



## Legal alert

# Overview of key legislative changes in Uzbekistan in August 2020

### Tourism changes

Resolution of the Cabinet of Ministers No. 433 of 10 July 2020 introduces a number of measures to restore and develop the tourism sector in Uzbekistan, such as approving regulations to license tourism activities, certify tourism services and classify tourism industry facilities; outline procedures for providing tour operator and travel agency services, and accommodation services in Uzbekistan. It also contains an action plan for reducing the negative impact of coronavirus and the global crisis on the country's tourism industry, and provides a number of recommendations for innovative business ideas and start-ups in the tourism sector.

According to *the Regulations for providing Accommodation Services in Uzbekistan*, hotel services will now be provided regardless of place of residence (registration), citizenship, family and marital relations, and other factors limiting the right to privacy.

Also, *the Regulations for selecting tourism industry entities to participate in international tourism exhibitions and fairs with new product and service types* list international tourism exhibitions and fairs for which the participation costs of tourism entities, such as exhibition space rental and facility installation costs are covered on a selective basis by the Tourism Industry Support Fund.

Under the *Regulations for Licensing Tourism Activities*, standard licenses for performing tourism activities do not have a fixed term and are issued for:

- domestic tourism – activities in Uzbekistan for individuals residing in Uzbekistan;
- activities outside of Uzbekistan for individuals permanently residing in Uzbekistan;
- inbound tourism – activities in Uzbekistan to individuals residing outside of Uzbekistan.

According to *Regulations for Certifying Tourism Services and Classifying Tourism Industry Facilities*, tour operators, and entities operating accommodation facilities, ski slopes and beach services are subject to mandatory certification from the Centre for Tourism Service Certification. Applicants apply for certification electronically through the Certification Centre's website. Subject to annual inspection, certification is valid for three years. Family guesthouses and hostels can apply for a simplified certification procedure.

Applicants should indicate the certification category they require in their application, after which it is confirmed by a commission based on existing tourist facility classification. Hotels are categorised between one and five stars. Beaches can receive one of three flags - blue, green and yellow. Ski slopes, in turn, are divided into four categories depending on the level of difficulty:

- green – for beginners;
- blue – lower intermediate;
- red – intermediate;
- black – the highest level.

### **New measures have been introduced to reduce unemployment levels**

On 11 August 2020 the president signed a resolution introducing "skills passports" to be issued to "Ishga Markhamat" monocentre and vocational training centre graduates who have successfully passed WorldSkills standard competency assessments. Documentation issued by the "Ishga Markhamat" monocentres and vocational training centres confirming the completion of training, and the "skills passports" equate to a diploma of secondary specialised vocational education, allowing the holder to apply his/her acquired knowledge in practical situations, but are not the basis for further education.

The resolution also allows private investors setting up non-state vocational training institutions to:

- transfer to a long-term preferential lease or operational use of "Ishga Markhamat" monocentre, vocational training

centre and ministry vocational training institution buildings, as well as other empty buildings;

- independently choose educational programmes and teachers;
- receive concessions on the use of educational equipment and inventory;
- establish a guaranteed minimum level of government orders.

In return for state aid, non-state institutions will have to ensure training quality and the assessment of competencies at the appropriate level, as well costs for training the poor and unemployed.

### **Amendments to the Private Employment Agency Law**

Law ZRU-632 of 13 August 2020 has introduced a number of changes regarding private employment agencies, such as establishing that employers are responsible for paying for recruitment services for persons seeking work outside Uzbekistan. Persons seeking work outside of Uzbekistan will be provided with a written notification of this.

It was also established that the cost of recruitment information and consulting services should not exceed the basic calculation index in value.

Recruitment services for persons seeking work outside of Uzbekistan are provided by private employment agencies on the basis of a service agreement between the agency and the person looking for work.

Private employment agency contracts are registered in real time in the Ministry of Employment and Labour Relations labour-migration information system.

### **The licensing system has been improved**

The president has signed a resolution to improve licensing and permission procedures, which focuses on eliminating a number of bureaucratic barriers.

From 1 January 2020, licenses for certain activities will either be completely cancelled or a notification procedure introduced.

Also, for some activity types, the license application period has been reduced.

The resolution also established the certification of tour operator services is voluntary when licensing tourism activities. The practice of issuing a separate license for legal entity branches has been cancelled through the introduction of specifying each branch's address in a main license. Likewise, the procedure for requesting letters of guarantee from local government bodies to obtain a subsoil use license has been cancelled.

When issuing, extending and re-issuing licenses, the authorities may not reject an application for a license to provide public services due to electricity, natural gas and water supply and sewerage service payment arrears, as well as for the collection and removal of solid household waste, as well as delays in executive documents.

The validity period of all licenses and permits due to expire in 2020 has been extended until 1 January 2020.

### **Compensation of insurance premiums to exporters**

Resolution of the Cabinet of Ministers No. 512 of 25 August 2020 has introduced a procedure for reimbursing insurance premiums to exporters when they use insurance services as collateral. Compensation will be paid by the Ministry of Investments and Foreign Trade Export Promotion Agency, subject to conditions approved by the resolution. Compensation will be in the amount of up to 1% of the insured amount.

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