



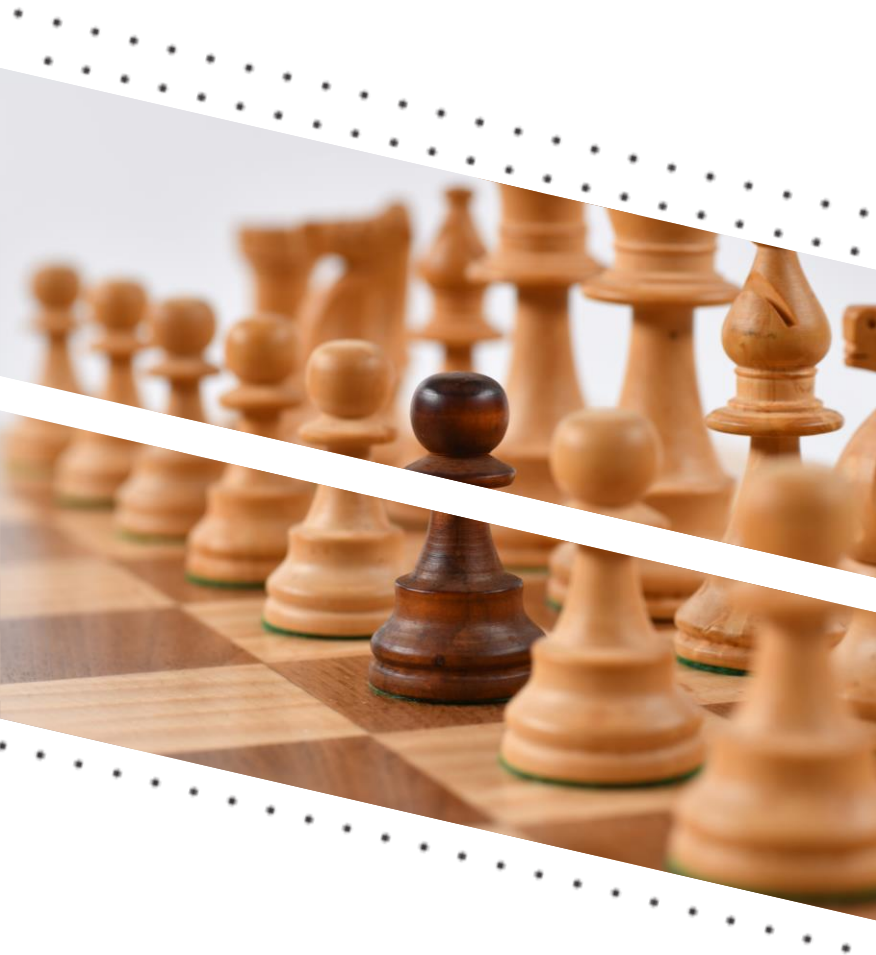
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Uzbek Antitrust Laws. Specifics of Application.

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Prepared by Anora Turakhujaeva, Senior Associate
GRATA International, Uzbekistan

Antitrust and Competition Law of Uzbekistan



The Law of the Republic of Uzbekistan No.ZRU-319 On Competition (the 'Competition Law');

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan On approval of certain regulations on the provision of services in the field of antimonopoly regulation in commodity and financial markets No. 338 dated 28 May 2020 (the 'Resolution No. 338');

- obtaining preliminary consent for concluding share acquisition agreements in legal entities;
 - obtaining preliminary consent for mergers and consolidations of legal entities.
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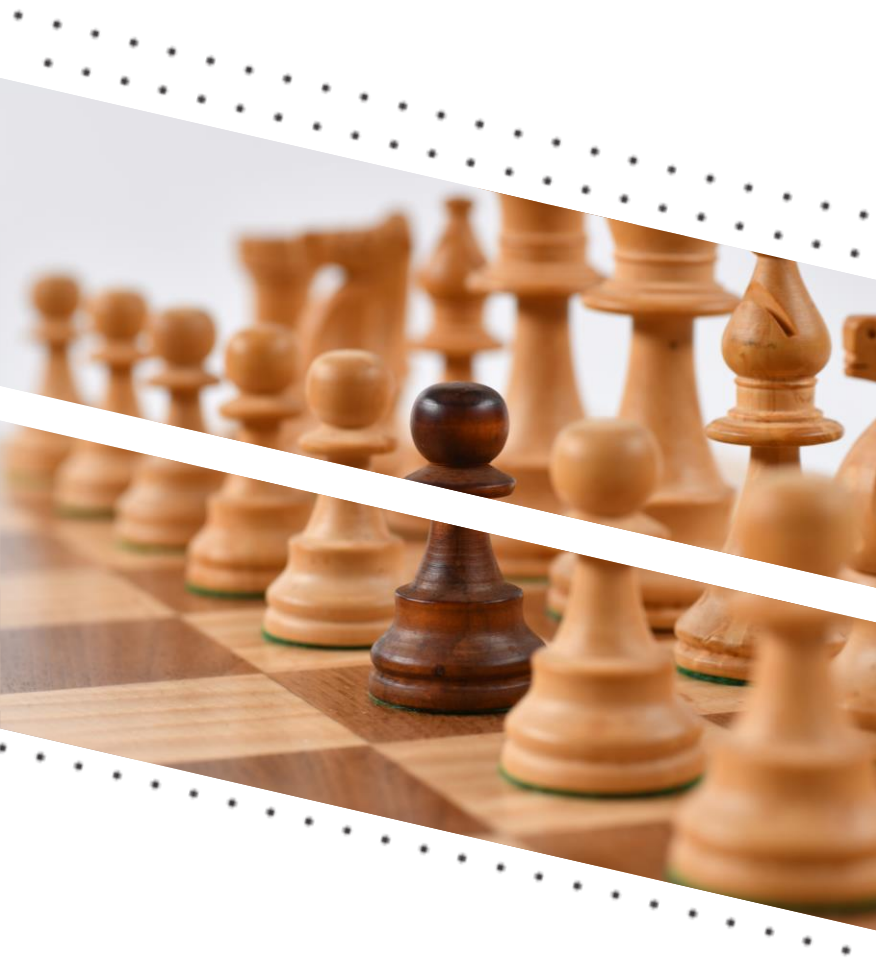
Antimonopoly Committee of the Republic of Uzbekistan

- Implements state policy in the field of competition in the commodity and financial markets;
 - 14 regional departments across the country.
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Antitrust clearance

The following transactions will require an antitrust clearance:

- Mergers and consolidations of legal entities;
- Acquisition transactions.



Thresholds

- Acquisition of a stake crosses 50%;
- Aggregate balance sheet value of the assets of both parties to the transaction or the aggregate amount of sales of goods for the last calendar year of both parties exceeds 100,000 times the basic calculation value (BCV).
- Notification and prior approval is also required if one of the parties to the transaction holds a dominant position in the market.

1 BCV = UZS 245,000

Dominance

The position of one or several companies or groups in the market for a specific product or service that allows it or them to carry out their business activities independently from their competitors and seriously influence the terms of trade of such product or service or to impede other companies' access to this market sector.

A company or group is viewed as dominant if its market share is:

- 50 per cent or more; or
- between 35 per cent and 50 per cent, provided a company or group had a stable market share for at least one year, there are no other companies or group with a market share of more than 20% and there are limitations to enter the market for new entrants and competitors.

Foreign-to-foreign transactions

- The Competition Law applies to transactions carried out outside Uzbekistan if the transaction may have an adverse impact on competition in Uzbekistan.
- If target entity directly or indirectly controls any Uzbek entities, owns assets located in Uzbekistan.
- If the target does not have any local presence in Uzbekistan in the form of a subsidiary or branch or shareholding in any of the existing corporate forms – no clearance or notification.

Filing

- The purchaser of the shares or assets is responsible for filing with the Antimonopoly Committee.
- A filing fee is set in the amount of ten times the BCV.
- The Antimonopoly Committee reviews the documents within 10 calendar days of the filing date.
- If the transaction raises competition concerns, the Antimonopoly Committee is entitled to extend the review for up to one month.

Filing

In 2020, a new online process for the submission of notifications was introduced. Accordingly, the procedure for filing applications in paper form was completely abolished. Individuals and legal entities now file applications via Public Services Centre or via online platform, i.e. the Single Portal for Interactive Public Services.

Documentation

- an application, which must include the full name of the business entity, information about the transaction, purpose of the agreement to be concluded, and information on shareholdings in other business entities;
- a copy of a passport if an individual is involved, including full passport details of an individual;
- information on types of activities rendered, names of goods and the volume of goods manufactured and sold by an applicant for the last two years prior to the application, or from the date of company's operation if less than two years;
- annual financial and statistical reports for the past two calendar years;
- information on the group of persons indicating certain grounds for forming the group, including other additional information, as may be requested by the Antimonopoly Committee;
- a power of attorney;
- other documents.

Sanctions

- The purchaser is liable for penalty.
- Administrative sanctions: a fine in the amount of one to three times the BCV applies where an individual is involved (and five to ten times the BCV, if committed repetitively within one year of the date of the application of a fine for the similar actions), and of five to ten times the BCV applies where a legal entity is involved (and ten to twenty times the BCV, if committed repetitively within one year of the date of the application of a fine for the similar actions).
- criminal (applicable after imposing administrative fine): a fine in the amount of 25 to 50 times the BCV, or deprivation of a right to hold certain positions for the period from three to five years, or up to 360 hours of mandatory public works, or up to three years of corrective labour. There is no notion of corporate criminal liability in Uzbekistan, therefore criminal liability is imposed on the official or any other authorised person from the company of the purchaser.

Sanctions

Also, the Antimonopoly Committee may apply to a court to invalidate, in full or in part, agreements and other transactions for which its prior authorisation or subsequent notice was required but has not been obtained or given, or to liquidate a company if it was incorporated without prior approval, provided that the relevant transaction or incorporation results in limitation of competition.

Conclusion

- The Antimonopoly Committee is authorised to either prohibit a transaction that has or may have an adverse effect on competition or to require the parties to fulfil certain conditions before a clearance is issued.
- The Antimonopoly Committee's role is to find a compromise between protection of competition and economic development in Uzbekistan.

THANK YOU!



Anora

Turakhujaeva

+99871 230 24 22

aturakhujaeva@gratanet.com

www.gratanet.com