

SOLAR ENERGY SECTOR IN UZBEKISTAN

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Main regulatory acts

Among other regulatory acts, the following are the main regulations in solar energy in hierarchical order:

- Law of the Republic of Uzbekistan on the Use of Renewable Energy Sources dated 21.05.2019 No. ZRU-539;
- Law of the Republic of Uzbekistan on Electric Power Industry dated 07.08.2024 No. ZRU-939;
- Resolution the President of the Republic of Uzbekistan on Accelerated Measures to Improve the Energy Efficiency of Economic and Social Sectors, the Introduction of Energy-Saving Technologies and the Development of Renewable Energy Sources dated 22.08.2019 No. PP-4422;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on Approval of the Rules for the Use of Electric and Thermal Energy dated 22.08.2009 No. 245;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on Measures to Maintain State Records of Renewable Energy Installations and the Energy Produced by Them dated 23.07.2020 No.452.

1. Market entry

Solar energy production market is free of natural monopolies and entities with dominant position.

The regulator of the field is the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan.

In general, the investor is required to choose appropriate vehicle to undertake the production of solar energy. It is recommended to opt for a limited liability company (LLC) that is the most favorable establishment for the limited liability of its founders. In order to establish the LLC, the size of the authorized capital can be determined at the discretion of the founder, except in cases of licensing requirements. The authorized capital needs to be increased within a year after the registration.

1.1. Preliminary Actions of a investor prior to the registration of the LLC

- 1) Identify a director. Draw up an employment contract with a director. A sample of the employment contract with a director of the LLC in Uzbek can be found [here](#).

- 2) Identify an accountant. Draw up an employment contract with an accountant. A sample of an employment contract with an accountant of an LLC in Uzbek can be found [here](#).
- 3) Determine the location of the LLC. Draw up a lease agreement for non-residential premises. You can find a sample lease agreement for non-residential premises [here](#).
- 4) Determine the types of economic activities of the LLC. In the case hand, it would be *35119 - power generation by other type of power stations*.
- 5) Decide on the name of the LLC.
- 6) Prepare sketches of corporate stamps.
- 7) Select the LLC' s servicing bank.
- 8) Issue a power of attorney to the authorized representative of the investor. You can find a sample power of attorney [here](#).
- 9) Prepare articles of association and other documents for submission to the registration authority.

1.2. Procedure for state registration of the LCC

The representative for the registration of the LLC in an appearance order can apply to any registration authority, namely, the Center for Public Services (CPS), regardless of the postal address of the LLC.

To register the LLC with a sole founder in an appearance order, the following documents are required:

- Decision of the sole founder approving the charter of the LLC. You can download a sample of such a Decision [here](#).
- Charter of the LLC. You can find a sample of the charter [here](#).
- Document certifying the identity of the representative (passport, military ID card, driver's license, other document certifying the identity and place of residence in the Republic of Uzbekistan) and PINI (personal identification number of individual) issued in Uzbekistan;
- Document confirming the authority of the representative, (power of attorney, contract, decision of the founder, etc. in accordance with the law). You can download a sample power of attorney [here](#).
- Reserved firm name;
- Cadastre number of the leased or owned premises;
- PINI of the founder (if it is an individual) and of the director;
- Information on the payment of the state fee or a copy of payment order confirming payment of the prescribed fees;

The representative may pay a state fee in the register of the CPS, where he/she will be given a document with information about payment of state fee. The amount of the state fee for the registration of LLC is 1 BCV (basic calculated value) which is roughly 29 USD.

Upon submission of the necessary documents listed above, the CPS employee will register the Company in the form of LLC within 30 minutes.

2. Licenses

To work with solar power, it is necessary to obtain a license issued by. The licenses are issued prior to the commencement of construction work on the power plant

2.1. General licensing requirements

The applicant for obtaining a license is required to comply with the following non-exhaustive licensing requirements and conditions:

- Possession of technical, economic, and financial capabilities, as well as human resources, to perform tasks, exercise rights, and fulfill obligations associated with each type of licensed activity in the field of electric power;
- The ability to implement measures necessary to ensure the quality of provided services;
- The capability to provide social services.

Additionally, an electricity producer operating multiple power plants must obtain a separate license for each power plant.

2.2. Annual fees

There are annual fees to maintain the validity of a license.

3. Regulatory requirements

3.1. Notification of regulator

Producers (power plants with an installed capacity of 5 MW or more connected to the unified power system) must notify the system operator and the Energy Market Regulator at least twelve months prior to the temporary shutdown or decommissioning of a power plant or any part thereof.

In certain cases, the Energy Market Regulator, based on an assessment conducted by the relevant system operator and the unified system operator regarding the impact of the temporarily disconnected or decommissioned facility on the unified power system, may grant permission for its temporary disconnection or provide a reasoned refusal.

3.2. Information disclosure

Producers shall disclose information on the volumes of electricity produced.

3.3. Taxation

The following are taxes and rates applicable to LLCs in Uzbekistan:

No	Tax	Rate
1.	Income tax	15 %
2.	VAT	12 %
3.	Excise tax	vary from 5% to 30 % on certain categories of

		goods
4.	Personal income tax	12 % as part of payroll 10 % on dividends of residents and non-residents
5.	Social tax	12 % as part of payroll
6.	Property tax	1.5 %
7.	Land tax	depends on rating per location
8.	Tax for the use of water resources	per cubic meter

4. Unusual norms

Producers of energy from renewable sources are exempt from paying property tax on renewable energy installations and land tax for plots occupied by these installations (with a nominal capacity of 0.1 MW or more) for a period of ten years from the date they are commissioned.

5. Voluntary liquidation

In Uzbekistan, voluntary liquidation is carried out in 13 steps provided as follows:

Step 1: Decision of shareholder (-s) on voluntary liquidation.

Step 2: Appointment of a liquidator.

Step 3: Transfer of documentation, seals, stamps, and other property to the liquidator.

Step 4: Submission of a copy of the liquidation decision to the CPS.

Step 5: Provision of required documents to banks.

Step 6: Termination of employment relationships with the company's employees.

Step 7: Inventory taking and settlement of all tax obligations.

Step 8: Approval of the interim liquidation balance sheet.

Step 9: Notification of creditors and settlement of debts.

Step 10: Preparation of the final liquidation balance sheet.

Step 11: Closure of the main bank account.

Step 12: Submission of documents to the state archive.

Step 13: Submission of documents (bank certificates confirming account closures, stamps, archive submission certificates) to the CPS.