

The Startup Ecosystem of Uzbekistan.

Mini-research

Foundation of a legal entity: procedures/time

Online Registration

It is possible to register a legal entity in Uzbekistan online through an automated registration system integrated into the Unified Portal of Interactive Government Services (UPIS). When registering electronically, an application and constituent documents are provided.

The rate of state duty for online registration is twice lower than the analogous rate for offline registration.

The online registration does not require signing the documents with an electronic digital signature (exception - registration of a company by a foreign legal entity), it is enough to register on the EPISP. At the request of applicants, it is possible to use both standard forms of constituent documents offered by the system and attach scanned constituent documents to the application. It is possible to pay the state duty through the electronic payment systems operating in Uzbekistan.

After filling in the application, foundation documents and payment of state duty, the system of state registration:

- checks information and assigns a taxpayer identification number (TIN), sends it to the Information System of the State Tax Committee (STC) to make an appropriate entry in the centralized TIN database;
- enters data into the Unified State Register of Business Entities (USRS);
- forms the state registration certificate, the constituent documents and sends them in electronic form to the applicant.

The registration procedure for an individual entrepreneur or a legal entity takes 30 minutes.

Offline Registration

It is possible to register a legal entity in Uzbekistan in person by applying to one-stop centers at the place of registration.

Required documents: application, as well as foundation documents in paper form, payment of state duty for registration.

Registration of a legal entity in Uzbekistan by a foreigner

Before the registration, you need to perform the following actions:

- if you are a representative of a foreign legal entity, you must obtain a copy of the document on registration of the founding legal entity in the country of jurisdiction (extract of registration from the commercial registry or other registering authority);
- to issue a power of attorney to the authorized representative of the founder;
- to choose the organizational-legal form of the company (the most common form is limited liability company (LLC); it is also possible to open a joint venture - JV LLC; a foreign company - IP LLC; LLC with foreign capital);
- to choose a name of the company;
- to determine the head of the company;
- To choose an accountant of the company;
- To determine the location of the company in Uzbekistan: the founder should obtain a letter of guarantee on providing the office premises from the potential landlord and to conclude a preliminary agreement with the landlord on providing the company offices to be used as the official legal address after the registration;
- To verify the type of economic activity of the company with the help of the Official State Classifier of Economic Activities of the Republic of Uzbekistan (ОКЭД);
- to choose a servicing bank of the company.

There is an accreditation procedure for opening a representative office of a foreign company in Uzbekistan. Accreditation is issued by the Ministry of Investment and Foreign Trade for a period of 1 to 3 years.

Online registration of a legal entity by a foreigner

A personal visit to the tax office is required.

Registration is carried out through the automated system of registration and registration of business entities on the EPISU website. To register a legal entity online it is necessary to refer to a government resource - ЕПИГУ Entrepreneur Registration Module.

- In this case, the founder or his representative must:
- get access to the personal account of the company by purchasing an electronic signature in the branch of the tax inspection of the district of Tashkent (or other administrative territory);
- register on the website id.gov.uz and obtain a login and password;
- enter the website fo.birdarcha.uz and get access using the existing login and password;
- enter the business registration section and follow the instructions;
- upload the data related to the founder and the company to be registered (fill in the standard online form);
- choose (register) the name of the company;
- pay the state registration fee.

Offline registration of a legal entity by a foreigner

It is necessary to visit the one-stop office.

At least two visits are required. During the first one, it is necessary to reserve the founding documents of the company (Articles of Incorporation or the Decision of the sole founder and the Charter), and then draft them.

Upon the second visit, it is necessary to:

- submit the original founding documents of the company;
- Submit excerpts from the commercial register or copies of the founder's (parent company's) certificate of incorporation;
- Submit powers of attorney of the founder's authorized representative or an agreement with the representative;
- fill in the data and upload them to the automated registration system;
- receive a certificate of registration of the company.

Taxation of companies in Uzbekistan

- Profit tax for legal entities - 15%, but taxpayers included in the National Register of E-Commerce Entities engaged in electronic trade of goods (services) pay profit tax at the rate of 7.5%.
- VAT (set at a flat rate) - 15%.
- Social tax - 12%.
- Turnover tax - from 4% to 25% (depending on the type of performed activity and on the size of the aggregate income).

Registration Place

For in-person registration, you need to contact the State Service Center (one-stop service) at the place of registration of the future company. You can find out the location of your Center here. One Stop Shops operate in all districts and cities of Uzbekistan.

Online registration is done through an automated registration system, integrated into the Single Portal of Interactive Government Services (ЕПИГУ), the application can be submitted at all hours of the day and night.

Открытие банковского счета, ведение валютных операций, краткое описание процессов

You can open a bank account in Uzbekistan both remotely through the web-portal of the automated registration system, and in person by applying to Public Service Centers ("one window") and banks.

The time to open an account is 5 minutes.

Each bank's website shows the tariffs, most banks charge service fees, almost all Uzbek banks have a mobile application.

The list of banks in Uzbekistan, which provide services for business:

[Агробанк](#)

[Намкорбанк](#)

[Ипотека банк](#)

[Трастбанк](#)

[Инфинбанк](#)

[Кишлок курилиш банк](#)

[Народный банк](#)

[Ипак Йули Банк](#)

[Узпромстройбанк](#)

[Турон банк](#)

[Asia Alliance Bank](#)

[Микрокредитбанк](#)

[Ориент Финанс Банк](#)

[Универсал банк](#)

[Капиталбанк](#)

[НБУ](#)

[Ravnaq-bank Асака](#)

[банк Туркистон Банк](#)

[Савдогар банк](#)

[Алокабанк](#)

[Hi-Tech Bank](#)

[КДБ Банк Узбекистан](#)

[Давр банк Ziraat](#)

[Bank Садерат Банк](#)

[Узагроэкспортбанк](#)

[Мадад Инвест Банк](#)

[Tenge Bank](#)

[TBC Bank Пойтахт](#)

[банк](#)

The government agencies responsible for the development of startup ecosystems

- *IT Park Uzbekistan*
 - a. Director – Farkhod Ibragimov
 - b. E-mail: info@it-park.uz
 - c. URL: www.it-park.uz

Internet business regulation, e-commerce

The share of the digital economy in Uzbekistan as of early 2020 is 2.2%. According to the draft Concept of Development of the e-government system of the Republic of Uzbekistan, it is planned to increase the share of ICT services in GDP to 5% by 2025 and to 10% by 2030.

Pursuant to the Decree of the President of Uzbekistan of May 14, 2018 "On measures to accelerate the development of e-commerce", the National Register of e-commerce entities was created in order to stimulate business entities in the field of e-commerce.

On a voluntary and free-of-charge basis, the National Register includes legal entities and individual entrepreneurs, whose revenues from the sale of goods and services through e-commerce account for at least 80% of the total volume of goods and services sold by them. In this case, they must pay a single tax payment at a rate of 2%.

The main universal electronic trading platform in Uzbekistan is Trade Uzbekistan, created by the Ministry of Investment and Foreign Trade. Other electronic trading platforms are also launched, such as uzbtextile.com for textile producers in B2B format, universal.uz for small and medium business, etc.

Meanwhile, the level of development of legal e-commerce in Uzbekistan is still low. At the beginning of 2020, only 32 entities were registered in the National Register of E-commerce Entities.

Programs that help startups from other countries obtain grants

[Acceleration Program IT Park](#) – allows you to transform a project that already has a prototype and a team into a working business and attract financing. The incubation program from IT Park allows you to grow a product from an idea. The duration of the program is 3 months.

[C.A.T. Science Accelerator](#) (accelerator for science startups) - accepts applications from Central Asian countries (Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan). The acceleration program can be completed online.

Division of the Ministry of Innovative Development of Uzbekistan [Foundation for the support of Innovative Development and Innovative Ideas](#) among other things, finances the remuneration of highly qualified foreign specialists attracted to Uzbekistan to work on technological projects.

IT recruiting and other services for finding highly qualified professionals

A list of companies that will help a startup or IT company recruit in Uzbekistan:

- [Balans Plus](#) –selection of office managers, marketers, directors of various areas, employees of the financial unit;
- [Antal](#) - The agency promises to assemble a team from scratch and find rare specialists;
- [DaVinciManagementConsulting](#) –helps with finding top managers and outsourced specialists;
- [RESURS RECRUITMENT PERSONNEL](#) – recruitment agency, whose database contains profiles of programmers, designers, marketers, accountants, top managers and other professionals;
- [PersonHunters](#) –search and selection of specialists from various industries in Uzbekistan.

Startup Acceleration Platforms in Uzbekistan

[Acceleration Program IT Park](#) – allows you to transform a project that already has a prototype and a team into a working business and attract financing. The incubation program from IT Park allows you to grow a product from an idea. The duration of the program is 3 months.

Program of supporting of youth innovative ideas and start-up projects "Start-up initiatives" is an intensive short-term program, aimed at rapid testing of viability of innovative ideas, creation of MVP (minimum viable product), testing of business models, development of innovative entrepreneurship skills of youth. In the framework of the program, the authors of the projects take part in master classes and consultations, determine their target audience, find partners and investors, and receive PR support.

[C.A.T. Science Accelerator](#) – accelerator of [the Center of Leading Technologies](#) (part of the Ministry of Innovative Development as a research institution). It is intended for startups whose product is based on scientific developments in the areas of green technologies, diagnostics and biomedicine, alternative energy sources, new materials, artificial intelligence, alternative food sources. The participating startups get access to research labs, the Central Asian Mentor Platform, international coaching sessions, project promotion services, and investments. The duration of the acceleration program is 5 months.

[Water Solutions Innovation Lab](#) -accelerator for projects in the field of green technology and water issues. Duration of the program is 3 months. Participants get access to a design thinking laboratory, mentoring support, as well as the opportunity to present their project to investors and present Uzbekistan in the international program [ClimateLaunchpad \(climatelaunchpad.org\)](#).

StartupFactory.uz – accelerator for IT projects in Uzbekistan. It works with B2C and B2B projects related to the Internet and mobile technologies. Selection criteria: focus on the Uzbek market, feasibility of the project, its innovation, scalability, profitability.

Additional opportunities for startups are offered by StartIn - a platform for startups and investors, where a well-presented idea can find financial support.

General characteristics of Uzbekistan in terms of the development of startups and digital services

One of the key positions in the startup ecosystem of Uzbekistan is **IT Park** (operating since July 2019) - a complex of facilities, buildings, laboratories, where startups are launched and developed. IT Park is also an extraterritorial free economic zone for IT companies.

IT Park implements various programs and projects to support and develop startup ecosystem in Uzbekistan.

There are co-working spaces in Uzbekistan - alternatives to offices with readymade infrastructure for working and organizing meetings, as well as with rental costs affordable for startups and small teams. The largest network of co-working spaces is Ground Zero (5 locations in Tashkent + 1 in Samarkand), there is also **C-Space** co-working space in Tashkent.

Co-working spaces

Name of the co-working space - Ground Zero Kitob Olami

Address - Kitob Olami building, Tashkent, Uzbekistan

WEB-address - <https://groundzero.uz/>

Overview of the kovorking house - <https://www.coworker.com/uzbekistan/tashkent/ground-zero-kitob-olami>

Working hours - Mon-Sat: 9:00 - 21:00

Price of rent of a fixed working place - UZS 1100000.00 (1 month)

Price of a workplace in Open Space - UZS 800000.00 (1 month)

Availability of personal office premises - no

Availability of rooms for meetings - yes

Name of the co-working space - Ground Zero

Address - № 146, Temur Malik Street, Tashkent, Uzbekistan

Web-address - <https://groundzero.uz/>

Overview of the co-working space - <https://www.coworker.com/uzbekistan/tashkent/ground-zero>

Working hours - Mon-Sat: 9:00 - 22:00

The price for rent of a fixed working place - UZS 1100000.00 (1 month)

Price of a workplace in Open Space - UZS 800000.00 (1 month)

Availability of personal office premises - no

Availability of rooms for meetings - yes

Name of the co-working space - Ground Zero Chilanzar
Address - Small Ring Road, Tashkent, Uzbekistan
WEB-address - <https://groundzero.uz/>
Overview of the co-working space - <https://www.facebook.com/Groundzerokitobolami/>
Working hours - Mon-Sat: 9:00 - 22:00
Price of rent of a fixed working place - UZS 1100000.00 (1 month)
Price of a workplace in Open Space - UZS 800000.00 (1 month)
Availability of personal office premises - no
Availability of rooms for meetings - yes

Name of the co-working space - C-SPACE
Address - 1 Chust street, Tashkent, Uzbekistan
Web-address - <https://cspace.uz/>
Overview of the co-working space - <https://www.coworker.com/uzbekistan/tashkent/c-space>
Working hours - Mon-Sat: 9:00 - 22:00
The rent price of a fixed working place - UZS 1400000.00 (1 month)
Price of a workplace in Open Space - UZS 900000.00 (1 month)
Personal office space - yes, UZS 4600000.00 (1 month)
Availability of meeting rooms - yes

Attracting investment in startups

In early 2020, the Uzbekistan Venture Capital Association was established in Uzbekistan. The association aims to promote and attract venture capital to domestic startup projects, to train specialists in venture capital investment, and to conduct research on the venture capital market in Uzbekistan.

In the field of venture capital financing and attraction of investments there are such companies as:

- **IT Park Venture Fund** - IT Park Venture Fund, area of interest - all sectors of the real economy from ArgoTech, E-Gov to MedTech, E-commerce, IoT, etc. The fund invests in projects registered on the territory of Uzbekistan. The size of investment in the project - \$25,000 to \$100,000.

- **RB ASIA** is a division of the International Investment Banking Group of RB Partners in Uzbekistan. The company provides consulting services in the sphere of support of purchase of ready-made business and financing of investment projects to international companies and investment funds, which are interested in foreign direct investments in the Republic of Uzbekistan, as well as to local companies, which are in search of investors, international partners and financing for business expansion or business sale.
- **Uzbek-Emirati Investment Company** - established by the Decree of the President of Uzbekistan dated May 20, 2019.
- **Venture Capital Invest** - registered on April 26, 2019.
- **Astron Venture Fund.** It is engaged in the activity of selecting efficient projects that can contribute to the development of the economy and investing in venture projects with high potential.
- **Investment company Vodiy Investments.** It is engaged in the formation and accumulation of funds of qualified investors, attracted by the management company, for their further investment in promising business projects for the development of industries, services, infrastructure, as well as financing the working capital of business entities mainly in Andijan, Namangan and Fergana regions.

Development of the fintech market in Uzbekistan

Финтех-сфера в Узбекистане находится в начальной стадии развития.

One of the key fintech companies in the market of Uzbekistan is **FintextraGroup LLC**. FintextraGroup is a resident of IT Park and a partner of the world leading fintech companies, such as Finastra (the third largest fintech company in the world) and Neoflex (the leading system integrator in the financial market). FintextraGroup specializes in localization of global modern software solutions in the fintech-area of Uzbekistan.

French company IDEMIA operates fintech-lab in Tashkent (Business Centre Inkone1 9th floor, 75 Mustakillik Avenue 100000 Tashkent Uzbekistan).

In June 2020, the international fintech platform **Humans** announced its entry into the market of Uzbekistan. The product has already been launched in the market and combines mobile operator, financial service and online shopping with cashback in one application.

The possibility of using blockchain technology in Uzbekistan

On July 3, 2018, President of Uzbekistan Shavkat Mirziyoyev signed a decree on measures for the development of the digital economy. It highlights among the most important tasks:

- introduction and development of activities in the field of circulation of crypto-assets, including mining;
- training of qualified personnel in the development and use of blockchain technologies, with practical skills using modern ICTs;
- Comprehensive development of cooperation with international and foreign organizations in the field of crypto-assets and blockchain technologies, attraction of highly qualified foreign specialists in the field of blockchain technologies for joint implementation of projects in the digital economy;
- creation of necessary legal framework for implementation of "blockchain" technologies, taking into account best practices of foreign countries.

The National Project Management Agency (NPMA) is the authorized body in the field of implementation and development of the digital economy in Uzbekistan.

In December 2019, Uzbekistan issued the first crypto-exchange license in Central Asia, which announced the start of operations in January 2020.

In April 2020, it was reported that a project of the Regulatory Sandbox for the development of digital technologies Uzbekistan Blockchain Valley will be created under the National Agency for Project Management. The aim of the project is to create a single platform for testing and piloting projects in the field of circulation of crypto-assets and "blockchain" technology.

Special benefits for startups, IT companies in Uzbekistan. Registration procedures for these benefits

IT Park resident benefits

IT Park residents receive benefits as determined by Presidential Decree No. UP-5099 of June 30, 2017 "On measures to fundamentally improve conditions for the development of the information technology industry in the Republic of Uzbekistan".

The following benefits are provided for IT-Park residents:

- income tax - 7.5%;
- corporate tax - 0%;
- unified social payments - 0%;
- Customs fees (except for customs duties) for equipment, components, parts, units, technological documentation, software, not produced in the Republic of Uzbekistan, imported for own needs - 0%.

To become an IT Park resident, you must:

1. carry out one of the listed activities ("Computer programming, consulting and other related services", "Data hosting and processing services, Web-portals", "Release of software", "Other types of education not included in other categories" - exclusively in the direction of IT training).
2. have an economically feasible business plan for the type of activity carried out.

You can download the forms here, and you can apply to become a resident [here](#).

Benefits for the residents of the Advanced Technology Center

The resident of the Center may become a legal entity, carrying out innovative activity, scientific development and research, implementation of pilot projects, experimental industrial implementation and commercialization of innovative developments. General term of consideration of the documents submitted for registration of applicants for resident status is up to 30 days from the date of submission.

A resident of the Center has the right to:

- Use the services of the incubator (including consulting, mentoring, expert support);
- To rent laboratory equipment, production areas, office premises for 2 years with the right of extension up to 5 years upon agreement with the Ministry of Innovative Development of the Republic of Uzbekistan;
- to provide the minimum rent rate for the use of immovable state property, without applying the increasing coefficients;
- Exemption up to January 1, 2022 from land tax, corporate income tax, property tax and single tax payment;
- Exemption, valid until January 1, 2022, from customs duties (except for fees for customs clearance) for equipment, raw materials, materials, reagents and components, not produced in the Republic of Uzbekistan and imported for own needs in the implementation of innovative projects in the lists formed in the prescribed manner;
- provision of preferential crediting by the National Bank of Foreign Economic Activity of the Republic of Uzbekistan, including by opening credit lines through commercial banks servicing the Residents;
- granting guarantees and compensations for loans of commercial banks, issued to finance projects of the Residents, by the State Fund for Support of Development of Entrepreneurial Activity under the Cabinet of Ministers of the Republic of Uzbekistan.

List of documents to be submitted by the applicant for resident status of the Center:

- 1) Application;
- 2) Business plan;
- 3) Feasibility study;
- 4) Patent or patent application (if any);
- 5) Passport (for individual)
- 6) TIN (taxpayer identification number);
- 7) Certificate (for legal entity);
- 8) Charter (for legal entity);
- 9) Project presentation.

General economic situation in Uzbekistan, conditions for relocation and office opening

According to the State Statistics Committee of Uzbekistan, in the first quarter of 2020, the average monthly nominal wage in the country was 2,584.9 thousand soums, which is equivalent to \$250.

Food prices in 2020 are equivalent to \$ (Numbeo.com service data):

- milk (1 liter) - \$0.80
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- loaf of white bread (500 g) - \$0.21
- Rice (white, 1 kg) - \$1.09
- Eggs (12 eggs) - \$1.09
- Local cheese (1 kg) - \$4.45
- Chicken fillet (1 kg) - \$2.62
- beef tenderloin (1 kg) - \$5.93
- Apples (1 kg) - \$1.21
- Bananas (1 kg) - \$2.11
- Oranges (1 kg) - \$2.14
- Tomatoes (1 kg) - \$0.82
- Potatoes (1 kg) - \$0.42
- Bottle of wine - \$2.00
- Local beer (0.5 l) - \$0.58
- Cigarettes (1 pack) - \$1.50

Transportation prices:

- ticket in city passenger transport - \$0.15
- monthly pass for 1 vehicle - \$14.45
- cab pickup (average fare) - \$0.60
- 1 km of cab ride - \$0.20
- 1 liter of gasoline - \$0.52

Utility payments:

- basic utilities for an 85 m2 apartment - \$30.6

Rent:

- 1-bedroom apartment downtown - \$269
- 1 bedroom apartment in the city center - \$269
- 1 bedroom apartment in a residential area - \$166

There are no famous relocation programs in Uzbekistan, local companies/recruitment agencies are engaged in organization of relocation only for certain specialists from abroad.

The cost of office rent in Tashkent varies depending on the class of business center, location. For instance, an office with Western-style renovation, internet and all communications with 20 sq m in a business center on the 2nd floor would cost 1,500,000 sum, or \$150 per month.

Prototyping laboratories and Hi-Tech production facilities

Laboratories of the Scientific and Practical Center for Innovative Development (Innovation Center) under the Ministry of Innovative Development of the Republic of Uzbekistan:

- [Unmanned Aerial Vehicles Laboratory](#) (research)
- [Robotics Laboratory](#) (research)
- [Industrial Internet of Things Lab](#) (educational)
- [3D prototyping Laboratory](#)
- [5G Networks Lab](#) (educational)
- [Aerospace Laboratory](#)