



# COMMERCIAL LAW IN UZBEKISTAN LEGAL SYSTEM: HISTORY, SOURCES, DEVELOPMENT, AND INTERNATIONAL INTEGRATION

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## ABSTRACT

This article provides a comprehensive examination of commercial law within the legal system of the Republic of Uzbekistan. It traces the historical evolution of commercial legal norms from the Soviet era through independence in 1991 to the present day, analyzing the foundational sources of commercial law including the Constitution, the Civil Code, the Tax Code, and specialized legislation governing entrepreneurial activity. The article assesses the current level of development of Uzbekistan's commercial law framework, identifies the key regulatory agencies responsible for overseeing commercial relations, and examines their functions and strategic plans. Furthermore, it explores Uzbekistan's engagement with international commercial law conventions and its bilateral and multilateral relationships with foreign states and international organizations. The article concludes with observations on the trajectory of reform and the prospects for further harmonization of Uzbekistan's commercial law with international standards.

**Keywords:** Commercial law, Uzbekistan, legal system, entrepreneurship, business regulation, Civil Code, economic reform, foreign investment, WTO, UNCITRAL.

## Introduction

Commercial law — the body of rules governing trade, business, and entrepreneurial activity — occupies a central place in the legal systems of modern market economies. For Uzbekistan, a country that transitioned from a planned



economy to a market-oriented system following independence in 1991, the development of a coherent and sophisticated commercial law framework has been both a legal imperative and an economic necessity. The Republic of Uzbekistan, located in the heart of Central Asia along the ancient Silk Road, has since independence undertaken sweeping legal reforms aimed at building an enabling environment for private enterprise, attracting foreign investment, and integrating into the global trading system. The legal regulation of commercial relations has been at the forefront of these reforms, touching every aspect of business life — from the establishment of legal entities to contract enforcement, insolvency proceedings, and the protection of intellectual property. This article surveys the field of commercial law in Uzbekistan systematically, covering its historical roots, its primary legal sources, the institutions responsible for its development and enforcement, the current state of the discipline, and the country’s international commercial law relationships. It aims to offer both an academic understanding and a practical overview for legal scholars, practitioners, and policymakers interested in the Uzbek legal landscape.

## **I. HISTORICAL DEVELOPMENT OF COMMERCIAL LAW IN UZBEKISTAN**

### **1.1 Independence and the Foundation of a Market Legal Framework (1991–2000)**

With the declaration of independence on August 31, 1991, Uzbekistan embarked on the construction of a new legal system appropriate to a sovereign state and an emerging market economy. The adoption of the Constitution of the Republic of Uzbekistan on December 8, 1992 laid the ideological and structural foundation, guaranteeing the right to private property, freedom of entrepreneurial activity, and equality of all forms of ownership.

The 1990s witnessed a rapid legislative output in the commercial sphere. Laws on enterprises, entrepreneurship, banking, foreign investment, securities, and competition were enacted in quick succession. The Civil Code of the Republic of Uzbekistan, adopted in two parts (1996 and 1997), became the cornerstone of private law, incorporating modern civilian concepts of contract, property, and obligation that drew on both Russian civil law tradition and comparative civilian models. Although Uzbekistan maintained a gradual rather than shock-therapy



approach to economic reform, the legal infrastructure for market commerce was substantially constructed during this decade.

### **1.2 Consolidation and Reform (2000–2016)**

The first decade and a half of the twenty-first century saw continued legislative refinement, though the pace of structural economic reform was more measured. Significant attention was paid to improving the regulatory environment for business, streamlining registration procedures, and combating administrative barriers to entrepreneurship. Specialized legislation on leasing, franchising, factoring, insurance, and commodity exchanges was introduced, filling gaps in the commercial legal framework.

### **1.3 The Reform Era Under President Mirziyoyev (2016–Present)**

The most transformative period in the development of Uzbekistan's commercial law has coincided with the presidency of Shavkat Mirziyoyev, who came to power in 2016. His administration launched a comprehensive program of economic liberalization and legal modernization embodied in the Development Strategy of Uzbekistan for 2017–2021 and the subsequent Uzbekistan 2030 Strategy. Key reforms included currency liberalization (2017), the simplification of business registration, the introduction of electronic government services, major anti-corruption legislation, amendments to tax and customs law, and a significant opening to foreign investment. The Civil Code was substantially revised in 2022–2023 to modernize contract and property law, and a new Entrepreneurship Code is under active discussion.

## **II. SOURCES OF COMMERCIAL LAW IN UZBEKISTAN**

### **2.1 Constitutional Foundations**

The Constitution of the Republic of Uzbekistan (1992, with major amendments in 2023) is the supreme law and the primary source of all legal norms, including those governing commercial activity. The Constitution guarantees the right to engage in entrepreneurial activity, protects private property from arbitrary deprivation, enshrines the equality of all forms of ownership (state, private, and collective), and prohibits monopolization. The 2023 constitutional amendments



reinforced protections for business and strengthened guarantees for foreign investors.

## **2.2 Codified Legislation**

The Civil Code of the Republic of Uzbekistan (Parts I and II, 1996–1997) is the central source of commercial law. It regulates legal entities, representation and agency, obligations, contracts (including sale, lease, loan, services, insurance, and carriage), intellectual property, and inheritance. The Code follows the continental civil law tradition and has been substantially influenced by the Russian Civil Code of 1994 and, through it, by the Dutch Civil Code and UNIDROIT Principles.

Other codified sources include the Tax Code (substantially revised in 2020), the Customs Code, the Code of Administrative Responsibility, the Civil Procedure Code, and the Economic Procedure Code, which governs commercial dispute resolution. Together these codes form an integrated normative framework for commercial relations.

## **2.3 Specialized Commercial Legislation**

Beyond the codes, a large body of specialized legislation governs particular domains of commercial activity. The most significant statutes include the Law on Enterprises (1991, as amended); the Law on Entrepreneurial Activity (1991, as amended); the Law on Joint Stock Companies and Protection of Shareholders' Rights (1996, substantially amended 2019); the Law on Limited and Additional Liability Companies (2001); the Law on Insolvency (Bankruptcy) (1994, revised 2003); the Law on Competition (2012); the Law on Foreign Investment (1998); the Law on Public-Private Partnership (2019); and sector-specific laws on banking, insurance, securities, energy, telecommunications, and agriculture.

## **2.4 Presidential Decrees, Resolutions, and Subordinate Legislation**

In Uzbekistan's legal system, Presidential Decrees and Resolutions of the Cabinet of Ministers constitute important secondary sources of commercial law, particularly in areas of economic policy, investment incentives, and the regulation of specific sectors. By-laws and regulations issued by the Ministry of Justice, the



Central Bank, the Ministry of Economy and Finance, and sector-specific agencies further elaborate the legislative framework.

## **2.5 International Treaties**

Under Article 17 of the Constitution, international treaties ratified by Uzbekistan have the force of law and prevail over domestic legislation in cases of conflict. Uzbekistan has ratified numerous bilateral investment treaties, trade agreements, and multilateral conventions that form part of the national commercial law framework. The 1980 United Nations Convention on Contracts for the International Sale of Goods (CISG), to which Uzbekistan acceded, is directly applicable to international commercial contracts.

## **III. LEVEL OF DEVELOPMENT OF COMMERCIAL LAW IN UZBEKISTAN**

### **3.1 Legislative Completeness**

Uzbekistan today possesses a relatively comprehensive legislative framework for commercial activity. The major domains of commercial law — contract, company, insolvency, competition, intellectual property, banking, securities, and foreign investment — are governed by substantive legislation that broadly meets international standards. Legislative gaps that existed in the 1990s and 2000s have been progressively filled, and many statutes have been updated to reflect modern business practice and international norms.

### **3.2 Law Enforcement and the Judiciary**

Commercial disputes in Uzbekistan are resolved by the system of economic courts, which constitute a specialized judicial branch handling disputes between legal entities and individual entrepreneurs. The Supreme Court of Uzbekistan, which underwent significant reorganization in 2017 integrating the former Supreme Economic Court, sits at the apex. The professionalization of the judiciary, the use of electronic case management, and the expansion of enforcement mechanisms have improved the quality of commercial dispute resolution, though practitioners note that judicial independence and consistency of judgments remain areas for further improvement.



Alternative dispute resolution has also developed considerably. The Law on Arbitration Courts (2006) provides for domestic commercial arbitration, and the Tashkent International Arbitration Center, established in 2018 under the Chamber of Commerce and Industry of Uzbekistan, offers institutional arbitration services for international commercial disputes. Uzbekistan's accession to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958) ensures that foreign arbitral awards are enforceable domestically.

### **3.3 Business Environment Indicators**

International benchmarks reflect the trajectory of Uzbekistan's commercial law development. The country's performance in the World Bank's Doing Business reports improved markedly during the reform period, with notable gains in starting a business, registering property, and getting credit. The Global Innovation Index and the Heritage Foundation's Index of Economic Freedom similarly recorded measurable improvements. Nonetheless, Uzbekistan continues to rank below OECD averages in areas such as enforcing contracts, resolving insolvency, and trading across borders — areas that require continued legislative and institutional development.

### **3.4 Challenges and Remaining Gaps**

Despite considerable progress, significant challenges remain. These include inconsistent application of commercial law by courts and administrative bodies; regulatory uncertainty in sectors subject to frequent by-law changes; the dominance of state-owned enterprises that can distort competitive conditions; underdevelopment of capital markets and venture financing; and limited legal awareness among small and medium enterprises. The informal economy, while shrinking, continues to operate outside formal commercial law frameworks, particularly in agriculture and retail trade.

## **IV. SPECIALIZED AGENCIES IN THE FIELD OF COMMERCIAL LAW**

### **4.1 Ministry of Economy and Finance**

The Ministry of Economy and Finance (formed through the merger of the Ministry of Economy and the Ministry of Finance in 2017) is the lead government body for economic policy, business regulation, and public finance. It is



responsible for developing strategic plans for economic development, drafting legislation on investment and entrepreneurship, and administering fiscal policy. The Ministry plays a central role in coordinating Uzbekistan's WTO accession process and in negotiating trade and investment agreements.

#### **4.2 Agency for the Development of the Capital Market (ADCM)**

The Agency for the Development of the Capital Market, established in 2019 as the successor to the Center for Coordination and Development of the Securities Market, regulates and supervises the securities market, joint-stock companies, investment funds, and professional participants of the capital market. It issues licenses, registers securities issuances, ensures disclosure obligations, and enforces investor protection rules. The ADCM has been central to the development of a functional stock exchange and the gradual privatization of state assets through capital markets.

#### **4.3 Central Bank of the Republic of Uzbekistan**

The Central Bank of Uzbekistan is the supreme authority in the monetary and banking sphere. It licenses and supervises commercial banks and non-bank credit organizations, regulates payment systems, oversees currency operations, and formulates monetary policy. Following the 2017 currency reform that liberalized the foreign exchange market, the Central Bank has taken on an increasingly prominent role in aligning Uzbekistan's banking regulation with Basel standards and international anti-money laundering norms.

#### **4.4 State Tax Committee**

The State Tax Committee administers the tax system, including the registration of taxpayers, collection of taxes and fees, and enforcement of tax legislation. It also plays a role in formalizing the business sector by ensuring commercial entities are properly registered and compliant. The Committee's digital platform for tax filing and business registration has substantially reduced administrative burdens on commercial actors in recent years.



#### **4.5 Committee for Development of Competition and Protection of Consumer Rights**

This body (formerly the Anti-Monopoly Committee) is responsible for enforcing competition law, reviewing mergers and acquisitions with competitive implications, controlling natural monopolies, and protecting consumer rights. It has become increasingly active in identifying anti-competitive practices and is involved in developing a new competition law aligned with the principles of the OECD Competition Assessment Toolkit.

#### **4.6 Chamber of Commerce and Industry of Uzbekistan**

Although not a state body, the Chamber of Commerce and Industry functions as a quasi-public institution that represents business interests, provides services to exporters, operates Tashkent International Arbitration Center, and promotes Uzbek business internationally. It is a key interlocutor between the government and the private sector in commercial law reform processes.

### **V. FUNCTIONS AND FUTURE PLANS IN COMMERCIAL LAW DEVELOPMENT**

#### **5.1 Current Functions of Commercial Law Institutions**

The specialized agencies described above collectively perform the following functions in the commercial law domain: legislative initiative and drafting; licensing and registration of commercial entities and activities; ongoing supervision and inspection; adjudication of regulatory disputes and imposition of sanctions; promotion of alternative dispute resolution; provision of legal and business information to market participants; international cooperation and treaty implementation; and participation in capacity-building and legal education initiatives.

#### **5.2 Strategic Plans Under Uzbekistan 2030**

The Uzbekistan-2030 Strategy sets ambitious goals for commercial law reform. Key targets include increasing the share of the private sector in GDP to 80% (from approximately 60% currently); reducing the state's direct participation in commercial enterprise through further privatization; completing Uzbekistan's accession to the World Trade Organization; achieving full liberalization of the



services sector; and creating a legal environment that consistently ranks Uzbekistan among top 50 countries in international business climate indices.

### **5.3 Planned Legislative Reforms**

In the commercial law field, forthcoming reforms anticipated or underway include: the adoption of a comprehensive Entrepreneurship (Commercial) Code to consolidate and rationalize the existing body of business law; modernization of insolvency law to facilitate business rescue rather than mere liquidation; reform of pledges and securities law to enable more sophisticated asset-based financing; adoption of a law on public procurement aligned with UNCITRAL Model Law standards; expansion of electronic commerce law; and new legislation on digital assets and fintech regulation. The government has also signaled intent to further modernize intellectual property law and to accede to additional international IP conventions.

## **VI. UZBEKISTAN'S COMMERCIAL LAW IN INTERNATIONAL CONTEXT**

### **6.1 Multilateral Memberships and Conventions**

Uzbekistan is a member of a range of international organizations and has acceded to key multilateral commercial law conventions. These include the United Nations Convention on Contracts for the International Sale of Goods (CISG, 1980); the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958); the Paris Convention for the Protection of Industrial Property; the Berne Convention for the Protection of Literary and Artistic Works; and the ICSID Convention (International Centre for Settlement of Investment Disputes). Uzbekistan participates in UNCITRAL working groups and has adopted legislative texts modelled on UNCITRAL instruments in the areas of electronic commerce and arbitration.

Uzbekistan is currently in the process of acceding to the World Trade Organization, having held observer status since 1994. Formal accession negotiations have intensified since 2019 and are driving substantial reforms in trade law, customs regulation, intellectual property (to comply with the TRIPS Agreement), and services regulation.



## **6.2 Regional Economic Integration**

Uzbekistan participates in a number of regional economic frameworks that shape its commercial law relations. The Commonwealth of Independent States (CIS) Free Trade Agreement provides the framework for preferential trade with neighboring post-Soviet states. The Shanghai Cooperation Organization (SCO) provides a platform for commercial and economic cooperation with China, Russia, India, and Central Asian neighbors. Uzbekistan has also concluded a Comprehensive Partnership and Cooperation Agreement with the European Union (2023), which includes provisions on trade facilitation, investment protection, and regulatory convergence.

## **6.3 Bilateral Investment and Trade Relationships**

Uzbekistan has concluded over 50 bilateral investment treaties with countries across Asia, Europe, and the Americas. These treaties provide mutual protections for investors, including guarantees against expropriation without compensation, most-favored-nation treatment, and access to international arbitration for investor-state disputes. Major treaty partners include China, Russia, Germany, France, the United Kingdom, South Korea, Turkey, and the United States. Double taxation agreements with over 60 countries further facilitate cross-border commercial activity.

## **6.4 Relations with International Financial Institutions**

Uzbekistan maintains active relationships with the World Bank Group, the International Monetary Fund, the Asian Development Bank, the European Bank for Reconstruction and Development (EBRD), and the Islamic Development Bank. These institutions have been important partners in financing commercial law reforms, providing technical assistance for legislative drafting, supporting judicial training, and funding infrastructure that underpins commercial activity. The EBRD, in particular, has engaged extensively with Uzbekistan on legal transition assessments and the development of secured transactions law, insolvency regulation, and corporate governance standards.



## CONCLUSION

Commercial law in Uzbekistan has undergone a remarkable transformation over the three decades since independence. From the dismantling of Soviet economic law structures, through the gradual construction of a market-oriented legal framework in the 1990s and 2000s, to the accelerated reform program of the new era, Uzbekistan has built an increasingly comprehensive and sophisticated body of commercial law. The legal architecture today encompasses constitutional guarantees, codified private law, extensive specialized legislation, a functioning judicial system for commercial disputes, and a network of specialized regulatory agencies. Significant challenges remain. The consistency of law enforcement, the independence of the judiciary, the depth of capital markets, and the full integration of the informal economy into formal commercial structures all require continued attention. The gap between law on the books and law in practice — a persistent feature of transition legal systems — is narrowing but has not yet been closed.

Looking forward, the Uzbekistan 2030 Strategy and the WTO accession process provide powerful external disciplines for continued legal modernization. The planned adoption of an Entrepreneurship Code, the reform of insolvency and secured transactions law, and the development of digital commerce regulation will mark the next phase of commercial law development. Internationally, Uzbekistan's expanding treaty network, its engagement with multilateral commercial law institutions, and its growing integration into regional and global value chains create both opportunities and obligations for legal convergence with international norms.

The trajectory is clear: Uzbekistan is building a commercial law system that is increasingly aligned with international standards and capable of supporting a modern, diversified market economy. The pace and success of this development will depend on sustained political will, investment in legal institutions and education, and the deepening of a rule-of-law culture among both public officials and private actors. The foundations are solid; the work of construction continues.



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