CLIENT GUIDELINE

Foreign Exchange Transactions, Import, Export and Currency Control Under the Legislation of the Republic of Uzbekistan

1. What you need to know about currency control

Currency control is the system of monitoring compliance with the legislation of the Republic of Uzbekistan when carrying out foreign exchange transactions. For companies working with foreign partners, it covers the documentation of foreign trade contracts and invoices, the execution of payments, the monitoring of contractual obligations and the timely receipt of funds.

The principal regulatory framework includes:

- The Law of the Republic of Uzbekistan "On Currency Regulation";
- The Rules for Conducting Foreign Exchange Transactions, registered under No. 3281 on 31 August 2020;
- The Regulation on Monitoring and Control of Foreign Trade Operations, approved by Resolution No. 283 of the Cabinet of Ministers of the Republic of Uzbekistan dated 14 May 2020.

When processing foreign exchange transactions, the bank reviews the documents and information submitted within the scope of its authority and applicable legal requirements. The client remains responsible for the accuracy of the information provided, the proper performance of contractual obligations and compliance with applicable legislation.

2. How to start conducting foreign economic activity

Before making an international payment, clients are advised to complete the following steps:

1. Open the required accounts in Uzbek soums and/or foreign currencies.
2. Prepare a foreign trade contract or, where permitted by law for the relevant transaction, an invoice.
3. Verify that all required contractual terms and banking details are correctly stated.
4. Where required by law, enter the contract, invoice and relevant supporting information into the E-kontrakt foreign trade information system using an electronic digital signature.
5. Submit the relevant application and supporting documents to Garant bank for processing.
6. After payment, monitor the performance of the contractual obligations, including delivery of goods, provision of services, receipt of export proceeds or refund of an advance payment.

The procedure for using E-kontrakt and monitoring foreign trade transactions is governed by Resolution No. 283 of the Cabinet of Ministers and the applicable version of the Regulation approved by that Resolution.

3. Minimum requirements for a foreign trade contract

Under the Regulation approved by Resolution No. 283, a foreign trade contract must contain the information prescribed by the applicable legislation. Before signing the contract, check that the following elements are included.

Contract section	**Information to be included**
Preamble	Contract number, place and date of execution, full names of the parties, signatories and their authority
Subject matter	Description of the goods, works or services, including assortment, quantity and quality
Goods specifications	Type, model, brand, grade, applicable standards, relevant HS code and registration documents where required
Delivery terms	Applicable Incoterms rule and the specific place of delivery
Performance deadlines	Deadlines for delivery of goods, completion of works or provision of services
Price and contract value	Unit price and total contract value, where determinable at the time of signing
Payment terms	Payment currency, method, procedure and deadlines; where the payment currency differs from the contract currency, the conversion rate and its source
Origin of goods	Country of origin, manufacturer and place where works are performed or services are provided
Liability of the parties	Terms governing liability for non-performance or improper performance of contractual obligations
Details of the parties	Addresses, postal details, bank details and shipping details
Special terms	Additional provisions applicable to the specific transaction, including special conditions for barter transactions

For contracts involving the supply of equipment together with installation, commissioning, personnel training, royalties or other services, the relevant amounts should be separately identified in the contract or specification where required by applicable regulations.

If the contract is drawn up in a foreign language, the requirements of the Regulation concerning translation into the state language and the prescribed certification of the translation must be observed.

Practical recommendation: Before signing the contract, confirm with your foreign partner who will supply the goods, who will issue the invoice, who will receive the payment and which account will receive the proceeds. If the contracting parties, payer, recipient of the goods and supplier are different entities, the relevant arrangements must be accurately reflected in the supporting documents.

4. Can a transaction be carried out on the basis of an invoice only?

In the cases specified in paragraph 6 of the Regulation approved by Resolution No. 283, import and export transactions may be carried out on the basis of invoices without entering into a separate foreign trade contract.

However, clients must take account of the exceptions established by law and the requirements for entering information into E-kontrakt. Special rules may apply to certain types of transactions. Therefore, clients are advised to confirm with the bank in advance whether an invoice alone is sufficient for the proposed payment.

The invoice must contain sufficient information to identify the parties, the goods or services, their quantity and value, delivery terms and any other particulars required for the relevant transaction.

5. How to submit an application for a foreign exchange transaction to Garant bank

The application must correspond to the nature of the transaction and the applicable legal requirements. The Rules registered under No. 3281 govern the conduct of foreign exchange transactions, while Resolution No. 283 establishes the monitoring framework for foreign trade contracts and invoices.

The recommended sequence of actions for a client is as follows:

- Prepare a payment instruction or the relevant application.
- Specify the beneficiary, banking details, currency and amount.
- State the payment purpose and the underlying basis for the transaction.
- Submit the contract or invoice and any additional documents required for the specific transaction.
- Verify that the payment amount is consistent with the contract terms and the current information recorded in E-kontrakt.
- If foreign currency is being purchased to pay for imports, submit the currency conversion application and the documents required for that transaction.
- Provide additional documents and explanations if requested by the bank.

Before processing a transaction, the bank checks whether the information recorded in E-kontrakt is consistent with the documents and details submitted by the client. Where required, discrepancies may prevent the payment from being processed until they have been resolved.

Please note: The documents required, the method of submitting an application, the need for additional approvals and the ability to execute a transaction depend on its nature, the applicable rules and the bank’s internal procedures. A single universal document list should not be assumed to apply to all foreign exchange transactions.

6. What to do if the terms of a contract change

If the parties change the price, payment currency, deadlines, subject matter, delivery terms or other material provisions after the contract has been signed:

1. Execute an addendum in accordance with the applicable procedure.
2. Update the relevant information in E-kontrakt.

3. Check the impact of the changes on previous payments, the outstanding contractual amount and customs documentation.
4. Provide updated documents to the bank before the next transaction, where required.

Paragraph 5 of the Regulation approved by Resolution No. 283 provides for documenting contractual amendments through an addendum and updating the relevant information in the information system. Additional requirements or deadlines may apply to certain amendments.

Correspondence with a foreign partner alone may not be sufficient where the amendment must be formally documented and the information in the system updated.

7. How to monitor the performance of an import contract

An importer should monitor the following for each contract:

- The date and amount of any advance payment.
- The deadline for delivery of goods or provision of services.
- The actual quantity and value of goods delivered.
- The availability of customs documents, where required.
- The preparation of acceptance certificates for completed works or services rendered.
- The refund of unused advance payments where delivery has not taken place and a refund obligation has arisen.
- The outstanding contractual obligations and any overdue receivables.

If the supplier fails to fulfil its obligations within the agreed period, the client should contact the bank promptly, obtain supporting documents and take appropriate steps to resolve the situation.

8. How to monitor export proceeds

Exporters are advised to monitor each contract separately:

- Record the export date and the applicable payment deadline.
- Monitor the actual receipt of export proceeds.
- Reconcile incoming payments with the contract, invoices and shipping documents.
- Prepare acceptance certificates for completed works and services and enter the relevant information into E-kontrakt within the prescribed deadlines.
- Monitor the outstanding unpaid amount.
- If payment is delayed, obtain documentary confirmation from the buyer explaining the delay and take appropriate measures to resolve the outstanding receivable.

Information concerning completed works or services must be entered into E-kontrakt within the deadlines established by the applicable version of the Regulation approved by Resolution No. 283. For the relevant acceptance certificates, the prescribed deadline is no later than the 20th day of the month following the month in which the certificate was prepared.

9. Overdue receivables and liability

Overdue receivables under foreign trade transactions arise when a foreign counterparty fails to fulfil its obligations to deliver goods, provide services, make payment or refund funds within the prescribed period.

If an overdue receivable arises, the client should:

1. Establish the reason for the delay and the date on which the receivable became overdue.
2. Request documents from the counterparty confirming the status of performance.
3. Consider the available options, including refund of funds, completion of delivery, settlement of a dispute or enforcement of contractual remedies.
4. Notify the servicing bank and provide the required supporting documents.
5. Continue monitoring performance and compliance with the applicable legal requirements.

Violations of the requirements governing foreign trade transactions may result in liability under the legislation of the Republic of Uzbekistan. In particular, paragraph 6 of the Regulation approved by Resolution No. 283 provides for liability in relation to certain requirements for documenting transactions and recording information in the relevant information system.

The amount and legal basis of any financial sanction cannot be determined solely by the existence of an outstanding receivable. The nature of the violation, the applicable legal provision, the circumstances of the transaction and any statutory exceptions must be taken into account.

10. How to avoid delays in payment processing

Before submitting an application, check that:

- The names and details of the parties match the contract and payment documents.
- The payment amount and currency comply with the terms of the transaction.
- The information in E-kontrakt is up to date.
- All required invoices, specifications, acceptance certificates, customs documents and other supporting records are available.
- The economic purpose of the transaction and the payment description are clear.
- The foreign counterparty, beneficiary bank and payment route have not changed without the necessary documentation.
- There are no unresolved outstanding receivables that could affect the processing of the transaction.

The bank may request additional explanations or documents. Such a request does not, by itself, mean that the client has violated the law. However, the transaction may be delayed until the required checks have been completed.

11. Regulatory framework

The following documents should be considered when conducting foreign exchange and foreign trade transactions:

1. Law of the Republic of Uzbekistan “On Currency Regulation” — Official text on LexUZ.
2. Rules for Conducting Foreign Exchange Transactions, registered under No. 3281 on 31 August 2020 — Official text on LexUZ.
3. Resolution No. 283 of the Cabinet of Ministers of the Republic of Uzbekistan dated 14 May 2020 — Official text on LexUZ.
4. Presidential Decree No. UP-5177 dated 2 September 2017, “On Priority Measures for Liberalizing the Foreign Exchange Policy” — taking into account all applicable amendments and supplements.
5. Other regulatory legal acts governing customs, taxation and liability applicable to the specific foreign trade transaction.

Official legal database: LexUZ — National Database of Legislation of the Republic of Uzbekistan.

Garant bank recommends: Plan foreign exchange transactions in advance, check your documents before submitting a payment and do not postpone the resolution of outstanding receivables until the contractual deadlines have expired.