

## REGULATORY AND LEGAL BASIS OF ORGANIZATION AND STATE REGISTRATION OF JOINT ENTERPRISES IN THE TERRITORY OF THE REPUBLIC OF UZBEKISTAN

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### Abstract:

This article deals with the regulatory and legal bases of joint ventures establishment and state registration in the territory of the Republic of Uzbekistan. Based on historical data, the author studied and analyzed the specific aspects of the establishment and state registration of joint ventures in the territory of the Republic of Uzbekistan based on the available scientific literature.

**Key words:** Republic of Uzbekistan, joint ventures, state registration, regulatory and legal bases.

### Introduction:

A joint venture is an enterprise created with the participation of companies from other countries, organized as a single legal entity. The joint venture is organized on the basis of mutual interest, on the basis of intergovernmental agreements, and is focused on solving production, scientific production, scientific and technical tasks. The joint venture's financial fund will be created at the expense of the founders' consolidation of their property and contributions. A joint venture can be established in industry, agriculture, construction, transport, trade, science and other sectors of the national economy. The joint venture is established mainly on the basis of foreign equipment, technology, investment, works on the basis of local raw materials and labor force, has its own independent balance sheet, and operates on the basis of full economic accounting. The foreign founder of the joint venture has the right to export (transfer) the share of income to his country. In Uzbekistan, mainly after independence, joint ventures were launched in cooperation with enterprises and firms of the Republic of Korea, USA, China, Italy, Turkey, Pakistan, Germany, Russia, Ukraine, Great Britain and a number of other countries.

### Main part:

To register a foreign investment organization in Uzbekistan, 3 conditions must be met:

The size of the charter capital should not be less than 400,000,000 soums;

Must be a foreign legal entity or founder of a legal entity;

The share of a foreign legal entity or legal entity must be at least 15% of the total authorized capital.

Conditions of registration of a joint venture in the form of LLC (JV LLC):

- The authorized capital of the enterprise must be at least 400,000,000.00 soums.
- at least one of the founders of the joint venture must be a foreign legal entity or a legal entity with at least 15% share in the authorized capital of this JV LLC;

Conditions for registration of a foreign enterprise in the form of an LLC (HK LLC):

- the size of the authorized enterprise must be at least 400,000,000 soums;
- founders/founders of a foreign enterprise with a foreign legal entity(ies) or 100% authorized capital.

Registration of enterprises with foreign investments is carried out in regional centers depending on the postal address of the organization. The requirement for the participation of a foreign legal entity in an enterprise with foreign investments has been canceled. The state duty for state registration of enterprises with foreign investments has been reduced by 3 times.

Documents and information required for registration:

Naming the enterprise;

Distribution of shares of founders (in percentages);

information on the amount of authorized capital;

Postal address of the enterprise.

An extract from the commercial registration of a foreign enterprise at the place of registration of a legal entity or another document confirming the activity of this legal entity (its content: the full name and address of the legal entity must be indicated) . This Protocol is valid for 1 year from the date of issue.

Power of attorney for representative (sample)

A copy of the passport of the Director / Genie. Business leaders

From the founders - individuals, citizens of the Republic of Uzbekistan:

- copies of registered passports of all founders;

## **Results and Discussions:**

1.1. If the founders include a legal entity - a resident of the Republic of Uzbekistan, then the following is necessary:

- a copy of the statute on previous amendments to the statute (if any);
- a copy of the certificate of registration (certificate);

- a copy of the passport of the head of the enterprise.

1.2. If the founders are foreign citizens, you must provide the following:

- if it exists by itself;

- a copy of a passport with a temporary residence permit and a visa;

– in case of loss: passport copy + main power of attorney for the representative.

1.3. If the founders are foreign legal entities, then:

- an extract of the commercial registration of a foreign legal entity at the place of registration of the legal entity or another document confirming the activity of this legal entity (the extract must contain the following;

- full name of the legal entity, location, legal entities;

- has the right to sign on behalf of this legal entity). This declaration is valid for one year from the date of issue;

- affidavit;

- a copy of the registration certificate (if there is insufficient information about the application);

– A copy of the statute (if there is insufficient information in the application);

- a copy of the founding agreement (if there is insufficient information in the application).

Founding documents can be prepared by the founders or by them in agreement with a third party (consulting centers, legal firms, etc.). You can contact the nearest branch of the Chamber of Commerce and Industry, whose specialists will prepare the necessary documents based on the contract. The founders can use the model forms of the founding documents available on the official website of the Ministry of Justice.

After state registration, a newly established enterprise with the participation of a foreign investor will have the status of a legal entity and will have the right to carry out its activities. The registration procedure does not depend on the status of the established enterprise (TXI or PXI) - both of them are registered by the Unified Center for State Services to Business Entities on the principle of "One Window".

It is important for an individual founder to apply to the "One Stop Shop" center at the place of permanent residence or at the address of a legal entity. From April 1, 2017, it became possible to register online using the automated system of registration of business entities integrated with the corporate interactive portal of state services. After state registration, a newly established enterprise with the participation of a foreign investor will have the status of a legal entity and will have the right to carry out its activities. The registration procedure does not

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Application (electronic request for online registration):

- the original copy of the founding documents in the state language (in one copy);
- a copy of the payment document confirming the payment of the specified state duty;
- For online registration: approval by Uzbekistan of each founder to join the ranks of founders (confirmation by e-mail);
- When registering via the Internet: certification of the EDS request for all foreign teachers;
- daytime state registration: power of attorney when presenting documents through the founder's representative (for foreign investors - translated into the state language and legalized).

Companies established by non-citizens of the Republic of Uzbekistan, enterprises with foreign investments, enterprises with foreign capital and other legal entities are subject to mandatory electronic digital signature through the state registration system for automation. After state registration, enterprises open accounts and other accounts independently in banking institutions. The bank is obliged to provide the card with samples of signatures and seal (pri yee nalichii) of the chief and chief accountant.

### **Conclusion:**

The number of enterprises with the participation of foreign investors in Uzbekistan is increasing exponentially. In 2022, a total of 13,656 enterprises with foreign capital are operating in the republic.

Joint ventures established with the participation of investments of companies and enterprises from other countries are developing in Uzbekistan. Establishment of joint ventures and joint productions is gaining importance in international integration.

In particular, joining forces will create new opportunities for countries that are in transition to a market economy to enter the world market with their products.



Uzbekistan also strives to take advantage of the advantages of the international division of labor and has created a favorable investment environment for foreign entrepreneurs in the country. Joint entrepreneurship will greatly help the structural restructuring of the economy, the acceleration of the process of updating equipment and technology, and the development of industry, in particular, the processing industry.

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