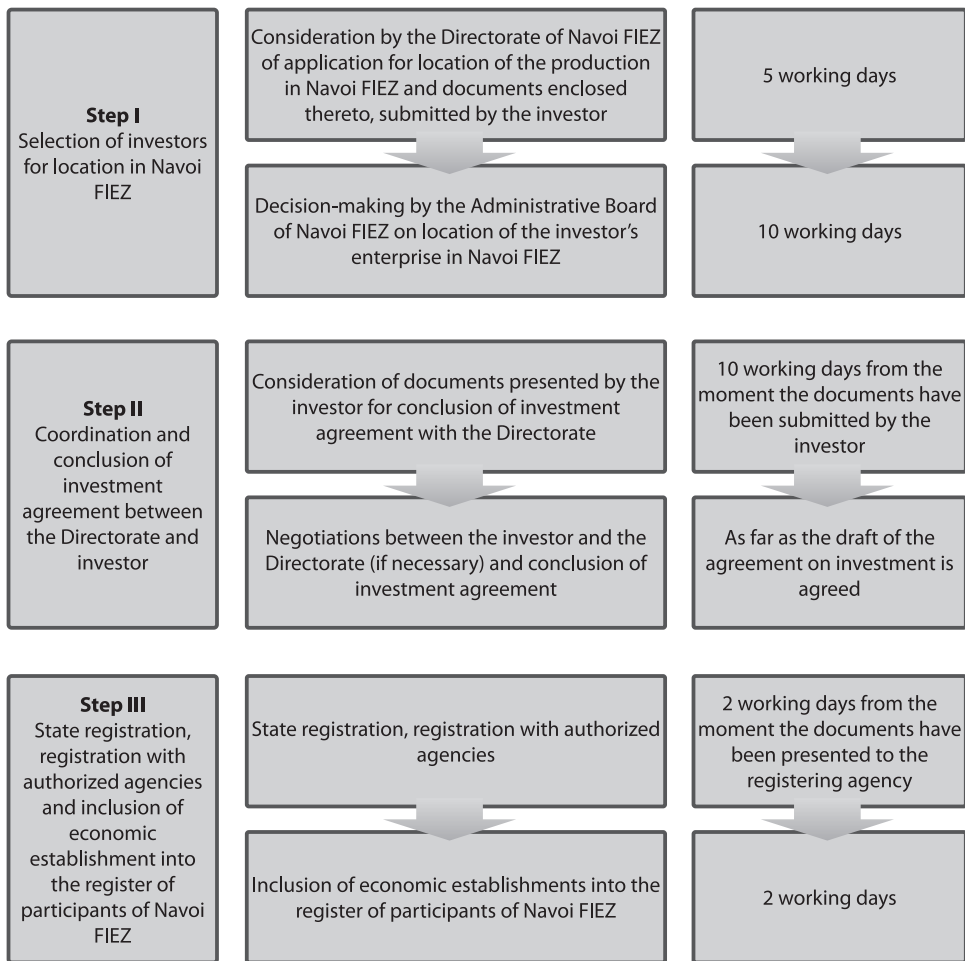
You can read more in ***the Statute on Navoi Free Industrial Economic Zone.***

Chapter 2

Selection and Registration as a Participant

2.1. Registration procedure of an enterprise as a participant of Navoi FIEZ

Registration of an enterprise as a participant of Navoi FIEZ



2.2 Procedure for selection of investors

Selection of investors for location in Navoi FIEZ is carried out in two stages.

At the first stage of selection, the investor presents to the Directorate of Navoi FIEZ filled in investment application for location of production on the territory of Navoi FIEZ with enclosure of:

- copy of the certificate of state registration of the investor or an extract from trade register having jurisdiction over a place of registration of legal entity, legalized by consular establishment of the Republic of Uzbekistan in keeping with established procedure;

- business-plan of the proposed project;
- confirmation of working experience of a legal entity in relevant sphere, information on similar projects fulfilled in relevant sphere;
- conclusions of an auditor organization on the financial accounting for a period of existence of the legal entity, but not less than for last three years;
- document confirming samples of signatures of the investor's authorized persons.

All the documents shall be submitted by the investors to the Directorate of Navoi FIEZ; an appropriate translation of the aforesaid documents into official or Russian Languages shall be enclosed in keeping with the established procedure.

The Directorate considers, within 5 working days, presented documents for correspondence to established requirements.

At the second stage investment applications and documents presented by the investor are handed over by the Directorate of Navoi FIEZ to the Working body of the Administrative Board (Ministry for Foreign Economic Relations, Investments and Trade) with the relevant conclusion enclosed.

To take decision on selection of investor for location of production on the territory of Navoi FIEZ, the Administrative Board considers:

- financial and technological solvency of the investor;
- total economic efficiency and expediency of fulfillment of the project (optimal location of production capacity, created working places, influence on structural reformation in the branch, use of capacity in service, availability of necessary raw materials, materials and infrastructure);

To take decision on selection of investor for location of production on the territory of Navoi FIEZ, the Administrative Board considers:

- financial and technological solvency of the investor;
- total economic efficiency and expediency of fulfillment of the project (optimal location of production capacity, created working places, influence on structural reformation in the branch, use of capacity in service, availability of necessary raw materials, materials and infrastructure);
- possibilities and prospects of sale of finished product both on domestic and foreign market;
- a level of localization of production and change of commodity position of finished product on code of CN FEA as compared with feed stock on the level of one of the first 4 digits;
- correspondence of a level of manufacturing equipment to up-to-date quality standards (ISO 9001 and ISO 14001), availability of the quality management system corresponding to international standards in the project;
- making up the staff of the created enterprise from citizens of the Republic of Uzbekistan not less than 80 percent of a total number of attracted workers, giving them opportunity to work on probation and to raise the level of their skill
- a volume of direct investments;
- other factors specified by the resolution of the Administrative Board.

Upon consideration of investment applications, preference is given to the projects which ensure full production cycle on the territory of Navoi FIEZ by establishment of legal entities interacting in successive manufacturing processing of raw materials and semi-finished product upon manufacture of finished commodity.

The Administrative Board considers investment applications within 10 working days.

A positive decision of the Administrative Board on investment application is specified in a protocol of the meeting of the Administrative Board; the given protocol serves as a ground to conclude the investment agreement on the territory of Navoi FIEZ between the Directorate and the investor.

A copy of the protocol of the meeting with a decision of the Administrative Board is forwarded by the Working agency to the investor or his authorized person within 3 working days from the date the protocol of the Administrative Board has been approved.

The investor is responsible for authenticity of presented information and documents, timely, complete and proper fulfillment of his obligations in accordance with the procedure established by the legislation.

The members of Administrative Board, the Working body and the Directorate of Navoi FIEZ bear responsibility in accordance with law for disclosure of confidential information, untimely and improper consideration of investment applications and the documents.

You can read more in **[Regulations on a procedure for selection of investors to locate in Navoi FIEZ.](#)**

2.3 Conclusion of investment agreement

According to the results of selection, investors received positive resolution of the Administrative Board to be located on the territory of Navoi FIEZ, apply to the Directorate of Navoi FIEZ to coordinate and conclude an investment agreement.

The investment agreement is concluded between the Directorate of Navoi FIEZ and investor (investors) (**[see requirements to the contents of investment agreement.](#)**)

To prepare the investment agreement, the investor submits to the Directorate of Navoi FIEZ the following documents:

- draft of investment agreement;
- a copy of a positive decision of the Administrative Board for location on the territory of Navoi FIEZ;
- a copy of business-plan of the project

Requesting additional documents from investor is forbidden.

Draft investment agreement, as well as other materials are considered by the Directorate of Navoi FIEZ within 10 working days from the date they have been received.

If required, the Directorate of Navoi FIEZ can request conclusions of authorized state agencies concerning certain provisions of the investment agreement. At the same time, a total period of consideration of draft investment agreement cannot exceed the specified period.

If necessary, for the purpose of coordination of provisions of the investment agreement between the Directorate of Navoi FIEZ and the investor (investors), the negotiations can be held.

The investment agreement is concluded for a term stipulated by the investment agreement; however, the given term shall not exceed the term of operation of Navoi FIEZ.

You can read more in **Regulations on a procedure for registration of economic establishments as participants of economic activity of Navoi FIEZ and carrying out entrepreneurial activity by them.**

2.4 Procedure of registration as a participant of Navoi FIEZ

Within 10 working days from the date the investment agreement has been signed,, in cases stipulated by the legislation, the investor presents to the registering agency relevant documents required for state registration of economic establishment.

State registration of economic establishments created by the investors to locate on the territory of Navoi FIEZ is carried out in accordance with the procedure stipulated by the legislation of the Republic of Uzbekistan for state registration of legal entities.

Necessary documents required for state registration are prepared at the investor's option:

- by the investor himself;
- on a contractual basis – by the Directorate of Navoi FIEZ or by other persons.

After state registration by the investor, the following documents shall be presented to the Directorate of Navoi FIEZ:

- an application to include into the register of participants of Navoi FIEZ ;
- notarized copy of the certificate of state registration of a legal entity;
- documents confirming payment for registration as a participant of Navoi FIEZ in the amount determined by the Administrative Board.

The Directorate of Navoi FIEZ, based on presented documents, within 2 working days, includes the economic establishment into the register of participants of Navoi FIEZ and issues a certificate of the participant of Navoi FIEZ.

A document confirming registration of the economic establishments as a participant of Navoi FIEZ is a certificate of participant of Navoi FIEZ issued by the Directorate of Navoi FIEZ.

The economic establishment can be deprived status of the participant of Navoi FIEZ only in legal form according to an application of the Directorate of Navoi FIEZ if the participant of Navoi FIEZ has violated the law and the investment agreement and entails termination of investment agreement.

You can read more in **Regulations on a procedure for registration of economic establishments as participants of economic activity of Navoi FIEZ and carrying out entrepreneurial activity by them.**

Chapter 3

Privileged regime of Navoi FIEZ

3.1 Tax privileges provided to the participants of Navoi FIEZ

Participants of Navoi FIEZ are exempt from payment of land tax, property tax, profit tax imposed on legal entities, tax imposed on improvement and development of social infrastructure, unified tax payment imposed on microfirms and small enterprises, mandatory deductions to the Republic Road Fund and off-budget School Education Fund.

These privileges are granted where a volume of direct investments is (equivalent):

- from 3 to 10 million Euro - for 7 years;
- from 10 to 30 million Euro - for 10 years. In subsequent 5 years rates of profit tax imposed on legal entities and unified tax payment for microfirms and small enterprises are established in the amount of 50 per cent of current rates;
- over 30 million Euros - for 15 years. In subsequent 10 years rates of profit tax imposed on legal entities and unified tax payment for microfirms and small enterprises are established in the amount of 50 per cent of current rates.

For this purpose, “direct investments” are investments of the legal entities and natural persons without guarantee of the Republic of Uzbekistan.

If the participant of Navoi FIEZ has increased a volume of direct investments up to the level liable to privilege, the given privilege shall apply from a month in which the right to application of the privilege according to a volume of investment began and is valid for remaining period up to termination of a term of validity of privileges.

Upon increase of direct investment up to the level coming within a term exceeding one granted earlier, privileges apply from a month in which the right to application of privileges on a previous volume of investment began, i.e. a term of privileges is extended, taking validity of a term of earlier privilege into consideration.

At the same time acts of tax legislation of the Republic of Uzbekistan (with exception of acts governing the taxation of excise goods), less favorable for taxpayers shall not apply towards economic establishments registered in FIEZ.

You can read more in [**Regulations on a procedure for securing a special tax regime on the territory of Navoi FIEZ.**](#)

3.2 Special customs regime in Navoi FIEZ

The territory of Navoi FIEZ is the customs territory of the Republic of Uzbekistan. At the same time:

- Equipment, raw materials and associated items designed to manufacture output for export, imported to the territory of Navoi FIEZ by participants of Navoi FIEZ, irrespective of a country of origin are draw up under the “Free customs zone” customs regime.

This means that enterprises registered in Navoi FIEZ are exempted from customs payments for imported equipment, raw materials and associated items designed to manufacture output for export for the entire term of operation of the Navoi Free Industrial Economic Zone;

- Other goods under free circulation in the customs territory of the Republic of Uzbekistan are moved freely to/from the territory of Navoi FIEZ;
- Equipment, raw materials, materials and associated items designed to manufacture output for export imported to the territory of Navoi FIEZ from the rest of customs territory of the Republic of Uzbekistan are placed on terms applied to export in accordance with the customs export regime.

You can read more in [**Regulations on a special customs regime on the territory of Navoi FIEZ.**](#)

3.3 Special currency exchange regime in Navoi FIEZ

Economic establishments, registered in Navoi FIEZ are allowed to:

- exercise payments in foreign currency within FIEZ in accordance with the agreements and contracts concluded between them;
- pay in freely-convertible currency for supply of goods, works and services performed by the economic establishments - residents of the Republic of Uzbekistan;
- use convenient terms and forms of payments for exported and imported goods.

3.4 Simplified regime of entry, departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi FIEZ

In Navoi FIEZ to participants of economic activity and their family members, foreign citizens and stateless persons attracted for labour activity simplified regime of entry, departure, stay and employment applied.

Entry visas for foreign citizens on the territory of Navoi FIEZ are issued based on a written application of the Directorate of Navoi FIEZ to the Ministry of Foreign Affairs of the Republic of Uzbekistan.

If other more favorable procedure for issue visas is established for citizens of certain states by the Republic of Uzbekistan, the more favorable regime applies.

The term of consideration of a written application of the Directorate to issue entry visa to the Republic of Uzbekistan for foreign citizen on the territory of Navoi FIEZ shall not exceed two working days from the date of filing the application.

Entry visa is valid on the entire territory of the Republic of Uzbekistan. Foreign citizens on the territory of Navoi FIEZ can move freely along the territory of the Republic of Uzbekistan open for visiting.

Foreign citizens on the territory of Navoi FIEZ reside on the territory adjacent to FIEZ Navoi, allotted for construction of housing and social infrastructure. Foreign citizens on the territory of Navoi FIEZ can live in another territory as agreed with the Directorate of Navoi FIEZ and interior authorities.

Expedited terms of issuance and extension of temporary registrations for foreign citizens are provided in Navoi FIEZ. Temporary registration of foreign citizens on the territory of Navoi FIEZ is issued and extended within one day for the period indicated in written applications of the Directorate of Navoi FIEZ.

Foreign citizens on the territory of Navoi FIEZ to issue and extend visas apply to the Directorate of Navoi FIEZ. A term of consideration of the application to issue and extend exit visas from the Republic of Uzbekistan (exit, entry-exit visas) of a foreign citizen on the territory of Navoi FIEZ shall not exceed five working days from the day of its filing.

Navoi FIEZ also provide simplified procedure for hiring of foreign manpower.

The documents to issue a work permit/a confirmation to foreign citizens on the territory of Navoi FIEZ are considered without request of conclusions of the territorial department for labor and social protection of population of the Ministry of Labor and Social Protection of Population of the Republic of Uzbekistan.

The Agency for Foreign Labor Migration takes a decision on issue (extension) of the permit/confirmation within ten working days from the date of submission of the documents.

You can read more in ***Regulations on simplified regime of entry, departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi FIEZ.***

Documents presented for entry visas to Uzbekistan

Foreign citizens on the territory of Navoi FIEZ in order to get visas to enter the territory of the Republic of Uzbekistan present the following documents to diplomatic representative offices or consular offices of the Republic of Uzbekistan abroad:

- a filled in questionnaire-application of the established form in duplicate,
- a national passport or identity card,
- an application from the Directorate of Navoi FIEZ, and
- foreign citizens arriving to the Republic of Uzbekistan to fulfill work under the contracts (agreements) for a term exceeding three months, shall also present a confirmation for the right to carry out labor activity issued by the Agency for Foreign Labor Migration.

List of documents presented for obtaining foreign labor work permit

To obtain foreign labor work permit/confirmation, the participant of Navoi FIEZ submits the following documents to the Agency for Foreign Labor Migration:

- an application of the established form;
- a copy of a certificate of the participant of economic activity of Navoi FIEZ;
- an application of the Directorate of Navoi FIEZ;
- a questionnaire of a foreign worker with a photo;
- a certificate on absence of HIV infection for the foreign worker;
- a copy of a national passport or identity card;
- a draft contract or other documents, confirming preliminary agreement with foreign citizens or foreign organization on intentions and terms of attraction of foreign workers.

To extend work permit/confirmation, the following documents shall be submitted:

- an application of the established form;
- an application of the Directorate of Navoi FIEZ;
- a questionnaire for a foreign worker with a photo;
- a certificate on absence of HIV infection for the foreign worker;
- a copy of the national passport or identity card;
- permit/confirmation.

Chapter 4

Basic regulatory documents

4.1 LAW OF THE REPUBLIC OF UZBEKISTAN ON FREE ECONOMIC ZONES

April 25, 1996

The present Law has been amended in accordance with the Section XV of the Law of the RUZ No. 482-II dtd 25.04.2003,
Article 3 of the Law of the RUZ dated 14.12.2005
Article 11 of the Law of the RUZ dtd 10.10.2006 No. ZRU-59,
Article 1 of the Law of the RUZ dtd 23.09.2009 No. ZRU-224.

I. General provisions

Article 1. Concept of Free Economic Zone

Free Economic Zone is specially allocated territory with well exactly established administrative limits and special legal regime, established with the purposes of attraction of domestic and foreign capital, progressive technology and management experience for accelerated social-economic zone development.

On the territory of Free Economic Zone any kind of economic, financial and other activity of legal persons and citizens (physical persons), except kinds of activity prohibited by the legislation of the Republic of Uzbekistan are allowed.

Article 2. Legislation on Free Economic Zones

Legislation on Free Economic Zones shall comprise the present Law and other legislative acts.

If a certain international agreement of the Republic of Uzbekistan lays down rules and regulations other than those stipulated by legislation of the Republic of Uzbekistan on Free Economic Zones, the rules of international agreement shall apply.

Article 3. Establishment of Free Economic Zone

Free Economic Zone shall be established on the grounds of the resolution by the President of the Republic of Uzbekistan. Status of Free Economic Zone, as well as a term for which it is established shall be stipulated in the resolution on its establishment.

Borders of Free Economic Zone shall be determined by the Cabinet of Ministers of the Republic of Uzbekistan.

A term of operation of Free Economic Zone shall be extended by the resolution of the President of the Republic of Uzbekistan not less than three years before the expiry of the established term.

Article 4. Cessation of Free Economic Zone status

Status of Free Economic Zone shall be ceased:

on the expiry of a term stipulated by the resolution on its establishment;

upon failure to fulfill tasks and achieve the objects stipulated by the resolution on its establishment;

The resolution on cessation of status of Free Economic Zone shall be adopted by the President of the Republic of Uzbekistan not less than three years before the established term.

Article 5. Types of Free Economic Zones

Free Economic Zones can be established as:

Zones of free trade;

Free industrial zones;

free scientific-technical and other zones.

Article 6. Free Trade Zones

Free trade zones include consignment warehouses, free customs zones, and also zones for operation, packing, sorting, and keeping of goods.

Free trade zones are established in border places, airports, on railway stations or other places of customs territory of the Republic of Uzbekistan.

Article 7. Free Industrial Zones

Free industrial zones-territories on which special regime of economic-financial activity with the purposes of entrepreneurship stimulation, attraction of foreign investments in priority branches of economy, introduction of progressive technologies is established.

Free industrial zones shall include export-oriented production zones, agro-policies, entrepreneurial, industrial-economic and other zones.

Article 8. Free scientific-technical zones

Free scientific-technical zones are allocated territories where, scientific-technical and education centers for which special legal regime directed for development of scientific and production potential, are combined.

Free scientific-technical zones are organized in the form of functional zones of high technologies, techno-parks, and regional innovation centers-techno policies.

Article 9. Guarantees of rights and interests of legal entities and natural persons

The Republic of Uzbekistan shall guarantees observance of rights and legal interests of legal entities and natural persons working on the territory of Free Economic Zone.

Observance of all guarantees and privileges to investors stipulated by the legislation of the Republic of Uzbekistan shall be ensured in Free Economic Zones. Additional guarantees and privileges can be stipulated by the resolution by the President of the Republic of Uzbekist.

Losses, lost profit, as well as moral harm inflicted to legal entities and natural persons as a result of unfounded intervention of state or other agencies and officials shall be subject to indemnification or compensation judicially.

Article 10. Program of Free Economic Zone development

Development of Free Economic Zone shall be carried out in accordance with the program asserted by the Cabinet of Ministers of the Republic of Uzbekistan.

Program of Free Economic Zone development include creation of production and market infrastructure, creation of special legal regime, economic incentives for activity of legal entities and natural persons.

Financial support of Free Economic Zone development program shall be carried out at the expense of own resources of the zone and attraction of means from private sources, including international programs, and also at the expense of means allocated by republican and local budgets for social-economic development of this territory.

II. Legal status of Free Economic Zones

Article 11. Features of the legal regime

In Free Economic Zones special customs, currency, customs regime, and also regime of entrance, exit and staying of citizens, labor relations, financial-credit activity and other regime directed to attraction of investments, stimulation of entrepreneurship development and social-economic development of a zone, can be established.

Income (profit) derived by legal entities and natural persons by violation of special legal regime shall be collected in keeping with the legislation.

Article 12. Special customs regime

Special customs regime may provides:

abolishment or reduction of customs duties for export and import of goods;

abolishment or softening of non-tariff limits for export or import;

simplified order of movement of goods through the customs border of a Free Economic Zone with their obligatory declaring in the established order.

Ensurance of special customs regime on the territory of Free Economic Zone shall be carried out by the customs agencies of the Republic of Uzbekistan.

Special customs regime shall not be established for the transit of goods through the territory of a Free Economic Zone.

Article 13. Special currency regime

Special currency regime stipulates free circulation and convertibility of the national and foreign exchange.

The order of special currency regime functioning shall be established by the Central Bank of the Republic of Uzbekistan.

Article 14. Taxes and other compulsory payments related privileges

Participants of economic activity (both legal entities and natural persons) on territory of Free Economic Zone shall enjoy tax and compulsory payments related privileges established by the legislation, based on equal terms for domestic and foreign investors.

Article 15. Labour resources

For the work on enterprises, establishments and organizations in Free Economic Zone domestic labor resources shall be attracted in primary order, and also persons living in other regions of the Republic of Uzbekistan and foreign citizens can be attracted. Labor force shall be attracted to the Free Economic Zone under the Law.

Article 16. Regulation of labour relations in Free Economic Zones

Labor relations in Free Economic Zones shall be regulated by the legislation, collective contracts (agreements) and individual labor agreements (contracts).

Collective and individual labor contracts cannot make worse the conditions of workers of these enterprises, establishments and organizations compare to conditions established by the legislation, as well as by the conventions of World labor organization, the participant of which is the Republic of Uzbekistan.

Article 17. Free Economic Zone budget

Free Economic Zone has its independent budget.

In the stage of Free Economic Zone formation the attraction of funds from the republican and local budgets in the form of credits or direct investment to the objects of productive and social infrastructure is possible.

The budget of Free Economic Zone shall be formed of receipts for rent of land, buildings and constructions being in use and management of Administrative board of the Free Economic Zone (hereinafter – “Administrative board”), for rendering of services, as well as of other receipts not banned by the Law.

Article 18. Order of entrance into Free Economic Zone, exit from Free Economic Zone and staying on its territory

In a Free Economic Zone simplified regime of entrance, exit and staying of foreign citizens and persons without citizenship, established by the legislation.

Article 19. Insurance

Insurance of investments and risks of the participants of Free Economic Zone shall be carried out on the voluntary basis.

Insurance protect shall be provided in accordance with the legislation.

III. Management of Free Economic Zone

Article 20. Management bodies of Free Economic Zone

Activity of Free Economic Zone shall be coordinated by the Administrative board.

A body of operative management of Free Economic Zone is a directorate of the Free Economic Zone (hereinafter – directorate).

Article 21. Administrative Board of Free Economic Zone

Administrative board shall be formed by the Cabinet of Ministers of the Republic of Uzbekistan.

Administrative board is headed by a chairman. In case where borders of Free Economic Zone coincide with the borders of administrative-territory unit of the Republic of Uzbekistan (a region, city, city district) the functions of a chairman of the Administrative board shall be assigned to a relevant khokim.

Article 22. Authorities of Free Economic Zone Administrative board

Administrative board shall:

- exercise control over observance of a special legal regime;
- elaborate a program of development of Free Economic Zone;
- select investors to place them in Free Economic Zone;
- coordinate activity of the agencies of state management and local agencies of state power concerning questions related to operation of Free Economic Zone;
- establish additional conditions to attract investments into Free Economic Zone;
- consider and approve annual budget of Free Economic Zone.

Administrative board can fulfill other power in accordance with the Law.

Resolutions adopted by the Administrative board within its authority shall be obligatory to be fulfilled by the participants of economic activity (legal entities and natural persons) on the territory of Free Economic Zone.

Article 23. Peculiarities of the state property law in Free Economic Zone

Objects of state property (land, water, bowels and other natural resources, buildings, constructions) located within the borders of Free Economic Zone can be granted to the Administrative board, according to resolutions of the local state agencies of state power, within the limits of their authority, on the rights of operative management or economic administration in keeping with the procedure stipulated by the Law.

The local agencies of state power shall ensure control over efficient use and protection of land, water, bowels and other natural resources and objects passed to the Administrative board.

Sale in private property of the objects of state property situated on the territory of a Free Economic Zone shall be carried out in the order established by the legislation.

Article 24. Directorate of Free Economic Zone

Directorate is a legal entity which is established in keeping with the procedure established by Law. The directorate shall:

ensure operation of a special legal regime;

exercise control over proper fulfillment of obligations of investors selected by the Administrative board;

ensure fulfillment of the program of development of Free Economic Zone;

register participants of economic activity (legal entities and natural persons) on the territory of Free Economic Zone;

ensure control over improvement of ecological environment, as well as bear responsibility for preservation of historical and cultural valuables.

Directorate can exercise other power in accordance with the Law.

Directorate has no right to interfere in operative, financial and other activity of legal entities and natural persons, with the exception of cases established by the Law.

Article 25. Registration of participants of economic activity on the territory of Free Economic Zone

Both legal entities and natural persons carrying out economic activity on the territory of Free Economic Zone, shall be registered with the Directorate.

Both legal entities and natural persons carrying out their activity on the territory of Free Economic Zone, on the moment of its establishment, shall present a copy of certificate of state registration to the Directorate.

Directorate shall give out a certificate of registration in Free Economic Zone to both legal entity and natural person and inform the agencies of state management in keeping with the established procedure.

In case where legal entities and natural persons, violate the Law, the directorate shall have the right to file an application to a court to terminate activity of legal entity or natural person on the territory of Free Economic Zone and to cancel the certificate issued by it.

Article 26. Reorganization and liquidation of enterprises, establishments and organizations

Enterprises, establishments and organizations carrying out their activities in a Free Economic Zone can be reorganized or liquidated in the order stipulated by legislation.

In case where enterprises, establishments or organizations are reorganized and liquidated, guarantees established by the Law shall be retained after worker with whom the labor agreement (contract) is terminated.

Article 27. Settlement of disputes

Disputes in sphere of Free Economic Zones are settled in the procedure established by the legislation.

4.2 DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN ON ESTABLISHMENT OF FREE INDUSTRIAL ECONOMIC ZONE IN NAVOI REGION

02.12.2008 No.UP-4059

(in extracts)

In order to create favorable conditions to attract foreign investments, especially direct investments, to organize modern high-tech production for manufacturing of products that meet world standards and demanded in world markets, as well as to development of industrial potential, manufacturing, transportation, transit and social infrastructure in Navoi region:

1. Accept the proposal of the Ministry of Economy, Ministry of Foreign Economic Relations, Investments and Trade, Ministry of Finance of the Republic of Uzbekistan and Municipality (khokimiyat) of Navoi region on the establishment in the area of Navoi International Airport of Free Industrial Economic Zone "Navoi" (hereinafter – Navoi FIEZ).

Determine as main direction of activity of economic establishments on the territory of Navoi FIEZ manufacture of wide range of advanced technology products competitive on world markets through introduction of foreign up-to-date efficient equipment and machinery, manufacturing lines and modules and innovation technologies.

2. Establish that:

- term of operation of Navoi FIEZ is 30 years with the possibility of further extension;
- during operation period, within the territory of Navoi FIEZ special customs, currency and tax regimes, simplified procedure for entry, stay and departure, as well as obtaining work permits by the citizens - non-residents of the Republic of Uzbekistan apply;
- special legal regime, including tax, currency and customs, applies only to activity carried out by economic establishments registered by the Directorate of FIEZ exceptionally on the territory of Navoi FIEZ;
- coordination and operational management of Navoi FIEZ is carried out accordingly by the Administrative board formed from representatives of state agencies and directorate of Navoi FIEZ. Personal composition of the Administrative board is approved by the Cabinet of Ministers;
- the entire territory where Navoi FIEZ is established on, given in use and management of the Administrative board for entire period of existence of Navoi FIEZ;
- Directorate of Navoi FIEZ rents economic entities land plots on the territory of Navoi FIEZ without the right to sublease, transfer of the rights and obligations under the lease agreement to other person, hand over the lease right for pledge, contribute it as a share in chartered capital. Sale and other alienation of land plots on the territory of FIEZ are prohibited.

3. Exempt economic establishments registered in Navoi FIEZ from payment of land tax, property tax, profit tax imposed on legal entities, tax imposed on improvement and development of social infrastructure, unified tax payment imposed on microfirms and small enterprises, mandatory deductions to the Republican Road Fund and Extrabudgetary School Education Fund on condition that the volume of contributed direct investments is:

- from 3 to 10 million Euro - for 7 years;
- from 10 to 30 million Euro - for 10 years. In subsequent 5 years rates of profit tax imposed on legal entities and unified tax payment for micro firms and small enterprises are established in the amount of 50 percent of current rates;
- over 30 million Euros - for 15 years. In subsequent 10 years the rates of profit tax imposed on legal entities and unified tax payment for micro firms and small enterprises are established in the amount of 50 percent of current rates.

4. Set up a procedure in accordance with economic establishments registered in Navoi FIEZ shall be exempted from customs payments (with the exception of customs clearance fee) on imported equipment, raw materials and components designed to manufacture output for export for the entire term of existence of FIEZ.

Determine that for raw materials and components, imported to manufacture output sold in domestic market of Uzbekistan, customs payments (with the exception of customs clearance fee) are discharged at the rate of 50 percent of the established rates with prolonging their payment term up to 180 days, unless the legislation establishes more favorable regime.

In case if, equipment, raw materials and components imported on the territory of FIEZ with the aforesaid privileges sold or donated, customs payments shall be fully discharged to the budget in accordance with the procedure established by the legislation.

5. Allow economic establishments, registered in Navoi FIEZ:
- exercise payments in foreign currency within FIEZ in accordance with the agreements and contracts concluded between them;
 - pay in hard currency for supply of goods, works and services performed by the economic establishments - residents of the Republic of Uzbekistan;
 - use convenient terms and forms of payments for exported and imported goods.

6. Determine that acts of tax legislation of the Republic of Uzbekistan (with exception of acts governing the taxation of excise goods), deteriorating the situation of taxpayers shall not apply towards economic establishments registered in FIEZ.

9. Grant to the Administrative Board of FIEZ the right:
- to establish an independent budget of FIEZ formed of receipts for rendering of services and other receipts not banned be the Law, and upon agreement with the Ministry of Finance of the Republic of Uzbekistan, part of receipts for rent of land, buildings and constructions being in its use and management;
 - to establish within the limits of independent budget the Fund of development of FIEZ, devoted to development of infrastructure and improvement of effectiveness of operation of Navoi FIEZ.

The President of the Republic of Uzbekistan

I.Karimov

**4.3 RESOLUTION OF THE CABINET OF MINISTERS OF THE REPUBLIC OF UZBEKISTAN
ON MEASURES OF ORGANIZATION OF ACTIVITY OF NAVOI FREE INDUSTRIAL
ECONOMIC ZONE**

January 27, 2009 №21

(in extracts)

In pursuance of the Decree of the President of Republic of Uzbekistan dated December 2, 2008 № UP-4059 "On establishment of Free Industrial Economic Zone in Navoi region" the Cabinet of Ministers has resolved as follows:

1. To approve proposal of Municipality (Khokimiyat) of Navoi region, State committee on land resources, geodesy, cartography and state land-survey, Ministry of Economy, and Ministry of Foreign Economic Relations, Investments and Trade of Republic of Uzbekistan on location of Navoi Free Industrial Economic Zone (hereinafter – Navoi FIEZ) on land plot of «Dustlik» agricultural firm in Karmana district of Navoi region within the area of 500 hectare, located on contours 205-216; 381a-388; 404-470.

2. To approve the following documents:

- Statute on Navoi FIEZ according to enclosure № 1;
- Membership of Administrative Board of Navoi FIEZ according to enclosure № 2.

3. To establish:

- within the structure of Ministry of Foreign Economic Relations, Investments and Trade of Republic of Uzbekistan department on co-ordination of activity of Free Economic Zones with allocation of additional 3 units, and entrust this department with the functions of working body of Administrative Board;
- Directorate of Navoi FIEZ with initial number of 5 units of management personnel.

4. To the Ministry of Foreign Economic Relations, Investments and Trade of Republic of Uzbekistan, Ministry of Economy, and Ministry of Finance of Republic of Uzbekistan carry out monitoring of effectiveness of the Statute of Navoi FIEZ and if necessary immediately make proposals on amendments and supplements taking into consideration practice of economic activity on the territory of Navoi FIEZ.

5. Establish, that Directorate of Navoi FIEZ:

is a legal entity, created in form the State unitary enterprise;

financed at the expense of part of funds of independent budget of Navoi FIEZ, approved by the Administrative Board, budget funds, assigned in accordance with the established procedure within the limits of the calculation of costs, and also other sources, not forbidden by legislation;

registers the participants of economic activity of Navoi FIEZ and maintains records of other economic establishments being not the participants of Navoi FIEZ;

concludes investment agreements with investors on investing on the territory of Navoi FIEZ, concludes rent agreements of land plots with economic establishments, carrying out activity on the territory of Navoi FIEZ;

exercises control for the proper fulfillment of engagements by the investors, which were selected in accordance with established procedure, with subsequent presentation of their results to the Administrative Board;

carries out other functions related to operation of Navoi FIEZ.

To define the founder of State unitary enterprise "Directorate of Navoi FIEZ (hereinafter - Directorate of Navoi FIEZ) the Cabinet of Ministers of the Republic of Uzbekistan.

The Prime Minister of the Republic of Uzbekistan

Sh. Mirziyayev

Enclosure №1
to the Resolution of Cabinet of Ministers
of the Republic of Uzbekistan
dated January 27th, 2009 №21

Regulation on Navoi Free Industrial-Economic Zone

(see Regulations)

Enclosure №2
to the Resolution of Cabinet of Ministers
of the Republic of Uzbekistan
dated January 27th, 2009 №21

Members of Administrative Board of Navoi Free Industrial-Economic Zone (as of February, 2010)

Azimov R.S.	First Deputy Prime Minister of the Republic of Uzbekistan, Chairman of the Board
Ganiev E.M.	Deputy Prime of the Republic of Uzbekistan - Minister for Foreign Economic Relations, Investments and Trade, Deputy Chairman of the Board
Bekenov S.Kh.	Minister of Economy, Deputy Chairman of the Board
Turdimov E.O.	Khokim (Mayor) of Navoi region
(vacant)	Chairman of the State Property Committee
Nasirov S.H.	Chairman of the State Customs Committee
Parpiev B.R.	Chairman of the State Tax Committee
Alihanov B.B.	Chairman of the State Committee on Nature Protection
Arabov S.A.	Chairman of the State committee on land recourses, geodesy, cartography and state land-survey
Saidova G.K.	First Deputy Minister of Economy
Ibragimov A.A.	First Deputy Minister of Internal Affairs
Rofiev K.T.	First Deputy Chairman of the Central Bank
Maksumov N.E.	First Deputy Chairman of the State committee on architecture and construction
Mirzaev M.M.	Deputy Minister of Finance
Fayzullaev Sh.N.	Deputy Minister of Economy
Vafaev Sh. A.	Executive Director of the Fund for Reconstruction and Development
Abduvaliev A.A.	Director of "Uzstandart" Agency
Tulyaganov Sh.A.	Deputy Minister of Foreign Economic Relations, Investments and Trade

Note: In case of transfer of the members of the Administrative Board to another job, individuals newly appointed to these positions are included in its composition.

Chapter 5

Regulations

5.1 STATUTE ON NAVOI FREE INDUSTRIAL ECONOMIC ZONE

Enclosure №1
to the Resolution of Cabinet of Ministers
of the Republic of Uzbekistan
dated January 27th, 2009 №21

I. General provisions

1. The present Statute determines legal frameworks of functioning of Navoi Free Industrial Economic Zone..

2. For the aims of this Statute the following definitions are used:

Navoi Free Industrial Economic Zone (further – Navoi FIEZ) - part of territory of Navoi region of the Republic of Uzbekistan, located on lot land of Karmana district by an area 500 hectar with contours 205-216; 381a-388; 404-470, where special customs, monetary and fiscal, simplified procedure for entry, stay and departure, as well as obtaining permits to non-resident citizens of the Republic of Uzbekistan to carry out labor activity regimes are applied;

Administrative Board of Navoi FIEZ (further - Administrative Board) - a collegial body, established by the Cabinet of Ministers from the representatives of state authorities, carrying out functions of co-ordination and governmental supervising of activity of Navoi FIEZ;

Directorate of Navoi FIEZ (further - Directorate) - a legal entity in the form of the State unitary enterprise, established for an operative management of Navoi FIEZ;

Investor - subject of investment activity, passed in accordance with established procedure of selection, conducted by the Administrative Board, and investing on the territory of Navoi FIEZ;

Investment agreement on the territory of Navoi FIEZ (further - investment agreement) - an agreement, concluded between Directorate and investor, determining their rights, duties and responsibility;

participant of economic activity on the territory of Navoi FIEZ (further - participant of Navoi FIEZ) - economic establishment, registered on territory of Navoi FIEZ in accordance with established procedure and included by Directorate in the register of participants of economic activity on the territory of Navoi FIEZ;

Lease contract - rental agreement on land plot, buildings and constructions on the territory of Navoi FIEZ, concluded between Directorate and economic establishments, carrying out activity on territory of Navoi FIEZ;

Activity on territory of Navoi FIEZ - economic activity of participant of Navoi FIEZ on a production and processing products within the territory of Navoi FIEZ, stipulated by investment agreement, as well as its implementation.

3. The basic direction of activity of participants of Navoi FIEZ is a production of wide range of advanced technology products competitive on world markets through the introduction of up-to-date efficient equipment and machinery, manufacturing lines and modules and innovation technologies.

4. Activity of state bodies and application of legislation of the Republic of Uzbekistan is carried out on the territory of Navoi FIEZ taking into consideration the provisions of Law of the Republic of Uzbekistan «On Free Economic Zones», Decree of the President of Republic of Uzbekistan from December 2, 2008 № UP-4059 «On the establishment of Free Industrial Economic Zone in Navoi region» and adopted for its fulfillment legal acts, present Statute, international agreements and investment agreements.

5. Architectural and municipal engineering activity on the territory of Navoi FIEZ is carried out in accordance with the preliminary plan of building or General plan of Navoi FIEZ. Design estimates documents shall be agreed with the State Committee on Architecture and Construction of the Republic of Uzbekistan.

6. The term of operation of Navoi FIEZ is 30 (thirty) years, with the possibility of further extension by the resolution of the President of the Republic of Uzbekistan.

7. The territory which Navoi FIEZ is established on, given in use and management to the Administrative Board for entire term existence of Navoi FIEZ.

II. Managing structure of Navoi FIEZ

8. Functions of co-ordination and government control of activity of Navoi FIEZ are carried out by the Administrative Board. Statute of the Administrative Board is approved by the Cabinet of Ministers of the Republic of Uzbekistan.

9. The Administrative Board fulfills the following functions:

selects investors for placement in Navoi FIEZ, determines the basic terms of investment agreement;

carries out coordination of activity of the agencies of state management and local agencies of state power concerning matters related to operation of Navoi FIEZ;

determines the cost of lease of land plots, and also buildings and structures being in state ownership;

approves the construction projects of production infrastructure of Navoi FIEZ, financed at the expense of centralized sources;

appoints the director of Directorate of Navoi FIEZ, manages and supervises activity of Directorate of Navoi FIEZ, and also controls use of funds of independent budget and Fund of development of Navoi FIEZ;

decides on prescheduled cancellation of investment agreements if undertaken obligations have not been fulfilled

10. Operative management of Navoi FIEZ is conducted by Directorate, established in the form of the State unitary enterprise with status of legal entity. The Charter of Directorate is approved by the Cabinet of Ministers of Republic of Uzbekistan.

11. Directorate of Navoi FIEZ:

registers and keeps register of participants of Navoi FIEZ, issues them corresponding certificates;

keeps records of other economic establishments, which are not the participants of Navoi FIEZ;

provides participants of Navoi FIEZ and other economic establishments with land plots on territory of Navoi FIEZ for lease without the right to sublease, transfer of the rights and obligations under the lease agreement to other person, hand over the lease right for pledge, contribute it as a share in chartered capital. Sale and other alienation of land plots on territory of Navoi FIEZ are forbidden;

manages state ownership immovable property located on the territory Navoi FIEZ within limits of its authority;

exercises control for the proper fulfillment of engagements by the investors, which were selected in accordance with established procedure, with subsequent presentation of their results to the Administrative Board;

based on the decision of the Administrative Board files an application to a court to terminate investment agreements if undertaken obligations have not been fulfilled;

carries out other functions related to operative management of Directorate of Navoi FIEZ.

12. Directorate of Navoi FIEZ, in co-ordination with Ministry of Finance of Republic of Uzbekistan, annually works out the draft of independent budget of Navoi FIEZ for the corresponding financial year and presents it for approval to the Administrative Board.

Independent budget of Navoi FIEZ is formed of:

receipts for rendering of services;

part of receipts, upon agreement with the Ministry of Finance of the Republic of Uzbekistan, for rent of land, buildings and constructions being in use and management of Administrative board;

other receipts not banned by the Law

13. Administrative Board within the limits of independent budget of Navoi FIEZ has the right to establish Fund of development of Navoi FIEZ, devoted to development of infrastructure and improvement of effectiveness of operation of Navoi FIEZ.

The sources of formation of the Fund and a procedure of its use are determined by Regulations on Fund of development of Navoi FIEZ approved by the Administrative Board.

14. Financial resources of independent budget of Navoi FIEZ are used for:

establishment of the Fund of development of Navoi FIEZ;

maintenance of the Directorate of Navoi FIEZ in accordance with the established procedure;

financing the implementation of other tasks, directed to fulfillment of the Decree of the President of the Republic of Uzbekistan dated December 2, 2008 №UP-4059 "On the establishment of Free Industrial Economic Zone in Navoi region"

15. Staff list and estimate of expenditure of Directorate are approved by Administrative Board.

III. Carrying out economic activity on the territory of Navoi FIEZ

16. Provision of land plots to economic establishments is carried out by the Directorate on contractual basis in accordance with the preliminary plan of construction or General plan of Navoi FIEZ.

Rent for land plots is set by the Administrative Board and stipulated in terms of lease contract.

17. Certificate issued to the participant of Navoi FIEZ confirms his rights on application of special legal, including tax, currency and custom regimes, with regard to his activity on the territory of Navoi FIEZ.

18. After registration in accordance with established procedure the participant of Navoi FIEZ will be entrusted with obligations fixed in corresponding investment agreement, with regard to his activity on the territory of Navoi FIEZ.

The participant of Navoi FIEZ does not have the right to transfer his rights and duties under investment agreement to other person.

19. Privileges and preferences, established by the legislation, are applied exceptionally to the kind of activity of participant of Navoi FIEZ, stipulated in investment agreement concluded with the Directorate.

20. Economic establishments not being participants of Navoi FIEZ, have the right to carry out activity on territory of Navoi FIEZ in accordance with the legislation.

21. The establishment of branches by the participants of Navoi FIEZ in the Republic of Uzbekistan outside the territory of Navoi FIEZ is not allowed.

22. The economic establishment can be deprived status of the participant of Navoi FIEZ only by judicial procedure.

23. Disputes in Navoi FIEZ are settled in accordance with the legislation and investment agreements.

IV. Special legal regime of Navoi FIEZ

24. The effect of special legal regime, including tax, currency and customs, regimes, applies to activity carried out by the participants of Navoi FIEZ exceptionally within its territory.

25. A term of validity of privileges and preferences established by legislation begins from the date the economic establishments have been included into the register of participants of Navoi FIEZ.

26. Participants of Navoi FIEZ shall keep records of imported, exported, stored, manufactured, processed, purchased and sold goods on the territory of Navoi FIEZ and present accounts to the customs agencies with regard to these goods in accordance with the procedure established by the legislation.

27. Book records and accounts are kept on the territory of Navoi FIEZ in accordance with the legislation of the Republic of Uzbekistan or according to choice of the participant of Navoi FIEZ in accordance with international standards of financial accounts.

28. List of forbidden operations, accomplished with goods placed under customs regime functioning on the territory Navoi FIEZ, and goods, to which special customs regime does not apply, determined by the legislation.

29. The order of carrying out currency transaction in Navoi FIEZ determined by the legislation.

30. Procedures for entrance, exit, staying and employment of foreign nationals and persons without citizenship on the territory of Navoi FIEZ determined by the legislation.

31. Regulation of activity of participants of Navoi FIEZ in other spheres carried out in a generally established order.

V. Cessation of activity of Navoi FIEZ

32. The activity of Navoi FIEZ can be ceased on the expiry of a term for which it was established.

33. Prescheduled cessation of activity of Navoi FIEZ assumed in the case of need to guarantee protection of national security interests of the Republic of Uzbekistan, as well as in other cases, established by the legislation.

34. Decision on cessation of activity of Navoi FIEZ shall be taken by the President of the Republic of Uzbekistan.

5.2 REGULATIONS ON ADMINISTRATIVE BOARD OF NAVOI FREE INDUSTRIAL ECONOMIC ZONE

Enclosure № 1
to the Decree of Cabinet of Ministers
of the Republic of Uzbekistan
dated April 9th, 2009 №105

I. General provisions

1. The present Regulation specify a procedure for operation of Administrative Board of Navoi Free Industrial Economic Zone (hereinafter – Administrative Board).

2. Administrative Board is a collective body formed by the Cabinet of Ministers of the Republic of Uzbekistan from the representatives of state authorities.

Decisions of the Administrative Board taken within its competence are obligatory to be fulfilled by the Council of Ministers of the Republic of Karakalpakstan, khokimiyats of provinces, towns and regions, as well as by the agencies of state and economic management.

3. The Administrative Board is guided in its activities by the Constitution of the Republic of Uzbekistan, laws of the Republic of Uzbekistan, resolutions of the chambers of Oliy Majlis of the Republic of Uzbekistan, decrees, resolutions and instructions by the President of the Republic of Uzbekistan, resolutions and instructions by the Cabinet of Ministers of the Republic of Uzbekistan, other normative and legal acts of the Republic of Uzbekistan, as well as by present Regulations.

II. Basic tasks of Administrative Board

4. Basic tasks of the Administrative Board are as follows:

coordination and regulation of activity of Navoi Free Industrial Economic Zone (hereinafter – Navoi FIEZ);

determination of strategical directions of medium and long-term development of Navoi FIEZ, stipulating introduction of up-to-date efficient equipment and machinery, manufacturing lines and modules and innovation technologies to produce wide range of advanced technology products competitive on world markets;

coordination of activity of the agencies of state and economic management and local agencies of state power concerning matters related to operation of Navoi FIEZ;

determination of basic tasks and lines of activity of the Directorate on the development of Navoi FIEZ and exercise of control over its activity;

consideration, on the basis of approved criteria, of the investors' investment application to allocate production on the territory of Navoi FIEZ and relevant decisions making;

other tasks, related to effective operation of Navoi FIEZ.

III. Functions and rights of Administrative Board

5. In accordance with tasks entrusted with, the Administrative Board fulfills the following functions:

Introduces proposals to the Cabinet of Ministers on strategic directions of the medium and long-term development of Navoi FIEZ and increase of efficiency of its operation;

approves annual investment programs and other organizational-technical measures required to ensure effective activity of Navoi FIEZ, as well as considers fulfillment reports;

considers the General plan of Navoi FIEZ and approves the construction projects of production infrastructure of Navoi FIEZ, financed at the expense of centralized sources;

approves Regulations on Fund of development of Navoi FIEZ, sources of formation and a procedure for use of financial resources of the Fund of development of Navoi FIEZ;

uses and manages the territory of Navoi FIEZ within a whole period of validity of Navoi FIEZ, by determination of cost of lease of parcels of land, buildings and structures being in state ownership, taking decisions on their lease;

exercises monitoring over observance by the agencies of state and economic management, the local agencies of the established procedure of operation of Navoi FIEZ;

based on approved investment programs and other organizational-technical measures, approves a plan of practical actions of the Directorate of Navoi FIEZ;

exercises control and monitoring over timely fulfillment by the Directorate of taken decisions, as well as use of financial resources of independent budget of Navoi FIEZ and the Fund of development of Navoi FIEZ;

appoints a director of the Directorate of Navoi FIEZ, concludes labor contract with him and approves documents determining a procedure for its activity;

approves a list of members of staff of the Directorate Navoi FIEZ and its estimate of expenditure;

authorizes the Directorate of Navoi FIEZ to conclude a relevant lease agreement with the participant of economic activity of Navoi FIEZ;

hears, on a quarterly basis, a report of the Director on financial and economic activity of the Directorate of Navoi FIEZ;

selects investors for placement in Navoi FIEZ and determines basic terms of investment agreement;

takes decisions on prescheduled cancellation of investment agreements if undertaken obligations have not been fulfilled;

Administrative Board fulfills other functions within its competence.

6. To fulfill tasks entrusted with, the Administrative Board has the right:

to inquire and receive information being with competence of the Administrative Board, in keeping with the established procedure, from ministries, state committees and departments, agencies of economic management and the local agencies;

to hear at the meetings, reports of representatives of ministries, state committees and departments, the agencies of state management, the local agencies, as well as members of Administrative Board concerning questions being within competence of the Administrative Board;

to establish working groups to study and prepare proposals on important questions of the Board's activity and fulfill tasks it was entrusted with;

to define a procedure and terms of competitive selection of internationally recognized company to assign rights for management of Navoi FIEZ to it on a contractual basis;

to ask from ministries, state committees and departments, the agencies of state management and local state agencies, as well as investors, filing investment applications to locate production on the territory of Navoi FIEZ, statistical and other information connected with proposed project;

Administrative Board can have other rights in accordance with the legislation.

IV. Organization of activity of Administrative Board

7. A chairman is at the head of the Administrative Board; his power is as follows:

determination of the agenda and calling of the meetings of the Administrative Board; organization of control over fulfillment of decisions taken by the Administrative Board;

coordination of work of the members of the Administrative Board for fulfillment of tasks entrusted with;

fulfillment of other actions to ensure effective work of Administrative Board.

8. A Working body of the Administrative Board is the Ministry for Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan (hereinafter – Working body).

9. The Working body of Administrative Board:

ensures timely preparation of all necessary materials to the next meeting of Administrative Board and has the right to receive necessary materials and expert conclusions from the Directorate of Navoi FIEZ, the ministries, state committees and departments, the agencies of economic management, state local agencies and members of the Administrative Board;

prepares and submits analytical materials concerning the agenda to the Administrative Board;

submits other materials to the Administrative Board in accordance with its resolutions.

10. Administrative Board holds meetings as far as required, but not less than once in a quarter.

11. A chairman of the Administrative Board, and if the latter is absent – an authorized deputy chairman of the Administrative Board holds the meeting of the Administrative Board.

The meeting of the Administrative Board is competent (there is a quorum) if no less than 2/3 of members of the board have been registered to participate in the meeting on the moment of ending of the registration..

12. A decision of Administrative Board is taken by a majority vote of members present at the meeting. Upon vote parity, the vote of the chairman of the Administrative Board is decisive.

Each member of the Administrative Board has the right to express his opinion on decision taken in in writing.

To take decisions quickly, the chairman of the Administrative Board can approve the decision of the Board on certain matters coordinated with the members of the commission by questioning.

13. All the decisions taken by the Administrative Board shall be included into a protocol of the meeting of the Administrative Board. The protocol of the Administrative Board is vided by all his members, signed by a secretary, approved by the chairman of the Administrative Board and is forwarded to the members of the Administrative Board and concerned organizations within a week.

The protocol of the Administrative Board and materials enclosed are kept by the Working body.

14. The Working body exercises control over fulfillment of decisions taken by the Administrative Board.

15. The Working body systematically studies and considers a course of fulfillment of decisions taken by the Administrative Board and introduces relevant proposals to the chairman of the Administrative Board where necessary.

16. On initiative of one of the members of the Administrative Board, a special meeting can be held. A well-founded demand on holding a special meeting of the Administrative Board is forwarded to the Working body in writing.

17. Before consideration at the meeting, items included into the agenda of the Administrative Board are forwarded by the Working body to each member of the Administrative Board not later than five days before holding the meeting.

18. In case where amendments have been introduced to the Agenda, the Working body informs each member of the Administrative Board not later than three days before the beginning of the meeting of the fact.

19. The Administrative Board terminates its activity after cancellation of Navoi FIEZ in keeping with the established procedure or ahead of schedule according to resolution of the Cabinet of Ministries of the Republic of Uzbekistan.

**5.3 RESOLUTION OF THE CABINET OF MINISTERS OF THE REPUBLIC OF UZBEKISTAN
ON APPROVAL OF REGULATIONS ON SIMPLIFIED REGIME OF ENTRY, DEPARTURE
STAY AND HIRING OF FOREIGN CITIZENS AND STATELESS PERSONS ON THE
TERRITORY OF NAVOI FREE INDUSTRIAL ECONOMIC ZONE**

April 9, 2009 N 104

(in extracts)

2. To lay down, that issue and extension of entry and exit visas, temporary registration in the Republic of Uzbekistan, as well as permit to attract foreign manpower and a confirmation for the right of labor activity to participants of economic activity on the territory of the Navoi Free Industrial Economic Zone is fulfilled without levy of state duty and other payments.

The Prime Minister of the Republic of Uzbekistan

Sh.Mirziyev

Enclosure
to the Resolution of the Cabinet of Ministers
of the Republic of Uzbekistan
dated April 9th, 2009 No. 104

**REGULATIONS ON SIMPLIFIED REGIME OF ENTRY, DEPARTURE STAY AND HIRING OF
FOREIGN CITIZENS AND STATELESS PERSONS ON THE TERRITORY OF NAVOI FREE
INDUSTRIAL ECONOMIC ZONE**

I. General provisions

1. The present Regulations specify a procedure for application and granting of simplified regime of entry, departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi Free Industrial Economic Zone (hereinafter referred to as Navoi FIEZ).

A scheme of actions on fulfillment of Regulations on simplified regime of entry, departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi FIEZ is specified in the Enclosure to the present Regulations.

2. The present Regulations applies to:

participants of economic activity on the territory of Navoi FIEZ, as well as members of their families;

foreign citizens and stateless persons attracted by participants of economic activity to carry out labor activity on the territory of Navoi FIEZ.

For the purpose of the present Regulations, persons stipulated in given Clause are called foreign citizens on the territory of Navoi FIEZ.

3. The Directorate of Navoi FIEZ keeps records of foreign citizens on the territory of Navoi FIEZ and ensures timely elucidation foreign citizens of their rights and obligations, stipulated by the legislation of the Republic of Uzbekistan and the present Regulations, as well as bears responsibility for ensuring their temporary registration, movement along the Republic's territory and departure from the Republic upon expiry of their term of stay.

4. Drawing up of entry to, stay in and departure from the Republic of Uzbekistan of not selected foreign citizens and stateless persons, as well as attraction of foreign manpower is carried out in keeping with the established procedure.

II. Procedure for issue of entry visas to the Republic of Uzbekistan to foreign citizens on the territory of Navoi FIEZ

5. Based on a written application of the Directorate of Navoi FIEZ to the Ministry of Foreign Affairs of the Republic of Uzbekistan, entry visas are issued to the foreign citizens on territory of Navoi FIEZ.

If other procedure for issue of visas, more favorable one than that stipulated by the present Regulations is established for citizens of certain states by the Republic of Uzbekistan, the more favorable procedure applies.

6. A term of consideration of a written application of the Directorate of Navoi FIEZ to issue entry visa to the Republic of Uzbekistan to a foreign worker on the territory of Navoi FIEZ shall not exceed two working days from the date of filing the application.

7. Entry visas to the Republic of Uzbekistan (entry, entry-exit visas) to foreign citizens on the territory of Navoi FIEZ are issued by:

- a. diplomatic representative offices and consular establishments of the Republic of Uzbekistan abroad, and if such establishments are not available - by diplomatic representative offices of other countries with which an agreement on fulfillment of certain consular functions has been signed;
- b. consular bureau of the Ministry of Foreign Affairs of the Republic of Uzbekistan in airports having communication with foreign states.

8. Entry visas to the Republic of Uzbekistan are issued to foreign citizens on the territory of Navoi FIEZ for a period of one year or for a term of validity of confirmation for the right to labor activity issued by the Agency for foreign labor migration of the Ministry of Labor and Social Protection of the Population of the Republic of Uzbekistan (hereinafter referred to as the Agency).

9. Multiple entry visas to the Republic of Uzbekistan are issued to foreign citizens on the territory of Navoi FIEZ for a period of one year or for a term of confirmation for the right of labor activity issued by the Agency.

10. To get entry visas to the territory of the Republic of Uzbekistan, foreign citizens on the territory of Navoi FIEZ shall present a filled in questionnaire-application of the established form in duplicate, a national passport or other identity card, an application from the Directorate of Navoi FIEZ to diplomatic representative offices or consular establishments of the Republic of Uzbekistan abroad, and those arriving to the Republic of Uzbekistan to fulfill work under the contracts (agreements) for a term exceeding three months, shall also present a confirmation for the right to carry out labor activity issued by the Agency.

11. Entry visa is valid in the whole territory of the Republic of Uzbekistan with the exception of areas and objects closed for foreign citizens.

12. Foreign citizens on the territory of Navoi FIEZ can move freely along the territory of the Republic of Uzbekistan open for visiting.

III. Rules of stay of foreign citizens on the territory of Navoi FIEZ in the Republic of Uzbekistan

13. Foreign citizens on the territory of Navoi FIEZ reside on the territory adjacent to Navoi FIEZ allotted for construction of housing and social infrastructure and stipulated by general layout (plan) of Navoi FIEZ.

Foreign citizens on the territory of Navoi FIEZ can live in other territory as agreed with the Directorate of Navoi FIEZ and interior authorities.

14. Foreign citizens on the territory of Navoi FIEZ reside on the territory of the Republic of Uzbekistan according to national passports or other identity cards on the grounds of temporary registration. National passports or other identity cards shall be presented to the Directorate of Navoi FIEZ for temporary registration on their arrival within a day, excluding holidays and days off.

15. Temporary registration of foreign citizens on the territory of Navoi FIEZ as well extension of temporary registration is fulfilled by the sub-division of entry-exit and citizenship of interior department of Navoi province.

16. Foreign citizens on the territory of Navoi FIEZ are subject to temporary registration by the sub-division of entry-exit and citizenship of interior department of Navoi province on the grounds of written applications of the Directorate of Navoi FIEZ. The applications shall be filed within three days, excluding holidays and days off from the date the foreign citizens subject to registration have submitted their national passports or identity card for temporary registration.

Temporary registration of foreign citizens on the territory of Navoi FIEZ is issued and extended within one day for a period indicated in written applications of the Directorate of Navoi FIEZ; however this term shall be indicated within a term of visa validity.

17. Foreign citizens on the territory of Navoi FIEZ are released from temporary registration in keeping with the procedure established by the Law.

18. Foreign citizens on the territory of Navoi FIEZ are obliged to have national passports or identity cards with them.

If a foreign citizen on the territory of Navoi FIEZ has lost of his r national passport or identity card he should immediately inform the Directorate of Navoi FIEZ and bodies of internal affairs of the fact.

19. Use by a foreign citizen on the territory of Navoi FIEZ of personal or official transport facility, driving licenses to drive means of transport in the territory of the Republic of Uzbekistan, state technical inspection of means of transport of foreign owners, as well as provision of foreign citizens with the vehicles belonged to the citizens of the Republic of Uzbekistan or foreign citizens living on the territory of the Republic of Uzbekistan is implemented in keeping with the established procedure.

20. Movement of foreign citizens on the territory of Navoi FIEZ along the territory of the Republic of Uzbekistan, as well as restriction of the right to entry, shortening of a term of stay in the Republic of Uzbekistan, as well as their deportation from the country is fulfilled in accordance with the law.

IV. Procedure for issue of exit visas from the Republic of Uzbekistan to foreign citizens on the territory of Navoi FIEZ

21. Issue and extension of exit visas from the Republic of Uzbekistan (exit, exit-entry visas) to foreign citizens on the territory of Navoi FIEZ is fulfilled by:

- a. Department of Entry, Exit and Citizenship of the Ministry of Internal Affairs of the Republic of Uzbekistan;
- b. a sub-division of entry-exit and citizenship of interior department of interior of Navoi province.

22. To issue and extend visas, the foreign citizens on the territory of Navoi FIEZ shall apply to the Directorate of Navoi FIEZ; at the same time, they shall produce their national passport or identity card.

The Directorate of Navoi FIEZ files an application and filled in questionnaire of an established form in duplicate to the department of entry-exit and citizenship of the Ministry of Internal Affairs of the Republic of Uzbekistan or a sub-division of entry-exit and citizenship of interior department of Navoi province.

23. A term of consideration of the application to issue and extend exit visa from the Republic of Uzbekistan (exit, entry-exit visas) of a foreign citizen on the territory of Navoi FIEZ shall not exceed five working days from the date of its filing.

24. Multiple exit-entry visas are issued to the foreign citizens on the territory of Navoi FIEZ for a period of one year or for a term of confirmation of the right of labor activity issued by the Agency.

25. According to results of consideration of the questionnaire-application of a foreign citizen on the territory of Navoi FIEZ, interior affairs indicated in Clause 21 of the present Regulation glue entry visa without indication of a term of validity in his national passport or identity card.

Foreign citizens on the territory of Navoi FIEZ applied for issue of multiple exit-entry visa, after it has been glued in, can depart abroad time and again with notification of the Directorate of Navoi FIEZ.

V. Procedure for hiring of foreign manpower on the territory of Navoi FIEZ

26. A foreign citizens entered the Republic of Uzbekistan with a view to carry out labor activity on the territory of Navoi FIEZ, can be hired only if a confirmation for the right of labor activity (hereinafter referred to as the confirmation) issued by the Agency to his name in the established form is available.

At the same time, a period of validity of confirmation must not exceed a period of validity of confirmation for the right to attract foreign manpower.

27. Grounds to issue the confirmation is an appropriate permit for the right to attract foreign manpower (hereinafter referred to as the permit) issued by the Agency to the employer.

The permit is issued for one year and is extended according to the agreement of the parties on the grounds of documents stipulated by Clause 29 of the present Regulations, submitted by the employer till the expiry of a labor contract.

28. Confirmation to a foreign worker is issued to the employer together with the permit for the right to attract foreign labor force.

29. To receive a permit/confirmation, the participant of Navoi FIEZ shall present to the Agency the following documents:

- an application of the established form;
- a copy of a certificate of the participant of economic activity of Navoi FIEZ;
- an application of the Directorate of Navoi FIEZ;
- a questionnaire of a foreign worker with a photo;
- a certificate on absence of HIV infection for the foreign worker;
- a copy of a national passport or identity card;
- a draft contract or other documents confirming preliminary agreement with foreign citizens or foreign organization on intentions and terms of attraction of foreign workers.

To extend the work permit/the confirmation, the following documents shall be submitted:

- an application of the established form;
- an application of the Directorate of Navoi FIEZ;
- a questionnaire for a foreign worker with a photo;
- a certificate on absence of HIV infection for the foreign worker;
- a copy of the national passport or identity card;
- permit/confirmation.

30. The documents to issue a permit/a confirmation to foreign citizens on the territory of Navoi FIEZ are considered without request of conclusions of territorial department for labor and social protection of population of the Ministry of Labor and Social protection of the Population of the Republic of Uzbekistan.

31. The Agency takes a decision on issue (extension) of the permit/the confirmation within ten working days from the date the employer has submitted documents stipulated in Clause 29 of the present Regulations.

32. The work permit is not liable to be handed over to the other employers.

Foreign workers attracted on the grounds of the one work permit cannot be moved to the other employers.

33. Permits/confirmations are suspended and cancelled, as well as foreign workers are deported from the territory of the Republic of Uzbekistan in keeping with procedure established by the Law.

VI. Concluding provisions

34. Persons identified as having violated the present Regulations will be prosecuted under the Law.

Enclosure to Resolution on the simplified regime of entry, Departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi Free Industrial Economic Zone

Scheme
of actions for implementation the Resolution on the simplified regime of entry, departure, stay and hiring of foreign citizens and stateless persons on the territory of Navoi Free Industrial Economic Zone

Stages	Subjects	Actions	Terms
Issue of visas to foreign citizens to enter the Republic of Uzbekistan			
1stage	Navoi FIEZ Directorate	Directorate of Navoi FIEZ sends a written application to the Ministry of Foreign Affairs to issue visa (item 5)	As required
2stage	MFA	Ministry of Foreign Affairs considers a written application of the Directorate of Navoi FIEZ to issue visa (item 6)	During two working days
3 stage	MFA to diplomatic representatives and consular agencies of the Republic of Uzbekistan abroad	Diplomatic representatives and consular offices of the Republic of Uzbekistan abroad and consular offices of the Ministry of Foreign Affairs in the airports issue visas to foreign citizens (item 7)	During the working day
4stage	Foreign citizens	Foreign citizens apply to diplomatic representatives or consular offices of the Republic of Uzbekistan abroad or consular offices of the Ministry of Foreign Affairs in airports for visa registration (item 10)	After receiving notification of Navoi FIEZ Directorate
Temporary residence registration for foreign citizens and its extension			
5stage	Foreign citizens	Foreign citizens will apply to Directorate of Navoi FIEZ for registration of temporary residence registration	During one day after arriving to Navoi FIEZ
6stage	Navoi FIEZ Directorate	Directorate of Navoi FIEZ submits a written application to the unit of entry, exit and registration of citizenship of the Department of Internal Affairs of Navoi region, for temporary registration of foreign citizens (first paragraph item 16)	During three days
7stage	Department of entry, exit and registration of citizenship of Internal Affairs Unit of Navoi region	Unit of entry, exit and registration of citizenship of the Department of Internal Affairs Unit of Navoi region issues and extends the temporary residence permits to foreign citizens (second paragraph item 16)	In one day
Extension of visas to foreign citizens			
8stage	Foreign citizens	Foreign citizens will apply to the Directorate of Navoi FIEZ for issuance of visa and extension of its validity term (first paragraph item 22)	within the validity period of visa
9stage	Navoi FIEZ Directorate	Directorate of Navoi FIEZ will apply to the unit of entry, exit and registration of citizenship of the Department of Internal Affairs of Navoi region for issuance and prolongation of visa validity term (second paragraph item 22).	On the same day

Stages	Subjects	Actions	Terms
10stage	Department of entry, exit and registration of citizenship of Ministry of Internal Affairs or Unit of entry, exit and registration of citizenship of the Department of Internal Affairs of Navoi region	Department of entry, exit and registration of citizenship of Ministry of Internal Affairs or Unit of entry, exit and registration of citizenship of the department of Internal Affairs of Navoi region issues and prolongs visa validity term (item 23) .	During five working days
Registration and extension of work permit / confirmation of the right to work			
11stage	Navoi FIEZ participant	Navoi FIEZ participant presents the relevant documents to the Agency on Foreign Labor Migration under the Ministry of Labor and Social Protection (item 31)	As required
12stage	Agency on Foreign Labor Migration	Agency on foreign labor migration issues a decision on issuance (extension) of work permit / confirmation of the right to work (item 31) .	During ten working days

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5.4 REGULATIONS ON A PROCEDURE FOR SELECTION OF INVESTORS TO LOCATE IN NAVOI FREE INDUSTRIAL ECONOMIC ZONE

Enclosure №2
to the Resolution of the Cabinet of Ministers
of the Republic of Uzbekistan
dated April 9th, 2009 № 105

I. General provisions

1. The present Regulations governs a procedure for selection of investors to locate in Navoi Free Industrial Economic Zone (hereinafter — Navoi FIEZ) to carry out entrepreneurial activity in its territory.

2. The Working body of Administrative Board and the Directorate of Navoi FIEZ are commissioned to take decision on selection of investors for allocation in Navoi FIEZ.

II. Stages of the organization of selection of investor

3. To locate investors in Navoi FIEZ, they are selected in two stages.

4. At the first stage of selection, the investor presents to the Directorate of Navoi FIEZ filled in investment application for location of production on the territory of Navoi FIEZ (hereinafter — investment application) on a form approved by the Administrative Board with enclosure of:

- a copy of the certificate of state registration of the investor or an extract from trade register having jurisdiction over a place of registration of legal entity, legalized by consular establishment of the Republic of Uzbekistan in keeping with established procedure;
- a business-plan of the proposed project;
- a confirmation of working experience of a legal entity in relevant sphere, information on similar projects fulfilled in relevant sphere;
- conclusions of an auditor organization on the financial accounting for a period of existence of the legal entity, but not less than for last three years;
- a document confirming samples of signatures of the investor's authorized persons.

All the documents shall be submitted by the investors to the Directorate of Navoi FIEZ; an appropriate translation of the aforesaid documents into official or Russian Languages shall be enclosed in keeping with the established procedure.

5. Business-plan submitted to the Directorate of Navoi FIEZ shall include the following basic provisions:

- name, volumes and assortment of output planned to be produced;
- prospective prices and production distribution markets, volumes of manufacture export oriented output;
- infrastructure and engineering structures required to fulfill proposed project;
- proposed size of an area of the territory of Navoi FIEZ for efficient location of production;
- availability of raw-material base and guaranteed opportunity to provide with raw material for the period of the project fulfillment;
- description of a technology of the proposed production taking ecological requirements into consideration;
- information on a trade mark proposed to be used;
- calculation of economic efficiency, as well as most effective technical, organizational and economic decision of fulfillment of the project;

- character of manufacturing equipment, proposed to be used in production;
- amount of proposed capital investment, sources of financing and proposed pledge security in case of attraction of borrowings;
- a number of created working places.

6. The Directorate of Navoi FIEZ considers, within 5 working days, presented documents for correspondence to requirements established by Clauses 4 and 5 of the present Regulations.

In certain cases, upon consideration of investment application to participate in selection, an additional information/documentation on the project can be asked for selection. In this case presented documents are considered by the Directorate of Navoi FIEZ within 5 working days from the date the additional information/documentation has been presented.

7. Consideration of investment application to participate in selection can be refused in case if:

the investment application has been filed with violation of established requirements;

the documents presented by the investor:

include inauthentic or distorted information;

there is no proof that the investor has or will have necessary financial and technical means to fulfill proposed project.

8. At the second stage investment applications and documents presented by the investor are handed over by the Directorate of Navoi FIEZ to the Working body of the Administrative Board with the relevant conclusion signed by the director of the Directorate, enclosed.

III. Procedure for consideration of investment applications by the Administrative Board

9. The Working body submits investment applications, presented by the Directorate of Navoi FIEZ for consideration to the Administrative Board.

10. To take decision on selection of investor for location of production on the territory of Navoi FIEZ, the Administrative Board considers:

financial and technological solvency of the investor;

total economic efficiency and expediency of fulfillment of the project (optimal location of production capacity, created working places, influence on structural reformation in the branch, use of capacity in service, availability of necessary raw materials, materials and infrastructure);

possibilities and prospects of sale of finished product both on domestic and foreign market; a level of localization of production and change of commodity position of finished product on code of CN FEA as compared with feed stock on the level of one of the first 4 digits;

correspondence of a level of manufacturing equipment to up-to-date quality standards (ISO 9001 and ISO 14001), availability of the quality management system corresponding to international standards in the project;

making up the staff of the created enterprise from citizens of the Republic of Uzbekistan not less than 80 percent of a total number of attracted workers, giving them opportunity to work on probation and to rise the level of their skill;

a volume of direct investments;

other factors specified by the resolution of the Administrative Board.

Upon consideration of investment applications, preference is given to the projects which ensure full production cycle on the territory of Navoi FIEZ by establishment of legal entities interacting in successive manufacturing processing of raw materials and semi-finished product upon manufacture of finished commodity.

11. The Administrative Board considers investment applications within 10 working days and makes a decision on:

possibility of location of production on the territory of Navoi FIEZ;

necessity of complete submitted documents with indication of certain and well-founded remarks and defects;

inexpediency of location of production.

12. If, in the course of consideration by the Administrative Board, the facts, certifying that the investor submitted false information about himself have been revealed, the consideration is terminated and an appropriate well-founded conclusion is forwarded to the investor.

13. Investment applications completed in accordance with third Paragraph of Clause 11 of the present Regulations, are re-submitted to the Administrative Board.

14. A positive decision of the Administrative Board on investment application is specified in a minutes of the meeting of the Administrative Board; the given protocol serves as a ground to conclude the agreement of investment on the territory of Navoi FIEZ between the Directorate of Navoi FIEZ and the investor.

15. A copy of the protocol of the meeting with a decision of the Administrative Board is forwarded by the Working body to the investor or his authorized person within 3 working days from the date the protocol of the Administrative Board has been approved.

IV. Responsibility

16. The investor is responsible for authenticity of presented information and documents, timely, complete and proper fulfillment of his obligations in keeping with the procedure established by the legislation.

17. The members of the Administrative Board, the Working body and the Directorate of Navoi FIEZ bear responsibility in accordance with the law for disclosure of confidential information, untimely and improper consideration of investment applications and the documents enclosed.

5.5 REGULATIONS ON PROCEDURE FOR REGISTRATION OF ECONOMIC ESTABLISHMENTS AS PARTICIPANTS OF ECONOMIC ACTIVITY OF NAVOI FREE INDUSTRIAL ECONOMIC ZONE AND CARRYING OUT ENTREPRENEURIAL ACTIVITY BY THEM

Enclosure №3
to the Resolution of the Cabinet of Ministers
of the Republic of Uzbekistan
dated April 9th, 2009 № 105

I. General provisions

1. The Present Regulations specify a procedure and terms of registration of economic establishments as participants of economic activity on the territory of Navoi Free Industrial Economic Zone (hereafter – participant of Navoi FIEZ).

2. The participants of Navoi Free Industrial Economic Zone (hereafter – Navoi FIEZ) are registered in three stages:

the I step – selection of investors for their location on the territory of Navoi FIEZ by the Administrative Board of Navoi FIEZ (hereinafter referred to as Administrative Board);

the II step – coordination and conclusion of the agreement of investment on the territory of Navoi FIEZ (hereinafter referred to as investment agreement) between the Directorate of Navoi FIEZ and investor selected to be located in Navoi FIEZ;

the III step – state registration in cases stipulated by the legislation, inclusion of economic establishments into the register of participants of Navoi FIEZ.

3. The Administrative Board selects investors with a view to locate them on the territory of Navoi FIEZ in keeping with the procedure established by the legislation.

II. Procedure for conclusion of investment agreement

4. According to the results of selection, investors received positive resolution of the Administrative Board to be located on the territory of Navoi FIEZ, apply to the Directorate of Navoi FIEZ to coordinate and conclude an investment agreement.

5. The investment agreement is concluded between the Directorate of Navoi FIEZ and the investor (investors); is shall include indication to:

an objects and volume of investment, kinds of activity carried out on the territory of Navoi FIEZ;

terms and conditions of the investment agreement;

the investor's rights and obligations:

on a volume of investments, ensuring a certain volume of production, guaranteed level of localization of production and output quality, a volume of export of goods and work (serviced) of own production, observance of the legislation in a field of protection of environment, natural resources conservation, labor legislation and accident prevention, insurance of property and liability, as well as other aspects of production activity;

rights and obligations of the Directorate of Navoi FIEZ;

information on terms of preparation of design estimates, conclusion of agreements for contractor's work, sources of financing, project fulfillment schedule, a procedure for technical supervision over a course of fulfillment of investment project;

a procedure and terms of presentation by the investor of reports on a course of fulfillment of his their obligations;

a place of location and a size of allotted land parcel;

responsibility of parties for failure to observe terms of the investment agreement;

a procedure for introduction of amendment to the investment agreement;

a procedure for termination of the investment agreement;

a procedure and place for settlement of disputes resultant from the investment agreement;

The investment agreement can include other terms depending on specific character of investment project, including:

mutual obligations of the parties for development of production, engineering and social infrastructure;

investor's obligations on hiring and training of workers - natural persons of the Republic of Uzbekistan, terms of use of technologies, as well as investor's obligations on training of workers of created economic establishment.

6. To prepare investment agreement, the investor submits to the Directorate of Navoi FIEZ following documents:

draft investment agreement;

a copy of a positive decision of the Administrative Board for location on the territory of Navoi FIEZ;

a copy of business-plan of the project.

7. Requesting additional documents not stipulated in Clause 6 of the present Regulations is forbidden.

8. Investors are responsible for authenticity of presented information and documents in accordance with the legislation of the Republic of Uzbekistan.

9. Draft investment agreements, as well as other materials are considered by the Directorate of Navoi FIEZ within 10 working days from date they have been received.

If required, the Directorate of Navoi FIEZ can inquire conclusions of the authorized state agencies concerning certain provisions of the investment agreement. At the same time, a total period of consideration of draft investment agreement cannot exceed a term specified in the first Paragraph of the present Clause.

10. If necessary, for the purpose of coordination of provisions of the investment agreement between the Directorate of Navoi FIEZ and the investor (investors), the negotiations can be held.

11. The investment agreement is concluded for a term stipulated by the investment agreement; however, the given term shall not exceed the term of operation of Navoi FIEZ.

12. The investment agreement between the investor and the Directorate of Navoi FIEZ comes into force from the date of issue of a certificate of participant of Navoi FIEZ to the economic establishment created by the investor.

13. The investment agreement is terminated:

upon termination of a period for which investment agreement has been concluded;

in case of deprivation of a person of status of participant of Navoi FIEZ;

in case of prescheduled abolishment of Navoi FIEZ;

in other cases stipulated by the legislation.

III. Procedure for registration of economic establishments as participants of Navoi FIEZ

14. In cases stipulated by the legislation, the investor presents to the registering agency relevant documents required for state registration of economic establishment created by him within 10 working days from the date the investment agreement has been signed.

15. State registration of economic establishments created by the investors to locate on the territory of Navoi FIEZ is carried out in keeping with the procedure stipulated by the legislation of the Republic of Uzbekistan for state registration of legal entities.

16. Necessary documents required for state registration are prepared at the investor's option:

by the investor himself;

on a contractual basis – by the Directorate of Navoi FIEZ or by other person.

17. After state registration by the investor, the following documents shall be presented to the Directorate of Navoi FIEZ:

an application to include into the register of participants of Navoi FIEZ;

notarized copy of the certificate of the state registration of a legal entity;

documents confirming payment for registration as a participant of Navoi FIEZ in the amount determined by the Administrative Board.

18. Based on presented documents, the Directorate of Navoi FIEZ, within 2 working days, includes the economic establishment into the register of participants of Navoi FIEZ and issues a certificate of the participant of Navoi FIEZ.

19. The Directorate of Navoi FIEZ informs relevant sub-divisions of the agencies of the state tax and customs service located on territory of Navoi FIEZ of inclusion of the economic establishment into the register of participants of Navoi FIEZ, within one day from the date the relevant entry has been made into the register of participants of Navoi FIEZ.

20. A document confirming the registration of the economic establishments as a participant of Navoi FIEZ is a certificate of participant of Navoi FIEZ issued by the Directorate of Navoi FIEZ.

21. An authorized fund of the participant of Navoi FIEZ declared in constituent documents shall be formed within time stipulated by the legislation.

22. Participants of Navoi FIEZ independently form production programs and sell output (work, services) produced by them which is in their disposal completely, they have the right to carry out, in keeping with law, any foreign economic operations with goods (services) manufactured on the territory of Navoi FIEZ.

23. The economic establishment can be deprived status of the participant of Navoi FIEZ only in legal form according to an application of the Directorate of Navoi FIEZ if the participant of Navoi FIEZ has violated the law and the investment agreement and entails termination of investment agreement.

The Directorate of Navoi FIEZ makes an entry to the register of participants of Navoi FIEZ on deprivation of the economic establishments of a status of participant of FIEZ within 3 days from effective date of a court decision on deprivation of the economic establishment of such status.

24. The Directorate of Navoi FIEZ informs the agencies of the state tax and customs service located on the territory of Navoi FIEZ of deprivation of the economic establishment of a status of the participant of Navoi FIEZ, within one day from the date the relevant entry has been made into the register of participants of Navoi FIEZ.

5.6 REGULATIONS ON A PROCEDURE FOR SECURING A SPECIAL TAX REGIME ON THE TERRITORY OF NAVOI FREE INDUSTRIAL ECONOMIC ZONE

Enclosure №2
to the Resolution of the Cabinet of Ministries
of the Republic of Uzbekistan
dated April 23rd, 2009 №120

I. General Provisions

1. The present Regulations specify a procedure for securing a special tax regime, application of tax and other obligatory payment related privileges on the territory of Navoi Free Industrial Economic Zone (hereinafter - Navoi FIEZ).

A special tax regime applies only to activity carried out by participants of Navoi FIEZ only on the territory of Navoi FIEZ.

Economic establishments not being participants of Navoi FIEZ are taxed in keeping with the established procedure.

2. In accordance with the December 2nd 2008 Decree № UP-4059 by the President of the Republic of Uzbekistan "On establishment of Free Industrial Economic Zone in Navoi province", participants of Navoi FIEZ are exempt from payment of land tax, property tax, profit tax imposed on legal entities, tax imposed on improvement and development of social infrastructure, unified tax payment imposed on microfirms and small enterprises, mandatory deductions to the Republican road fund and off-budget School education fund.

3. Privileges stipulated in Clause 2 of the present Regulations are granted where a volume of direct investments is (equivalent):

from Euro 3 to 10 million - for 7 years;

from Euro 10 to 30 million - for 10 years. In subsequent 5 years rates of profit tax imposed on legal entities and unified tax payment for micro firms and small enterprises are established in the amount of 50 percent of current rates;

over Euro 30 million - for 15 years. In subsequent 10 years the rates of profit tax imposed on legal entities and unified tax payment for micro firms and small enterprises are established in the amount of 50 percent of current rates.

For the purpose of the present Regulations "direct investments" are investments of the legal entities and natural persons without guarantee of the Republic of Uzbekistan.

II. Procedure for application of tax and other obligatory payment related privileges

4. Privileges specified in the Clause 2 of the present Regulations apply to participants of Navoi FIEZ when established volume of direct investments is achieved:

a. by 15th date of a month – from the beginning of the month;

b. in other cases - from the beginning of the month following one in which the established volume of investments has been achieved.

A term of validity of aforesaid privileges begins from the date the economic establishments have been included into the register of participants of Navoi FIEZ.

If the participant of Navoi FIEZ has increased a volume of direct investments up to the level liable to privilege, the given privilege shall apply from a month in which the right to application of the privilege according to a volume of investment began and is valid for remaining period up to termination of a term of validity of privileges.

5. Upon increase of direct investment up to the level coming within a term exceeding one granted earlier, privileges apply from a month in which the right to application of privileges on a previous volume of investment began, i.e. a term of privileges is extended, taking validity of a term of earlier privilege into consideration.

III. Procedure for notification on application of tax and other obligatory payments related privileges

6. To apply privileges indicated in Clause 2 of the present Regulations by participants of Navoi FIEZ, the Directorate of Navoi FIEZ shall submit, within 30 days from the date of placement of direct investments the following documents to the agencies of the state tax service having jurisdiction over a place of tax accounting:

- a.** a copy of a certificate of participant of Navoi FIEZ;
- b.** a reference of a volume of placed investment;
- c.** a confirmation of the Ministry of Finance of the Republic of Uzbekistan that investments have been placed without guarantee of the Republic of Uzbekistan. The confirmation of the Ministry of Finance of the Republic of Uzbekistan is issued within 10 working days from the date of receipt of inquiry of the Directorate of Navoi FIEZ by the Ministry of Finance of the Republic of Uzbekistan.

7. Upon increase of a volume of investments leading to increase of a grace period, the Directorate of Navoi FIEZ presents documents stipulated by sub-point "b" and "c" in Clause 6 of the present Regulations to the agencies of the state tax service having jurisdiction over a place of tax accounting, within 30 days from the date of additional placement of direct investments.

8. After study of presented documents, the agencies of the state tax service, within 3 working days, forward a written conclusion to the Directorate of Navoi FIEZ with certain substantiation on either application or not application of tax and other obligatory payment related privileges to the participant of Navoi FIEZ; at the same time, the participant of Navoi FIEZ to whom the privileges apply are introduced to the register of participants of Navoi FIEZ enjoying privileges with indication of a name of the participant and a term of a grace period.

9. Based on data of subordinated agencies of the state tax service, the State Tax Committee of the Republic of Uzbekistan keeps register of participants of Navoi FIEZ and annually submits it to the Ministry of Finance of the Republic of Uzbekistan till April 15th of a year following the year under review.

IV. Procedure for record keeping, and presentation of financial and tax accounts

10. Book records and accounts are kept on the territory of Navoi FIEZ in accordance with the legislation of the Republic of Uzbekistan or according to choice of the participant of Navoi FIEZ in accordance with international standards of financial accounts.

11. Financial accounts is presented by the participant of Navoi FIEZ to the agencies of state tax service in accordance with the Law of the Republic of Uzbekistan "On accounting".

12. Participants of Navoi FIEZ do not present tax accounts on taxes and other obligatory payments liable to privileges to the agencies of the state tax service.

13. Participants of Navoi FIEZ present tax accounts on taxes and other obligatory payments liable to tax obligations, to the agencies of the state tax service in accordance with the Tax code of the Republic of Uzbekistan.

14. Participants of Navoi FIEZ enjoying privileges, present a reference on a sum of tax and obligatory payments related privileges simultaneously with presentation of annual financial and tax accounts on a form according to Enclosure to the present Regulations.

15. A procedure for calculation and payment of taxes and discharge of other obligatory payments is determined in accordance with Tax code of the Republic of Uzbekistan.

V. Responsibility of taxpayers and a procedure for exercising control by the agencies of the state tax service

16. Participants of Navoi FIEZ are responsible for violation of the tax legislation under the Law.

17. The agencies of the state tax service of the Republic of Uzbekistan exercise control over correct application of privileges stipulated in Clause 2 of the present Regulations.

Enclosure to the Regulations on a procedure for securing a special tax regime on the territory of Navoi Free Industrial Economic Zone

ITN

Tax period

Full name of Participant _____

of Navoi FIEZ _____

The date of issuance of the certificate on granting the privileges (day, month, year)

Issued by _____
(state tax authorities at the place of tax registration)

CERTIFICATE

on the sum of privileges on taxes and compulsory payments in accordance with the Decree of the President of the Republic of Uzbekistan dated December 2, 2008 №DP-4059 "On establishment of Navoi Free Industrial Economic Zone"

Name of payment	The amount of privileges
Total, including:	
Land tax	
Property tax	
profit tax of legal entities	
social infrastructure development tax	
unified tax payment	
compulsory contributions to the Republican Road Fund	
compulsory contributions to of-budget Republican School Fund	

To be filled by taxpayer	To be filled by an official of state tax authorities
CEO	The certificate has been submitted in (mark by tick)
ITN <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="checkbox"/> paper, <input type="checkbox"/> electronic form
Full name _____	<input type="checkbox"/> personally, <input type="checkbox"/> by mail, <input type="checkbox"/> by e-mail
Signature _____	in <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> pages
Chief accountant	Date of submission <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> (dd/mm/yy)
ITN <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	Full name _____ (Last name, first name, middle name)
Full name _____	Signature _____
Signature _____	
Date (dd/mm/yy) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	

5.7 REGULATIONS ON A SPECIAL CUSTOMS REGIME ON THE TERRITORY OF NAVOI FREE INDUSTRIAL ECONOMIC ZONE

Enclosure №1
to the Resolution of the Cabinet of Ministries
of the Republic of Uzbekistan
dated April 23rd, 2009 №120

I. General provisions

1. The present Regulations specify a procedure for application of a special customs regime on the territory of Navoi Free Industrial Economic Zone (hereinafter - Navoi FIEZ).

2. A territory of Navoi FIEZ is a zone of customs control. Customs control is exercised by the customs agencies in accordance with the customs legislation.

3. The present Regulations apply only to activities carried out by participants of Navoi FIEZ on territory of Navoi FIEZ.

4. For the purposes of the present Regulations, notes used in the legislation, apply.

5. Any goods can be imported to and exported from the territory of Navoi FIEZ by both participants of economic activity on the territory of Navoi FIEZ (hereinafter – participants of Navoi FIEZ) and economic establishments – not participants of Navoi FIEZ only by permit of the agencies of state customs service (hereinafter - customs agencies).

6. Equipment, raw materials and associated items designed to manufacture output for export, imported to the territory of Navoi FIEZ by participants of Navoi FIEZ, irrespective of a country of origin (hereinafter – goods for manufacture) are draw up under the free customs zone customs regime. At the same time:

customs payments (except for customs clearance fee) and measures of economic policy do not apply to foreign goods designed for production needs. For the purpose of external trade statistics, aforesaid goods are considered as import;

goods of Uzbekistan are placed on terms applied to export in accordance with the customs export regime.

7. Goods for manufacture can be on the territory of Navoi FIEZ within a term of its operation.

8. Goods for manufacture can undergo any operations if such operations correspond to the terms of the agreement on investment on the territory of Navoi FIEZ (hereinafter - the agreement on investment).

9. Goods not designed for manufacture and goods manufactured by participants of Navoi FIEZ with their use being in free circulation in the customs territory of the Republic of Uzbekistan are moved freely to/from the territory of Navoi FIEZ.

II. Particularities of customs control and customs clearance of goods imported to and exported from the territory of Navoi FIEZ

10. Goods for manufacture being foreign goods can be placed:

under re-export customs regime – in case of export from the Republic of Uzbekistan without application of customs payments to them (with the exception of customs clearance fee) and measures of economic policy;

under release for free circulation customs regime in case of their transfer (alienation) for consumption on the territory of the Republic of Uzbekistan by persons not being participants of Navoi FIEZ with discharge of all due customs payments.

11. In case of transfer (alienation) of goods for manufacture being goods of Uzbekistan to persons - not participants of Navoi FIEZ for consumption on the territory of the Republic of Uzbekistan, the latter shall be placed under re-import customs regime on terms established by this regime in keeping with established procedure.

12. Goods manufactured by participants of Navoi FIEZ (hereinafter – output), upon their export from Uzbekistan are placed under export customs regime.

At the same time, goods of Uzbekistan used for their manufacture are not taken into account in export statistics.

13. Output liable to transfer (alienation) for consumption on the territory of the Republic of Uzbekistan to the persons - not participants of Navoi FIEZ is placed under release for free circulation customs regime in keeping with the established procedure. At the same time:

as regards foreign goods (raw materials, associating items) used for manufacture of sold quantity of output,, customs payments (with the exception of customs clearance fee) are discharged at the rate of 50 percent of the established rates of the date of acceptance of the cargo customs declaration.

as regards goods of Uzbekistan (raw materials and associated items), used for manufacture of sold quantity of output, value added tax and excise tax not imposed on goods in connection with their placement under free customs zone customs regime are paid.

Aforesaid payments can be discharged within 180 days from the date of customs clearance, unless the legislation establishes more favorable regime.

14. Upon transfer (alienation) by one participant of Navoi FIEZ of his goods for manufacture and output to the other participant of Navoi FIEZ, customs payments (with the exception of customs clearance fee) are not paid; but at the same time, customs clearance of these goods is fulfilled to their new owner – a participant of Navoi FIEZ.

15. Upon placement of goods for manufacture being on the territory of Navoi FIEZ under free customs zone regime, release for free circulation customs regime to the rest part of customs territory of the Republic of Uzbekistan or export to foreign states, customs payments and measures of economic policy apply depending on the country of goods' origin.

16. For the purpose of determination the country of goods' origin manufactured on the territory of Navoi FIEZ, rules of determination of the country of goods' origin established in the Republic of Uzbekistan apply.

17. Not later than 15 days before the beginning of each calendar year, participants of Navoi FIEZ are obliged to declare to the customs agency the following information in writing:

on goods for manufacture (name, quantity, code on CN FEA of the Republic of Uzbekistan, cost, the country of origin) proposed to import to the territory of Navoi FIEZ;

on operations carried out with goods for manufacture (foreign goods and goods of Uzbekistan), output and their consumption rate upon manufacture of output received as a result of such operations;

on output (name, quantity, code on CN FEA of the Republic of Uzbekistan, quantitative and value content of foreign goods and goods of Uzbekistan in production unit), proposed to export from the Republic of Uzbekistan, transfer (alienation) to the other participant of Navoi FIEZ or the person not being the participant of Navoi FIEZ, for consumption on the territory of the Republic of Uzbekistan.

18. The participant of Navoi FIEZ has the right to change information stipulated by Clause 17 of the present Regulations and inform the customs agency not later than fifteen days before filing the customs declaration in writing.

19. Regards the first consignment of goods for manufacture imported to the territory of Navoi FIEZ, the participant of Navoi FIEZ shall declare information stipulated by Clause 17 of the present Regulations not later than fifteen days before filing the customs declaration.

20. Before presentation to the customs agency, the participant of Navoi FIEZ shall coordinate information stipulated in Clause 17 through 19 of the present Regulations with the management agencies of Navoi FIEZ for the purpose of correspondence of nomenclature of goods, their quantity and operations carried out with to the terms of the agreement on investment.

21. Goods for manufacture not stipulated in an application of the participant of Navoi FIEZ are not liable to placement under free customs zone regime.

22. A form of an application of the participant of Navoi FIEZ and requirements imposed on information stipulated in it are determined by the State Customs Committee of the Republic of Uzbekistan.

23. Participants of Navoi FIEZ shall keep records of all imported, exported, stored, manufactured, processed, purchased and sold goods for manufacture and goods manufactured with their usage on the territory of Navoi FIEZ and present information to the customs agencies with regard these goods.

24. Any changes occurred with the goods for manufacture and goods manufactured with their use within Navoi FIEZ are specified in accounting documents. A form of record-keeping and accounting, as well as order a term of presentation of accounts are determined in keeping with the established procedure:

as regards accounts – by the Ministry of Finance of the Republic of Uzbekistan;

as regards statistical accounting – by the State Statistics Committee and the State Customs Committee of the Republic of Uzbekistan.

25. Goods placed under free customs zone customs regime can be annihilated on the territory of Navoi FIEZ, in case where they lost their commercial value, with permission and under control of the customs agency or alienated in favor of other participant of Navoi FIEZ; at the same, a fact of their annihilation or alienation shall be specified in the accounts presented to the customs agency.

26. For customs valuation of goods, a general procedure for determination of customs value of goods imported to the customs territory of the Republic of Uzbekistan applies with taking the following particularities into consideration:

upon determination of customs value according to a method of determination cost of value of deal with imported goods, customs value is a value of deal, i.e. price actually paid or liable to payment for goods upon their sale by a person being a participant of Navoi FIEZ to the person not being a participant of Navoi FIEZ;

for the purpose of determination of customs value of goods manufactured on the territory of Navoi FIEZ, a date of crossing the customs border by the goods under valuation, is considered to be a date of acceptance of the customs declaration by the customs agency in connection with export of goods from the territory of Navoi FIEZ to the customs territory of the Republic of Uzbekistan or their alienation in favour of persons not being participants of Navoi FIEZ;

a place of arrival of goods to the customs territory of the Republic of Uzbekistan is determined as a place of export from the territory of Navoi FIEZ or as a territory of Navoi FIEZ upon sale of goods to a person not being participant of Navoi FIEZ, without export of goods from the customs territory of the Republic of Uzbekistan.

III. Concluding provisions

27. Upon termination of operation of the Navoi FIEZ goods for manufacture being on its territory are liable to movement to the other free economic zone or placement under other customs regime within two months from the moment of termination of operation of Navoi FIEZ.

28. Within the term stipulated by Clause 27 of the present Regulations, aforesaid goods for customs purposes are considered as goods placed under temporary storage customs regime.

29. In case of deprivation of a status of participant of Navoi FIEZ, including in connection with termination of validity of the agreement on investment ahead of schedule, goods for manufacture belonging to him are liable to alienation in favor of other participant of Navoi FIEZ or placement under other customs regime within two months from the date of making an entry on deprivation of status of the participant of Navoi FIEZ to the register of participants of Navoi FIEZ.

30. In case where a person lost status of participant of Navoi FIEZ has not alienated goods for manufacture being in his ownership or has not placed them under other customs regime, the customs agencies shall take measures under the Law on the expiry of term stipulated by Clause 29 of the present Regulations.

Chapter 6

Additional information

6.1 Investment application form for location of production on the territory of Navoi FIEZ

1. Applicant information:

Name of the applicant enterprise	
Information on founders (share in authorized fund and form of contribution)	
Legal address	

2. Project information:

Name of the project	
Description and purpose of the investment project	
Proposed volume, procedure and term of forming authorized fund, share of participants and form of contribution	
Date of commencement of manufacturing activity	
Ecological safety of the project	

3. Proposed manufacture of goods:

Name of product	
Function and main characteristics	
Code of CN FEA at a level of 10 digits	
The level of localization of production and change of commodity position of finished product on code of CN FEA as compared with feed stockk	
GOST, OST, TU, OzDst, ISO9001, and ISO1400, etc.	
Average annual production capacity (in physical volume, including volumes for export and internal market)	
Trade mark to be used	

4. Financial and economic indicators of the project:

Claimed volume of investments (in USD)	
Schedule and form of submission	
Sources of financing	

Investments in fixed capital (in USD)	
Payback period of the project (according to business plan)	

Documents to be attached:

- a copy of the certificate of state registration of the investor or an extract from trade register having jurisdiction over a place of registration of legal entity, legalized by consular establishment of the Republic of Uzbekistan in keeping with established procedure;
- a business-plan of the proposed project in duplicate and its digital version on CD;
- a confirmation of working experience of a legal entity in relevant sphere, information on similar projects fulfilled in relevant sphere;
- a conclusions of an auditor organization on the financial accounting for a period of existence of the legal entity, but not less than for last three years;
- a document confirming samples of signatures of the investor’s authorized persons

The submitted data are authentic and trustworthy; all submitted copies are identical.

Manager (Seal) _____
(signature) (last, first and middle names)

 Date (dd / mm / yy)

** All the documents shall be submitted by the investors to the Directorate of Navoi FIEZ; an appropriate translation of the aforesaid documents into official or Russian Languages shall be enclosed in keeping with the established procedure.*

6.2 Requirements to business-plan

Business-plan submitted to the Directorate of Navoi FIEZ shall include the following basic provisions:

- name, volumes and assortment of output planned to be produced;
- prospective prices and production distribution markets, volumes of manufacture export oriented output;
- infrastructure and engineering structures required to fulfill proposed project;
- proposed size of an area of the territory of Navoi FIEZ for efficient location of production;
- availability of raw-material base and guaranteed opportunity to provide with raw material for the period of the project fulfillment;
- description of a technology of the proposed production taking ecological requirements into consideration;
- information on a trade mark proposed to be used;
- calculation of economic efficiency, as well as most effective technical, organizational and economic decision of fulfillment of the project;
- character of manufacturing equipment, proposed to be used in production;
- amount of proposed capital investment, sources of financing and proposed pledge security in case of attraction of borrowings;
- a number of created working places

6.3 Requirements to investment agreement

The investment agreement is concluded between the Directorate of Navoi FIEZ and the investor (investors); it shall include indication to:

- an objects and volume of investment, kinds of activity carried out on the territory of Navoi FIEZ;
- terms and conditions of the investment agreement;
- the investor's rights and obligations:
- on a volume of investments, ensuring a certain volume of production, guaranteed level of localization of production and output quality, a volume of export of goods and work (serviced) of own production, observance of the legislation in a field of protection of environment, natural resources conservation, labor legislation and accident prevention, insurance of property and liability, as well as other aspects of production activity;
- rights and obligations of the Directorate of Navoi FIEZ;
- information on terms of preparation of design estimates, conclusion of agreements for contractor's work, sources of financing, project fulfillment schedule, a procedure for technical supervision over a course of fulfillment of investment project;
- a procedure and terms of presentation by the investor of reports on a course of fulfillment of his their obligations;
- a place of location and a size of allotted land parcel;
- responsibility of parties for failure to observe terms of the investment agreement;
- a procedure for introduction of amendment to the investment agreement;
- a procedure for termination of the investment agreement;
- a procedure and place for settlement of disputes resultant from the investment agreement.

The investment agreement can include other terms depending on specific character of investment project, including:

- mutual obligations of the parties for development of production, engineering and social infrastructure;
- investor's obligations on hiring and training of workers - natural persons of the Republic of Uzbekistan, terms of use of technologies, as well as investor's obligations on training of workers of created economic establishment.

For further information on Navoi FIEZ or investment climate in Uzbekistan you may also visit web-site of Navoi FIEZ (www.fiez.uz) or web-site of investment promotion agency "Uzinfoinvest" (www.uzinfoinvest.uz).