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# The strategy for the management and reform of enterprises with State participation and its targets of realization for 2021-2025 in Uzbekistan was approved

The Cabinet of Ministers of the Republic of Uzbekistan adopted the Resolution “On the approval of the strategy of management and reform with State participation for 2021-2025” No.166 dated 29 March 2021 (the “Resolution No.166”).

The Strategy is primarily aimed at further improving Uzbek legislation, which provides for the consolidation of regulatory acts on the management and privatization of State property into an act of direct effect by optimizing them, systematizing and unifying.

The Strategy also prevents the establishment of economic societies and State unitary enterprises with a State share of 50 per cent or more in authorized capital without sufficient justification, as well as granting them exclusive privileges and advantages over other enterprises.

The Strategy undertakes to limit State participation in areas where the private sector is competitive and to ensure that State enterprises are fully market-oriented. This will be accompanied by the full implementation of modern corporate governance practices in the activities of State-owned enterprises.

With the adoption of The Strategy, the performance of the Executive Body with its indicators and the performance of the Supervisory Board – depending on the degree to which corporate governance principles are implemented, the process of disclosure of the activities of enterprises with State participation will be simplified, as well as transparency and disclosure in the management of enterprises.

Among other things, with the adoption of the Strategy from 1 July 2021:

- ▶ a supervisory board, an internal audit service and an audit committee will be set up in enterprises with State participation;
- ▶ the report of the executive body of State-owned enterprises will be heard at least quarterly by the Supervisory Board, including during meetings held by videoconference and electronic voting;
- ▶ the “Conformity System” service will be established in joint stock companies whose shares are included in the stock exchange listing list (listing) and whose statutory fund has a State share of more than 50 per cent.

Also, from January 1, 2022:

- ▶ the special right of the State to participate in the management of selected companies in a strategic industry is abolished;
- ▶ the terms of office of the members of the executive body and the supervisory board shall be extended from one year to three years;
- ▶ the practice of selecting candidates for the supervisory board of enterprises with the participation of the State on the basis of the State share is being gradually introduced.

In accordance with the Strategy, the approval by the Cabinet of Ministers of candidates for management and members of the

executive body of enterprises with the participation of the State, as well as the practice of simultaneously occupying the head (member) positions by them is eliminated.

## Locations

[UZBEKISTAN](#)

