

Uzbekistan | October 2022

NEWS OF THE LEGISLATION ON E-COMMERCE

On September 29, 2022 the Law of the Republic of Uzbekistan (hereinafter – “Uzbekistan”) “On Electronic Commerce” No. LRU-792, (hereinafter – the “Law”) was adopted. The Law will enter into force on December 30, 2022. Please see below our summary of some of the key changes provided by the Law.

General Provisions

The Law defines “digital products” as electronic copies of intellectual property objects (digital goods), as well as the commission of certain actions in the electronic information media or the implementation of certain activities that do not have a tangible result, including services for the acquisition and subscription to “cloud technologies” (digital services).

According to the Law, self-employed individuals engaged in the retail sale of goods (works, services) on an electronic trading platform can now also be e-commerce sellers along with legal entities and individual entrepreneurs.

Escrow service

Operators of marketplaces¹, payment service providers, legal entities providing services for the delivery of goods (works, services) may implement the escrow service in their information systems or bank accounts.

Escrow is a system of money retention during the fulfilment of electronic contracts in the information system of a business operator, until the customers’ terms are fully satisfied². At the same time, after a customer pays for the goods (works, services), the escrow service provider has the right to keep the paid funds until obtaining the customer’s confirmation of the goods (works, services) receipt.

¹ Legal entities providing marketplace services to the participants of e-commerce (Art. 3 of the Law).

² Clause 3 of the Regulation “On the Procedure for Organizing the Activities of Information Intermediaries - Operators of the Digital Ecosystem and E-commerce Platforms” Appendix to the Resolution of the Cabinet of Ministers of Uzbekistan No. 249 dated August 8, 2016.

Features of the goods delivery

According to the Law, if the contract does not specify terms for the goods delivery and it is impossible to determine this term, goods must be delivered within no longer than 30 days from the date of conclusion of the contract.

E-commerce administration

On July 20, 2022 the Cabinet of Ministers of Uzbekistan (hereinafter – “**Uzbekistan**”) adopted Resolution “On Amendments and Additions to Some Resolutions of the Government of the Republic of Uzbekistan in Connection with the Creation of Favorable Conditions for the Improvement and Further Development of E-commerce Administration” No. 392 (hereinafter – the “**Resolution No. 392**”).

The Resolution No. 392:

Determines the activities of the information intermediaries – operators of e-commerce platforms and digital ecosystem;

Establishes a new procedure for publishing information and purchasing on the electronic cooperation portal of the Digital Transformation Center under the Ministry of Investments and Foreign Trade of Uzbekistan (hereinafter – the “**Portal**”).

Amendments and additions to the Resolution No. 249³

New concepts such as “e-commerce platform”, “e-commerce platform operator”, “digital ecosystem”, “escrow system”, etc. were introduced.

The term “information intermediaries” now means “legal entities providing e-commerce in their information system, operators of e-commerce platforms and the digital ecosystem” (hereinafter – the “**Operator**”). Previously, “information intermediaries” meant legal entities organizing electronic fairs, auctions and competitions.

In addition, the “escrow system” is being implemented, and the Operators have right to use their own escrow system or the third party services.

³ Decree of the Cabinet of Ministers of Uzbekistan “On Approval of the Regulation on the Procedure for Organizing the Activities of Information Intermediaries – Operators of the Digital Ecosystem and E-commerce Platforms” No. 249 dated August 2, 2016.



Amendments and additions to the Resolution No. 833⁴

The Resolution No. 833 provides for the Regulation “On the Procedure for Posting Information and Purchasing on the Electronic Cooperation Portal of the Digital Transformation Center under the Ministry of Investments and Foreign Trade” (hereinafter – the “**Regulation**”). Only domestic manufactures or their dealers can be suppliers on the Portal. Therefore, another important, in our view, novelty is the procedure for determining domestic manufacturers. Now a domestic manufacturer is defined as:

1. a business entity whose industrial production indicators are registered in accordance with the regulations established by the current statistical reports; or
2. a business entity that:
 - passed the state registration;
 - performs activities in accordance with the classifier of types of economic activity (with the exception of business entities engaged in two or more types of activities);
 - has a certificate of conformity (if compliance with the requirements of regulatory documents in the field of technical regulation is mandatory in relation to the manufactured products);
 - has license (for licensed activities);
 - owns a production site and equipment on the ownership right or on the right to use under a lease agreement;
 - employs specialists working based on an employment contract, including workers employed in production.

Please note that the level of localization of products posted on the Portal must be at least 30 percent.⁵

⁴ Decree of the Cabinet of Ministers of Uzbekistan “On Approval of the Procedure for Posting Information and Purchasing on the Electronic Cooperation Portal of the Digital Transformation Center under the Ministry of Investments and Foreign Trade” No. 833 dated September 30, 2019

⁵ Reminder - the level of product’s localization is calculated in accordance with paragraph 20 of the Regulation “On the Procedure for the Formation, Implementation of the Localization Program for Manufacturing of Finished Products, Components and Materials based on Industrial Cooperation and Maintaining a Reporting System for It, as well as Cooperation Between State Authorities and Project Initiators in this Process” Appendix to the Resolution of the Cabinet of Ministers of Uzbekistan No. 1009 dated December 17, 2019.