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Securing the Protection of Entrepreneurs' Rights and Interests

“Measures directed at boosting the role and responsibility of law enforcement agencies in the implementation of the 2015-2019 Program for Intensification of Reforms, Structural Transformation and Diversification of the Economy”. Such was the topic of the recent national conference-seminar organized in Tashkent on the initiative of President of the Republic of Uzbekistan Islam Karimov.

The event was designed to discuss mechanisms in the execution of the presidential decree “On Measures to Secure Reliable Protection of Private Property, Small Business and Private Entrepreneurship, Remove Barriers on the Way of Their Accelerated Development” signed 15 May 2015.

Representatives of ministries and other government agencies, law enforcement and judicial bodies along with entrepreneurs from all the regions of Uzbekistan took part in the conference-seminar.

The participants discussed in detail the issues relating to the new round of economic reforms standing out in accordance with the 2015-2019 Program for Intensification of Reforms, Structural Transformation and Diversification of the Economy. They deliberated also on the tasks of law enforcement agencies to ensure an unconditional implementation of new legislative norms aimed at bolstering the legal protection of private property and entrepreneurship entities, the elaboration of specific mechanisms for working with businesses for the timely prevention of possible breaches of law.

Rustam Azimov, First Deputy Prime Minister of the Republic of Uzbekistan, delivered a keynote speech at the conference-seminar.

It was noted that, notwithstanding the instabilities in world markets, the situation has been quite different in Uzbekistan, where all the sectors of the national economy have been advancing dynamically, along with the ongoing wide-ranging structural reforms. Market mechanisms are being cemented, while the export capacities are being shored up. The same is true with the flow of investments from abroad. All this has been clearly manifest in the GDP growth rates, which have been exceeding 8 percent annually for the last eleven years.

The factor lying behind this success has been the far-sighted policy of our country's President, aimed at galvanizing comprehensive support for small business and private entrepreneurship, granting them more freedom, eliminating bureaucratic barriers and obstacles to the development of private property and private enterprise. To address this challenge, consistent measures have been taken to limit the interference of government agencies in the activities of the private sector; the system of sanctions applied to corporate entities has radically been revised; private entrepreneurs were provided with access to resource and sales markets. As a result of steadfast perfection of the normative framework, an effective system of privileges and preferences as well as financial support for entrepreneurship has been set up, which has come to be a potent incentive for its further advancement.

In line with the Concept of the Intensification of Democratic Reforms and Formation of Civil Society in the Country, the guarantees of rights and protection of private property were bolstered in Uzbekistan. Within the last few years alone, more than 15 laws, including those "On the Protection of Private Property and Guarantees of Rights of Property Owners", "On Licensing Procedures in Entrepreneurship", "On Family Business", "On Guarantees of the Freedom of Entrepreneurship" in new edition have been adopted.

Among the norms that were granted legislative establishment is the principle of the priority of rights of business entities, in accordance with which all the inherent contradictions and ambiguities in the law shall be interpreted in favor of property owners. In addition, within the last four years alone 167 licensing procedures and 19 types of licensed activities have been abolished. Fees for processing of documents of licensing nature have been cut by half, and 65 types of statistical as well as 6 types of tax reporting were canceled.

As a result, the share of small business and private entrepreneurship in the gross domestic product has risen from 31 percent in 2000 to 56 percent today, and more than 77 percent of the overall employed population work in this sphere. The process of large-scale reforms produced a middle class, that is, property owners who have been making a huge contribution to the development of the national economy and facilitating the creation of thousands of new jobs.

As the head of state stressed in his speech at the Cabinet of Ministers meeting to discuss the socio-economic development in 2014 and the most important priorities of economic program for 2015, a key task for the future should be the elimination of all barriers and constraints to the growth of private property and private enterprise. This requires coordination of the activities of state authorities and entrepreneurship units. In other words, the new phase of structural reforms implies that the government and business must become partners and support each other, work together to address issues caused by external factors, interact closely in implementing structural transformation and enhancing the competitiveness of the economy.

In this context, of particular importance is the presidential decree "On Measures to Secure Reliable Protection of Private Property, Small Business and Private Entrepreneurship, Remove Barriers on the Way of Their Accelerated Development" inked 15 May 2015.

The role and significance of this decree that is aimed at creating a more favorable economic and legal conditions and incentives for cardinal elevation of private property's role in the economy, elimination of existing barriers and restrictions for the organization of business, steadfast growth in the share of private sector in GDP were addressed in reports delivered by Prosecutor General of the Republic of Uzbekistan Ikhtiyor Abdullaev, chairman of the State Tax Committee Botir Parpiev and others.

It was underscored that special emphasis in the decree of the head of our state is placed on increasing the liability, including criminal, of the officials of government, law enforcement and regulatory authorities for obstructing the entrepreneurship activity, for unlawful interference in it and violation of the rights of private property owners. Furthermore, the document strengthens the guarantees for the protection of private property, facilitates the continuation of the liberalization process of the administrative and criminal legislation governing business activities, as well as further simplification of all kinds of registration, licensing and licensing procedures related to foreign economic activities, along with the enhancement of business entities' access to the material and loan resources, further improvement of the business environment.

All of these measures are reflected in the Law of the Republic of Uzbekistan "On introducing amendments and addenda to some legislative acts of the Republic of Uzbekistan, aimed at bolstering the reliable protection of private property and entrepreneurship entities, removing barriers for their rapid development". In accordance with it, amendments and addenda were introduced to more than 40 normative acts pertaining to almost all aspects of business activities.

In the breakout sessions of the conference, participants discussed key areas of the Program of Measures to ensure reliable protection of private property, small business and private entrepreneurship, removal of hurdles to their speedy development, approved by the decree of the President of the Republic of Uzbekistan, as well as the norms and provisions of the Law of the Republic of Uzbekistan "On introducing amendments and addenda to some legislative acts of the Republic of Uzbekistan, aimed at bolstering the reliable protection of private property and entrepreneurship entities, removing barriers for their rapid development".

Participants of the forum delivered reports on such topics as "Revitalization of activities of the law enforcement and regulatory authorities in securing the legal protection of private property, the legitimate rights and interests of business entities", "The role of the judiciary in the practical implementation of legislation norms designed to shore up the legal protection of private property and entrepreneurship entities", "Tasks of government bodies related to the simplification of all types of registration, licensing and licensing procedures related to business activities", "Boosting the role of law enforcement agencies in uplifting the efficiency of the hotline system to consider the appeals of business entities".

In particular, as it was noted, under the new order, criminal proceedings are not initiated and the person is released from liability if it is the first time he/she has committed a crime under Article 184 of the Criminal Code, and fully indemnified the damage caused to the state, paid off fines and other financial sanctions within 30 days after the detection of the crime. Also, the penalty of imprisonment is not applied when officials of economic entities have fully compensated for material damage envisaged for

false bankruptcy and concealment of bankruptcy. Particular emphasis was placed on the fact that offenses committed in the field of trade, commercial and mediation activities, except for particularly large-size damages, had been transferred from the category of criminal liability to the administrative one.

Conference participants also expounded on issues pertinent to strengthening the role of the judiciary in protecting the interests of private entrepreneurs. In particular, currently the seizure of property of business entities in connection with violation of tax and customs legislation, recovery of additionally charged customs duties, for which there is an objection by the payer can be carried out only by court order.

It was noted that economic courts have been entitled to suspend the execution of the appealed action (decision) of the supervisory authority, and the time taken by economic courts for ruling on the adoption of claim statement for the proceeding and preparation of the case for trial has been reduced from 10 to 5 days.

In addition, great significance was attached to increasing the effectiveness of preventive works conducted by overseeing bodies aimed at elevating the law culture of entrepreneurs and preventing the breaches of law prior to the appointment of comprehensive audits of their activities.

Speaking at the conference, director of the joint venture “Sam Antep Gilam” K.Abdullaev of Samarkand region, director of “Contex-Tashkent” limited liability company N.Sotivoldiev, head of the farming enterprise “Kibray Agro Impex” in Tashkent region N.Aripkhodjaev and others expressed gratitude to the head of our state for the support and attention to the representatives of small business and private entrepreneurship, for the creation of favorable opportunities and conditions conducive for their work. They also stressed the importance of new legislative acts, the implementation of which would facilitate the improvement of the business environment, a greater inflow of investments, including the ones from abroad, as well as the creation of new jobs.

The event participants sketched out tasks to accelerate the introduction of new norms in the practice of governing, regulatory and law enforcement authorities, to change the activities of the controlling bodies with priority given to prevention, elevation of the law culture of business entities.

Also, among the points stressed was the expediency of parliamentary oversight and monitoring of the process of practical realization of the provisions of the law by way of organizing hearings of reports by heads of responsible ministries and agencies. Highlighted in this regard was the need for arranging seminars in provinces in order to raise awareness among the population, especially businesses, of the role and importance of new legislative acts. Besides, according to conference participants, there arises a necessity of regular examination of problems that entrepreneurs face by organizing meetings with them of representatives of the Prosecutor General’s Office, the Ministry of Justice, the State Tax Committee, judicial and regulatory authorities.

Participants of the conference-seminar received comprehensive answers from specialists to all the questions they had addressed them with. A corresponding document was approved as the outcome of the event.