

IMPORTANT NOTICE

THE ATTACHED BASE OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (I) QIBS (AS DEFINED BELOW) OR (II) LOCATED OUTSIDE OF THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the Base Offering Circular following this page (the “**Base Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Offering Circular. In accessing the Base Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING BASE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED BY THE RECIPIENT TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your Representation: In order to be eligible to view the Base Offering Circular or make an investment decision with respect to the securities, investors must be (i) “qualified institutional buyers” (“**QIBs**”) (as defined in Rule 144A under the Securities Act), or (ii) located outside the United States who are transacting in an “offshore transaction” (in accordance with Regulation S) who are not acting for the account or benefit of U.S. persons. By accepting the email and accessing the Base Offering Circular, you shall be deemed to have represented to us that: (i) you are a QIB acquiring the securities referred to herein for your own account and/or for another QIB or (ii) you are outside the United States and not a U.S. person and/or not acting for the account or benefit of a U.S. person.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Offering Circular to any other person.

Under no circumstances shall the Base Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor any sale of these securities in any jurisdiction in which such offer, solicitation or sale, would be unlawful. The Base Offering Circular may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 as amended) in connection with the issue or sale of any securities of the Republic of Uzbekistan (the “**Issuer**”) may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being “relevant persons”). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

The Base Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in the Base Offering Circular) nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any such Dealer.

**THE REPUBLIC OF UZBEKISTAN**

represented by the Ministry of Economy and Finance of the Republic of Uzbekistan

Global Medium Term Note Programme

Under the Global Medium Term Note Programme described in this Base Offering Circular (the **“Programme”**), the Republic of Uzbekistan (the **“Issuer”** or **“Uzbekistan”**), represented by the Ministry of Economy and Finance of the Republic of Uzbekistan, may from time to time issue notes (the **“Notes”**).

This Base Offering Circular comprises neither a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the **“FSMA”**), a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**“EUWA”**) (the **“UK Prospectus Regulation”**), nor listing particulars given in compliance with the listing rules made under Part VI of the FSMA by the United Kingdom Financial Conduct Authority in its capacity as competent authority under the FSMA (the **“FCA”**). Application may be made to the FCA for Notes to be admitted to the Official List of the FCA (the **“Official List”**) and to be admitted to trading on the Main Market (the **“Market”**) of the London Stock Exchange plc (the **“London Stock Exchange”**) on an issue by issue basis from the date hereof. For the purposes of this application, the Issuer is an exempt issuer pursuant to Article 1(2) of the UK Prospectus Regulation. Accordingly, this Base Offering Circular has not been reviewed or approved by the FCA and has not been approved as a base prospectus by any other competent authority under the UK Prospectus Regulation. Any Notes issued under the Programme are not subject to the prospectus requirements of the UK Prospectus Regulation but will be issued in accordance with the listing rules of the London Stock Exchange. The Programme also permits Notes to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges, regulated markets and/or quotation systems as may be agreed with the Issuer. References in this Base Offering Circular to Notes being **“listed”** (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein that are applicable to, each Tranche (as defined in *“Overview of the Programme”*) of Notes will be set forth in a final terms document (the **“Final Terms”**) or in a separate offering circular specific to such Tranche (the **“Drawdown Offering Circular”**) as described below in *“Final Terms and Drawdown Offering Circulars”*, which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the Market, will be delivered to the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Notes of each Series (as defined in *“Overview of the Programme”*) will be issued in registered form and may be offered and sold (a) outside the United States in reliance on Regulation S (**“Regulation S”**) under the Securities Act of 1933, as amended (the **“Securities Act”**) (the **“Unrestricted Notes”**) and represented by a registered global note certificate (each an **“Unrestricted Global Note”**) without interest coupons which may be deposited on the relevant issue date (i) in the case of a Series intended to be cleared through Euroclear Bank SA/NV (**“Euroclear”**) and/or Clearstream Banking, S.A. (**“Clearstream, Luxembourg”**) with a common depository (the **“Common Depository”**) and (ii) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, or delivered outside of a clearing system, as agreed between the Issuer and the relevant Dealers, and/or (b) within the United States only to **“qualified institutional buyers”** (**“QIBs”**) (as defined in Rule 144A under the Securities Act (**“Rule 144A”**)) in reliance on Rule 144A (the **“Restricted Notes”**) and will be represented by one or more registered global note certificates (each a **“Restricted Global Note”**) and together with the Unrestricted Global Notes, the **“Global Notes”**), without interest coupons, which, as specified in the Final Terms may be cleared through Euroclear and/or Clearstream, Luxembourg or through The Depository Trust Company (**“DTC”**) and which may be deposited on the relevant issue date with either a Common Depository or a custodian (the **“Custodian”**) for DTC and registered in the name of Cede & Co. as nominee for DTC. Prospective purchasers are hereby notified that sellers of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Interests in Restricted Global Notes will be subject to certain restrictions on transfer. See *“Transfer Restrictions”*. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, certificates for Notes will not be issued in exchange for beneficial interests in a Global Note.

The Issuer’s current long term debt rating by S&P Global Ratings (**“S&P”**) is BB- (outlook stable), Fitch Ratings Limited (**“Fitch”**) is BB- (outlook stable) and Moody’s Investors Services Ltd. (**“Moody’s”**) is Ba3 (outlook stable). Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Where a Tranche is rated, the applicable rating(s) will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a summary of certain restrictions on resale, see *“Subscription and Sale”* and *“Transfer Restrictions”*.

This Base Offering Circular should be read and construed together with any amendment or supplement hereto. Further, in relation to any Series, this Base Offering Circular should be read and construed together with the relevant Final Terms.

Investing in the Notes involves certain risks. See *“Risk Factors”* beginning on page 5.

Arrangers and Permanent Dealers

Citigroup

J.P. Morgan

Société Générale
Corporate & Investment Banking

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RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Offering Circular and declares that, to the best of its knowledge, the information contained in this Base Offering Circular (including the information incorporated herein by reference) is in accordance with the facts and the Base Offering Circular as completed by Final Terms makes no omission likely to affect the import of such information.

To the best of the knowledge and belief of the Issuer, this Base Offering Circular contains all information regarding the Issuer and the Notes which (in the context of the issue of the Notes) is material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Base Offering Circular on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Base Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

No person has been authorised to give any information or to make any representation other than those contained in this Base Offering Circular in connection with the offering, issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Arranger or Dealer (each as defined in “*Overview of the Programme*”).

Neither the Arrangers nor the Dealers have separately verified the information contained herein. None of the Arrangers or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Offering Circular. Neither this Base Offering Circular nor any Final Terms are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Offering Circular or any Final Terms should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Offering Circular and any Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Offering Circular and any Final Terms nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or the Dealers.

Generally, investment in emerging markets such as Uzbekistan is only suitable for investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors are urged to consult their own legal and financial advisers before making an investment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than do more mature markets, which could affect the ability of governments to meet their obligations under issued securities.

Investors should also note that emerging markets such as Uzbekistan are subject to rapid change and that the information set out in this Base Offering Circular may become outdated relatively quickly.

SUPPLEMENTS TO THIS BASE OFFERING CIRCULAR

The Issuer has undertaken, in connection with the listing of the Notes on the Official List, that in the event of a change in the condition of the Issuer, which is material in the context of the Programme or the issue of Notes, and if there is a significant new factor, material mistake or material inaccuracy relating to the information contained in this Base Offering Circular which is capable of affecting the assessment of any Notes, which inclusion would be required by investors for the purpose of making an informed assessment of the economic, fiscal and political condition of the Issuer and the rights attaching to the relevant Notes, the Issuer will prepare or procure the preparation of a supplement to this Base Offering Circular or, as the case may be, publish a new offering circular, for use in connection with that or any subsequent issue by the Issuer of Notes listed on the Official List.

IMPORTANT NOTICES

Neither the delivery of this Base Offering Circular or any Final Terms nor the offering, sale or delivery of any Note shall, under any circumstances, create any implication that the information contained in this Base Offering Circular is accurate subsequent to the date hereof or that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Base Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the economic, fiscal and political condition of the Issuer since the date hereof or the date upon which the Base Offering Circular has been most recently amended or supplemented or any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. This Base Offering Circular may only be used for the purpose for which it has been prepared.

The distribution of this Base Offering Circular and any Final Terms and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Circular or any Final Terms comes are required by the Issuer, the Arrangers and the Dealers to inform themselves and to observe any such restriction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Offering Circular and any Final Terms and the offering material relating to the Notes, see “*Subscription and Sale*”. In particular, the Notes have not been and will not be registered under the Securities Act and will be offered and sold outside the United States in reliance on Regulation S and sold in the United States only to QIBs in reliance on Rule 144A. Prospective purchasers of Notes are hereby notified that sellers of Notes may be relying on the exemption from registration requirements of Section 5 of the Securities Act provided by Rule 144A.

This Base Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers or the Dealers to subscribe for, or purchase, any Notes. In particular, this Base Offering Circular does not constitute an offer of securities to the public in the United Kingdom. Consequently, this document is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the FSMA (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order and other persons to whom it may be lawfully communicated falling within article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Base Offering Circular may come are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe such restrictions.

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”); however, this Base Offering Circular is not entitled to the benefit of the safe harbour created thereby. Such statements, certain of which can be identified by the use of forward looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “could”, “would be”, “seeks”, “approximately”, “estimates”, “predicts”, “projects”, “aims” or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions, involve a number of risks and uncertainties. Such forward looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised. Therefore, undue reliance should not be placed on them. The Issuer has based these forward looking statements on its current view with respect to future events and financial results.

Forward looking statements speak only as at the date on which they are made and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events. Forward looking statements involve inherent risks and uncertainties. Forward looking statements include, but are not limited to: (i) plans with respect to the implementation of economic policy; (ii) expectations about the behaviour of the economy if certain economic policies are implemented; (iii) the outlook for gross domestic product, inflation, exchange rates, interest rates, commodity prices, foreign investment, balance of payments, trade and fiscal balances; and (iv) estimates of external debt repayment and debt service.

The Issuer cautions that a number of important factors could cause actual results to differ materially from those contained in any forward looking statement. The information contained in this Base Offering Circular identifies important factors that could cause such differences, including, but not limited, to the following adverse external factors, such as:

- adverse events in other emerging market countries, which could dampen foreign investment or adversely affect the trading price of the Notes; and
- adverse domestic factors, such as:
 - changes in economic or other policies, including monetary policy applicable in Uzbekistan, which could affect inflation, growth rates and/or other aspects of the Uzbekistan economy;
 - a decline in foreign direct investment (“**FDI**”), increases in domestic inflation, high domestic interest rates, exchange rate volatility or an increase in the level of domestic and external debt, which could lead to lower economic growth, a decrease in Uzbekistan’s fiscal revenues or an increase in debt service requirements; and
 - any deterioration in political or economic stability or in investor perceptions thereof; and
- changes in international commodities prices, foreign exchange rates or prevailing interest rates, which could adversely affect Uzbekistan’s balance of payments and external reserves.

The sections of this Base Offering Circular entitled “*Risk Factors*”, “*Overview of the Republic of Uzbekistan*” and “*The Economy of the Republic of Uzbekistan*” contain a more complete discussion of the factors that could adversely affect the Issuer. In light of these risks, uncertainties and assumptions, the forward looking events described in this Base Offering Circular may not occur. The Issuer does not undertake any obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations. All subsequent written and oral forward looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Offering Circular.

As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward looking statements.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of the Stabilisation Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws, regulations and rules.

NOTICE TO PROSPECTIVE UNITED STATES INVESTORS

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES REVIEWED OR PASSED UPON OR ENDORSED THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Base Offering Circular is being furnished only to a limited number of investors in the United States who are persons reasonably believed to be QIBs and to investors outside the United States. Any reproduction or

distribution of this Base Offering Circular, in whole or in part, in the United States and any disclosure of its contents or use of any information herein in the United States for any purpose, other than in considering an investment by the recipient in the Notes, is prohibited. Each potential investor in the Notes, by accepting delivery of this Base Offering Circular agrees to the foregoing and each purchaser or holder of interests in Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain acknowledgements, representations and agreements as set out in “*Subscription and Sale*” and “*Transfer Restrictions*”.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend titled “MiFID II Product Governance” that will outline the target market assessment in respect of such Notes and which channels for distribution of such Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (a “**distributor**”) should take into consideration the target market assessment; *however*, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a “manufacturer” in respect of such Notes, but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” that will outline the target market assessment in respect of such Notes and which channels for distribution of such Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a “manufacturer” in respect of such Notes, but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

KINGDOM OF SAUDI ARABIA NOTICE

This Base Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the “**Capital Market Authority**”).

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Offering Circular. Prospective purchasers of Notes issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Offering Circular, he or she should consult an authorised financial adviser.

SINGAPORE SFA PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise stated in the Final Terms in respect of any Notes and notified to the Dealers prior to an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-

N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

SDG NOTES, SDG BOND FRAMEWORK AND SECOND PARTY OPINION

The Final Terms in respect of an issue of Notes (“**SDG Notes**”) may provide that an amount equivalent to the net proceeds of the issue of such SDG Notes will be used for Eligible Green Expenditures (as defined below) to finance or refinance one or more projects, in part or in full, providing environmental benefits that further one or more of the SDGs (as defined below) and as further described in the Issuer’s SDG Bond Framework published in July 2021 (the “**SDG Bond Framework**”).

The Issuer has published the SDG Bond Framework for the issuance of green bonds, as well as other SDG bonds as part of its commitment towards implementing the United Nations Sustainable Development Goals set by the United Nations General Assembly in 2015 for the year 2030 (the “**SDGs**”). The SDG Bond Framework is aligned with ICMA’s Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, each published in June 2021. The “**Eligible Green Expenditures**” comprise expenditures in respect of the following eligible categories listed in the eligible SDG expenditures set out and defined in the SDG Bond Framework: (i) Sustainable Water Supply and Waste-Water Management and Flood Defence Systems; (ii) Delivery of Essential and Clean Transportation Services; (iii) Pollution Prevention and Control; (iv) Sustainable Management of Living Natural Resources and Land Use (Terrestrial and Aquatic); and (v) Clean and Efficient Energy Production and Consumption (the “**Eligible Green Categories**”).

The Eligible Green Expenditures are aligned with certain environmentally focused SDGs, as set forth in the SDG Bond Framework. The Eligible Green Expenditures for an issuance of SDG Notes, may include investment expenditures, fiscal expenditures (subsidies, grants and loans), tax expenditures (subsidies and tax exemptions), operational expenditures and intervention expenditures, in one or more of the Eligible Green Categories.

Pursuant to the SDG Bond Framework, the Issuer has established a policy to publish: (i) annual allocation reports providing a description of the eligible SDG expenditures (including the Eligible Green Expenditures) undertaken and the amount of budgetary resources allocated to each eligible SDG expenditure until the amount of budgetary resources expended on eligible expenditures equals the total amount of net proceeds from the relevant green bonds or other SDG bonds and (ii) an annual impact report on the expected social and environmental benefits, as applicable, of the selected eligible SDG expenditures for as long as any SDG bond is outstanding. This reporting policy is not a contractual obligation of the Issuer, and the Issuer may decide to change its reporting policy or not comply with the policy at any time. If the Issuer does provide such reports, they will be published on www.imv.uz.

Sustainalytics UK Limited (the “**Second Party Opinion Provider**”), a provider of ESG research and analysis, has been appointed by the Issuer to evaluate the alignment of the Issuer’s SDG Bond Framework (as defined below) with relevant market standards and provide its views on the robustness and credibility thereof (the “**Second Party Opinion**”). As at the date of this Base Offering Circular, the Second Party Opinion (which is dated 6 July 2021) is available on the following webpage: https://api.mf.uz/media/document_files/2._Second_party_opinion_on_SDG_bonds.pdf.

As at the date of this Base Offering Circular, the SDG Bond Framework is available on the following webpage: https://api.mf.uz/media/document_files/SDG_Bond_Framework_X0KO2oV.pdf.

The Second Party Opinion, the SDG Bond Framework and any other opinion, report or certification, or any practices contemplated thereunder are not incorporated into, and do not form part of, this Base Offering Circular or the terms of any SDG Notes. They do not establish enforceable contractual obligations of the Issuer. None of the Issuer, any party appointed as green structuring adviser (howsoever described) in respect of any issue of SDG Notes (a “**Green Structuring Bank**”) or any Arranger or Dealer makes any representation as to the suitability or content of the SDG Bond Framework, and none of the Issuer, any Green Structuring Bank or any Arranger or Dealer makes any representation as to the suitability or content of the Second Party Opinion or any other opinion, report or certification. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was issued. The Second Party Opinion is for information purposes only, and the Second Party Opinion Provider does not accept any form of liability for its content and/or any liability for loss arising from the use of the Second Party Opinion or the information provided therein. Furthermore, no representation or assurance is given by the Issuer, any Green Structuring Bank, any Arranger or Dealer or any other person that investment in any SDG Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own governing documents or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social, sustainable or green impact of any projects or uses that are the subject of, or related to, any Eligible Green Expenditures. Any information on, or accessible through, the Republic of Uzbekistan’s website or any other website mentioned in this Base Offering Circular, any Final Terms prepared in connection with an issue of any SDG Notes or any website directly or indirectly linked to this website, and the information in the SDG Bond Framework, has not been verified. See “*Risk Factors — Risk Factors Relating to the Notes — The use of proceeds of any SDG Notes may not be suitable for the investment criteria of an investor*”.

FINAL TERMS AND DRAWDOWN OFFERING CIRCULARS

In this section the expression “necessary information” means, in relation to any Tranche, the information necessary to enable investors to make an informed assessment of the prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Base Offering Circular and which can only be determined at the time of an individual issue of a Tranche.

Any information relating to the Notes which is not included in this Base Offering Circular and which is required in order to complete the necessary information in relation to a Tranche will be contained either in the relevant Final Terms or in a Drawdown Offering Circular.

For a Tranche which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Offering Circular and must be read in conjunction with this Base Offering Circular. The terms and conditions applicable to any particular Tranche which is the subject of Final Terms are the Terms and Conditions of the Notes described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche which is the subject of a Drawdown Offering Circular will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Offering Circular. In the case of a Tranche which is the subject of a Drawdown Offering Circular, each reference in this Base Offering Circular to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular unless the context requires otherwise.

PRESENTATION OF INFORMATION

Statistical data appearing in this Base Offering Circular has, unless otherwise stated, been obtained from the Statistics Agency under the President of the Republic of Uzbekistan, Ministry of Economy and Finance of the Republic of Uzbekistan, Ministry of Employment and Poverty Reduction of the Republic of Uzbekistan, Ministry of Pre-School and School Education of the Republic of Uzbekistan, Ministry of Mining Industry and

Geology of the Republic of Uzbekistan, and the Central Bank of the Republic of Uzbekistan (“**CBU**”). Some statistical information has also been derived from information publicly made available by third parties such as the International Monetary Fund (the “**IMF**”), the International Bank for Reconstruction and Development (the “**IBRD**”) and other third parties. Where such third party information has been so sourced the source is stated where it appears in this Base Offering Circular. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced inaccurate or misleading. Similar statistics may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

References to gross domestic product (“**GDP**”) are to nominal GDP unless indicated otherwise.

In this Base Offering Circular, unless otherwise specified, references to “**Uzbekistan**” or the “**State**” are to the Republic of Uzbekistan; references to “**Government**” or “**Parliament**” are to the Government or Parliament of Uzbekistan, respectively; references to the “**CIS**” are to the Commonwealth of Independent States; references to “**UZS**” and “**soums**” are to the currency of Uzbekistan; and references to “**U.S. dollars**” and “**US\$**” are to the currency of the United States of America. References to “billions” are to thousands of millions.

Conversions of amounts from soums to U.S. dollars are solely for the convenience of the reader and, unless otherwise stated, are made at various exchange rates. No representation is made that Uzbekistan soum or U.S. dollar amounts referred to herein could have been or could be converted to U.S. dollars or soums, as the case may be, at any particular rate or at all.

Websites referred to in this Base Offering Circular and the information therein do not form part of this Base Offering Circular.

Certain figures included in this Base Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same item of information may vary to reflect such rounding, and figures shown as totals may not be the arithmetical aggregate of their components.

Please note that certain existing data included in this Base Offering Circular may be subject to revision in future. See “*Risk Factors – Risks Relating to Uzbekistan – Statistics published by Uzbekistan and appearing in this Base Offering Circular may be more limited in scope and published less frequently and differ from those produced by other sources*”.

Public Official Information

Information included in this Base Offering Circular and identified as being derived from information published by Uzbekistan or one of its agencies or instrumentalities is included herein on the authority of such publication as a public official document of Uzbekistan. All other information herein with respect to Uzbekistan is included herein as a public official statement made on the authority of the Ministry of Economy and Finance.

EXCHANGE RATES

Solely for convenience, this Base Offering Circular includes conversions of certain soum amounts into U.S. dollars at specified rates.

The following table sets forth the period-end, average and high and low rates for soum, each expressed in soum and based on the soum/U.S. dollar exchange rates as reported by the CBU for the periods indicated:

<i>Year/period</i>	High	Low	Average⁽¹⁾	Period end
			<i>(soum/U.S. dollar)</i>	
2025 (up to and including 31 January 2025)	12,958.61	12,904.91	12,958.61	12,957.01
2024.....	12,928.70	12,341.54	12,652.70	12,920.48
2023.....	12,389.97	11,246.81	11,737.20	12,338.77
2022.....	11,571.99	10,800.55	11,045.70	11,225.46
2021.....	10,848.58	10,449.44	10,623.44	10,837.66
2020.....	10,476.92	9,500.54	10,064.73	10,476.92

Source: Central Bank of the Republic of Uzbekistan

Note:

- (1) The average rate is calculated based on annualised weekly exchange rates to determine the annual or monthly average rate (as the case may be).

As of 18 February 2025, the official exchange rate of CBU was US\$1.0 to UZS 12,981.25.

The exchange rates set out in the table above may differ from the actual rates used in the preparation of the information appearing in this Base Offering Circular. The inclusion of these exchange rates is not meant to suggest that any amount of the currencies specified above has been, or could be, converted into the applicable currency at the exchange rates indicated or at any other exchange rate.

THE METHODOLOGY OF THE STATISTICS AGENCY UNDER THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN

According to the methodology of the Statistics Agency under the President of the Republic of Uzbekistan, goods and services produced by enterprises with a state share of less than 100% are considered to be goods and services produced by the private sector.

ENFORCEMENT OF FOREIGN JUDGMENTS AND AWARDS

The Issuer is a sovereign state and substantially all of its assets are located in the Republic of Uzbekistan. As a result, it may not be possible (a) to effect service of process upon the Issuer outside of the Republic of Uzbekistan, (b) to enforce against it in courts of jurisdictions other than the Republic of Uzbekistan, judgments obtained in such courts unless the Issuer has effectively waived its state immunity or (c) to enforce against it in the Republic of Uzbekistan's courts, judgments obtained in other jurisdictions unless that other jurisdiction and the Republic of Uzbekistan are party to a treaty on mutual recognition and enforcement of judgments.

Neither the United Kingdom nor the United States is party to any such treaty with the Republic of Uzbekistan and even if an applicable international treaty is in effect, the recognition and enforcement in Uzbekistan of a foreign judgment will in all events be subject to exceptions and limitations provided for in the laws of the Republic of Uzbekistan. In the absence of such agreements the courts of Uzbekistan may recognise and enforce a foreign judgment on the basis of the principle of reciprocity. The Uzbek legislation does not include clear rules on the application of the principle of reciprocity. Thus, there can be no assurance that the courts of Uzbekistan will recognise and enforce a judgment rendered by courts of a jurisdiction with which Uzbekistan has no agreement on the basis of the principle of reciprocity.

Nevertheless, the Issuer will irrevocably appoint the Ambassador of the Republic of Uzbekistan to the Court of St. James's as its authorised agent on whom process may be served in any action arising out of or based on the Notes in an English court.

The Issuer will also agree that any claims or disputes arising in respect of the Notes shall be referred to and finally settled by arbitration in accordance with the rules of the LCIA. The Republic of Uzbekistan is a party to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") and, accordingly, an arbitral award should generally be recognised and enforceable in Uzbekistan under the New York Convention provided the conditions to enforcement set out in the New York Convention are met.

However, an Uzbek court may refuse the recognition and enforcement of foreign arbitral awards in full or part if one of the following grounds exists:

- (i) a party to the arbitration agreement is in any way incapable by the law applicable to it or the arbitration agreement is invalid under the chosen governing law or in the absence of such governing law, according to the law of the country where a foreign arbitral award has been rendered;
- (ii) a party against which a foreign arbitral award is rendered has not been timely and duly notified about the proceedings, or the time and place of the proceedings, or could not provide its explanations due to other reasons;
- (iii) a foreign arbitral award is rendered in a dispute not provided for or not subject to the terms of the arbitration agreement or arbitration clause in the contract, or contains rulings on matters beyond the scope of the arbitration agreement or arbitration clause in the contract, unless rulings on matters covered by the arbitration agreement or by reservation can be separated from those not covered by such agreement or reservation;
- (iv) a composition of the arbitration body or the arbitration process did not comply with the agreement of the parties or, in the absence thereof, did not comply with the law of the country where the arbitration proceedings were held;
- (v) a foreign arbitral award is not final for the parties or cancelled, or suspended by the competent authority of the state where it was rendered, or of the country the laws of which are being applied;
- (vi) a dispute was resolved by an incompetent foreign court or arbitration.

The court may also refuse to recognise and enforce a foreign arbitral award if:

- (i) enforcement of a foreign arbitral award will contradict the "public order" of the Republic of Uzbekistan;
- (ii) the subject matter of the dispute may not be subject to arbitration under the laws of the Republic of Uzbekistan;

- (iii) the statute of limitations for the enforcement of a foreign arbitral award has expired.

Recognition and enforcement of foreign arbitral awards in Uzbekistan may still be difficult, in particular, if the enforcement of a foreign arbitral award conflicts with the “public policy” of Uzbekistan. The laws of Uzbekistan do not provide any clear guidelines for determining what the “public policy” of Uzbekistan actually is. The ambiguity of the “public policy” concept may be used by Uzbek courts to deny recognition and enforcement of foreign arbitral awards rendered against Uzbekistan or threatening its interests.

In addition, an Uzbek court will ignore any dispute resolution agreement of the parties if it finds that under Uzbek legislation it has exclusive jurisdiction over such disputes.

Although Uzbek law recognises choice of law principles for contractual obligations, the choice of foreign law will not exclude the application of mandatory rules of Uzbek law that cannot be derogated from by the agreement of the parties. According to Uzbek law, regardless of the choice of law agreed to by the parties, certain mandatory rules of Uzbek law still apply.

In Uzbekistan, upon receipt of a foreign arbitral award, the party seeking to enforce the award must submit an application for the recognition and enforcement of the foreign arbitral award to the relevant economic courts in the Republic of Uzbekistan. The court will review the award to ensure there are no grounds (as discussed above) to refuse recognition and enforcement. Upon a finding that the foreign arbitral award is satisfactory, the court will adapt a ruling on recognition and enforcement and issue a writ of execution, which must be submitted to the Bureau of Mandatory Enforcement within three years of the court’s ruling on the foreign arbitral award.

As a condition for admissibility in evidence of any documents, the courts of Uzbekistan will require the submission of such documents either (i) as originally executed counterparts, or (ii) as duly notarised copies. In addition, in case of an official document issued outside Uzbekistan, unless a valid international agreement of Uzbekistan provides otherwise, such official document will be admissible in evidence by a court of Uzbekistan if (i) such official document is legalised by an Uzbek consul in the country of its issuance and a duly certified Uzbek language translation of such official document is notarised by an Uzbek notary or (ii) the apostil is affixed to such official document by the competent authority of the country of its issuance subject to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents dated 5 October 1961 and a duly certified Uzbek language translation of such official document is notarised by an Uzbek notary.

Taking into account that Uzbekistan is a sovereign state, there is a risk that notwithstanding the waiver of sovereign immunity by Uzbekistan in connection with the Notes, a claimant will not be able to enforce a foreign judgment or arbitral award in Uzbekistan against certain assets of Uzbekistan, e.g. property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organisations, including their heads and other employees, property of military character and under the control of the military authorities or defence agencies, property of the CBU, including gold and foreign currency reserves and property located in Uzbekistan and used for public or governmental purposes (as distinct from property used for commercial purposes) without Uzbekistan having specifically consented to such enforcement at the time when the enforcement is sought. In addition, certain state-owned assets are statutorily exempt from court enforcement procedures in Uzbekistan. The enforcement in Uzbekistan of any court judgment or arbitral award against any assets of the Issuer which are subject to a mortgage, pledge, lien or other security interest or encumbrance granted by the Issuer to a third party will also be subject to the provisions of applicable laws governing such mortgages, pledges, liens, security interests or encumbrances (including, without limitation, the order of priority for the satisfaction of claims of secured and unsecured creditors from such assets). See *“Risk Factors — Risks related to the Notes generally — Enforcement of judgments or arbitral awards against Uzbekistan can be difficult in certain jurisdictions”*. In addition, Uzbekistan has not consented to service or waived sovereign immunity with respect to actions brought against it under US federal securities laws or any state securities laws. In the absence of a waiver of immunity by Uzbekistan with respect to such actions, it may not be possible to obtain a judgment in such an action brought in a US court against Uzbekistan unless such court were to determine that Uzbekistan is not entitled under the U.S. Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such actions.

OVERVIEW OF THE PROGRAMME

This overview does not purport to be complete and must be read as an introduction to this Base Offering Circular and any decision to invest in the Notes should be based on a consideration of this Base Offering Circular as a whole.

Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuer	The Republic of Uzbekistan represented by the Ministry of Economy and Finance of the Republic of Uzbekistan
Issuer Legal Entity Identifier	213800L6VDKUM3TCM927
Description and Size	Global Medium Term Note Programme The Programme is unlimited in amount.
Arrangers	Citigroup Global Markets Limited J.P. Morgan Securities plc Société Générale
Permanent Dealers	Citigroup Global Markets Limited J.P. Morgan Securities plc Société Générale

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Offering Circular to “**Permanent Dealers**” are to those persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent, Exchange Agent and Calculation Agent.....	Citibank, N.A., London Branch
Principal Paying and Transfer Agent.....	Citibank, N.A., London Branch
Registrar.....	Citigroup Global Markets Europe AG

Method of Issue.....	The Notes will be issued in series (each, a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. However, further notes having the same terms and conditions as the Notes of a particular Series so as to form a single series with the Notes of the particular Series will be issued with a separate CUSIP and ISIN unless such further notes are fungible with the original Notes for U.S. federal income tax purposes. Each Series may comprise one or more tranches of notes (each, a “ Tranche ”) issued on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the denominations, issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms or the Drawdown Offering Circular (as the case may be) which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Base Offering Circular and must be read
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in conjunction with this Base Offering Circular. The terms and conditions applicable to any particular Tranche are the Terms and Conditions of the Notes as supplemented, amended or replaced by the relevant Final Terms or the relevant Drawdown Offering Circular (as the case may be).

Issue Price	Notes may be issued at any price on a fully paid basis, as specified in the Final Terms. The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Form of Notes	Each Series will be issued in registered form only. Restricted Notes will initially be represented by a Restricted Global Note and Unrestricted Notes will initially be represented by an Unrestricted Global Note. The Global Notes will be exchangeable for Definitive Note Certificates (as defined herein) in the limited circumstances specified in the Global Notes.
Clearing Systems	Euroclear, Clearstream, Luxembourg and DTC, unless otherwise agreed, and such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).
Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory and central bank requirements.
Maturities	Subject to compliance with all relevant laws, regulations, directives and/or central bank requirements, any maturity.
Denominations	Notes will be issued in such denominations as may be specified in the relevant Final Terms (the “ Specified Denomination ”), <i>provided that</i> , subject to the below, the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency. For so long as the Notes are represented by a Global Note, and the relevant clearing system(s) so permit, subject to the below, the Notes shall be tradeable only in the minimum authorised denomination of €100,000 or its equivalent in another currency and higher integral multiples of any smaller amount specified in the relevant Final Terms. Interests in the Restricted Notes shall be held in amounts of not less than US\$200,000 or its equivalent in other currencies. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA.
Interest	Notes may be interest-bearing or non interest-bearing (as set out in the relevant Final Terms). Interest (if any) may accrue at a fixed rate or a floating rate.

Redemption	<p>The relevant Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whole issue otherwise would constitute a contravention of section 19 of the FSMA will have a minimum redemption amount of £100,000 (or its equivalent in the relevant currency).</p>
Status of the Notes	<p>The Notes constitute direct, general, unconditional and (subject to Condition 6 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> without preference among themselves and at least <i>pari passu</i> in right of payment with all other unsecured External Indebtedness of the Issuer from time to time outstanding, <i>provided further that</i> the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and <i>vice versa</i>.</p>
Negative Pledge	<p>The Notes will have the benefit of a negative pledge as described in Condition 6 (<i>Negative Pledge</i>).</p>
Credit Ratings	<p>Where a Tranche is rated, the applicable rating(s) will be specified in the relevant Final Terms.</p> <p>A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.</p>
Taxation	<p>All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.</p> <p>In that event, the Issuer shall pay such amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction has been required, subject to certain exceptions set out in Condition 12 (<i>Taxation</i>).</p>
Governing Law	<p>English law.</p>
Transfer Restrictions	<p>The offering and sale of Notes is subject to applicable laws and regulations including, without limitation, those of the United States, the United Kingdom, Singapore, Hong Kong, Switzerland and the Republic of Uzbekistan. See “<i>Subscription and Sale</i>”.</p> <p>The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) or any State securities law. Consequently, the Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction</p>

not subject to, the registration requirements of the Securities Act and any applicable state securities laws. See “*Transfer Restrictions*”.

Listing and Trading	<p>Application may be made for the Notes to be admitted to listing on the Official List and to trading on the Market and references to “listing” shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market.</p> <p>Notes may also be unlisted or may be listed or admitted to trading, as the case may be, on any market (including any unregulated or regulated market for the purposes of MiFID II) as may be agreed among the Issuer and the relevant Dealer(s) or (in the case of a direct purchase of Notes by an investor) the relevant Noteholders(s) in relation to each relevant Series.</p>
Enforcement of Notes in Global Form	<p>In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a deed of covenant dated 4 February 2019 (the “Deed of Covenant”), a copy of which is available for inspection at the specified office of the Fiscal Agent.</p>
Risk Factors	<p>Investing in the Notes involves a high degree of risk, which investors should ensure they fully understand. These include: risks associated with emerging markets, risks relating to Uzbekistan and risks relating to the Notes. See “<i>Risk Factors</i>”.</p>
Use of Proceeds	<p>Unless otherwise stated in the relevant Final Terms, the net proceeds of the issue of the Notes will be used by the Issuer for general budgetary purposes, including infrastructure projects.</p>

RISK FACTORS

Investment in the Notes involves a high degree of risk. Prospective investors should carefully consider the following risk factors, together with the other information set out in this Base Offering Circular, before making a decision to invest in the Notes and should understand that the risks set forth below could, individually or in the aggregate, have a material adverse effect on the Issuer's ability to repay principal and make payments of interest on the Notes or otherwise fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Additional risks and uncertainties not currently known to the Issuer or that the Issuer currently deems to be immaterial may also materially affect the Issuer's economy and its ability to fulfil its obligations under the Notes. In any such case, investors may lose all or part of their investment in the Notes.

Risks Relating to Emerging Markets

Investing in securities involving emerging markets generally involves a higher degree of risk than investing in securities in more developed markets

Investors in emerging markets should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant economic, political, social and legal risks. Investors should also note that emerging economies, such as the Republic of Uzbekistan, are subject to rapid change and that the information set forth herein may become outdated relatively quickly.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, making an investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisers before making an investment in the Notes.

Disruptions in the international capital markets and changing regulatory environments can lead to reduced liquidity and increased credit risk premiums for certain market participants and result in a reduction of available financing. Countries located in emerging markets may be particularly susceptible to these disruptions and changes as well as to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

In general, the level of investor confidence in emerging markets as a whole significantly influence the availability of credit to entities operating in such markets. Accordingly, any factors that impact market confidence, such as a decrease in credit ratings or state or central bank intervention in a particular market, could affect the price or availability of funding for entities within any of these markets, which could, in turn, have an impact on the wider economies of such markets.

Fluctuations in the global economy or an increase in the perceived risks associated with investing in emerging markets could reduce foreign investment in Uzbekistan and, as a result, have an adverse effect on Uzbekistan's economy. If foreign investment in Uzbekistan's economy declines, it may experience liquidity constraints. Uzbekistan's economy is also not immune from developments in the economies of other countries located in emerging markets. Even if Uzbekistan's economy remains relatively stable, financial unrest or instability experienced in one or more emerging market countries, especially countries in the CIS, the Caspian Sea or Central Asian regions (which have recently experienced significant political instability, including terrorism and internal unrest), could have a negative impact on Uzbekistan's economy.

Any of the aforementioned risks could have a negative effect on Uzbekistan's economy, and thus could have a material adverse effect on the trading price of the Notes.

Risks Relating to Uzbekistan

Uzbekistan's economy is vulnerable to external shocks and fluctuations in the global economy

Uzbekistan's economy and finances have been affected adversely by global financial developments and political changes in certain emerging markets. Changes in both the global and domestic environment have resulted in, among other things, lower liquidity levels across the banking sector, tighter credit conditions for Uzbek

companies generally and fluctuating global demand for and instability in the price of gold, natural gas, cotton and other commodities and downward pressure on the soum.

Global and regional economic conditions remain volatile and there is significant economic uncertainty. Real GDP growth in Uzbekistan was 6.5% in 2024, 6.3% in 2023 and 6.0% in 2022, according to the Statistics Agency under the President of the Republic of Uzbekistan. The World Bank's Global Economic Prospects Report, published in January 2025, estimates that real GDP growth for Central Asia will be 5.0% in 2025, slightly decreasing to 4.2% in 2026. For Uzbekistan specifically, real GDP growth is projected to reach 5.8% in 2025 and 5.9% in 2026.

Whilst Uzbekistan's economy was one of the three economies in the Europe and Central Asia region to maintain positive economic growth in 2020 despite the impact of COVID-19, Uzbekistan's economy is nonetheless vulnerable to external shocks and the economic performance of its trading partners. A significant decline in economic growth in any of Uzbekistan's other major trading partners, particularly Russia (whether or not due to the ongoing war in Ukraine or resulting from sanctions imposed by, among others, the United States, the United Kingdom and the EU), China and Kazakhstan, could have a material adverse effect on Uzbekistan's balance of trade and economic growth. See "*—The ongoing conflict between Russia and Ukraine and sanctions imposed on certain Russian and Ukrainian persons and entities could have an adverse impact on Uzbekistan's economy*" below. Further, Uzbekistan's economy may be affected by other regional conflicts, including the ongoing escalation of conflict in the Middle East. Uzbekistan also depends on neighbouring states to access world markets for a number of its major exports. Should access to these export routes be materially impaired, this could adversely impact Uzbekistan's economy. Events occurring in one geographic or financial market sometimes have so-called "contagion effects", whereby they result in an entire region or class of investments being disfavoured by international investors. It is possible that the market for investments in Uzbekistan, including the Notes, will be affected in the future by negative economic or financial developments in neighbouring countries or countries whose economies or credit ratings are similar to those of Uzbekistan.

The most significant contagion effecting Uzbekistan's economy is the global change in prices for certain commodities. Several global economies, including China, are experiencing a slowdown in economic growth and stock market volatility. Trade tensions between the United States and China, including recent tariff implementations and retaliations, may further contribute to economic uncertainty and supply chain disruptions, potentially impacting China's industrial output and trade flows. As one of Uzbekistan's key trade partners, any downturn in the Chinese economy could have adverse effects on Uzbekistan's economic performance. Disruptions to trade and supply chains could reduce Uzbekistan's exports of raw materials, particularly cotton, metals, and energy resources, as weakened Chinese manufacturing demand may lower commodity consumption. A decline in global commodity prices due to reduced Chinese demand could negatively impact Uzbekistan's export revenues, affecting fiscal stability and economic growth. Additionally, China is a major source of foreign direct investment in Uzbekistan's infrastructure, energy, and industrial sectors. Increased economic uncertainty and financial pressures on Chinese investors may lead to reduced capital inflows, delays in major projects, or a scaling back of planned economic cooperation initiatives, which could slow Uzbekistan's development efforts and limit employment opportunities in key sectors. Given China's role as a primary trade and investment partner, any disruption to its economic stability or growth, or a rupture in economic or political relations between Uzbekistan and China, could have an adverse effect on the economy of Uzbekistan which, in turn, may materially and adversely affect Uzbekistan's financial condition and its ability to repay the Notes.

In addition, Uzbekistan is in the process of implementing structural economic reforms aimed at, *inter alia*, price and trade liberalisation and tax control. See "*Implementation of market-based reforms may not be effective which may slow the growth of Uzbekistan's economy*". Should the Government succeed in the implementation of market reforms, Uzbekistan's economy would be more integrated into the world trading system and inter-linked with the global economy and economies of the main trade partners and neighbouring states of Uzbekistan, which may make Uzbekistan's economy more vulnerable to external shocks, such as global economic crises and currency and commodity price volatility.

Certain state-owned enterprises (the "SOEs") are key contributors to Uzbekistan's GDP and state budget. For example, Navoi Mining and Metallurgical Combinat ("NMMC"), involved in the mining industry (mainly producing gold) contributed 18.7% to the state's revenues, accounting for approximately 3.5% of Uzbekistan's total GDP in 2024. JSC "Almalyk MMC", a company involved in the mining industry, contributed 5.8% to state budget revenues and accounted for 1.1% of GDP during 2024. JSC "Uzbekneftegaz" (the Uzbek state oil and

gas company) is a major taxpayer for the state budget, contributing 1.5% to the state's revenues and accounting for approximately 0.3% of Uzbekistan's total GDP in 2024. Any decline in the financial performance of these businesses, regardless of the underlying reasons for such decline, could have a direct and indirect material adverse impact on the revenues in Uzbekistan's State Budget.

Furthermore, Uzbekistan faces economic risks of volatility in workforce remittances (in particular, from Russia) and unemployment. The rate of unemployment in Uzbekistan decreased from 8.9% as of 31 December 2022 to 6.8% as of 31 December 2023, mainly due to further implementation of economic reforms in the country, the creation of a foundation for the establishment of businesses through training the unemployed population in professions and entrepreneurship, and the formation of sources of family income by providing permanent jobs to the citizens applying for work. Decreases in remittance inflows or increases in the unemployment rate could have an adverse effect on the economy of Uzbekistan.

There can be no assurance that weaknesses in the global economy, or a future external economic crisis, will not have a negative effect on Uzbekistan's economy or on investors' confidence in Uzbekistan's markets. This could affect Uzbekistan's ability to raise capital in the international debt markets and may have a material adverse effect on the trading price of the Notes.

The ongoing conflict between Russia and Ukraine and sanctions imposed on certain Russian and Ukrainian persons and entities could have an adverse impact on Uzbekistan's economy

On 24 February 2022, the military conflict between Russia and Ukraine began, which, in conjunction with sanctions against Russia imposed by governments has led to significant volatility and disruption in global commodity and financial markets and the broader global economy. Since 2014, the United States, the United Kingdom, the European Union, and other nations, including Australia, Canada, Japan, and Switzerland, have imposed multiple rounds of sanctions on certain Russian and Ukrainian individuals and entities. These sanctions have intensified following the outbreak of the current conflict in 2022.

The sanctions, coupled with a substantial decline in global oil prices, have had an adverse effect on the Russian economy. This has resulted in downward revisions to the credit ratings of the Russian Federation and several major Russian companies that are ultimately controlled by the state. Additionally, there has been extensive capital outflow from Russia since 2014, which has severely impaired the ability of Russian issuers to access international capital markets.

Russia has historically been one of the main trade and economic partners of Uzbekistan. Sanctions imposed on certain Russian persons and entities by the United States, the United Kingdom, the EU and other countries in connection with the conflict in Ukraine and any other actions by Russia which may result in further sanctions, could prevent Uzbekistan from trading with certain Russian counterparties, which could have a material adverse impact on Uzbekistan's trade and consequently the country's economy. In addition, given Uzbekistan's close economic relationship with Russia, there can be no assurances that individuals or businesses located in Uzbekistan will not themselves become subject to secondary sanctions imposed by the United States, the United Kingdom and the EU, among other countries.

Uzbekistan's close economic links with Russia, the existing sanctions imposed on certain Russian and Ukrainian individuals and entities or any future sanctions could have a material adverse effect on Uzbekistan's economy, which in turn could have a material adverse effect on the trading price of the Notes.

Uzbekistan's economy is significantly affected by volatility in international oil prices

Crude oil and oil product prices are subject to international supply and demand and margins can be volatile. Political developments, increased use of renewable energy sources that alter fuel or power choices (such as the development of solar and wind power in the Republic of Uzbekistan), technological change and global economic conditions have an indirect impact on oil demand and prices. The programme "On measures to improve the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a "green" economy by 2030" was approved by a Presidential Resolution of the Republic of Uzbekistan dated 2 December 2022 in order to ensure fulfilment of obligations under the Paris Agreement on climate change signed by Uzbekistan on 19 April 2017. See "Overview of the Republic of Uzbekistan – Environment". The adoption of such policies related to renewable energy and climate change could lead to constraints on production and supply, access to new reserves and a decline in demand for certain products. In addition, exchange rate fluctuations can create

currency exposures and impact underlying costs and revenues. Crude oil prices are generally set in U.S. dollars, while oil products vary in currency. Many of the project development costs in the Republic of Uzbekistan that are denominated in soums may be subject to fluctuations against the U.S. dollar. There can be no assurances that these factors, in combination with others, will not result in a prolonged or further decline in oil prices, which may continue to have an adverse effect on, among other things, Uzbekistan's GDP growth, Government revenues, balance of payments and foreign trade.

Any material reduction in the price of commodities, particularly gold, natural gas, copper and uranium, may materially adversely affect the revenues and financial condition of Uzbekistan

Uzbekistan is a country with abundant mineral resources and a major exporter of commodities, including gold, copper and uranium. Within the CIS region, Uzbekistan is the second largest producer of gold and uranium and the third largest producer of natural gas and copper as of November 2024, according to the Ministry of Mining Industry and Geology of the Republic of Uzbekistan. In the year ended 31 December 2023, gold accounted for approximately 33.4% of the country's total exports, and the share of the mining industry in the GDP reached 17% or US\$15.8 billion. The state-owned enterprise, NMMC, which predominantly produces uranium and gold, accounted for nearly 18.7% of the State's budget revenues in 2024. Uzbekistan's economy and the State Budget rely on the fiscal revenues of these exports.

Because of the country's reliance on commodity exports, Uzbekistan is at risk of shocks stemming from declines in the prices of its major exports, such as gold. Any global downturn could lead to lower commodity export prices. The significant share of commodities in Uzbekistan's exports and the country's major trading partners' vulnerability to commodity price shocks could significantly worsen the impact of adverse external shocks for Uzbekistan by lowering exports earnings, commodity prices and the value of remittances at the same time. As a result, fluctuations in international export prices of these and other commodities, such as copper or gas, may have a material impact on Uzbekistan's GDP, fiscal revenues, balance of payments, external revenues, foreign reserve levels and future financial condition, including its ability to make payments on the Notes.

Uzbekistan has had complex relations with the EU and the United States and any such points of tension could have a material adverse effect on Uzbekistan's economy or political environment or the market value of the Notes

Uzbekistan has had complex relations with the EU and the United States in the past, each of which has raised human rights concerns.

Historically, Uzbekistan's treatment of protestors and alleged violation of human rights has significantly affected Uzbekistan's relationship with the EU and the United States. After the Cold War, President Karimov sought to improve relations with the West. Uzbekistan made its military bases available to the United States for military and intelligence operations in Afghanistan and, in March 2002, the two countries signed the Declaration on the Strategic Partnership and Cooperation Framework.

However, in May 2005, the United States and the EU criticised Uzbekistan's treatment of protests in the city of Andijan, which led to a number of alleged killings. In response, the EU imposed sanctions, banning Uzbek officials allegedly connected to the treatment of protesters from travelling to Europe and establishing embargos on arms and military equipment exports. The United States added additional limits to pre-existing congressional bans on assistance for Uzbekistan, such as military assistance.

Since May 2005, the normalisation of political relations between Uzbekistan and both the United States and EU has resumed. The EU removed all sanctions on Uzbekistan in 2009, citing positive human rights trends and the United States has been providing a limited amount of financial assistance and granting six-month waivers to the country related to the United States' congressional bans.

In December 2016, Shavkat Miromonovich Mirziyoyev was elected as President of the Republic of Uzbekistan and was most recently re-elected in July 2023 following the approval by referendum in May 2023 of changes to the constitution, which will allow Mr Mirziyoyev to potentially serve as president until 2037. Since his election, President Mirziyoyev has taken various steps to liberalise the Uzbek economy by, for example, reforming the currency regime, the banking system and privatising various SOEs, as well as taking steps to work with other countries and international financial institutions. No assurance, however, can be given on the

future success of these reforms as well as future political and social stability in Uzbekistan, the deterioration of which may have a material adverse effect on the Uzbek economy and Uzbekistan's relations globally.

In 2017, the Republic of Uzbekistan introduced a number of measures to eliminate violations in the field of labour rights, including limiting the abuse of at-risk groups such as students, education and healthcare workers. The Government also increased wages to cotton pickers in accordance with the recommendations of the International Labour Organisation ("ILO"). During the cotton harvest, five local officials in 2021 were fined for violations related to forced labour. There were no violations related to forced labour during the cotton harvest in 2022. In August 2020, the Government approved and submitted to the Parliament the new draft of the Labour Code of the Republic of Uzbekistan. Although the Government has been closely monitoring the systematic use of child labour in the cotton industry and has increased the punishment of officials for forced labour, there can be no assurance that Uzbekistan's adoption of recommendations by the ILO will remain successful. On 28 October 2022, the new Labour Code was adopted. The new Labour Code contains significantly expanded provisions aimed at, among others, protection of labour rights and their equality, prohibition of forced labour, additional guarantees for socially vulnerable categories of the population. See *"The Economy of the Republic of Uzbekistan-Employment, Wages, Pensions and Social Security-Reforms and Improvements in Labour Practices in Uzbekistan"*.

Uzbekistan's relationship with EU countries has also been developing in recent years and Germany and France in particular are important trade partners of Uzbekistan (for example, the volume of Uzbek-German trade and Uzbek-French trade in 2024 amounted to US\$1.1 billion each). See *"Overview of the Republic of Uzbekistan-International Relations-Foreign States-European Union"*.

No assurance, however, can be given that Uzbekistan's current foreign policy relationships with both the United States and the EU will continue or that the United States and the EU will not impose new restrictions on Uzbekistan in relation to past or future points of tension or that such frictions will not affect the political and economic environment in Uzbekistan and the market value or liquidity of the Notes. Additionally, complex political relations with the EU and the United States could have an adverse effect on investments in Uzbekistan and the availability of external funding from international capital markets.

Any deterioration in Uzbekistan's relations with neighbouring countries may adversely affect Uzbekistan's economy

In the past, Uzbekistan has had a number of disputes with neighbouring countries, particularly with Tajikistan and Kyrgyzstan.

Uzbekistan has had a number of disagreements with Tajikistan and Kyrgyzstan regarding Uzbek gas and electricity supplies. In December 2009, Uzbekistan announced plans to withdraw from a shared Soviet-era power grid, the Central Asian United Energy System, because it had established new power lines for its own use. Uzbekistan's withdrawal from the grid led to electricity supply disruption for Tajikistan and Kyrgyzstan. Uzbekistan, Kyrgyzstan and Tajikistan (since August 2024), among others, have since reconnected to the joint Central Asian Unified Power System. negotiations with the two countries to ensure adequate energy supplies are restored.

Uzbekistan and Tajikistan have had disputes regarding Tajikistan's plan to complete construction of a hydroelectric power station and dam in Rogun, Tajikistan. Originally started in the Soviet era, Tajikistan aimed to build the Rogun power station in order to secure a significant energy source for the country. Uzbekistan firmly opposed the construction, arguing it could endanger main river flows from the Pamir Mountains down into Uzbekistan's cotton fields, creating agricultural and ecological issues. To prevent construction, Uzbekistan imposed a transport blockade of Tajiki construction materials. However, in 2018, high-level bilateral discussions were held over the construction of the plant and dam and in November 2018, the dam was put into operation in the presence of Uzbekistan's delegation.

Uzbekistan and Kyrgyzstan have also had border disputes regarding Kyrgyzstan's attempts to reclaim a disputed water reservoir. Kyrgyzstan claims that the Al-Buka reservoir is 10 kilometres ("km") within its own borders with Uzbekistan, but Uzbekistan retains current control of the reservoir. Representatives of Uzbekistan and Tajikistan most recently met to discuss the demarcation line of the Uzbek-Tajik state border line in May 2024.

Uzbekistan and Turkmenistan's relations are generally characterised by a high level of bilateral cooperation. The level of cooperation in the political, trade, economic, scientific, technical and cultural-humanitarian spheres is steadily increasing. The volume of trade between the two countries amounted to US\$1.1 billion in 2024 (representing 1.7% of Uzbekistan's total trade turnover). In January 2023, however, Turkmenistan suspended exports of natural gas to Uzbekistan amid low temperatures, which adversely impacted the supply of natural gas in Uzbekistan (see "*Uzbekistan has suffered gas and electricity shortages in the past and may do so again in the future*").

Since his election in December 2016, President Mirziyoyev has strongly emphasised improving relations with neighbouring countries as a major foreign policy goal and has taken positive steps to improve ties with Kazakhstan, Kyrgyzstan and Tajikistan in an effort to improve regional cooperation. The demarcation of the border line with Kazakhstan has been completed, with noticeable developments in the demarcation process with Turkmenistan, Tajikistan and Kyrgyzstan over the recent years. Moreover, following the opening of borders, border crossings and the restoration of transport links between the countries, active work is underway to further expand road, air and rail connections.

No assurance, however, can be given that Uzbekistan's current foreign policy goals and relationships with its neighbours will continue. A change of policy of the Government of Uzbekistan, deterioration of relations between Uzbekistan and its neighbours in the future or interethnic discord could have a material adverse effect on the Uzbek economy.

Uzbekistan has suffered gas and electricity shortages in the past and may do so again in the future

Uzbekistan has been impacted by gas and electricity shortages in the past, particularly in winter, and may do so again in the future. In January 2023 for example, Turkmenistan suspended exports of natural gas to Uzbekistan amid low temperatures, which adversely impacted the supply of natural gas in Uzbekistan. Whilst Uzbekistan was able to procure additional supplies of gas from Gazprom, this could have the effect of increasing Uzbekistan's dependence on Russia, and any further disruption in gas and electricity supplies could cause disruption in business activity in Uzbekistan and adversely affect Uzbekistan's economy.

Implementation of market-based reforms may not be effective which may slow the growth of Uzbekistan's economy

Since early 2017, the Government introduced a number of measures aimed at liberalisation of the Uzbek economy to encourage growth and foreign investment. These reforms include currency and trade liberalisation, reforms of the tax and state budget processes, the restructuring and privatisation of the SOEs and the reform of the agriculture, financial and energy sectors.

A number of actions were taken in order to liberalise foreign trade operations. These measures included the abolition of, *inter alia*, (i) licensing procedures for wholesale trade activities and special orders for taxation of trade entities, (ii) special orders for accounting for the realised proceeds of exclusive excise tax on goods (automobiles, vegetable oil and others) and their use, (iii) requirements to obtain permission for export trade and (iv) the special regime requiring approval from the State Assets Management Agency of the Republic of Uzbekistan for the promotion of privatised enterprises and the development of competition for product placement on exchange trades and the introduction of a notification procedure for their approval. In 2024, the Government introduced a comprehensive privatisation programme aimed at reducing state involvement in the economy. The programme identified approximately 250 state-owned stakes to be offered through public auctions, nearly 1,000 real estate properties of enterprises with state participation designated for sale and 12 enterprises for potential public offering of shares on the local stock exchange. In addition, the Government outlined intentions to privatise large state-owned banks in the coming years, aiming to increase efficiency and attract private investment into the financial sector.

The Government's market liberalisation programme is aimed at raising Uzbekistan's competitiveness and openness, ensuring freedom of economic activity, strengthening macroeconomic stability and boosting economic growth, modernising and diversifying leading sectors of the economy, reforming the financial and banking sector, market liberalisation of electricity and gas sectors, protecting private property and entrepreneurship, expanding foreign economic activity, drawing foreign investment, developing tourism and implementing structural changes in agriculture.

There is no assurance that planned reforms aimed at liberalising Uzbekistan's economy will be carried out in full or that such reforms as are implemented will be successful in improving economic growth or encouraging foreign direct investment. Any such failure could have a material adverse effect on Uzbekistan's economy.

Challenges in the implementation of economic and financial reforms may mean such reforms are delayed or do not happen, which may have a negative effect on the performance of Uzbekistan's economy

In order to ensure sustainable growth of Uzbekistan's economy, the Government has been implementing a wide range of economic, financial and banking system reforms, and reforms of the legal, tax and regulatory environment. The Government has approved policy measures and actions to reform the customs regime, promote private sector investments, diversify the economy, to broaden the tax base and to facilitate access to credit to further foster private investment in Uzbekistan by both local and foreign investors.

The continued pursuit of Uzbekistan's long-term objectives in these areas, including those contemplated by the Development Strategy for 2022-2026 and the Strategy "Uzbekistan 2030", will depend on a number of factors including continued political support in Uzbekistan and across multiple government ministries, adequate funding, the outcome of policy reviews, improved security, power sector reform, availability of human capital and significant coordination. The economic and other assumptions underlying the objectives set forth in the Development Strategy for 2022-2026, including with respect to oil prices and production, GDP growth, inflation, external debt and the fiscal deficit, may not be met, which would undermine Uzbekistan's ability to achieve its stated objectives. Failure to achieve one or more of the objectives or complete certain reforms or projects set forth in the Development Strategy for 2022-2026 may render it difficult to achieve other stated objectives, and Uzbekistan's ability to achieve its strategic objectives may be affected by many factors beyond its control. Moreover, some planned reforms may disadvantage certain existing stakeholders, who may seek to curtail such reforms. In addition, the Government has a number of privatisation plans, which may be difficult to achieve without implementing further legislation or active participation from international investors.

If the Government is not able to fund or implement the large number of reforms and proposals (including privatisations) currently being proposed, or if there is a delay in such funding or implementation, then the Government may not be able to meet the long-term strategic objectives, which could result in an adverse effect on the economy of Uzbekistan and its ability to make payments on the Notes.

Corruption and money laundering issues may hinder the growth of the Uzbek economy, and otherwise have a material adverse effect on Uzbekistan and its capacity to meet obligations under the Notes

Emerging economies, such as the Uzbek economy, are subject to rapid change and are vulnerable to market conditions. Emerging economies may also experience more instances of corruption of government officials and misuse of public funds more than mature markets. Because corruption can lead to the misallocation of state funds, tax revenues or the mismanagement of state projects, and corruption or allegations of corruption may have a negative impact on emerging economies and their reputation abroad, especially on their ability to attract foreign investment, fighting corruption has been identified by the Government as one of the key priorities for Uzbekistan. The Government continues to work towards improving accountability, governance standards and legislative framework. Since 2017, the Government introduced a number of anti-corruption reforms, including the Law of the Republic of Uzbekistan "On Combatting Corruption" dated 3 January 2017, which aims to raise the efficiency of anti-corruption measures through consolidating the efforts of government bodies and civil society. Further, the Law of the Republic of Uzbekistan No. ZRU-931 dated 5 June 2024 "On conflict of interests" came into force in December 2024.

On 29 June 2020, the Decree of the President of the Republic of Uzbekistan "On additional measures to improve the system of combating corruption in the Republic of Uzbekistan", established an Anti-Corruption Agency of the Republic of Uzbekistan to improve the effectiveness of public policies aimed at preventing and combating corruption, ensuring effective interaction between state bodies, the media, civil society institutions and other representatives of non-governmental sectors, as well as international cooperation in this field. The Anti-Corruption Agency of the Republic of Uzbekistan has developed a draft national anti-corruption strategy for the period until 2030 to improve the country's anti-corruption system and eliminate conflicts of interest in public service which as of the date of this Base Offering Circular is under review. In Transparency International's 2023 Corruption Perceptions Index survey of 180 countries, the Republic of Uzbekistan was ranked number 121, indicating that a perception of public sector corruption occurring within the country remains widespread.

However, Uzbekistan's perception score increased three points from 28 in 2021 to 33 in 2023, suggesting that Government efforts to tackle corruption are improving this perception.

Uzbekistan's business climate and competitive indicators are negatively affected by the need to reform construction permits, investor protection arrangements and cross-border insolvency and trading arrangements.

In 2023, there were speculations in the media about procurement issues and overcharging in the supply chain of the NMMC. To investigate the claims mentioned in the media reports, NMMC conducted internal checks to assess compliance of its practices with procurement legislation and internal regulations, which identified some inefficiencies in the procurement practices of NMMC but concluded no material violations were detected. In addition, NMMC engaged an independent consultant to conduct a review of NMMC's procurement processes and procedures, which confirmed that NMMC's policies and procedures are in compliance with applicable legislation. However an external consultant identified some areas for improvement in the vendor due diligence processes and control procedures within the IT environment and procurement processes. NMMC's management has developed a mitigation plan to address these deficiencies over the course of 2024-2025.

Any future allegations of corruption in Uzbekistan and the failure to address the need for reforms could have a negative effect on the ability of Uzbekistan to attract foreign investment, and thus have a negative effect on both the economy of Uzbekistan and the ability of Uzbekistan to repay principal and make payments of interest on the Notes.

Uzbekistan's banking sector remains vulnerable to external shocks

Uzbekistan's banking system's low exposure to global financial markets largely shielded the sector from the effects of the global financial crisis due to limited financial liberalisation, a partly integrated economic structure into the world trading system and large financial subsidies for key sectors. However, Uzbekistan's banking sector is still concentrated, underdeveloped and vulnerable to macroeconomic shocks, such as devaluation of the soum.

As of 1 January 2025, the banking sector of Uzbekistan consisted of 36 active banks, comprising nine banks with state ownership and six banks with foreign capital. The level of credit concentration in the banking sector has traditionally been high, with the wholly and partly state-owned banks holding 65% of all of the banking sector's total assets, 69% of the banking sector's total loans and 50% of the banking sector's total deposits. A moderately high share of the banking sector's loans consists of state-guaranteed loans to state-owned companies, however this trend has been decreasing since 2019. The share of assets of state-owned banks decreased from 78% from the same period in 2022 down to 65% as of 1 January 2025 due to the completion of the privatisation of formerly state-owned banks.

As of 1 January 2025, the NPLs to total gross loans ratio ("**NPL ratio**") of the banking sector in Uzbekistan (based on the CBU standards) amount to 4.0%. In addition, the banking sector of the Republic of Uzbekistan has a high level of loans denominated in U.S. dollars and other foreign currencies, giving rise to risks relating to currency fluctuations. According to the CBU, as of 1 January 2025, foreign currency denominated loans constituted 43% of the total loan portfolio in the sector and foreign currency denominated deposits amounted to 25% of the total deposit portfolio of the banking sector. See "*—Uzbekistan's currency is subject to volatility and depreciation*".

To increase the efficiency of the banking sector, the Government is undertaking a number of reforms. The Government intends to, among other things, decrease its influence on majority of the state-owned banks, as well as reduce direct state financing and state guarantees for borrowers in the commercial banking sector. In addition, banks with state ownership now report monthly to the Ministry of Economy and Finance on the transformation issues, ensuring improved oversight and regulatory compliance. There has been an increase of approximately 41% in the number of independent members on the supervisory boards of these banks, reflecting the Government's commitment to strengthening corporate governance. The privatisation reforms would require the state-owned banks to transition from capital injections and reduced degree of subsidisation from the Government to funding from other sources, such as foreign financial institutions, asset backed securities, customer deposits, the interbank lending market, the international capital markets and other similar instruments, which if not received on favourable terms could have a material adverse effect on the asset quality and profitability of the transitioning banks, resulting in direct impact on the economy of the Republic of Uzbekistan and the trading price of the Notes.

There can be no assurance that such reforms will be successful or sufficient or that the banks will succeed in implementing all of the necessary stages of transformation. Deficiencies in the Uzbek banking sector may result in the banking sector being more susceptible to future worldwide credit market downturns and economic slowdowns. The Uzbek banking sector remains vulnerable and susceptible to foreign currency fluctuations and there can be no assurance that future turmoil in the global banking sector and the wider economy will not have a negative effect on Uzbekistan's banking sector, which could have a material adverse effect on Uzbekistan's economy and the trading price of the Notes.

Uzbekistan's currency is subject to volatility and depreciation

Any depreciation of the soum against the U.S. dollar or other foreign currencies, and any future devaluations in the currencies of Uzbekistan's neighbouring countries (including countries forming part of the CIS, and specifically including Russia) may adversely affect the financial condition of Uzbekistan and its economy, as well as Uzbekistan's ability to repay its debt denominated in currencies other than the soum, including amounts due under the Notes. The number of external factors that are outside of Uzbekistan's control may also impact the value of the soum.

A significant devaluation of the soum will materially affect the ability of the Republic of Uzbekistan to service non-soum denominated debt. Additionally, any depreciation or further devaluation of the soum could result in reduced revenues in the balance of payments or outflow of capital from Uzbekistan and may also lead to increased inflation and domestic interest rates, any of which could have a material adverse effect on Uzbekistan's economy in general, and the asset quality of Uzbekistan's banking sector in particular.

In 2017, the CBU liberalised the foreign currency market allowing the exchange rate to be determined by market forces. As a result, despite a rapid depreciation of the soum against the U.S. dollar, the foreign exchange market stabilised at the end of 2017. Ever since, the soum has been demonstrating a depreciation trend against the U.S. dollar and in recent periods devalued from UZS 10,476.92 as of 1 January 2021 to UZS 12,920.48 per US\$1 as of 1 January 2025.

There can be no assurances that the CBU will not in the future put restrictions on foreign currency exchange in order to attempt to decrease inflation, which may result in the development of a black market in foreign currency exchange developing.

Uzbekistan's economy is under inflationary pressure

Uzbekistan's economy is significantly affected by inflationary pressure, although it has shown a decline since 2020, moving from double-digit to 9.8% in 2024. Uzbekistan's inflation rate was 9.8% in 2024, 8.8% in 2023 and 12.3% in 2022. The CBU expects inflation to be around 7-8% in 2025.

From 1 January 2020, the CBU entered an active phase in its transition to an inflation targeting regime, initially introducing the CBU's policy rate and interest rate corridor. The CBU has also issued bonds to effectively regulate the liquidity surplus of the banking system. In response to temporary external shocks (in particular the conflict between Russia and Ukraine) the CBU increased its policy rate from 14% to 17% in March 2022, but after the normalisation of economic conditions in Uzbekistan it cut the policy rate back to 15% during June-July, and with easing inflationary conditions, the CBU further cut its policy rate to 14% in March 2023 and 13.5% in July 2024. The CBU is implementing monetary policy measures aimed at achieving a 5% inflation target in the medium term, reinforcing macroeconomic stability and sustainable economic growth.

In order to transition to an inflation-targeting regime, the CBU is considering the modernisation of the interbank foreign exchange market and a corresponding improvement in its intervention strategy. Changes in trading operations in the domestic foreign exchange market were made from 15 February 2021. The banking sector of the Republic of Uzbekistan is undergoing a reform and the Government has adopted various measures to lower the dollarisation level in the banking system since 2018, see "*Monetary and Financial System — Banking Sector*".

Sustained high inflation could lead to market instability, a reduction in consumer purchasing power, erosion of consumer confidence, and could also hamper efforts to decrease the dollarisation of the Uzbekistan economy. Any of these events could have a material adverse impact on the financial and economic condition of Uzbekistan.

Political instability or a change in government could have a negative effect on Uzbekistan's economy

Uzbekistan has had periods of political instability in the past, particularly following independence in 1991. In addition, Uzbekistan is a relatively young democracy, having had only one transition of power since independence. Both the previous and current presidential administrations have undertaken significant political, legal and economic reforms focusing on achieving macroeconomic stability and an environment conducive to sustainable economic growth. However, these positive trends may not be sustainable over the longer term, and in 2022 there was unrest in the region of Karakalpakstan prompted by plans to limit its autonomy. Further, in May 2023, changes to the constitution were approved by referendum which extend the length of presidential terms from five to seven years and would allow Mr Mirziyoyev to potentially serve as president until 2037. Any significant changes in the political climate of Uzbekistan, including changes affecting the stability of the Government or involving a rejection or reversal of reform policies, may have a negative effect on the economy.

In addition, should the existing or future Government fail to implement planned structural reforms, as reforms of this nature may be politically and socially unpopular, the economy may not achieve sustainable growth. The extent to which Uzbekistan will be able to attract broad scale investment in the absence of significant reforms is uncertain, and Uzbekistan's ability to repay principal and make payments of interest on the Notes and to raise capital in the external debt markets in the future may be affected.

A significant portion of Uzbekistan's economy is not recorded

A significant portion of Uzbekistan's economy is an informal or shadow economy. The informal economy is not recorded, resulting in a lack of revenue for the Government, ineffective regulation, unreliable statistical information (including the understatement of GDP and the contribution to GDP of various sectors) and an inability to monitor or otherwise regulate a large portion of the economy. The lack of effective regulation and enforcement in this sector also gives rise to other issues, including health and safety issues. Although the Government is attempting to address the informal economy by, among other things, revising the tax regime and liberalising certain regulations, there can be no assurances that such measures will adequately address the issues and bring the informal economy into the formal sector, which could materially adversely affect the Government's revenues and the economy of Uzbekistan.

The occurrence of pandemics and natural disasters and the impact of climate change may adversely impact Uzbekistan's economy

The occurrence of pandemics (including but not limited to COVID-19) may adversely impact Uzbekistan's economy by causing, among other things, supply chain disruptions and market volatility. For example, since 2020, the global economy has been exposed to the continuing effect of the COVID-19 pandemic which negatively affected the global economy and trade, and which also adversely impacted the economy of Uzbekistan by, among other things, contributing to a decline in GDP growth and to increased unemployment.

Natural disasters, including earthquakes and floods, are a threat to the Uzbek economy. Uzbekistan may also be increasingly threatened by climate change. A global increase in the mean temperature is likely to lead to changed precipitation patterns, sea level rises and more frequent extreme weather events, such as prolonged droughts and flooding. Uzbekistan's economy is dependent on climate sensitive sectors, such as agriculture and Uzbekistan has suffered from severe droughts in the past which may become more frequent as a result of climate change. A change in climate may have several other consequences, including lower agricultural productivity, damage to coastal infrastructure, fragile ecosystems, impact on health and biodiversity, financial market disruption, lower GDP and altered migration patterns.

Expenditures associated with pandemic or natural disaster relief efforts may adversely affect Uzbekistan's budgetary position and, as a result, may impair Uzbekistan's ability to service payments on the Notes. In addition, because agriculture, forestry and fishing accounts form a significant portion of Uzbekistan's gross value added by industries (being 19.2% of gross value added by industries in nominal terms in 2024 (according to preliminary estimates)), any natural disasters or other effects associated with climate change could have a material adverse effect on Uzbekistan's economy.

Enforcement of judgments or arbitral awards against Uzbekistan can be difficult in certain jurisdictions

Uzbekistan is a sovereign state and has not submitted to the jurisdiction of any foreign courts in connection with the Notes. The Conditions provide that arbitration will be the exclusive remedy in relation to any dispute

relating to the Notes. If a Noteholder is granted a monetary award in any arbitration proceedings in relation to the Notes, it may attempt to enforce that award or bring proceedings on the award as a debt owing to it in Uzbekistan and attempt to obtain a judgment thereon. In addition, Uzbekistan, the United Kingdom and the United States are parties to the New York Convention and accordingly, an arbitral award should generally be recognised and enforceable in Uzbekistan provided the conditions for enforcement set out in the New York Convention are met. See “*Enforcement of Foreign Judgments and Awards*” for more information on enforcing an arbitral award in Uzbekistan. The Civil Code of the Republic of Uzbekistan provides that the state participates in civil (commercial) relations on equal footing with other participants in these relations and shall be liable for its private obligations by means of property owned by it. However, there is a risk that, notwithstanding the waiver of sovereign immunity by Uzbekistan, a claimant will not be able to enforce an award against assets of Uzbekistan in certain jurisdictions (including by way of an arrest order or attachment or seizure of such assets and their subsequent sale) without Uzbekistan having specifically consented to such enforcement at the time when the enforcement is sought. Furthermore, Uzbekistan reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it under any United States federal or state securities law. See “*Enforcement of Foreign Judgments and Awards*”.

Uzbekistan’s courts will not enforce a judgment obtained in a court outside Uzbekistan unless there is a treaty in effect between the relevant country and the Republic of Uzbekistan providing for reciprocal enforcement of judgments. There is no such treaty in effect between Uzbekistan and the United Kingdom or the United States. Within the CIS, Uzbekistan acceded to the Convention on Legal Aid and Legal Relations in Civil, Family and Criminal Cases in 1994 and to the Convention on Legal Aid and Legal Relations in Civil, Family and Criminal Cases in July 2020.

Uzbekistan has bilateral agreements on recognition and enforcement of criminal, civil (including economic) judgments and arbitral awards with China, the Czech Republic and Türkiye; on recognition and enforcement of criminal and civil (including economic) judgments with Bulgaria; and on recognition and enforcement of criminal and civil judgments with Afghanistan, Latvia, Lithuania, Turkmenistan, Kyrgyzstan, Kazakhstan, Azerbaijan, Georgia and Ukraine.

Even if an applicable international treaty is in effect or a foreign judgment might otherwise be recognised and enforced on the basis of reciprocity, the recognition and enforcement of a foreign judgment will in all events be subject to exceptions and limitations provided for under Uzbek law. For example, an Uzbekistan court may refuse to recognise or enforce a foreign judgment or arbitral award if its recognition or enforcement would be contrary to Uzbekistan’s public order.

As a result, it may be difficult to obtain recognition or enforcement of a foreign judgment in respect of the Notes.

Uzbekistan is undertaking a number of reforms in its legal system, some of which may not happen in the time period planned or may take longer than expected, which could impact economic and other reforms

Uzbekistan’s legal system is continuing to develop since it achieved independence from the Union of Soviet Socialist Republics (the “USSR”) in 1991 and is therefore subject to greater risks and uncertainties than a mature legal system. In particular, risks associated with Uzbekistan’s legal system include:

- The Laws of the Republic of Uzbekistan relating to currency regulation grant to the Cabinet of Ministers of the Republic of Uzbekistan the right upon agreement with the CBU to restrict or suspend any currency transactions when threats to economic security arise. Moreover, the CBU may impose restrictions on currency transactions for the purposes of countering legalisation of proceeds of crime, financing of terrorism and financing of proliferation of weapons of mass destruction and in cases of threats to the stability of the balance of payments in compliance with the obligations under the Articles of Agreement of the IMF. See “*Uzbekistan’s currency is subject to volatility and depreciation*”.
- In contractual documentation entered into with Uzbek entities, foreign law shall not apply where the application of such foreign law would be contrary to the public order of Uzbekistan. The concept of public policy is not well developed in Uzbekistan; it is possible, however, that such considerations could apply in specific circumstances where, for example, the interests of creditors, employees, the national or local economy, public health and safety or national security are involved. The Civil Code of the Republic of Uzbekistan further provides that the application of foreign law cannot be refused solely on

the basis of differences in legal, political or economic systems of a foreign state and the Republic of Uzbekistan.

- Pursuant to the Civil Code of the Republic of Uzbekistan, certain mandatory provisions of Uzbek law shall apply irrespective of the choice of foreign law. Potentially, these mandatory provisions could include the fundamental principles of Uzbek law that generally underpin areas such as tax, administrative and criminal law, data protection, licensing and registration, public health, construction and safety requirements, labour law, insurance, competition, embargoes, forex and other public regulations. The code does not specify any reasons for applying such mandatory provisions.
- The Laws of the Republic of Uzbekistan governing commercial activities are evolving and reflect the transition that the economy and the Government are undergoing to modernise the Uzbek economy. Such factors may cause rapid change in legislation, adoption of new legislation (on occasion with a retroactive effect) and a failure, delay or misinterpretation in the implementation of legislation. In addition, the legal system of Uzbekistan is unfamiliar with certain international commercial law terminology, concepts and practices used in connection with legal documentation commonly used in international transactions.
- The Decrees, Resolutions, and Orders of the President and Resolutions and Orders of the Cabinet of Ministers may be unpublished or may contain redacted or confidential provisions, access to which may be strictly or otherwise limited.

Each of the above can cause uncertainty in transactions between foreign investors and Uzbek residents. Further, the commitment of Government officials and agencies to comply with legal obligations and negotiated agreements has not always been reliable and there is a tendency for the authorities to take arbitrary action. Legal redress for breach or unlawful action may not be readily available or may be subject to significant delays. These and other factors that have an impact on Uzbekistan's legal system make foreign investments in Uzbekistan subject to greater risks and uncertainties than an investment in a country with a more mature legal system, which may negatively impact foreign investment.

In addition, the judicial system, judicial officials and other Government officials in the Republic of Uzbekistan may not be fully independent of external social, economic and political forces. Therefore, judicial or administrative decisions could be unduly influenced. The possible lack of judicial and administrative independence may adversely affect the willingness of foreign investors to make investments in the Republic of Uzbekistan.

The securities market in Uzbekistan is underdeveloped

Uzbekistan has a less-developed securities market than the United States or the United Kingdom and other Western European countries, which may hinder the development of Uzbekistan's economy. An organised securities market was established in Uzbekistan in 1994 and procedures for settlement, clearing and registration of securities transactions remain subject to legal uncertainties and technical difficulties. Although significant developments have occurred in recent years, including the first ever initial public offering of JSC "Quartz", placing stock worth UZS 7.5 billion in April 2018, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Uzbekistan.

In particular, legal protections against market manipulation and insider trading are not as well developed or as strictly enforced in Uzbekistan as they are in the United States or the United Kingdom and other Western European countries, and existing laws and regulations may be applied inconsistently. In addition, less information relating to Uzbekistan-based entities may be publicly available to investors in such entities than is available to investors in entities organised in the United States or the United Kingdom and other Western European countries. The above-mentioned factors may impair foreign investment in Uzbekistan and hinder the development of Uzbekistan's economy. On 13 April 2021, a decree of the President of the Republic of Uzbekistan No. PD-6207 "On measures for the further development of the capital market" was adopted, pursuant to which a capital market development programme for 2021-2023 and an implementation roadmap were approved. Currently, new reforms, including a new law on capital markets, are being undertaken. On 2 September 2023, a resolution of the President of the Republic of Uzbekistan No. PR-291 "On additional measure for development of the capital market" was adopted, introducing sandbox regulation for the capital markets in Uzbekistan, along with an implementation roadmap aimed at increasing foreign investors' access to the national

capital markets. On 6 June 2024, the National Agency for Prospective Projects issued a resolution amending the existing regulations on bond issuance in the Republic of Uzbekistan, allowing for the issuance of green corporate bonds. Since then, the Uzbekistan Mortgage Refinancing Group issued its debut UZS 50 billion Green Corporate Bond in compliance with the Green Bond Principles and the International Capital Market Association standards.

Statistics published by Uzbekistan and appearing in this Base Offering Circular may be more limited in scope and published less frequently and differ from those produced by other sources

Historically, public dissemination of economic statistics was restricted. In September 2017, a Decree of the President of the Republic of Uzbekistan was issued mandating the publication of economic and financial data. A range of ministries and institutions produce statistics relating to Uzbekistan and its economy, including the Statistics Agency under the President of the Republic of Uzbekistan (in respect of the real economy and other social figures), the CBU (in respect of monetary and financial statistics) and the Ministry of Economy and Finance of the Republic of Uzbekistan (in respect of fiscal statistics).

While Uzbekistan has agreed to adhere to the IMF's Enhanced-General Data Dissemination Standards, the estimated and projected financial and statistical data contained in this Base Offering Circular may be more limited in scope and published less frequently than in the case of other countries, for example those in Western Europe and the United States, and adequate monitoring of key fiscal and economic indicators may be difficult. Estimated and projected financial and statistical data appearing in this Base Offering Circular has, unless otherwise stated, been obtained from public sources and documents. Similar statistics may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

There may be material differences between preliminary or estimated statistical data set forth in this Base Offering Circular and actual results. As a result, investors may face greater difficulty in accessing the risks of investing in the Notes, which may adversely affect the liquidity and price of the Notes.

Factors Which Are Material for the Purpose of Assessing the Risks Associated with the Notes

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Structure of a particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

- **Variable Rate Notes**

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

- **Inverse Floating Rate Notes**

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of these Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate on the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

- **Notes Issued at a Substantial Discount or Premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility compared to conventional interest-bearing securities with comparable maturities.

- Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes contain collective action clauses under which the terms of any one Series and/or multiple Series may be amended, modified or waived without the consent of all the holders of the Notes of that Series or all the holders of any other Series being aggregated, as the case may be

The Terms and Conditions of the Notes contain provisions regarding amendments, modifications and waivers, commonly referred to as “collective action” clauses. Such clauses permit defined majorities to bind all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to reserved matters, multiple Series to be aggregated for voting purposes (*provided that* each such Series also contains the collective action clauses in its Terms and Conditions).

The Issuer expects that all Series issued under the Programme will include such collective action clauses, thereby giving the Issuer the ability to request modifications or actions in respect of reserved matters across multiple Series. This means that a defined majority of the holders of such Series (when taken in the aggregate) would be able to bind all holders of Notes in all the relevant aggregated Series.

Any modification or actions relating to reserved matters, including in respect of payments and other important terms, may be made to a single Series with the consent of the holders of 75% of the aggregate principal amount outstanding of such Notes, and to multiple Series with the consent of both (i) the holders of 66^{2/3}% of the aggregate principal amount outstanding of all Series being aggregated and (ii) the holders of 50% in aggregate principal amount outstanding of each Series being aggregated. In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable Condition in the Terms and Conditions of the Notes, any such modification or action relating to reserved matters may be made to multiple Series with the consent of 75% of the aggregate principal amount outstanding of all Series being aggregated only, without requiring a particular percentage of the holders in any individual affected Series to vote in favour of any proposed modification or action. Any modification or action proposed by the Issuer may, at the option of the Issuer, be made in respect of some Series only and, for the avoidance of doubt, the provisions may be used for different groups of two or more Series simultaneously. At the time of any proposed modification or action, the Issuer will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Issuer.

There is a risk therefore that the Terms and Conditions of a Series may be amended, modified or waived in circumstances whereby the Noteholders voting in favour of an amendment, modification or waiver may be Noteholders of a different Series and as such, less than 75% of the Noteholders of the relevant Series would have voted in favour of such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple Series may make the Notes less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation. Further, any such amendment, modification or waiver in relation to any Notes may adversely affect their trading price.

In the future, the Issuer may issue debt securities, which contain collective action clauses in the same form as the collective action clauses in the Terms and Conditions of the Notes. If this occurs, then this could mean that

any Series issued under the Programme would be capable of aggregation with any such future debt securities. The Terms and Conditions of the Notes also include a provision in respect of the establishment of a Noteholders' Committee, which may represent the holders of a single Series or multiple Series.

The Issuer is not required to effect equal or rateable payment(s) with respect to the Notes or any other External Indebtedness, and is not required to pay other External Indebtedness at the same time or as a condition of paying sums on the Notes and vice versa

Notes issued under the Programme will at all times rank at least *pari passu* in right of payment with all other unsecured External Indebtedness (as defined in the Terms and Conditions of the Notes) of the Issuer, from time to time outstanding. However, the Issuer will have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, will have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and vice versa. See Condition 5 (*Status*) of the Terms and Conditions of the Notes.

The Terms and Conditions restrict the ability of an individual Noteholder to declare an event of default, and permit a majority of Noteholders to rescind a declaration of such a default

The Terms and Conditions contain a provision, which, if an Event of Default occurs, permits the holders of at least 25% in aggregate nominal amount of the outstanding Notes of the relevant Series to declare all the Notes of that Series to be immediately due and payable by providing notice in writing to the Issuer, whereupon the Notes of that Series shall become immediately due and payable, at their nominal amount with accrued interest, without further action or formality.

The Terms and Conditions also contain a provision permitting the holders of at least 50% in aggregate nominal amount of the outstanding Notes of the relevant Series to notify the Issuer to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn. The Issuer shall give notice thereof to the Noteholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if Definitive Note Certificates are subsequently issued

The Terms and Conditions do not permit the sale or transfer of Notes in such circumstances as would result in amounts being held by a Noteholder which are lower than the minimum Specified Denomination (as defined in the Terms and Conditions). However, in the event that a Noteholder holds a principal amount of less than the minimum Specified Denomination, such Noteholder would need to purchase an additional amount of Notes such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Notes. Noteholders should be aware that Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Noteholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Noteholder may not receive a Definitive Note Certificate in respect of such holding (should Definitive Note Certificates be issued) and would need to purchase a principal amount of Notes such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Note Certificate.

If Definitive Note Certificates are issued, Noteholders should be aware that Definitive Note Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes, vote at meetings of Noteholders and exercise any rights and remedies

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a custodian for DTC (each as defined under "*Summary of Provisions Relating to Notes in Global Form*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive

form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters on a timely basis.

Similarly, upon the occurrence of an event of default under the Notes, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own a book-entry interest investors will be restricted to acting through DTC, Euroclear and/or Clearstream, Luxembourg and if investors are not participants in DTC, Euroclear and/or Clearstream, Luxembourg, through the relevant participant. The Issuer cannot assure prospective investors that the procedures to be implemented through DTC, Euroclear and/or Clearstream, Luxembourg will be adequate to ensure the timely exercise of rights under the Notes on a timely basis or at all. See “*Book Entry Ownership*” and “*Settlement and Transfer of Notes*”.

Transferability of the Notes may be limited under applicable securities laws

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. Notes issued under the Programme may not be offered, sold or otherwise transferred in the United States other than to persons that are QIBs. Each purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain representations and agreements intended by the Issuer to restrict transfers of Notes as described under “*Subscription and Sale*” and “*Transfer Restrictions*”. It is the obligation of each purchaser of Notes to ensure that its offers and sales of Notes comply with all applicable securities laws.

In addition, if at any time the Issuer determines that any owner of Notes, or any account on behalf of which an owner of Notes purchased its Notes, is a person that is required to be a QIB, the Issuer may compel that such owner’s Notes be sold or transferred to a person designated by or acceptable to the Issuer.

There can be no assurances that Uzbekistan will make disbursements for projects with the specific characteristics described in the “SDG Notes, SDG Bond Framework and Second Party Opinion” section of this Base Offering Circular for any issuance of SDG Notes in an amount equal to the proceeds from the issuance of such SDG Notes.

The examples of projects provided in the “*SDG Notes, SDG Bond Framework and Second Party Opinion*” section of this Base Offering Circular and the SDG Bond Framework are for illustrative purposes only, and no assurance can be provided that Uzbekistan will make disbursements for projects with these specific characteristics in an amount equal to the net proceeds from any issuance of SDG Notes. There can be no assurance that any projects will meet investor expectations regarding environmental, social or sustainable performance or be (or remain) suitable for an investor’s investment criteria. In addition, there is currently no market consensus on what precise attributes are required for a particular project or series of notes to be defined as “green”, “social” or “sustainable” and therefore no assurance can be provided to investors that selected projects will meet all investor expectations regarding environment, social or sustainable performance. Adverse environmental, social or sustainable impacts may occur during the design, construction and operation of the projects, or the projects may be subject to controversy or to criticism by activist groups or other stakeholders.

No assurance or representation is given by the Issuer, any Green Structuring Bank or any Arranger or Dealer as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Uzbekistan) in connection with the SDG Bond Framework or any SDG Notes. No

such opinion or certification is, nor should it be deemed to be, a recommendation by Uzbekistan, any Green Structuring Bank, any of the Arrangers or Dealers or any other person to buy, sell or hold any SDG Notes. For the avoidance of doubt, no such opinion or certification is, nor shall it be deemed to be, incorporated into this Base Offering Circular.

SDG Notes are expected to be admitted to the Sustainable Bond Market of the London Stock Exchange. No representation or assurance is given by the Issuer, any Green Structuring Bank or any Arranger or Dealer or any other person that the admission of any SDG Notes to the Sustainable Bond Market of the London Stock Exchange satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Expenditures. Furthermore, no representation or assurance is given or made by the Issuer, any Green Structuring Bank or any Arranger or Dealer or any other person that any such listing or admission to trading will be maintained during the life of any SDG Notes.

Although the SDG Bond Framework contemplates certain practices with respect to reporting and use of proceeds, any failure by Uzbekistan to conform to these practices does not constitute or give rise to a breach or an event of default under any SDG Notes or any other Notes. Any failure by Uzbekistan to use an amount equivalent to the net proceeds from any issuance of SDG Notes as set forth in the SDG Bond Framework, or to meet or continue to meet the investment requirements of environmentally or socially focused investors with respect to such SDG Notes, or any withdrawal or modification of any third party opinion or certification, may affect the value of the notes and may have consequences for certain investors with portfolio mandates to invest in “green”, “social” or “sustainable” assets.

Amounts of interest, principal or other amounts payable under any SDG Notes will not be impacted by the performance of any project funded out of the proceeds of the issue (or amounts equal thereto) of such SDG Notes. SDG Notes are not linked to the performance of the Eligible Green Expenditures, do not benefit from any arrangements to enhance the performance of such SDG Notes or any contractual rights derived solely from the intended use of proceeds of such SDG Notes.

Neither any Green Structuring Bank nor any of the Arrangers or Dealers is responsible for the ongoing monitoring of the use of the proceeds of SDG Notes or Uzbekistan’s expenditures, including budgetary expenditures to fund certain projects as provided in the “Use of Proceeds” section of the relevant Final Terms prepared in connection with an issue of any SDG Notes.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Credit ratings may not reflect all risks

The credit rating(s) assigned to the Notes at any time may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Further, other ratings (including confidential or unpublished ratings) may be assigned with respect to the Issuer or the Notes (now or in the future) which may differ (and which may be lower) from the ratings set out in this Base Offering Circular or any relevant Final Terms.

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended, the “**EU CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by

a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing benchmarks

Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”), among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks (i) discourage market participants from continuing to administer or contribute to the benchmark, (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Future discontinuance of certain benchmark rates (for example, EURIBOR) may adversely affect the value of floating rate Notes which are linked to or which reference any such benchmark rate

With respect to any Series that has a floating rate of interest based upon a benchmark, such as EURIBOR, investors should be aware that these rates have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated.

Changes to the administration of certain interbank offered rates (the “**IBORs**”) or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market have been or are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular fallback arrangements in their terms and conditions. The operations of any such fallback arrangements could result in less favourable return for Noteholders than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from and given IBOR to an alternative rate).

Condition 8.4 provides for certain fallback arrangements in the event that a relevant benchmark is discontinued or no longer published. Such fallback arrangements include the possibility that the Rate of Interest (as defined in the Conditions of the Notes) on the applicable Notes could be set by reference to an Alternative Reference Rate (as defined in the Conditions of the Notes) and that amendments could also be made to, amongst other things, the Day Count Fraction, Business Day Convention and Interest Determination Date of the Notes (each, as defined in the Conditions of the Notes) to ensure the proper operation of the Alternative Reference Rate, as the case may be, all as determined by the Issuer following consultation with an Independent Adviser (as defined in the Conditions of the Notes) and acting in good faith and in a commercially reasonable manner. The Alternative Reference Rate that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of an Alternative Reference Rate will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant benchmark were to continue to apply in its current form.

If, following the discontinuation of a relevant benchmark, no Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for floating rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Conditions of the Notes). Due to the uncertainty concerning the availability of Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory development, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions under Condition 8.4 in making any investment decision with respect to any Notes linked to or referencing a benchmark rate.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (or information set out at the pages specified therein) shall be incorporated in, and form part of, this Base Offering Circular:

- The Terms and Conditions of the Notes contained in the Base Offering Circular dated 28 September 2023, pages 28 to 68 (inclusive) (at: https://www.rns-pdf.londonstockexchange.com/rns/6887P_1-2023-10-10.pdf);
- the Terms and Conditions of the Notes contained in the Base Prospectus dated 17 November 2020, pages 27 to 65 (inclusive) (at: https://www.rns-pdf.londonstockexchange.com/rns/6057F_1-2020-11-17.pdf); and
- the Terms and Conditions of the Notes contained in the Base Prospectus dated 4 February 2019, pages 20 to 51 (inclusive) (at: https://www.rns-pdf.londonstockexchange.com/rns/0134P_1-2019-2-4.pdf).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Offering Circular shall not form part of this Base Offering Circular.

Any part of a document referred to herein that is not incorporated by reference is either not relevant for an investor or is otherwise covered elsewhere in this Base Offering Circular.

This Base Offering Circular contains references to certain websites. No such website, nor any information contained on any such website, is incorporated in this Base Offering Circular, and such websites and information do not form part of this Base Offering Circular, except where that information has been incorporated by reference into this Base Offering Circular.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as read in conjunction with the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. References in the terms and conditions to “Notes” are, unless the context requires otherwise, to the Notes of one Series only, not to all Notes that may be issued under the Programme.

1. Introduction

The Republic of Uzbekistan (the “**Issuer**”), represented by the Ministry of Finance of the Republic of Uzbekistan (“**Uzbekistan**”) acting upon authorisation of the President and the Cabinet of Ministers of the Republic of Uzbekistan has established a Global Medium Term Note Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”). The Notes are constituted by, are subject to and have the benefit of a deed of covenant dated 4 February 2019 (as may be amended or supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer for the benefit of holders of the Notes (“**Noteholders**” or “**holders**”) and are the subject of a fiscal agency agreement dated 4 February 2019 (as may be amended or supplemented from time to time, the “**Fiscal Agency Agreement**”) and made between the Issuer, Citibank Global Markets Europe AG as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the transfer agents, paying agents and other agents named therein.

Notes issued under the Programme will be issued in series (each, a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches of notes (each, a “**Tranche**”) issued on the same or different issue dates. The specific terms of each Tranche (which will, save in respect of the denominations, issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Final Terms (the “**Final Terms**”), which should be read in conjunction with these terms and conditions. The terms and conditions applicable to any particular Tranche are these terms and conditions, as completed by the relevant Final Terms (together, the “**Terms and Conditions**”). In the event of any inconsistency between these terms and conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

All subsequent references in these Terms and Conditions to “**Notes**” are to the Notes of the same Series. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

Certain provisions of these Terms and Conditions are summaries of the Fiscal Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement and the Deed of Covenant applicable to them. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of the Fiscal Agent, the initial Specified Office of which are set out below.

2. Definitions and Interpretation

2.1 Definitions

Terms defined in the Fiscal Agency Agreement or the Deed of Covenant shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein. In these Terms and Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate;

“Alternative Reference Rate” means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate;

“Benchmark Event” means, in respect of a Reference Rate:

- (a) such Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist;
- (b) a public statement by the administrator of such Reference Rate that it will, by a specified date within the following six months, cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using such Reference Rate;

“Broken Amount(s)” has the meaning given in the relevant Final Terms;

“Business Centre(s)” means the city or cities specified as such in the relevant Final Terms;

“Business Day” means:

- (a) in the case of Euros, a TARGET Settlement Day;

- (b) in the case of a Specified Currency other than Euros, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; or
- (c) in the case of a Specified Currency or one or more Business Centre(s) specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified;

“Business Day Convention”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the

product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30”;

- (f) if “**30E/360**” or “Eurobond Basis” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Euro Exchange Date**” means the date on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Noteholders that replacement Notes denominated in Euros are available for exchange;

“**External Indebtedness**” means all obligations, and Guarantees in respect of obligations, for money borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) denominated or payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Issuer;

“**Extraordinary Resolution**” has the meaning given in Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*);

“**Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms; “**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Guarantee**” means any guarantee of or indemnity in respect of Indebtedness or other like obligation;

“Indebtedness” means any indebtedness of any Person for money borrowed, whether incurred, assumed or guaranteed, other than trade credit in the ordinary course of business;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“International Monetary Assets” means all the Issuer’s official holdings of gold and all the Issuer’s holdings of (i) Special Drawing Rights, (ii) Reserve Positions in the Fund and (iii) Foreign Exchange, and the terms **“Special Drawing Rights”**, **“Reserve Positions in the Fund”** and **“Foreign Exchange”** have, as to the types of assets included, the meanings given to them in the publication of the IMF entitled **“International Financial Statistics”** or such other meanings as shall be formally adopted by the IMF from time to time;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms;

“Issue Date” has the meaning given in the relevant Final Terms;

“Margin” has the meaning given in the relevant Final Terms;

“Maturity Date” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (a) if the currency of payment is Euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Financial Centre; or

- (b) if the currency of payment is not Euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Financial Centre;

“Permitted Security Interest” means:

- (a) any Security Interest upon property to secure Public External Indebtedness incurred for the purpose of financing the acquisition of such property and any renewal and extension of such Security Interest which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;
- (b) any Security Interest existing on property at the time of its acquisition to secure Public External Indebtedness and any renewal or extension of any such Security Interest which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;
- (c) any Security Interest arising by operation of law which has not been foreclosed or otherwise enforced against the assets to which it applies; and
- (d) any Security Interest securing Public External Indebtedness or any Guarantee of Public External Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project, *provided that* (a) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness and (b) the property over which such Security Interest is granted consists solely of such assets and revenues;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

- (a) in relation to Euros, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Public External Indebtedness” means External Indebtedness of the Issuer which is in the form of, or represented by, bonds, notes, or other securities and which is, or may be, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system, over-the-counter securities market or other securities market;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Terms and Conditions and the relevant Final Terms;

“Redemption Amount” has the meaning given in the relevant Final Terms;

“Reference Banks” means the four major banks selected by the Calculation Agent in consultation with the Issuer in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” has the meaning given in the relevant Final Terms;

“Regular Period” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Relevant Nominating Body” means, in respect of a reference rate:

- (a) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the reference rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof;

“Relevant Screen Page” means the page, section or other part of a particular information service specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Reserved Matter” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“Security Interest” means any mortgage, charge, pledge, lien, security interest or other encumbrance securing any obligation of any Person or any other type of preferential arrangement having similar effect over any assets or revenues of such Person;

“Specified Currency” has the meaning given in the relevant Final Terms;

“Specified Denomination(s)” has the meaning given in the relevant Final Terms;

“Specified Interest Payment Date” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Fiscal Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Successor Rate**” means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body;

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) System 2 or any successor thereto;

“**TARGET Settlement Day**” means any day on which the TARGET System is open;

“**Treaty**” means the Treaty establishing the European Communities, as amended; and “**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

2.2 Interpretation

In these Terms and Conditions:

- (a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Terms and Conditions;
- (b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;
- (c) references to Notes being “outstanding” shall be construed in accordance with the Fiscal Agency Agreement; and
- (d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes.

3. Form, Denomination and Title

The Notes are issued in registered form in the Specified Denomination(s) shown in the relevant Final Terms, without interest coupons, *provided that*:

- (a) the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency;
- (b) interests in the Restricted Notes shall be held in amounts of not less than US\$200,000 or its equivalent in other currencies; and
- (c) Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in another currency).

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

4. Transfers of Notes

4.1 Transfer

One or more Notes may be transferred, in whole or in part in the Specified Denominations set out in the applicable Final Terms and subject to the minimum transfer amounts specified therein, upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the relevant Note or Notes, together with the form of transfer endorsed on such Note or Notes (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent (as applicable) may reasonably require, including for the purposes of establishing title to the relevant Note, and the identity of the person making the request. In the case of a transfer of part only of a holding of a Note, a new Note shall be issued to the transferee in respect of the part transferred and a further new Note in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement. A copy of the current regulations will be made available by the Registrar or any Transfer Agent to any Noteholder upon request.

4.2 Delivery

Each new Note to be issued pursuant to Condition 4.1 (*Transfer*) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Note for exchange. Delivery of the new Note(s) shall be made at the specified office of the Registrar or the relevant Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and such insurance as it may specify. In this Condition 4.2, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

4.3 No Charge

Transfers of Notes shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and security as the Registrar or the relevant Transfer Agent may require).

4.4 Restrictions on Transfer

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for redemption of, or payment of any interest amount in respect of, that Note.

5. Status

The Notes constitute direct, general, unconditional and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and the full faith and credit of the Issuer is pledged for the due and punctual payment of principal and interest on the Notes and for the performance of all obligations of the Issuer in respect of the Notes and the Deed of Covenant. The Notes will at all times rank *pari passu* without preference among themselves and at least *pari passu* in right of payment with all other unsecured External Indebtedness of the Issuer from time to time outstanding, *provided further that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*.

6. Negative Pledge

So long as any Note remains outstanding the Issuer shall not create, incur, assume or permit to arise or subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its International Monetary Assets, present or future, to secure (i) any Public External Indebtedness or (ii) any Guarantee in respect of Public External Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Deed of Covenant are secured equally and rateably therewith or have the benefit of such other arrangement as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of Noteholders.

7. Fixed Rate Note Provisions

7.1 Application to Fixed Rate Notes

This Condition 8 is applicable to the Notes only if the relevant Final Terms specifies the Fixed Rate Note Provisions as being applicable.

7.2 Rate of Interest for Fixed Rate Notes

The Notes bear interest on the outstanding principal amount from the Interest Commencement Date at the rate(s) per annum equal to Rate(s) of Interest payable in arrear on each Interest Payment Date in each year and on the Maturity Date if the Maturity Date does not fall on an Interest Payment Date, subject as provided in Condition 11 (*Payments*). The amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount(s) so specified.

7.3 Calculation of Interest Amounts for Fixed Rate Notes

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. In these Terms and Conditions “**sub unit**” means, with respect of any currency other than the U.S. dollar, the lowest amount of such currency that is available as legal tender in the country of such currency, and with respect to U.S. dollars means one cent.

7.4 Additional Definitions

For the purposes of these Terms and Conditions, “**Day Count Fraction**” means:

- (a) if “Actual/Actual (ICMA)” is specified in the relevant Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Determination Dates (as specified in the relevant Final Terms) that would occur in one calendar year; or

For the purposes of Condition 7.4(a) “**Determination Period**” means each period from (and including) an Interest Determination Date to (but excluding) the next Interest Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not an Interest Determination Date, the period commencing on the first Interest Determination Date prior to, and ending on the first Interest Determination Date falling after, such date);

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (i) the number of days in such Determination Period and (ii) the number of Interest Determination Dates (as specified in the relevant Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Interest Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the relevant Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30 day months) divided by 360.

8. Floating Rate Note Provisions

8.1 Application to Floating Rate Notes

This Condition 8 is applicable to the Notes only if the relevant Final Terms specifies the Floating Rate Note Provisions.

8.2 Interest Payment Dates

The Notes bear interest on the outstanding principal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (a) the Specified Interest Payment Date(s) (each, an “**Interest Payment Date**”) in each year specified in the relevant Final Terms; or
- (b) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls in the number of months or other period specified as the Specified Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

8.3 Rate of Interest for Floating Rate Notes

The Rate of Interest payable from time to time in respect of the Notes shall be determined in the manner specified in the relevant Final Terms.

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be either:
 - (i) the offered quotation; or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the “**Relevant**”

Time”) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations, *provided, however that*:

(x) if no Reference Rate appears on the Relevant Screen Page at the 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Principal Financial Centre at the Relevant Time on the relevant Interest Determination Date, as determined by the Calculation Agent; and

(y) if paragraph (x) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Reference Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of a Calculation Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the Principal Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the relevant Interest Determination Date relating to the next succeeding Interest Period for a period equivalent to the duration of the relevant Interest Period (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

- (b) Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

8.4 Benchmark Replacement

In addition, notwithstanding the provisions above in Condition 8.3 (*Rate of Interest for Floating Rate Notes*), if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the relevant Final Terms when any Rate of Interest (or the relevant

component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

- (a) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than five business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the “**IA Determination Cut-off Date**”), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (b) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;
- (c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.4 (*Benchmark Replacement*)); *provided, however, that* if sub-paragraph (b) applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (c) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.4 (*Benchmark Replacement*));
- (d) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, business days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Fiscal Agency Agreement and these Conditions as may be required in order to give effect to this Condition 8.4 (*Benchmark Replacement*). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Fiscal Agent (if required); and

- (e) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Fiscal Agent and Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with Applicable Law.

8.5 Minimum and Maximum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

8.6 Calculation of Interest Amounts for Floating Rate Notes

The Calculation Agent will, as soon as reasonably practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, determine the Rate of Interest for the relevant Interest Period and calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention.

8.7 Calculation Agent

If the relevant Final Terms specify that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as reasonably practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

8.8 Notice

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Fiscal Agent and each listing authority, stock exchange and quotation system (if any) by which the Notes have than been admitted to listing, trading and quotation as soon as reasonably practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders by the Issuer in accordance with Condition 20 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

8.9 Notices Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

9. Zero Coupon Note Provisions

9.1 Application for Zero Coupon Notes

This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

9.2 Redemption Amount Improperly Refused

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. Redemption and Purchase

10.1 Final Redemption

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms, subject as provided in Condition 11 (*Payments*).

10.2 Redemption at the Option of the Issuer (Call Option)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice each as specified in applicable Final Terms to the Noteholders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if Make-whole Amount is specified in the applicable Final Terms, will be the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition:

“DA Selected Bond” means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

“Determination Agent” means a leading investment bank or financial institution of international standing selected by the Issuer;

“Quotation Time” shall be as set out in the applicable Final Terms;

“Redemption Margin” shall be as set out in the applicable Final Terms;

“Reference Bond” shall be as set out in the applicable Final Terms or the DA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

“Reference Date” will be set out in the relevant notice of redemption;

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

“Remaining Term Interest” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 10.2 (*Redemption at the Option of the Issuer (Call Option)*);

In the case of a partial redemption of Notes, the Notes to be redeemed (the **“Redeemed Notes”**) will (i) in the case of Redeemed Notes represented by Definitive Note Certificates, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by Definitive Note Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 20 (*Notices*) not less than 15 days prior to the date fixed for redemption.

10.3 Purchase

The Issuer may at any time purchase, or procure others to purchase for its account, Notes in the open market or otherwise and at any price. Notes so purchased may be held or resold (*provided that* such resale is outside the United States as defined in Regulation S under the United States Securities Act of 1933, as amended, or, in the case of any Notes resold pursuant to Rule 144A under that Act is only made in accordance with that Rule and otherwise in compliance with all Applicable Law) or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Person acting on behalf of the Issuer, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders.

10.4 Cancellation

All Notes which are submitted for cancellation pursuant to Condition 10.3 (*Purchase*) will be cancelled and may not be reissued or resold. For so long as the Notes are admitted to trading on the regulated market of the London Stock Exchange plc (the **“Stock Exchange”**) and the rules of such exchange so require, the Issuer shall promptly inform the Stock Exchange of the cancellation of any Notes under this Condition 10.4 (*Cancellation*).

11. Payments

11.1 Payments

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is Euros, any other account to which Euros may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

11.2 Record Date

Payments of interest shall, subject to Condition 11.4 (*Payment Business Day*), be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made in the relevant currency by cheque drawn on a bank and mailed by uninsured post to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. The holder of such Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of such Notes as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. Upon application by the holder to the specified office of any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

11.3 Payments Subject to Applicable Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.4 Payment Business Day

If the due date for payment of any amount in respect of any Note is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

12. Taxation

12.1 Payments Free and Clear of Taxes

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note presented for payment:

- (a) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Uzbekistan other than the mere holding of such Note; or
- (b) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note on the last day of such period of 30 days; or
- (c) where (in the case of a payment of principal or interest on redemption) the relevant Note is surrendered for payment in the Republic of Uzbekistan.

In addition, if and to the extent that the obligations of the Issuer to pay additional amounts pursuant to this Condition 13 are or have become illegal, unenforceable or otherwise invalid, the Issuer will indemnify and hold harmless each holder of a Note from and against, and will, upon written request of a holder and presentation of reasonable supporting documentation, reimburse each such holder for, the amount of any Taxes withheld or deducted from, or paid by such holder in respect of, payments made under or with respect to the Notes or the Deed of Covenant and which would not have been withheld, deducted or paid had the said obligations not been or become illegal, unenforceable or otherwise invalid. Solely for purposes of these Terms and Conditions, any payment made pursuant to this paragraph shall be considered an additional amount.

12.2 FATCA

Notwithstanding anything to the contrary in this Condition 12, none of the Issuer, any Paying Agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (“**FATCA**”) or any laws of Uzbekistan, or any agreement between the United States of America and Uzbekistan, implementing FATCA.

13. Events of Default

If any of the following events (each, an “**Event of Default**”) occurs and is continuing, then the holders of not less than 25 per cent in aggregate outstanding principal amount of the Notes may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be due and payable, whereupon they shall immediately become due and repayable at their principal amount together with accrued interest without further action or formality and notice of any such declaration shall promptly be given to all other Noteholders by the Issuer:

- (a) *Non-payment:* the Issuer is in default with respect to the payment of principal, interest or additional amounts on any of the Notes and such default continues for a period of 30 days; or
- (b) *Breach of other Obligations:* the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under the Notes (other than a default or breach elsewhere specifically dealt with in this Condition 14) and such default or breach is not remedied within 60 days after notice thereof has been given to the Issuer at the Specified Office of the Fiscal Agent by any holder of Notes; or
- (c) *Cross Acceleration:* (a) any other Public External Indebtedness of the Issuer (i) becomes due and payable prior to the due date for payment thereof by reason of default by the Issuer, or (ii) is not repaid at maturity as extended by the period of grace, if any, applicable thereto, or (b) any Guarantee given by the Issuer in respect of Public External Indebtedness of any other Person is not honoured when due and called upon; *provided that* the aggregate amount of the relevant Public External Indebtedness or liability under such Guarantee in respect of which one or more of the events mentioned in this Condition 13(c) shall have occurred equals or exceeds US\$50,000,000 or its equivalent in other currencies; or
- (d) *Moratorium:* a general suspension of, or a moratorium on, the payment of principal of, or interest on, the Public External Indebtedness of the Issuer is declared by the Issuer, or the Issuer is, or admits that it is, unable to pay any Public External Indebtedness as it falls due, or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness; or
- (e) *IMF Membership:* the Issuer shall cease to be a member of the International Monetary Fund (IMF) or shall cease to be eligible to use the general resources of the IMF;
- (f) *Invalidity or unenforceability:* the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or all or any of its obligations set out in the Notes shall be or become unenforceable or invalid.

If the Issuer receives notice in writing from holders of at least 50 per cent in aggregate outstanding principal amount of the Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect, but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

14. Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

15. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent (as defined in the Fiscal Agency Agreement), subject to all Applicable Law and listing authority, stock exchange or quotation system requirements (if any), upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. Agents

16.1 Agents of the Issuer

In acting under the Fiscal Agency Agreement and in connection with the Notes, the Fiscal Agent acts solely as agent of the Issuer. The Fiscal Agent does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

16.2 Requirements to Maintain Agents

The initial Fiscal Agent, Paying Agent, Transfer Agent and Registrar and their respective initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and to appoint a successor Fiscal Agent, Paying Agent, Transfer Agent, Registrar or Calculation Agent and additional or successor agents; *provided, however, that:*

- (a) the Issuer shall at all times maintain a Fiscal Agent;
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent;
- (c) if and for so long as the Notes are admitted to listing, trading or quotation, by any listing authority, stock exchange or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such listing authority, stock exchange or quotation system; and
- (d) the Issuer shall maintain a Registrar whose Specified Office shall be outside the United Kingdom.

Notice of any change in any of the Agents or their respective Specified Offices shall promptly be given to the Noteholders.

17. Meetings of Noteholders; Written Resolutions and Electronic Consents

17.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the provisions of the Fiscal Agency Agreement. The Issuer will determine the time and place of the meeting and will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (b) The Issuer will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Fiscal Agency Agreement and described in Condition 17.9 (*Notes Controlled by the Issuer*)) have delivered a written request to the Issuer setting out the purpose of the meeting. The Issuer will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (c) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (d) The notice convening any meeting will specify, *inter alia*:
 - (i) the date, time and location of the meeting;
 - (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (vi) whether Condition 17.2 (*Modification of this Series of Notes only*), or Condition 17.3 (*Multiple Series Aggregation – Single limb voting*), or Condition 17.4 (*Multiple Series Aggregation – Two Limb Voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (vii) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (viii) such information that is required to be provided by the Issuer in accordance with Condition 17.6 (*Information*);
 - (ix) the identity of the Aggregation Agent and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 17.7 (*Claims Valuation*); and

- (x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (e) In addition, the Fiscal Agency Agreement contains provisions relating to Written Resolutions and Electronic Consents. All information to be provided pursuant to this Condition 17.1 shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.
- (f) A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
- (g) An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (h) A “**Written Resolution**” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
- (i) Any reference to “**debt securities**” means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any sukuk representing the credit of the Republic of Uzbekistan or any other similar instrument) issued directly or indirectly by the Issuer in one or more series with an original stated maturity of more than one year.
- (j) “**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Condition 17 and Condition 18 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

17.2 Modification of this Series of Notes only

- (a) Any modification of any provision of, or any action in respect of, these Terms and Conditions, the Fiscal Agency Agreement and/or the Deed of Covenant in respect of the Notes may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (b) A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes held by Noteholders present in person or represented by proxy; or
 - (ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes held by Noteholders present in person or represented by proxy.
- (c) A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

- (ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

- (d) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

17.3 Multiple Series Aggregation – Single Limb Voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, *provided that* the Uniformly Applicable condition is satisfied.
- (b) A “**Multiple Series Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (c) A “**Multiple Series Single Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.
- (d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.
- (e) The “**Uniformly Applicable**” condition will be satisfied if:
 - (i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (A) the same new instrument or other consideration or (B) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).

- (f) It is understood that a proposal under paragraph (a) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and, the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).
- (g) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 17.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

17.4 Multiple Series Aggregation – Two Limb Voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (b) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (i) at least 66 per cent of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (c) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
 - (i) at least 66 per cent of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (e) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 17.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

17.5 Reserved Matters

In these Conditions, “**Reserved Matter**” means any proposal:

- (a) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest (other than any variation arising from the discontinuation of any interest rate benchmark used to determine the amount of any payment in respect of the Notes) or any other amount payable in respect of the Notes on any date;
- (b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (c) to change the majority required to pass an Extraordinary Resolution, a Written Resolution, an Electronic Consent or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (d) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution”, “Electronic Consent” or “Multiple Series Two Limb Written Resolution”;
- (e) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (f) to change the definition of “Uniformly Applicable”;
- (g) to change the definition of “outstanding” or to modify the provisions of Condition 17.9 (*Notes Controlled by the Issuer*);
- (h) to change the legal ranking of the Notes;
- (i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 13 (*Events of Default*);
- (j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 24 (*Governing Law and Arbitration*);
- (k) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 17.5;

- (m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security;
- (n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Terms and Conditions in connection with any exchange of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer, which would result in the Terms and Conditions as so modified being less favourable to the Noteholders which are subject to the Terms and Conditions as so modified than:
 - (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or conversion; or
 - (ii) if more than one series of other obligations or debt securities results from the relevant exchange or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount; or
- (o) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes and the Deed of Covenant.

17.6 Information

Prior to or on the date that the Issuer proposes any Extraordinary Resolution, Written Resolution or Electronic Consent pursuant to Condition 17.2 (*Modification of this Series of Notes only*), Condition 17.3 (*Multiple Series Aggregation – Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation – Two Limb Voting*), the Issuer shall publish in accordance with Condition 18.8 (*Manner of Publication*) and provide the Fiscal Agent with the following information:

- (a) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (c) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 17.1(d)(vii).

17.7 Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 17.3 (*Multiple Series Aggregation – Single limb voting*) and Condition 17.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent. The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

17.8 Manifest Error, etc.

The Notes, these Terms and Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

17.9 Notes Controlled by the Issuer

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) and (c) Condition 13 (*Events of Default*), any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

- (a) “**public sector instrumentality**” means the Central Bank of Uzbekistan, any department, ministry or agency of the government of the Republic of Uzbekistan or any corporation, trust, financial institution or other entity owned or controlled by the government of the Republic of Uzbekistan or any of the foregoing; and
- (b) “**control**” means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution or Electronic Consent, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 18.5 (*Certificate*) which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution or vote in respect of any Electronic Consent. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

17.10 Publication

The Issuer shall publish all Extraordinary Resolutions, Written Resolutions and Electronic Consents which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 18.8 (*Manner of Publication*).

17.11 Exchange and Conversion

Any Extraordinary Resolutions or Written Resolutions or Electronic Consents which have been duly passed and which modify any provision of, or action in respect of, the Terms and Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is

notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders.

17.12 Written Resolutions and Electronic Consents

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a Global Note held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the “relevant clearing system(s)”), then the approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures:

- (a) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders; or
- (b) (where such holders have been given at least 21 days’ notice of such resolution) by or on behalf of:
 - (i) in respect of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes Only*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;
 - (ii) in respect of a proposal Condition 17.3 (*Multiple Series Aggregation—Single Limb Voting*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); or
 - (iii) in respect of a proposal pursuant to Condition 17.4 (*Multiple Series Aggregation—Two Limb Voting*), (x) the persons holding at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (i), (ii) and (iii), each an “**Electronic Consent**”) shall, for all purposes (including Reserved Matters) take effect as (A) a Single Series Extraordinary Resolution (in the case of (i) above), (B) a Multiple Series Single Limb Extraordinary Resolution (in the case of (ii) above) or (C) a Multiple Series Two Limb Extraordinary Resolution (in the case of (iii) above), as applicable.

The notice given to Noteholders shall specify, in sufficient detail to enable Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation—Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation—Two Limb Voting*)) to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Consent Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Consent Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the “**Proposer**”) so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation—Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation—Two Limb Voting*))

that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes Only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation—Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation—Two Limb Voting*) that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to Relevant Consent Date shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Note and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

18. Aggregation Agent; Aggregation Procedures

18.1 Appointment

The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Terms and Conditions or the Fiscal Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

18.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Terms and Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the

outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

18.3 Written Resolutions

If a Written Resolution has been proposed under the Terms and Conditions to modify any provision of, or action in respect of, these Terms and Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

18.4 Electronic Consents

If approval of a resolution proposed under the terms of these Terms and Conditions to modify any provision of, or action in respect of, these Terms and Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

18.5 Certificate

For the purposes of Condition 18.2 (*Extraordinary Resolutions*), Condition 18.3 (*Written Resolutions*) and Condition 18.4 (*Electronic Consents*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 17.2 (*Modification of this Series of Notes only*), Condition 17.3 (*Multiple Series Aggregation – Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation – Two Limb Voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution and, with respect to an Electronic Consent, the date arranged for voting on the Electronic Consent.

The certificate shall:

- (a) list the total principal amount of Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 17.9 (*Notes Controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

18.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 18 to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

18.7 Binding Nature of Determinations; No Liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 18 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

18.8 Manner of Publication

The Issuer will publish all notices and other matters required to be published pursuant to the Fiscal Agency Agreement including any matters required to be published pursuant to Condition 17 (*Meetings of Noteholders; Written Resolutions and Electronic Consents*), this Condition 18 and Condition 13 (*Events of Default*):

- (a) through Euroclear, Clearstream Luxembourg and DTC and/or any other clearing system in which the Notes are held;
- (b) in such other places and in such other manner as may be required by Applicable Law; and
- (c) in such other places and in such other manner as may be customary.

19. Further Issues and Consolidation

The Issuer may from time to time, without notice to or the consent of the Noteholders and in accordance with the Fiscal Agency Agreement, create and issue further notes having the same terms and conditions as the Notes of a particular Series in all respects (or in all respects except for the issue price, issue date and first payment of interest) so as to form a single series with the Notes of the particular Series, *provided that*, unless such further notes are fungible with the original Notes for U.S. federal income tax purposes, such further notes will be issued with a separate CUSIP and ISIN. The Fiscal Agency Agreement contains provisions for convening a single meeting of the Noteholders of a particular Series and the holders of Notes of other Series.

The Issuer may, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), from time to time on any Interest Payment Date occurring on or after the Redenomination Date (as defined in Condition 23 (*Redenomination*)) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 20 (*Notices*), without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in the same currency provided such other Notes have been redenominated into the Specified Currency (if not originally so denominated) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

20. Notices

Notices required to be given to Noteholders pursuant to the Conditions will be valid if published in a manner which complies with the rules and regulations of the Stock Exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given by publication in a newspaper of general circulation in London (which is expected to be the Financial Times).

21. Currency Indemnity

If any Noteholder receives or recovers any amount in a currency other than that in which the relevant payment is expressed to be due (the “**Contractual Currency**”) (whether as a result of, or of the enforcement of, an award, judgment or order of any court or other tribunal) in respect of any sum

expressed to be due to it from the Issuer that amount will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the relevant Noteholder under the Notes, the Issuer will indemnify such Noteholder against any loss sustained by it as a result on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent or any Paying Agent. In any event, the Issuer will indemnify the relevant Noteholder against the cost of making any such purchase.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. Rounding

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in these Terms and Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent, being rounded up to 0.00001 per cent), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up) and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. Redenomination

23.1 Redenomination

This Condition 23 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

23.2 Redenomination Date

If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Fiscal Agent and the Noteholders, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

23.3 Calculation of Redenominated Notes

Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

- (a) the Notes shall be deemed to be redenominated into Euros in the denomination of Euros 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euros at the rate for conversion of such currency into Euros established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Fiscal Agent that the then market practice in respect of the redenomination into Euros 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange or quotation system (if any) by which the Notes have then been admitted to listing, trading or quotation and the Fiscal Agent of such deemed amendments;

- (b) if Notes have been issued in definitive form:
 - (i) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 23) shall remain in full force and effect; and
 - (ii) new Notes denominated in Euros will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (c) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euros, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euros by cheque drawn on, or by credit or transfer to a Euros account (or any other account to which Euros may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.

23.4 Calculation of Interest on Redenominated Definitive Note Certificates

Following redenomination of the Notes pursuant to this Condition 23, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes held by the relevant holder.

23.5 Change of Interest Determination Date

If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

24. Governing Law and Arbitration

24.1 Governing Law

The Notes and the arbitration agreement in Condition 24.2 (*Arbitration*) (including any non-contractual obligations arising out of or in connection with the Notes) are governed by, and shall be construed in accordance with, English law.

24.2 Arbitration

Any dispute, controversy or claim, be it contractual or non-contractual, arising out of or in connection with the Notes, including any question regarding their formation, existence, validity or termination (a “**Dispute**”) shall be referred to and finally resolved:

- (a) By arbitration administered by the London Court of International Arbitration (the “**LCIA Court**”) in accordance with its Rules (the “**Rules**”). The Rules are deemed to be incorporated by reference into this Condition 24.2.
- (b) The number of arbitrators shall be three, each party having the right to nominate one arbitrator. If one party fails to appoint an arbitrator within 30 days of receiving notice of the appointment of an arbitrator by the other party, then that arbitrator shall be appointed by the LCIA Court.
- (c) The third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators chosen by or on behalf of the parties. If he is not chosen and appointed within 15 days of the date on which the later of the two-party appointed arbitrators is appointed, he shall be appointed by the LCIA.

- (d) The seat of arbitration shall be London, England where all hearings and meetings shall be held, unless the parties agree otherwise. The language to be used in the arbitral proceedings shall be English.
- (e) Sections 45 and 69 of the Arbitration Act 1996 shall not apply.
- (f) It is agreed that the arbitrators shall have no authority to award exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under the relevant applicable law, the parties hereby waiving their right, if any, to recover such damages.
- (g) The parties agree that the arbitrators shall have power to award on a provisional basis any relief that they would have power to grant on a final award.
- (h) Without prejudice to the powers of the arbitrators provided by the Rules, statute or otherwise, the arbitrators shall have power at any time, on the basis of written evidence and the submissions of the parties alone, to make an award in favour of the claimant (or the respondent if a counterclaim) in respect of any claims (or counterclaims) to which there is no reasonably arguable defence, either at all or except as to the amount of any damages or other sum to be awarded.
- (i) Nothing in this Condition 24.2 shall be construed as preventing either party from seeking conservatory or similar interim relief in any court of competent jurisdiction nor shall anything in this Condition 24.2 prohibit a party from bringing an action to enforce a money judgment in any other jurisdiction.
- (j) The parties agree that the arbitration and any facts, documents, awards or other information related to the arbitration or the dispute, controversy or claim to which it relates shall be kept strictly confidential and shall not be disclosed to any third party without the express written consent of the other party, unless such disclosure is required to comply with any legal or regulatory requirement.

24.3 Service of Process

The Issuer agrees that the process by which any proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Condition 24.2 (*Arbitration*) may be served on it by being delivered to the Ambassador of the Republic of Uzbekistan to the Court of St. James's from time to time, at the Embassy of the Republic of Uzbekistan, currently located at 41 Holland Park, London, W11 3RP or, in his absence, his designate as its authorised agent for service of process in England. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of a Noteholder appoint a further person in England to accept service of process on its behalf and, failing such appointment within 14 days, such Noteholder shall be entitled to appoint such a person by written notice to the Issuer. Nothing in this paragraph shall affect the right of the Noteholder to serve process in any other manner permitted by law.

24.4 Enforcement of Awards; Waiver of Immunity

Any award made pursuant to Condition 24.2 (*Arbitration*) in relation to a Dispute may be enforced in any tribunal or court of competent jurisdiction. To the extent that the Issuer may in any jurisdiction claim for itself or its assets, property or revenues (irrespective of their use or intended use) immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution, before the making of a judgment or award or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets, property or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction subject to the provisions of Condition 24.5 (*Waiver of Immunity – Exclusions*). The Issuer reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of, or in, the United States of America under any United States federal or state securities law.

24.5 Waiver of Immunity – Exclusions

Notwithstanding any of the provisions of Condition 24.4 (*Enforcement of Awards; Waiver of Immunity*), the Issuer does not waive any immunity in relation to: (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organisations including their heads and other employees, (except to the extent they are appointed as process agent and it is required for any service of process pursuant to these Conditions); (b) property of military character and under the control of a military authority or defence agency of the Issuer; and (c) property located in Uzbekistan that is used for public or governmental purposes (as distinct from property dedicated to a commercial use).

24.6 Consolidation of Disputes

(a) In this Condition 24.6:

“Joinder Order” means an order by a Tribunal that a Primary Dispute and a Linked Dispute be resolved in the same arbitral proceedings;

“Linked Dispute” means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with these Terms and Conditions and/or the Deed of Covenant, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them, in which a Request for Arbitration (as defined in the Rules) is served after a Request for Arbitration has been served in respect of a Primary Dispute;

“Primary Dispute” means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with these Terms and Conditions and/or the Deed of Covenant, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them, in which a Request for Arbitration has been served before a Request for Arbitration has been served in relation to any Linked Dispute; and

“Tribunal” means any arbitral tribunal appointed under these Terms and Conditions.

- (b) Any party to both a Primary Dispute and a Linked Dispute may apply to the Tribunal appointed in relation to the Primary Dispute for a Joinder Order in relation to any Linked Dispute.
- (c) The applicant for a Joinder Order must promptly notify all parties to the Primary Dispute and the Linked Dispute of any application under (i) above.
- (d) The Tribunal appointed in relation to the Primary Dispute may, if it considers it just, make a Joinder Order on hearing an application brought under (i) above. In determining whether to make a Joinder Order, the Tribunal must take account of:
 - (i) the likelihood and consequences of inconsistent decisions if joinder is not ordered;
 - (ii) any failure on the part of the party seeking joinder to make a timely application; and
 - (iii) the likely consequences of joinder in terms of cost and time.
- (e) If the Tribunal makes a Joinder Order:
 - (i) it will immediately, to the exclusion of any other Tribunal, have jurisdiction to resolve finally the Linked Dispute in addition to its jurisdiction in relation to the Primary Dispute;
 - (ii) it must order that notice of the Joinder Order and its effect be given immediately to any arbitrators already appointed in relation to the Linked Dispute and to all parties to the Linked Dispute and to all parties to the Primary Dispute;

- (iii) any appointment of an arbitrator in relation to the Linked Dispute before the date of the Joinder Order will terminate immediately and that arbitrator will be deemed to be *functus officio* with effect from the date of the Joinder Order. Such termination is without prejudice to:
 - (A) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
 - (B) his entitlement to be paid his proper fees and disbursements; and
 - (C) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.
- (iv) it may also give any other directions it considers appropriate to:
 - (A) give effect to the Joinder Order and make provisions for any costs which may result from it (including costs in any arbitration terminated as a result of the Joinder Order); and
 - (B) ensure the proper organisation of the arbitration proceedings and the proper formulation and resolution of the issues between the parties.
- (f) If a Tribunal appointed in respect of a Primary Dispute under these Terms and Conditions makes a Joinder Order which confers on that Tribunal jurisdiction to resolve a Linked Dispute arising under these Conditions, that Joinder Order and the award of that Tribunal will bind the parties to the Primary Dispute and the Linked Dispute being heard by that Tribunal.
- (g) For the avoidance of doubt, where a Tribunal is appointed under these Conditions, the whole of its award (including any part relating to a Linked Dispute) is deemed for the purposes of the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958 to be contemplated by these Conditions.
- (h) Each of the Issuer and the Noteholders waives any objection, on the basis of a Joinder Order, to the validity and/or enforcement of any arbitral award made by a Tribunal following any Joinder Order.

25. Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”)] [distributor] should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

THE REPUBLIC OF UZBEKISTAN, REPRESENTED BY THE MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF UZBEKISTAN ACTING UPON AUTHORISATION OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN AND THE CABINET OF MINISTERS OF THE REPUBLIC OF UZBEKISTAN

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Global Medium Term Note Issuance Programme

Part A Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Base Offering Circular dated 18 February 2025 [and the supplement[s] dated [●]] (the “**Base Offering Circular**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Offering Circular [as so supplemented]. Copies of the Base Offering Circular [and the supplement[s] dated [●]] may be obtained from the specified offices of the Fiscal Agent during normal business hours and are available on the website of the Ministry of Economy and Finance of Uzbekistan at <https://imv.uz/en>.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Base [Prospectus][Offering Circular] dated [4 February 2019][17 November 2020][28 September 2023] which are incorporated by reference in the Base Offering Circular dated 18 February 2025. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Offering Circular dated 18 February 2025 [and the supplement[s] dated [●]] (the “**Base Offering Circular**”) including the Conditions incorporated by reference in the Base Offering Circular, in order to obtain all relevant information. Copies of the Base Offering Circular [and the supplement[s] dated [●]] may be obtained from the specified offices of the Fiscal Agent during normal business hours and are available on the website of the Ministry of Economy and Finance of Uzbekistan at <https://imv.uz/en>.

1	Issuer:	The Republic of Uzbekistan, represented by the Ministry of Economy and Finance of the Republic of Uzbekistan acting upon authorisation of the President of the Republic of Uzbekistan and the Cabinet of Ministers of the Republic of Uzbekistan
2	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes:	
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
	[(iii)] Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date].]
5	Issue Price:	[●] per cent., of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)]
6	(i) Specified Denomination(s):	[●]
	(ii) Calculation Amount:	[●]
7	[(i)] Issue Date:	[●]
	[(ii)] Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
8	Maturity Date:	[[●]/Interest Payment Date falling on or nearest to [●]]

9	Interest Basis:	[[●] per cent. Fixed Rate]
		[●] +/- [●] per cent. Floating Rate]
		[Zero Coupon]
10	Payment Basis:	[Redemption at par]
	Redemption Amount:	[●]
11	Date approval for issuance of Notes obtained:	[●]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
12	Fixed Rate Note Provisions:	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [●]/not adjusted]
	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
	Day Count Fraction:	[Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
	Interest Determination Date(s):	[●] in each year
13	Floating Rate Note Provisions:	[Applicable/Not Applicable]
	Specified Interest Period(s):	[●]
	Specified Interest Payment Dates:	[●]
	First Interest Payment Date:	[●]
	Business Day Convention:	[FRN Convention/Floating Rate Convention/Eurodollar Convention/Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/Not Applicable]
	Business Centre(s):	[●]
	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent]):	[●]
	Screen Rate Determination:	

- Reference Rate: [[●] month EURIBOR]
- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- Reference Banks: [●]
- ISDA Determination:
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

Margin(s): [+/-][●] per cent. per annum

Minimum Rate of Interest: [●] per cent. per annum

Maximum Rate of Interest: [●] per cent. per annum

Day Count Fraction: [Actual/365 / Actual/Actual(ISDA) / Actual/365(Fixed) / Actual/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / Actual/Actual(ICMA)]

14 Zero Coupon Note Provisions: [Applicable/Not Applicable]

[Amortisation Yield /Accrual Yield]: [●] per cent. per annum

Reference Price: [●]

PROVISIONS RELATING TO REDEMPTION

15 Call Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s) of each Note: [[●] per Calculation Amount][Make-whole Amount]

[(If Make-whole Amount is selected, include items (i) to (iii) below or relevant options as are set out in the Conditions)]

(i) Reference Bond: [●]/[Not Applicable]

(ii) Redemption Margin: [●] per cent.

(iii) Quotation Time: [●]

(c) If redeemable in part: [Not Applicable]

(i) Minimum Redemption Amount: [●]

(ii) Maximum Redemption Amount: [●]

(iii) Notice periods: Minimum period: [●] days

Maximum period: [●] days

**GENERAL PROVISIONS APPLICABLE
TO THE NOTES**

16	Financial Centre(s):	[Not Applicable/[•]]
	Redenomination:	[Applicable/Not Applicable]
	Calculation Agent:	[•]

LISTING AND ADMISSION TO TRADING APPLICATION

Application has been made to the London Stock Exchange for the Notes to be admitted to the Official List and trading on its main market with effect from [•]. These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange of the Notes described herein pursuant to the Global Medium Term Note Programme of the Republic of Uzbekistan.

[THIRD PARTY INFORMATION]

[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer: [•]

Dated: [•]

By: [•]

Duly authorised

Part B Other Information

1 LISTING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's Main Market with effect from [●].

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [have been/are expected to be] rated:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[Other: [●]]

[Not Applicable]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4 [Fixed Rate Notes only – YIELD

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5 OPERATIONAL INFORMATION

ISIN Code (Reg S Notes): [●]

ISIN Code (Rule 144A Notes): [●]

Common Code (Reg S Notes): [●]

Common Code (Rule 144A Notes): [●]

[CFI:	[Not Applicable/[•]]
[FISN:	[Not Applicable/[•]]
CUSIP (Rule 144A Notes):	[•]
[CINS:	[•]]
Any clearing system(s) other than [DTC,] Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]

6. DISTRIBUTION

Method of distribution:	[Syndicated/Non-syndicated]
If syndicated, names of Managers:	[Not Applicable/give names]
Date of Subscription Agreement:	[•]
Stabilisation Manager(s) (if any):	[Not Applicable/give name]
If non-syndicated, name of relevant Dealer:	[Not Applicable/give name]
Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

7. OTHER INFORMATION

Use of proceeds	[•]
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SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

The Global Notes

Each Series will be issued in registered form and evidenced on issue by a Global Note.

Notes offered and sold outside the United States in reliance on Regulation S will be represented by interests in an Unrestricted Global Note which will be deposited on issue with a Common Depositary for Euroclear and/or Clearstream, Luxembourg and registered in the name of a nominee for a Common Depositary in respect of interests held through Euroclear and Clearstream, Luxembourg.

Notes offered and sold in reliance on Rule 144A will be represented by interests in a Restricted Global Note which will be registered in the name of Cede & Co. as nominee for, and which will be deposited with the Custodian for DTC, in respect of interests held through DTC.

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the fiscal agency agreement dated 4 February 2019 relating to the Notes (as may be amended or supplemented from time to time, the “**Fiscal Agency Agreement**”) and, with respect to a Restricted Global Note, as set forth in Rule 144A and the Restricted Notes will bear the legends set forth thereon regarding such restrictions set forth under “*Transfer Restrictions*”.

Any beneficial interest in an Unrestricted Global Note that is transferred to a person who takes delivery in the form of an interest in a Restricted Global Note will, upon transfer, cease to be an interest in that Unrestricted Global Note and become an interest in the corresponding Restricted Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in that Restricted Global Note for as long as it remains such an interest. Any beneficial interest in a Restricted Global Note that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Note will, upon transfer, cease to be an interest in that Restricted Global Note and become an interest in that Unrestricted Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Unrestricted Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form (the “**Definitive Note Certificates**”). The Notes are not issuable in bearer form.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that they represent, some of which modify the effects of the Terms and Conditions of the Notes. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of Notes evidenced by a Global Notes will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment (the “**Record Date**”), where “**Clearing System Business Day**” means Monday to Friday inclusive, except 25 December and 1 January.

Notices

So long as any Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Terms and Conditions of the Notes *provided however, that*, so long as the Notes are listed on a stock exchange and its rules so require, notices will also have to be filed in accordance with the rules of such stock exchange.

Meetings

The holder of each Global Note will be treated as being one person for the purposes of any quorum requirements of, or have the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote

in respect of each 1,000 units of the currency in which the relevant Notes are denominated as comprise the principal amount of Notes for which the relevant Global Note may be exchangeable.

Purchase and Cancellation

Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

Exchange for Definitive Note Certificates

Exchange

Notes initially represented by a Restricted Global Note are exchangeable in whole, but not in part, (free of charge to the Holder) for Restricted Definitive Note Certificates (i) if the Restricted Global Note is held by or on behalf of DTC and DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Note or ceases to be a “clearing agency” registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, by the Holder giving notice to the Registrar or a Paying and Transfer Agent, (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 12 (*Taxation*) which would not be suffered were the Notes in definitive form or (iii) an Event of Default occurs. The Issuer shall notify the Noteholders of the occurrence of any of the events specified above as soon as practicable thereafter.

Notes initially represented by an Unrestricted Global Note are exchangeable in whole, but not in part, (free of charge to the Holder) for Unrestricted Definitive Note Certificates (i) if the Unrestricted Global Note is held by or on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the Holder giving notice to the Registrar or a Paying and Transfer Agent, (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 12 (*Taxation*) which would not be suffered were the Notes in definitive form or (iii) an Event of Default occurs. The Issuer shall notify the Noteholders of the occurrence of any of the events specified above as soon as practicable thereafter.

On or after the Exchange Date, the holder of the relevant Global Note may surrender such Global Note to or to the order of the Registrar. In exchange for the relevant Global Note, as provided in the Fiscal Agency Agreement, the Registrar will deliver, or procure the delivery of, an equal aggregate amount of duly executed and authenticated Definitive Note Certificates in or substantially in the form set out in the relevant schedule to the Fiscal Agency Agreement.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note for Definitive Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

“**Exchange Date**” means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or a Paying and Transfer Agent is located.

Delivery of Definitive Note Certificates

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Note Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity and/or security as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Note Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and, in the case of a Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A.

Definitive Note Certificates issued in exchange for a beneficial interest in a Restricted Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*”.

Legends

The holder of a Definitive Note Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Paying and Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Restricted Definitive Note Certificate bearing the legend referred to under “*Transfer Restrictions*”, or upon specific request for removal of the legend on a Restricted Definitive Note Certificate, the Issuer will deliver only Restricted Definitive Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer and the Registrar that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

USE OF PROCEEDS

Unless otherwise stated in the relevant Final Terms, the net proceeds of the issue of the Notes will be used by the Issuer for general budgetary purposes, including infrastructure projects.

OVERVIEW OF THE REPUBLIC OF UZBEKISTAN

Location and Population

Uzbekistan (officially the Republic of Uzbekistan (*O'zbekiston Respublikasi*)) is located in Central Asia and borders Kazakhstan to the north and north-east, Kyrgyzstan and Tajikistan to the east and south-east, Turkmenistan to the west and Afghanistan to the south.

The area of the territory of Uzbekistan is 448.97 thousand square km. The length of the state border is 6,221 km and at its widest points, Uzbekistan stretches for 930 km from north to south and for 1,425 km from west to east. The terrain of Uzbekistan is predominantly flat-to-rolling sandy desert with dunes.



Uzbekistan is a sovereign democratic republic. The effective Constitution of the Republic of Uzbekistan was adopted in 1992. However, national referenda and the Supreme Assembly have amended the Constitution multiple times throughout the country's history.

Administratively, Uzbekistan is divided into 12 regions (*viloyatlar*) (Andijan, Bukhara, Fergana, Jizzakh, Khorezm, Namangan, Navoiy, Kashkadarya, Samarkand, Syrdarya, Surkhandarya and Tashkent regions), one autonomous republic (Karakalpakstan) and the city of Tashkent (the capital of Uzbekistan).

According to preliminary data of the Statistics Agency under the President of the Republic of Uzbekistan, as of 1 January 2025, the population of Uzbekistan was estimated at 37.5 million with 51.0% of the population (19.1 million) living in urban areas and 49.0% of the population (18.4 million) living in rural areas. As of 1 January 2025, the city of Tashkent had an estimated population of 3.1 million, which was approximately 8.3% of the total population. As of 1 January 2025, the population density of Uzbekistan was estimated at 83.6 persons per square km. As of 1 January 2024, ethnic Uzbeks constituted more than 85.0% of Uzbekistan's total population. Other ethnic groups include Karakalpaks, Tajiks, Kazakhs, Russians, Kyrgyz, Tatars, Turkmens, Koreans and Ukrainians, among others. The national language of Uzbekistan is Uzbek, whilst Russian is used extensively and is the most widely taught second language.

The following table sets forth a breakdown of Uzbekistan’s population by age and gender as of 1 January 2024 (latest available data):

	Percentage of Population	Gender		Total Population (Male and Female) (millions)
		Male	Female	
Age.....		(%)		
0-14	30.3	31.2	29.3	11.1
15-24	14.6	14.9	14.4	5.4
25-54	41.5	41.4	41.6	15.3
55-64	8.0	7.5	8.4	2.9
65 and over.....	5.6	5.0	6.3	2.1
Total	100	100	100	36.8

Source: Statistics Agency under the President of the Republic of Uzbekistan

Uzbekistan is a secular country and its Constitution stipulates the right to religious freedom. The principal religion in the country is Islam. As of 1 January 2023, Muslims constituted approximately 95.3% of the population, while approximately 2.7% of the population follows Russian Orthodox Christianity and approximately 1.9% of the population follows other religions or are non-religious. A majority of Uzbeks are non-denominational Muslims.

History

Uzbekistan formed the nation as it is known today around 1000 B.C. However, the term “Uzbek” was introduced in the 15th and 16th centuries, during the period of Shaybani Khan’s rule. Uzbekistan is located along the “Silk Road”, a historical network of trade routes between Europe, India, China and many other Afro-Eurasian countries that began during the Han Dynasty (206 B.C. - 220 A.D.).

Art, cultural life and science in Uzbekistan developed between the 9th and 12th centuries. Great scientists such as Al-Khorezmi, Ahmad Al-Fargani, Al-Farabi, Abu Rayhan Biruni, Abu Ali ibn Sina (Avicenna) and al-Zamakhshari were born in what is present-day Uzbekistan, and the notable Islamic scholars Imam al-Bukhari, al-Tirmidhi, Nazhmuddin Kubra and Bahavuddin Naqshband were also from what is present-day Uzbekistan.

At the beginning of the 13th century, the Mongol military, led by Genghis Khan, upon defeating the state of Khorezm, conquered much of modern Central Asia, including the territory of modern Uzbekistan.

Amir Timur (also known as Tamerlane) was one of the main influences behind statehood in this region. Capitalising on the disintegration of the states of Genghis Khan’s heirs in Central Asia in the second half of the 14th century, Amir Timur united the states of Genghis Khan’s heirs and founded a powerful state with a capital in Samarkand. In 1380, Amir Timur invaded other regions, conquering Iran, the Caucasus, Iraq, Syria, Türkiye and Northern India, and established a centralised state, called Movaroun-Nahr in Central Asia. The elimination of political fractures allowed for the subsequent development of the economy, which Mongol rule had previously exhausted.

After the fall of the Timurid dynasty, Central Asia was divided into city-states under Muslim rulers known as “khans”. The Khanate of Khiva, the Bukhara Khanate and the Khanate of Kokhand were considered the most powerful in what is now Uzbekistan. These khans ruled the region during the 18th and 19th centuries.

The Russians occupied Tashkent in 1865 and ruled all of Central Asia by 1920. On 27 October 1924, the Uzbek Soviet Socialist Republic was created, and in May 1925 it became part of the USSR. During World War II, the relocation of factories from the war zone to Tashkent helped to enlarge Uzbekistan’s industrial base.

On 29 August 1991, ten days after the collapse of the anti-Gorbachev coup in Moscow, an extraordinary session of the Supreme Council voted to declare the Republic independent and changed its name to the Republic of Uzbekistan. On 31 August 1991, the Republic of Uzbekistan declared its independence from the USSR. A referendum was held in December 1991, in which 98% of participants endorsed Uzbekistan’s independence. However, after obtaining independence, Uzbekistan faced difficult political and socio-economic conditions. Over 130 years of rule by colonial regimes significantly hindered the development of Uzbekistan as an independent republic.

Mr. Islam Karimov with 86% of the votes won the first presidential elections held on 29 December 1991. Islam Karimov won a subsequent referendum in 1995, allowing him to stay in office until 2000. He was further re-elected in the January 2000 presidential election. Following the extension of the presidential term in office from five to seven years, Islam Karimov was again re-elected in December 2007 for a seven-year term. In December 2011, the senate of the Oliy Majlis of the Republic of Uzbekistan (the “**Senate**”) approved the Law of the Republic of Uzbekistan “On introduction of amendments to article 90 of the Constitution of Uzbekistan”, which led to the duration of the presidential term reverting back to five years.

Islam Karimov led Uzbekistan for 25 years until his death in September 2016. Following Islam Karimov’s death, Mr. Shavkat Mirziyoyev served as acting president and subsequently won the presidential election in December 2016. A number of parties were represented in the 2016 presidential election, including the Liberal Democratic Party “O’zLiDeP”, the People’s Democratic Party “O’zXDP”, the Justice Social Democratic Party “Adolat” and the National Revival Democratic Party “Milliy Tiklanish”. Shavkat Mirziyoyev was the nominee for the Liberal Democratic Party of Uzbekistan and was elected as President by 88.6% of the votes. President Shavkat Mirziyoyev was re-elected for a second five-year term in October 2021. In May 2023, Uzbekistan passed a package of constitutional amendments in a referendum which reset President Shavkat Mirziyoyev’s term count and extended the presidential term from five to seven years. In July 2023, after holding an early election, President Shavkat Mirziyoyev was re-elected for a further seven-year term.

Government

The Constitution and the President

Uzbekistan is a sovereign democratic republic, governed by the President of the Republic of Uzbekistan (the “**President**”), the Cabinet of Ministers and the Supreme Assembly (*Oliy Majlis*) (each as defined below). Uzbekistan’s current constitution (the “**Constitution**”) was adopted by nationwide vote at the referendum held on 30 April 2023. This new version of the Constitution entered into force on 1 May 2023. Until then, since 1992 the constitution had been amended 15 times. In 2023 however, due to the large scale of changes, a new version of the Constitution was adopted.

Amendments in the new version of the Constitution include the extension of the presidential term from five to seven years, the reduction of the number of senators from 100 to 65, and the banning of the death penalty and the extradition of a citizen of Uzbekistan to another state. For the first time, the Constitution includes a separate chapter on civil society institutions and guarantees for their activities. The amendments also consolidate the powers of the lower house of parliament to control the execution of the state budget and consider the report of the Accounting Chamber of the Republic of Uzbekistan (the “**Accounting Chamber**”). The Accounting Chamber is the supreme external audit and financial control body of the state. Among others, its functions include examination of a draft law on the State Budget, review of drafts of local budgets, control over the correct application of the requirements of the legislation on public procurement, and audit of the effectiveness and legality of the expenditures of the State Budget and other funds.

The President represents Uzbekistan domestically and in international relations. The President has a wide range of powers, including appointing and dismissing the Prime Minister and members of the Cabinet of Ministers (subject to confirmation by the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan (the “**Legislative Chamber**”)), appointing and dismissing the Procurator-General of Uzbekistan and the Chairman of the Accounting Chamber (subject to confirmation by the Senate of the Republic), making appointments to local executive and administrative bodies and exercising other constitutional and lawfully stipulated powers. The President also has the power to sign and promulgate laws, issue binding decrees, resolutions and ordinances, grant pardons to convicted citizens and confer state awards, ranks and titles. The President is also the Commander-in-Chief of the Armed Forces of Uzbekistan.

The President shall be elected by citizens of Uzbekistan on the basis of the universal, equal and direct suffrage by secret ballot for the term of seven years. The procedure for electing the President shall be defined by the law of Uzbekistan. The President, during his term of office, may not hold any other paid post, serve as deputy of representative body or engage in commercial activity. The President shall enjoy personal immunity and protection under law.

The Executive Power

The Government, represented by the Cabinet of Ministers, exercises executive power in Uzbekistan. The Cabinet of Ministers is comprised of the Prime Minister, his deputies, ministers and chairmen of the state committees, as well as the Head of the Government of the Republic of Karakalpakstan.

The Cabinet of Ministers, within the framework of constitutional norms and in accordance with legislation, issues decisions and orders that are binding on all bodies, enterprises, institutions, organisations, officials and citizens throughout the territory of Uzbekistan. The Cabinet of Ministers, as part of its duties, shall be accountable to the Supreme Assembly and the President.

The candidacy of the Prime Minister of Uzbekistan is submitted by the President to the Legislative Chamber for consideration and approval following consultations with all factions of political parties either within a month after the election of officials and the formation of the bodies of the chambers of the Oliy Majlis of Uzbekistan or within a month after the release from office or resignation of the Prime Minister and the current composition of the Cabinet of Ministers. The nominee of the Prime Minister is to be considered as approved if it receives more than half the total number of votes of the deputies of the Legislative Chamber. In case of a triple rejection of the submitted candidates to the post of the Prime Minister, the President shall appoint the Prime Minister and have the right to dissolve the Legislative Chamber.

The President shall have the right to dismiss the Prime Minister, the current composition or a member of the Cabinet of Ministers.

The Legislature and Main Political Parties

The representative and legislative body of Uzbekistan is the supreme assembly of the Republic of Uzbekistan (the “**Supreme Assembly**”). It comprises two chambers: the Legislative Chamber and the Senate.

The Legislative Chamber consists of 150 deputies, elected for a period of five years, of which 75 deputies are elected in single-seat constituencies and other 75 members are elected on the basis of the party list in proportion to the votes given to political parties in a single electoral district. All members are elected for five-year terms.

The Senate is made up of territorial representatives and consists of 65 members elected for a five-year term. Four members are elected from each of the 13 regions, the Republic of Karakalpakstan and the capital city of Tashkent, making up 56 members in total. Elections to the Senate are held at the relevant joint meetings of the Jokargy Kenes of the Republic of Karakalpakstan and local Kengashes by secret ballot among these deputies. The remaining nine members of the Senate are appointed by the President among citizens with extensive practical experience and special merits in the spheres of science, art, literature, manufacturing and other areas of state and public activity. The same person may not simultaneously be a deputy of the Legislative Chamber and a member of the Senate. A deputy of the Legislative Chamber and a member of the Senate may be a citizen of Uzbekistan, who has reached on the date of the elections 25 years of age and has permanently resided on the territory of Uzbekistan for not less than five years. Requirements for candidates to be a deputy shall be determined by law.

Sittings of the Legislative Chamber are convened from the first working day of September until the last working day of June of the next year. Sittings of the Senate are called as required, but no less than three times a year. Sittings of the Chambers of the Supreme Assembly are considered to be quorate provided at least half of the total number of all deputies and senators participate in the session.

The exclusive powers of the Legislative Chamber include:

- monitoring the execution of the State budget;
- hearing reports of the Accounting Chamber;
- consideration and approval of the candidacy of the Prime Minister, following the nomination of the President;
- hearing reports of the Prime Minister on current issues of socio-economic development of the country, as well as members of the Cabinet of Ministers on issues of their activities;

- consideration and approval of candidates for members of the Cabinet of Ministers, following the nomination of the President;
- hearing the annual report of the Cabinet of Ministers on the most important issues of the socio-economic life of the country;
- sending parliamentary requests to officials of state bodies and implementing other forms of parliamentary control;
- the election of the Speaker of the Legislative Chamber, his deputies and chairmen of committees and their deputies;
- ruling on matters of deprivation of immunity of a deputy of the Legislative Chamber submitted by the Procurator-General;
- the adoption of decisions on matters relating to the organisation of the Legislative Chamber's activity and its internal schedule;
- the adoption of resolutions on those or other matters relating to political, social and economic life, as well as matters of domestic and foreign policies of the state;
- exercise of other powers provided for by the Constitution and laws; and
- the Legislative Chamber can dissolve itself by the decision of not less than two-thirds of the total number of its members. If the Legislative Chamber is dissolved, and until a new composition of the Legislative Chamber is elected, its functions and authority on the adoption of laws, except for the Constitution and constitutional laws, are automatically transferred to the Senate. Under the Constitution, the elections to the Legislative Chamber shall be held within three months from the date when the Legislative Chamber dissolves itself.

The exclusive powers of the Senate include:

- the election of the Chairman of the Senate, his deputies and chairmen of committees and their deputies;
- the election, following the nomination of the President, of the Constitutional Court and the Supreme Court judges, the Supreme Judicial Council, the head of the Republican anti-corruption body and the head of the Republican anti-monopoly body;
- consideration and approval, following the nomination of the President, of candidates for the positions of the Procurator-General and the Chairman of the Accounting Chamber;
- handling consultations on the candidacy of the Chairman of the State Security Service following the proposal by the President;
- the appointment and dismissal of diplomatic and other representatives of the Republic of Uzbekistan to foreign states and international organisations following the nomination of the President;
- the appointment and dismissal of the Chairman of the Board of the CBU following the nomination of the President;
- approval of the decrees of the President on the formation and abolition of ministries and other executive bodies of the Republic;
- the adoption of acts of amnesty following the proposal of the President;
- hearing reports of the heads of diplomatic and other missions to foreign states and international organisations on the issues of their activities;
- sending parliamentary requests of officials of state bodies and implementing other forms of parliamentary control;

- assisting local representative bodies of the Government in the implementation of their activities;
- cancelling decisions of local representative bodies of the Government in case of violation of legal norms;
- ruling on matters of deprivation of immunity of a member of the Senate following the proposal of the Procurator-General;
- hearing reports of the Procurator-General and the Chairman of the Board of the CBU;
- the adoption of decisions on matters relating to the organisation of the Senate's activity and its internal schedule;
- the adoption of resolutions on matters relating to political, social and economic life, as well as matters of domestic and foreign policies of the state;
- exercise of the powers of the Supreme Assembly to adopt laws when the Legislative Chamber is dissolved (except for the Constitution and constitutional laws which can be adopted only by two-thirds of both the Legislative Chamber and the Senate or by a referendum); and
- exercise of other powers provided by the Constitution and laws.

The Senate can dissolve itself by the majority of not less than two-thirds of the total number of senators. As in the case of the Legislative Chamber, the elections to the Senate shall be held within three months from the date when the Senate dissolves itself.

The central electoral commission is the state body responsible for the preparation and running of the state elections for the office of the President and the Supreme Assembly as well as for the running of national referenda (the **“Central Electoral Commission”**). Based on the recommendation of the Jokargy Kenes of the Republic of Karakalpakstan and the deputies of the regions of Uzbekistan and Tashkent city, the Legislative Chamber and the Senate shall elect Members of the Central Election Commission. The Chairman of the Central Election Commission shall be elected by its members following the nomination of the President at the meeting of the Commission.

The last elections to the Legislative Chamber and the Kenghashes of people's deputies were held on 27 October 2024. The Central Electoral Commission registered 150 candidates elected as deputies on 31 October 2024, comprising of 64 representatives of Uzbekistan Liberal Democratic Party “O'zLiDeP”, 29 representatives of National Revival Democratic Party “Milliy Tiklanish”, 21 representatives of the Justice Social Democratic Party “Adolat”, 20 representatives of the People's Democratic Party of Uzbekistan “O'zXDP” and 16 representatives of the Ecological Movement of Uzbekistan. 38% of elected deputies are women, the highest proportion in the history of Uzbekistan.

The latest elections to the Senate were held in November 2024. Currently, the Senate does not have a dominant political party.

Judicial System

The judicial system in Uzbekistan, which shall be carried out only by the courts, consists of (i) the Constitutional Court, (ii) the Supreme Court, (iii) the Supreme Judicial Counsel, (iv) the Martial Court, (v) interdistrict, district, city and regional economic courts, (vi) interdistrict, district, city and regional courts on civil cases, (vii) district, city and regional courts on criminal cases, (viii) district, city and regional administrative courts, (ix) territorial martial courts, (x) the Economic Court of the Republic of Karakalpakstan, (xi) the Administrative Court of the Republic of Karakalpakstan (xii) the Court of the Republic of Karakalpakstan on civil cases and (xiii) the Court of the Republic of Karakalpakstan on criminal cases.

The judicial authority in the Republic of Uzbekistan shall function independently from the legislative and executive authorities, political parties, and other institutions of civil society. The judicial system and the procedure for the activities of courts in the Republic of Uzbekistan shall be determined by law. The formation of extraordinary courts shall be inadmissible.

The Constitutional Court of the Republic of Uzbekistan reviews cases on the constitutionality of acts of the legislative and executive authorities, including determining conformity of the laws or other acts passed by the Supreme Assembly, presidential decrees or other enactments of state authority.

The Senate, following the nominations of the Supreme Judicial Council from specialists in the sphere of politics and law, elects the Constitutional Court upon the submission of the President.

The Supreme Court is the highest judicial authority in the field of civil, criminal, economic and administrative proceedings and has the right to supervise the judicial activities of lower courts. The decisions given by the Supreme Court are final and binding on the entire territory of Uzbekistan.

The Chairperson of the Supreme Court and his/her deputies shall be elected on the proposal of the President and by the Senate for a five-year term. The same person may not be elected as Chairperson, deputy Chairperson of the Supreme Court more than two terms in a row. On 10 April 2017, the Decree of the President of the Republic of Uzbekistan “On the formation of the Supreme Council of Courts of the Republic of Uzbekistan” established the Supreme Judicial Council of Uzbekistan, a new institution in the state judicial system that assists in ensuring the independence of the judiciary in Uzbekistan.

Uzbekistan is taking measures to improve the structure and increase the efficiency of the judicial system. On 18 January 2023, by a Decree “On additional measures to further expand access to justice and increase the efficiency of courts”, a short-term strategy for raising the judicial system to a qualitatively new level for 2023 - 2026 has been approved. Within the framework of the strategy, the priority tasks for ensuring justice are: the formation of a truly fair judicial system based on the idea of “in the name of the honour and dignity of man” and the direction of its activities towards the effective protection of the interests of the people and human dignity; strengthening the confidence of the people, including entrepreneurs, in the judicial system by achieving fair judicial decisions, establishing in the creation of every citizen the image of the court and judges as their reliable defenders; improving legislation aimed at creating all opportunities for citizens and entrepreneurs to protect their rights and legitimate interests in the courts, fully implementing the principles of competition and equality of parties in legal proceedings, ensuring the objectivity of courts in practice; complete digitalisation of court activities, introduction of artificial intelligence technologies, improvement of interdepartmental exchange of electronic data, expansion of opportunities for remote participation in court hearings; ensuring strict execution of court decisions, increasing the responsibility of state bodies and local khokimiyats in this direction; creating in every citizen and entrepreneur who goes to court a feeling of satisfaction with the court, and ultimately with the state, by instilling a high culture of communication among judges and court employees.

A new version of the Law of the Republic of Uzbekistan “On the Constitutional Court of the Republic of Uzbekistan” was signed by the President of Uzbekistan and came into force on 28 April 2021 (“the **Constitutional Court Law**”). The Constitutional Court Law has reformed the Constitutional Court of Uzbekistan. The Constitutional Court now considers claims from Uzbek citizens and private legal entities for alleged violations of their constitutional rights. These constitutional claims can be brought against any state body or official whose actions allegedly violated constitutional rights. During these constitutional proceedings, parties may rely on witnesses, experts and translators when submitting evidence. Key government officials have a right to be heard in any of these constitutional hearings and can proffer their views on the matters under consideration. These key government officials include the President, the Speaker of the Legislative Chamber, the Chairman of the Senate, the Prime Minister, Ombudsman, Children’s ombudsman, Director of the National Human Rights Centre of the Republic of Uzbekistan, Chairman of the Jokargy Kenes of the Republic of Karakalpakstan, Chairman of the Supreme Judicial Council, Chairman of the Supreme Court, Prosecutor General, Minister of Justice, Chairman of the Accounting Chamber and The Commissioner for Protection of Rights and Legitimate Interests of Entrepreneurs under the President.

Local Government

The Kenghashes of people’s deputies, led by khokims, are the representative bodies of authority in regions, districts, cities and towns (except towns subordinate to district centres). The Kenghashes of people’s deputies shall be headed by a Chairperson elected in accordance with the law among its deputies. A person holding the position of khokim of a region, district or city may not hold the position of Chairperson of the Kenghashes of people’s deputies simultaneously.

The Kenghashes of people's deputies and khokims are elected for a five-year term. The same person may not be elected as the Chairperson of the Kenghashes of people's deputies of the same region, district or city more than two terms in a row. Similarly, the same person may not be appointed as khokim of the same region, district, city for more than two terms in a row.

The authority of the Kenghashes of people's deputies shall include:

- consideration and adoption of relevant local budgets, control over their execution;
- approval of programmes for the socio-economic development of territories and social protection of the population;
- approval of the khokim to office, hearing reports about its activities; and
- exercise of other powers provided for by the Constitution and laws.

The powers of khokims of regions, districts, cities shall include:

- execution of the Constitution and the laws of the Republic of Uzbekistan and decisions of the chambers of the Oliy Majlis, decrees, resolutions and orders of the President, decisions of the Cabinet of Ministers, higher khokims and relevant Kenghashes of people's deputies;
- implementation of measures aimed at ensuring the economic, social, cultural and environmental development of the territories;
- formation and execution of the local budget; and
- exercise of other powers provided for by the Constitution and laws.

The khokim of region and the city of Tashkent shall be appointed and relieved of his post by the President in accordance with law.

The khokims of districts and cities shall be appointed and relieved of their posts by the khokim of the region and the city of Tashkent, and approved by the relevant Kenghashes of people's deputies.

The khokims of towns subordinate to district centres shall be appointed and relieved of their posts by the khokim of the district and approved by the district Kenghashes of people's deputies.

Legal Framework

The legal system of Uzbekistan is based on civil law, established through statutory legislation and sub-legislation, which provide for a strict hierarchy of legal acts.

In 2024, several amendments and additions were made to the Civil Code to enhance its provisions and better protect the interests of the population and business entities. Notable updates include:

- Payments made by borrowers on loans or microloans are now applied in a specific order: overdue principal and interest, current period principal and interest, penalties, creditor expenses. Additionally, court-ordered debt recovery halts the accrual of interest and penalties. These changes aim to reduce the debt burden and prioritise repayment of principal obligations.
- Agricultural cooperatives can now be organised as joint agricultural cooperatives, expanding options for collaboration in the sector.
- New norms include recognising geographical indications as intellectual property, allowing patent and trademark holders to seek compensation from infringers as an alternative to loss recovery, aligning Uzbekistan's IP framework with international standards.
- Individuals may now be declared insolvent by a court if unable to fulfil creditor claims or tax obligations, providing a legal framework for personal financial distress.

Antitrust regulation is outlined in the Law of the Republic of Uzbekistan “On Competition”, the new edition of which was adopted on 3 July 2023 that sets forth a new concept of superior bargaining power, antimonopoly compliance, a new test for the dominant position, establishes financial sanctions for certain breaches and regulates, *inter alia*, merger control in the commodity and financial markets and restricts monopolistic behaviour. The law expressly prohibits certain practices such as (i) abuse by entities in dominant positions and superior bargaining power, (ii) concerted actions transactions that limit competition and (iii) unfair competition. The law also regulates auctions (tenders) and prohibits certain actions that may limit competition, such as creating advantageous circumstances (including access to information) for some participants in the auction, indicating the exact manufacturer of the goods and the unlawful disqualification of a participant.

The banking system is undergoing a reform under the Decree of the President of the Republic of Uzbekistan PD- 5992 “On the Strategy of Reforming the Banking System” dated 12 May 2020. The Decree defines the following as main priorities for the banking sector development in the Republic of Uzbekistan:

- increasing the efficiency of the banking system through the creation of equal competitive conditions in the financial markets, ensuring credit provisions on market terms exclusively, reducing the banks’ dependence on the state’s resources, modernising banking service provisions, creating an effective infrastructure and automating banking operations as well as phasing out non-core activities of the banks;
- ensuring the financial stability of the banking system through the improvement of loan portfolios and risk management quality, maintaining moderate credit growth rates, implementing balanced macroeconomic policies, improving corporate governance and employment of managers with international practical experience, the introduction of technology based solutions for financial risk assessment;
- reduction of the state’s share in the banking sector through comprehensive transformation of commercial banks with the state’s share, the introduction of modern banking standards, information technologies and software products, divestment of the state’s shares in banks through competitive sales to investors who have the required experience and knowledge, while reforming commercial banks and enterprises with state-owned shares in parallel;
- increasing access to and the quality of financial services through a concentration of state’s presence and the adoption of targeted measures in the under-served and vulnerable segments, wide-scale introduction of remote services for the general population and small businesses, the development of low-cost service points as well as the creation of favourable conditions for the emergence and development of non-bank credit institutions as a mutually complementary part of the country’s financial system.

In order to create a broader environment for the activities of business entities through the elimination of bureaucratic procedures and the improvement of licensing and permitting procedures the Decree of the President of the Republic of Uzbekistan PD- 6044 “On measures to cardinaly improve licensing and permitting procedure” dated 24 August 2020 has been approved. According to the Decree:

- at the first stage (in 2020), the Government is aiming to transfer to alternative methods of regulation of certain types of licences and permissive documents that do not harm the health of citizens and society, to simplify procedures and ensure transparency through the complete digitalisation of the processes for issuing the relevant documents; and
- at the second stage (in 2020-2021), the Government is aiming to systemise legislative acts in the field of licensing and issuance of permits, develop passports for the provision of public services, and radically reduce the number of regulatory legal acts by introducing standard administrative regulations for the issuance of certain types of licences and permits.

On 5 June 2020, a Decree of the President of the Republic of Uzbekistan PD- 6005 “On Reforming of Customs Administration and Enhancement of Activities of Bodies of the State Customs Service of the Republic of Uzbekistan” reformed customs administration by introducing international norms and standards in customs regulations and improved efficiency of customs authorities by installing digital customs.

On 16 February 2021, the Law of the Republic of Uzbekistan “On International Commercial Arbitration” No. LRU-674 (“**Arbitration Law**”) was signed. The Arbitration Law applies to international commercial arbitration subject to agreements in force between Uzbekistan and another state. Pursuant to the Arbitration Law, disputes arising from all commercial relationships, both contractual and non-contractual, can be referred to international commercial arbitration by agreement of the parties. The parties are free to determine the number of arbitrators. In the absence of such a determination, three arbitrators are appointed. The interim measures ordered by the arbitral tribunal are considered binding. The parties may, at their discretion, agree on the language or languages that can be used in the arbitration. The award must be made in writing. The arbitral award, regardless of the country in which it was made, is recognised as binding and is enforced when a written application is submitted to the court.

On 22 April 2021, the Law of the Republic of Uzbekistan “On public procurement” No. LRU-684, which reformed the public procurement procedures in Uzbekistan, was signed (“**Public Procurement Law**”). In particular, the Public Procurement Law appoints the Ministry of Economy and Finance of the Republic of Uzbekistan as an authorised body in the field of public procurement. Furthermore, the powers of the Cabinet of Ministers of the Republic of Uzbekistan (an authorised body in the field of public procurement, per the previous version of the Public Procurement Law) were revised to include the following:

- to ensure the formation and implementation of state policy in the field of the public procurement
- to take measures for the rational use of budgetary funds, of the budgetary system in the field of public procurement, improving and expanding the types of public procurement procedures and attracting business entities to participate in public procurement procedures;
- to supervise the activities of State customers in public procurement procedures;
- to determine the methods and criteria for evaluating and comparing the proposals of participants in procurement procedures, as well as the procedure for organising their conduct;
- to determine the procedure for the submission of proposals by participants in procurement procedures for participation in the selection of the best proposals and electronic tenders; and
- to set up the commission for consideration of complaints regarding public procurement procedures.

Moreover, the Public Procurement Law introduced a requirement to draw up a schedule for planned public procurement for the following year by 25 December of each year. Furthermore, the selection of the best offers and public procurement carried out by direct contracts were determined as the types of procurement procedures, which in turn replaced the previously existing procedures such as tender and public procurement from a single supplier.

Security and Defence

Security Service

In 2018, in accordance with the Decree of the President of the Republic of Uzbekistan No. PD-5379 “On measures to improve the State Security System of the Republic of Uzbekistan” dated 14 March 2018, the National Security Service was reorganised into the State Security Service (“**SSS**”). The SSS is a special authorised body that carries out intelligence and counter-intelligence activities aimed at preventing, detecting and suppressing encroachments on the constitutional order, sovereignty and territorial integrity of Uzbekistan.

The SSS is also responsible for the following:

- the protection of the state borders of Uzbekistan;
- the implementation of strategic initiatives to strengthen the country’s defence capabilities;
- the fight against terrorism, extremism, organised crime, illegal circulation of weapons, narcotic drugs and psychotropic substances; and
- the prevention, detection and suppression of destructive activities aimed at propaganda of national, ethnic and religious enmity.

The SSS provides for the economic, scientific, technical, social and information security of Uzbekistan and is under the supervision of the President.

Military Defence

On 9 January 2018, the Law of the Republic of Uzbekistan “On Defence Doctrine of the Republic of Uzbekistan” No. LRU-458 was adopted to ensure the transparency of Uzbekistan’s defence policies (the “**Doctrine**”). The Doctrine outlines the main directions and approaches to the development of Uzbekistan’s military and the armed forces, as well as creates administrative and legal conditions for effective military-political relations and cooperation with other foreign states in the field of security and defence.

The Doctrine is based on the legislative acts of the Republic of Uzbekistan and the norms of international law, and determines the priorities of the state’s defence policy, the basic principles and directions of training, construction and the use of the armed forces based on the national interests of Uzbekistan, the global and regional military and political situation and the nature of modern military conflicts.

The President, who is also the Supreme Commander-in-Chief of the Armed Forces, specifies the priority directions of the state’s military and security operations.

Uzbekistan’s policy is established on principles of openness in its foreign relations and prioritises developing constructive relations with its immediate neighbours, transparency of the country’s defence policy and effective military-political interaction for security and defence with foreign states.

Anti-terrorism Measures

In accordance with its strategy to combat international terrorism, Uzbekistan cooperates with the UN Security Council Counter-Terrorism Committee, the CIS Anti-Terrorism Centre and the Shanghai Cooperation Organisation, and actively facilitates the efforts of the International Coalition Forces Against Terrorism. Uzbekistan is also a party to all existing conventions and UN protocols on counter terrorism.

The main priorities of Uzbekistan’s cooperation with the UN include combating contemporary threats and security challenges, the stabilisation and reconstruction of Afghanistan and the non-proliferation of weapons of mass destruction.

International Relations

The Republic of Uzbekistan has established diplomatic relations with more than 155 countries around the world. There are 45 embassies of foreign countries, three consulates general, 11 honorary consulates, 22 missions of international organisations, 24 representations of international intergovernmental and governmental organisations of foreign states and one trade mission with diplomatic status operating in Tashkent.

Uzbekistan is involved in 55 diplomatic and consular missions in foreign countries and international organisations. It is a member of more than 100 international organisations and interacts with various multilateral institutions, including the UN, the CIS, Shanghai Cooperation Organisation, Turkic Council, OSCE, OIC and the Economic Cooperation Organisation. Uzbekistan also cooperates with the IMF, the World Bank, the European Bank for Reconstruction and Development (“**EBRD**”), the ADB, the Islamic Development Bank (“**IsDB**”) and the Asian Infrastructure Investment Bank (“**AIIB**”) in connection with many social and investment projects.

Uzbekistan maintains peaceful relations with countries of the global community and has no outstanding disputes relating to state borders.

International Organisations

*World Trade Organisation (“**WTO**”)*

Uzbekistan applied for membership to the WTO in 1994. To date, there have been nine meetings of a Working Party on the Accession of Uzbekistan to the WTO (“**Working Party**”) consisting of members of the organisation to discuss the country’s potential membership. During an official visit to South Korea in 2017, President Mirziyoyev announced plans to resume work to join the WTO. In 2017, Uzbekistan and South Korea executed a road map for South Korea to advise Uzbekistan on assessing the consequences of joining the WTO

and examining national legislation in accordance with the requirements of the WTO agreements. The United States has also agreed to provide necessary technical assistance in the accession process through documentation review, seminars and conferences. Uzbekistan is currently participating in the organisation as an observer state.

At the ninth meeting of the Working Party in December 2024, the Republic of Uzbekistan reaffirmed the country's strong intention to swiftly advance negotiations with WTO members, with a view to completing the process by 2026.

Bilateral negotiations and consultations with the Working Party and member countries of the WTO are underway. In 2024, Uzbekistan has successfully concluded bilateral negotiations with 15 countries, including the USA, China and Japan, bringing the total number of concluded bilateral negotiations to 23.

Since 2017, Uzbekistan has adopted a number of legal acts to bring its trade regime in compliance with WTO rules. The Resolution of the President No. DP-181 was enacted on 2 June 2023 in order to aid the country's entry into the WTO, which assigned the Special Representative of the President of the Republic of Uzbekistan in WTO issues. Most recently, in June 2024, the President issued a Decree No. DP-85 "On further measures to accelerate market reforms and bring the national legislation of the Republic of Uzbekistan in line with the agreements of the World Trade Organisation" in direct response to previous concerns raised by the Working Party.

In addition, Uzbekistan has received and has been implementing the capacity building assistance from the WTO, IMF and World Bank as well as international donors in preparing Uzbekistan to adopt best practices and to join the WTO by 2026.

In 2025, Uzbekistan is determined to further intensify efforts to finalise outstanding negotiations and harmonise its legal and regulatory frameworks with WTO agreements.

Commonwealth of Independent States ("CIS")

Uzbekistan is one of the founding members of the CIS, which was established in December 1991 to promote the resolution of key issues for the development of its members, including economic, security, political and human cooperation issues, as well as migration and development of contacts between citizens of the member states. Currently, the CIS consists of nine member states and one associate member. An agreement on the CIS Free Trade Area was signed in October 2011. The development of cooperation in other fields, including security, culture, education, sport and other matters is in progress.

Organisation for Security and Cooperation in Europe ("OSCE")

Uzbekistan has been a member of the OSCE since 26 February 1992, and it considers the OSCE as a unique international platform for political dialogue on a wide range of security issues.

In June 2006, the Government of Uzbekistan and the OSCE signed a memorandum of understanding, pledging to establish the post of OSCE Project Coordinator in Uzbekistan. The OSCE Project Co-ordinator in Uzbekistan undertakes various initiatives, including legislative assistance, training courses, seminars, conferences, and study visits, aimed at enhancing the performance of state authorities, government agencies, and civil society organisation. In the period from 2007 to 2024, a total of 263 projects were implemented jointly with the OSCE Project Coordinator's Office in Tashkent.

Every two years, action plans for further development of cooperation between the Republic of Uzbekistan and the OSCE are adopted and implemented.

North Atlantic Treaty Organisation ("NATO")

Uzbekistan, while not a member of NATO, is an active participant in the NATO Partnership for Peace Programme, which it joined in 1994. NATO and Uzbekistan are developing practical cooperation in a number of areas through the country's Individual Partnership and Cooperation Programme, which is agreed for a two-year period. Uzbekistan also works with NATO and other partner countries on a wide range of other areas through the Partnership for Peace Programme and the Euro-Atlantic Partnership Council. In addition, Uzbekistan has been actively engaged within the framework of the NATO Science for Peace and Security Programme since 1993, focusing on areas such as energy security, environmental security, and disaster forecast and prevention.

Organisation of Islamic Cooperation (“OIC”)

In October 1995, Uzbekistan became a member of the OIC, an inter-governmental organisation that has 57 member states spread over four continents. Since joining the OIC, Uzbekistan has taken an active part in significant OIC events, including summits, conferences of foreign ministers and annual coordination meetings of foreign ministers as part of the UN General Assembly. Uzbekistan places importance on cooperation with the economic bodies of the OIC, including the IsDB. For information on cooperation with the IsDB, see “*Public Debt — International Financial Organisations — Islamic Development Bank*”.

Shanghai Cooperation Organisation (“SCO”)

Uzbekistan is one of the founders of the SCO and, together with other member states, established the strategy of cooperation within the SCO framework. The main priorities for Uzbekistan within the SCO include maintaining regional stability, developing economic, trade and investment cooperation.

At present, the SCO has firmly established itself as an authoritative international organisation, and Uzbekistan, along with other member states, will determine the further strategy for the development of mutually beneficial cooperation within the organisation.

Uzbekistan has played an active role in the SCO, including hosting key events such as the First SCO Transport Forum in Tashkent in November 2023, which focused on improving transport connectivity and regional integration. These efforts underscore Uzbekistan’s commitment to fostering effective collaboration among SCO member states in spheres including politics, trade, economics, transport, logistics and innovation.

Organisation of Turkic States (“OTS”)

The OTS is an international organisation created on 3 October 2009 in accordance with the Nakhichevan Agreement on the establishment of the Cooperation Council of Turkic-Speaking States in Nakhchivan, Azerbaijan (“**Nakhichevan Agreement**”).

The current members of the OTS are Azerbaijan, Kazakhstan, Kyrgyzstan, Türkiye and Uzbekistan. Uzbekistan became a member of the OTS on 14 October 2019 by ratifying the Nakhichevan Agreement.

Through its membership in the organisation, Uzbekistan aims to improve interregional connectivity, conditions for trade and investment in the region, strengthen transport links, simplify customs and transit procedures and facilitate financial and banking operations for gradual implementation of free movement of goods, capital, services and technologies. In recent years, Uzbekistan has actively contributed to the OTS’s initiatives, such as establishing of a Turkic Environmental Council to address environmental challenges, and reaching a consensus on a common Turkic alphabet.

Gulf Cooperation Council (“GCC”)

The GCC is a regional intergovernmental organisation established in 1981, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. It aims to foster economic, political, and security cooperation among its member states. Uzbekistan is not a member of the GCC but has been actively engaging with the organisation and its member states to strengthen bilateral and multilateral cooperation.

Uzbekistan’s relations with the GCC have deepened in recent years, particularly in trade, investment, and economic development. On 4 February 2025, a virtual meeting was held between the Secretary General of the GCC and Uzbekistan’s Deputy Prime Minister and Minister of Economy and Finance. Discussions focused on enhancing economic collaboration, investment opportunities and preparations for the upcoming GCC-Central Asia Summit in Samarkand. This builds on the momentum from the first GCC-Central Asia Summit in Jeddah in July 2023, where Uzbekistan’s President Shavkat Mirziyoyev proposed several initiatives to strengthen regional cooperation, trade and cultural exchange.

Uzbekistan continues to pursue closer ties with GCC member states, aiming to attract investment and expand trade partnerships, particularly in sectors such as energy, infrastructure, and finance. These efforts reflect Uzbekistan’s broader strategy of economic diversification and regional integration, fostering mutually beneficial relations with the GCC.

United Nations Human Rights Council

The United Nations Human Rights Council (the “**UNHRC**”) is an intergovernmental body within the United Nations system, composed of 47 member states responsible for promoting and protecting human rights globally. Members are elected by the UN General Assembly for three-year terms.

Uzbekistan was elected to the UNHRC for the first time in October 2020, securing 169 votes from member states, and served a term from 2021 to 2023. This election was seen as a recognition of Uzbekistan’s ongoing reforms in the field of human rights. In June 2024, the Director of the National Center for Human Rights of Uzbekistan was elected as a member of the UN Human Rights Committee for the 2025–2028 term, marking the first time an Uzbek representative has joined this UN body.

Uzbekistan has also engaged with the UNHRC’s Universal Periodic Review mechanism, with its most recent review occurring on 8 November 2023. Additionally, in August 2024, the UN Special Rapporteur on the right to adequate housing visited Uzbekistan to assess housing rights and related issues.

International Financial Organisations

For information on Uzbekistan’s relations with the ADB, the World Bank, the IMF and other financial organisations, see “*Public Debt — Relations with International Financial Organisations*”.

Other

In 2004, Uzbekistan signed the regional Trade Investment Framework Agreement with the U.S. Trade Representative’s Office and its four Central Asian neighbours—Tajikistan, Turkmenistan, Kazakhstan and the Kyrgyz Republic—facilitating dialogue on trade and investment cooperation. Additionally, in 2020, Uzbekistan became an observer in the Eurasian Economic Union and commenced preparations to join the Eurasian Development Bank, further integrating its economy with regional markets and enhancing access to investment and financial resources.

Foreign States

China

China recognised Uzbekistan’s independence on 27 December 1991, and diplomatic relations were established on 2 January 1992. The two countries co-operate on issues of terrorism, extremism and separatism, drug and illegal arms trafficking and other security challenges.

In 2024, China remained Uzbekistan’s largest trading partner. The bilateral trade turnover reached approximately US\$12.5 billion (18.9% of total foreign trade turnover for 2024), including export of US\$2.1 billion and import of US\$10.4 billion.

Uzbekistan supports and actively participates in the implementation of significant infrastructure projects, including the construction of the “Uzbekistan-China” pipeline and “China-Kyrgyzstan-Uzbekistan” railway. A ceremonial start for the railway project was held in December 2024, with construction of the Kyrgyz section scheduled to begin in July 2025 and an expected completion timeline of six years.

The two countries are also developing cooperation in the financial sector, in particular with the China Development Bank and the Export-Import Bank of China.

As of 31 December 2024, there are 3,357 enterprises (1,539 of them were established in 2024) operating in Uzbekistan with the participation of Chinese investments, which represented 22.6% of the total number of enterprises with foreign participation in Uzbekistan.

Uzbekistan continues to play a key role in China’s Belt and Road Initiative (BRI), leveraging its strategic position in Central Asia to enhance regional connectivity and economic integration. The country is actively participating in numerous BRI projects, with a focus on developing transport corridors, energy infrastructure and trade facilitation. A notable example is the China-Kyrgyzstan-Uzbekistan International Highway, which aims to improve logistics and transportation, thereby bolstering trade routes between China and Uzbekistan. Additionally, Uzbekistan is involved in the Central Asia–China gas pipeline project, contributing to regional energy security and economic cooperation.

Russia

The Russian Federation recognised the independence of the Republic of Uzbekistan on 20 March 1992 and, on the same day, diplomatic relations between the two countries were officially established.

Cooperation between Uzbekistan and Russia is developing on the basis of the Treaty on Strategic Partnership (2004), the Treaty on Allied Relations (2005) and Declaration on Enhancement of Strategic Partnership between the Republic of Uzbekistan and the Russian Federation (2012).

Russia remains one of Uzbekistan's key foreign trade partners. In 2024, the trade turnover between the two countries amounted to US\$11.6 billion (representing 17.7% of Uzbekistan's total trade turnover).

European Union

Since its independence, Uzbekistan has identified cooperation with the European Union as one of the priorities of its foreign policy. Relations with European states are developing both at the bilateral level and within the framework of the Partnership and Cooperation Agreement between the Republic of Uzbekistan and the European Communities and their member states, which entered into force on 1 July 1999.

The key areas of cooperation with the European Union member states are the development of trade, investment and financial cooperation, technology, science, education, ecology, health and culture, as well as strengthening of regional security. The Republic of Uzbekistan is committed to deepening bilateral relations with Germany, France, Belgium, Italy, Spain, Latvia and other EU member states.

To facilitate this cooperation, several joint governing bodies have been established, such as Uzbekistan - EU Cooperation Council, Cooperation Committee, Parliamentary Cooperation Committee, Subcommittee on Trade and Investment, Subcommittee on Justice, Internal Affairs, Human Rights and Related Issues and Subcommittee on Development Cooperation.

The delegation of the European Union to the Republic of Uzbekistan was officially accredited to the Republic of Uzbekistan on 31 May 2011. The Minister of Foreign Affairs of Uzbekistan regularly participates in annual meetings of the EU-Uzbekistan Cooperation Council in Brussels.

Regarding bilateral trade and economic relations, the Partnership and Co-operation Agreement provides for the EU and Uzbekistan to grant each other most-favoured-nation treatment with respect to:

- custom duties and charges applied to imports and exports;
- direct and indirect taxes applied to imported goods; and
- rules relating to the sale, purchase, transport, distribution and use of goods in the domestic market.

In 2024, Uzbekistan's trade turnover with the EU countries amounted to EUR 6.4 billion, including exports in the amount of EUR 1.7 billion and imports in the amount of EUR 4.7 billion.

On 5 April 2024 Uzbekistan and the European Union signed a Memorandum of Understanding to launch a strategic partnership on critical raw materials ("**CRM**"). The strategic partnership focuses on areas of cooperation including, but not limited to, the following: the integration of sustainable CRM value chains; the mobilisation of funding for projects resulting from the partnership; achieving sustainable and responsible production and sourcing of CRMs; research and innovation; building the capacity to enforce relevant rules; and developing training and skills. Furthermore, Uzbekistan and the European Union plan to sign an Enhanced Partnership and Cooperation Agreement in 2025, aiming to further elevate their bilateral relations.

Uzbekistan has also expanded its access to the European market through the Generalised System of Preferences Plus ("**GSP+**") status, which was granted by the European Union in April 2021. This preferential trade arrangement allows Uzbekistan to export more than 6,000 types of goods to the EU market duty-free, significantly boosting trade opportunities for key sectors such as textiles, agriculture and chemicals. The GSP+ status is contingent on Uzbekistan's commitment to implementing 27 international conventions related to human rights, labour rights, environmental protection and good governance, reinforcing the country's economic and regulatory alignment with international standards.

Kazakhstan

Diplomatic relations between Uzbekistan and Kazakhstan were established on 23 November 1992. In recent years, the bilateral relationship has strengthened significantly, marked by high-level meetings and collaborative initiatives. There is free trade between the two countries and Kazakhstan is one of the key trade partners of Uzbekistan, accounting for a significant part of Uzbekistan's trade with countries in the region. In 2024, trade turnover between the two countries amounted to US\$4.3 billion (representing 6.5% of Uzbekistan's total trade turnover). Uzbekistan and Kazakhstan co-operate on issues relating to security, stability and sustainable development in the region as a whole.

In 2023, the Presidents of Uzbekistan, Kazakhstan and Russia jointly inaugurated the supply of the Russian natural gas to Uzbekistan through the territory of Kazakhstan. This initiative aims to enhance Uzbekistan's energy security by diversifying and securing reliable sources of natural gas, thereby ensuring consistent supplies to meet domestic consumption needs.

Türkiye

Uzbekistan and Türkiye have strengthened their bilateral trade relations through a Preferential Trade Agreement (“PTA”) signed on 29 March 2022 in Tashkent during the second meeting of the Uzbek-Turkish High-Level Strategic Cooperation Council. The agreement was ratified by Uzbekistan on 22 February 2023 and entered into force in July 2023. Under this PTA, each country has identified 12 specific items to benefit from preferential tariffs. Uzbekistan's list predominantly features agricultural products, including vegetables, fresh fruits, dried apricots, raisins, dried peaches, beans, almonds, walnuts and peanuts. Conversely, Türkiye's list mainly comprises industrial goods such as electrical transformers and inductors, their parts, connectors, conductors, pipes, rolled products from ferrous metals, and centrifugal pumps. This agreement aims to bolster trade volumes and deepen economic cooperation between the two nations.

In 2024, the total volume of trade with Türkiye amounted to US\$2.9 billion, including exports of US\$1.2 billion and imports of US\$1.8 billion.

South Korea

Since the establishment of diplomatic relations in 1992, Uzbekistan and South Korea have developed a robust partnership characterised by frequent high-level engagements and comprehensive cooperation across various sectors.

In 2014, the two countries signed the “Joint Declaration between the Republic of Uzbekistan and the Republic of Korea on the further development and deepening of the strategic partnership,” which defines perspectives of cooperation in political, trade, economic, investment, cultural-humanitarian areas, as well as collaboration in the framework of international organisations.

Trade between Uzbekistan and South Korea has been steadily increasing. In 2024, the trade turnover between the two countries reached approximately US\$2.0 billion, accounting for about 3.0% of Uzbekistan's total foreign trade turnover.

Kyrgyzstan

Uzbekistan-Kyrgyzstan diplomatic relations were established on 16 February 1993 and the two countries have opened embassies in Bishkek and Tashkent.

Uzbekistan and Kyrgyzstan have entered into numerous bilateral agreements, with the key agreements being the Treaty of Eternal Friendship dated 12 December 1996 and the Declaration on Strategic Partnership, Strengthening of Friendship, Good Neighbourliness and Confidence dated 5 October 2017. Since the establishment of the Joint Intergovernmental Commission on Bilateral Cooperation by the countries in 1996, eleven meetings of the Commission have been held to advance collaborative efforts.

In 2024, trade turnover between the two countries amounted to US\$846.4 million (representing 1.3% of Uzbekistan's total trade turnover).

Turkmenistan

The scale of economic cooperation between Uzbekistan and Turkmenistan has been improving steadily in recent years, leading to an increase in trade turnover between the two countries, which in 2024 amounted to US\$1.1 billion (representing 1.7% of Uzbekistan's total trade turnover). The collaboration of the two countries in the hydrocarbon industry has been dynamically advancing in recent years. A notable project is the Central Asia–China gas pipeline, which includes the Turkmenistan-Uzbekistan-Kazakhstan-China route. This pipeline serves to diversify transportation routes for strategic energy resources. Transport and communications constitute another vital dimension of economic cooperation between the two countries. The implementation of the project on establishing the Uzbekistan-Turkmenistan-Iran-Oman transport corridor is expected to allow for opportunities in further bolstering trade and economic relationships and to increase volumes of international transit cargo. In late 2024, Turkmenistan reported organising new cargo shipments along the Uzbekistan-Turkmenistan-Iran-Oman transit corridor, marking a significant move from planning to execution. This development underscores the corridor's readiness to facilitate international transit cargo. Co-operation between Uzbekistan and Turkmenistan developed further in 2023-2024 through various initiatives such as inter-parliamentary collaboration (via an inter-parliamentary friendship group) and water management cooperation (via the Joint Uzbek-Turkmen Commission on Water Management Issues).

Afghanistan

Afghanistan is a southern neighbouring country of Uzbekistan. The trade turnover in 2024 amounted to US\$1.1 billion (representing 1.7% of Uzbekistan's total trade turnover).

Uzbekistan is actively participating in the development of Afghan infrastructure, for example, the construction of 500-kilovolt Surkhan-Puli-Khumri power transmission line. While the commencement of construction has faced delays, the parties have recently agreed to initiate work following a comprehensive technical analysis. Once operational, the transmission line is expected to supply Afghanistan with up to 6 billion kilowatt-hours of electricity annually, significantly enhancing the country's energy infrastructure. Uzbekistan is also interested in constructing the "Mazar-i-Sharif-Kabul" railway with further access to the seaports of Gwadar and Karachi in Pakistan. Uzbekistan has already begun discussions with multiple countries and is in the process of developing the technical and economic plans for the project. The construction is expected to commence in 2025 and take a minimum of five years to complete.

Tajikistan

Uzbekistan is in the process of developing its relationship with Tajikistan in relation to trade, economic and humanitarian matters, as well as for combatting threats to regional security and stability. The Intergovernmental Commission on Trade and Economic Cooperation has held multiple meetings to advance these efforts. Maintaining constructive and open dialogue between Uzbekistan and Tajikistan is an important condition for ensuring regional security and development. In 2024, the trade turnover between the two countries amounted to US\$702.7 million (representing 1.1% of Uzbekistan's total trade turnover).

In April 2024, the President of Uzbekistan, at the invitation of the President of the Republic of Tajikistan Emomali Rahmon, made an official visit to Tajikistan. During the visit, the two leaders signed a Treaty on Allied Relations, marking a significant milestone in their bilateral ties. In total, 28 documents were signed, encompassing various areas of cooperation, including agreements on industrial collaboration, scientific partnerships between their academies of sciences, and protocols amending agreements on state border checkpoints and international transportation.

Belarus

Uzbekistan aims to strengthen cooperation with Belarus. Currently bilateral cooperation has focused on trade and economics, fighting crime, preventing emergencies and mitigating their consequences. In 2024, the trade turnover between the two countries amounted to US\$714.0 million (representing 1.1% of Uzbekistan's total trade turnover).

United States of America

One of Uzbekistan's foreign policy priorities is the development of comprehensive, mutually beneficial, and constructive cooperation with the United States of America. Diplomatic relations were established on 19

February 1992, and the Declaration on Strategic Partnership and Cooperation Framework (12 March 2022) remains a cornerstone of bilateral relations. Uzbekistan seeks to further enhance cooperation with the United States across political, trade, economic, investment, technological, cultural, and humanitarian spheres. These efforts aim to support Uzbekistan's ongoing modernisation and reform agenda, which focuses on strengthening civil society and improving living standards. Key areas of collaboration also include promoting peace and stability in Afghanistan and addressing transnational threats and challenges. Regular political dialogue, including high-level meetings, has contributed to the steady development of bilateral relations. Delegations from the United States, including senior representatives from key government departments, frequently visit Uzbekistan to foster cooperation. Since 2021, bilateral relations have reached the level of a Strategic Partnership Dialogue (SPD). The fourth SPD meeting was held in Washington in November 2024, during which both sides agreed to elevate the dialogue to an Enhanced Strategic Partnership Dialogue. In September 2023, as part of a high-level visit to New York City, the first meeting of heads of state in the C5+1 format was held, accompanied by a bilateral conversation between the Presidents of Uzbekistan and the United States.

Inter-parliamentary ties are developing between the two countries. The Congressional Uzbekistan Caucus is operating at the House of Representatives of the United States Congress headed by congressional representatives Trent Kelly and Vicente Gonzalez.

Uzbekistan and the United States are actively developing trade, economic and investment cooperation, which is a priority area in Uzbek-American relations.

The American-Uzbekistan Chamber of Commerce plays an important role in supporting and promoting business contacts between countries. Trade cooperation with the United States is being developed through the Trade and Investment Framework Agreement signed between the United States and the Central Asian states.

In 2024, the total volume of trade with the United States amounted to US\$881.7 million, including exports of US\$317.4 million and imports of US\$564.3 million.

Various major American companies such as Air Products, General Electric, General Motors, Hyatt Hotel, John Deere, Honeywell, Coca Cola, Silverleaf and other US companies are actively operating in Uzbekistan.

Sister city relations have been established between Tashkent and Seattle (Washington), Bukhara and Santa Fe (New Mexico), Zarafshan and Clinton (Mississippi).

United Kingdom

Diplomatic relations between the United Kingdom and Uzbekistan were established on 18 February 1992. Since then, trade and economic cooperation between Uzbekistan and the United Kingdom has been developing steadily. Uzbek exports to the United Kingdom include textiles, yarn, machinery and equipment, nonferrous metals and agricultural products as well as professional services. Imports from the United Kingdom include medical equipment, pharmaceuticals, chemical products and equipment. As of 31 December 2024, more than 163 companies with 100% investment from investors based in the United Kingdom were registered in Uzbekistan. The Uzbek-British Trade and Industry Council, founded in 1994, provides a high-level platform for bilateral economic cooperation. Sessions are held annually, alternating between Tashkent and London.

In 2024, the total volume of trade with the United Kingdom amounted to US\$351.9 million (0.5% of total foreign trade turnover for 2024), including exports of US\$142.9 million and imports of US\$209.0 million.

The Uzbek-British cultural and humanitarian relations are progressively developing, including in education. Since 2002, Westminster International University operates in Tashkent. In March 2024, the Uzbekistan-UK Education Forum was held at Westminster International University in Tashkent. The forum, co-organised by the British Council and Uzbekistan's Ministry of Higher Education, Science, and Innovations, focused on enhancing partnerships in governance, research, inclusivity, and transnational education. It also provided a platform to develop future projects and strengthen educational ties.

On 31 October 2019, the bilateral United Kingdom-Uzbekistan Partnership and Cooperation Agreement ("PCA") was signed by the United Kingdom and Uzbekistan. The PCA ensures "most-favoured nation" treatment for trade and provides a legal framework for cooperation in political, economic, and security matters.

In October 2024, UK Export Finance announced its first major finance agreement in Uzbekistan by guaranteeing a €12.6 million loan. This initiative aims to bolster economic ties between the two countries, focusing on exports for British businesses. The UKEF guarantee allows the Almalyk Mining and Metallurgical Complex (AMMC), a major copper producer near Tashkent, to refinance its purchase of automated machinery from Scottish multinational Weir Group, enhancing efficiency and output.

Ukraine

Ukraine is another trade partner of Uzbekistan. Bilateral relations between the two countries encompass various spheres. In 2024, trade turnover between the two countries amounted to US\$217.8 million (representing 0.3% of Uzbekistan's total trade turnover).

Japan

Japan recognised Uzbekistan's independence on 28 December 1991 and diplomatic relations were established on 26 January 1992.

Uzbek-Japanese and Japanese-Uzbek economic cooperation committees, formed in 1994, play a significant role in the development of trade and economic relations.

A number of socially significant and infrastructural projects in such areas as healthcare, education, energy, transportation and telecommunications were implemented due to the financial and technical assistance of Japan to Uzbekistan. For example, Japan has been a significant contributor to Uzbekistan's development through the Official Development Assistance ("ODA"). In August 2024, the Japan International Cooperation Agency signed a loan agreement with Uzbekistan to provide a Japanese ODA loan for the Inclusive and Resilient Regional Development Project. This initiative aims to advance transition to a market economy and promote measures to enhance social inclusiveness and environmental sustainability through budget support, thereby contributing to sustainable economic growth and the realisation of an inclusive and resilient society in the Republic of Uzbekistan. Further, in November 2024, the Japan Bank for International Cooperation signed a Memorandum of Understanding with Uzbekistan's Ministry of Investment, Industry, and Trade. This agreement aims to create business opportunities for Japanese companies in Uzbekistan, focusing on projects in clean energy and social infrastructure development.

In 2024, bilateral trade amounted to US\$320.2 million, representing 0.5% of Uzbekistan's total trade turnover.

France

Uzbekistan has strengthened bilateral relations with France, advancing them to the level of "a strategic partnership", following a meeting between the President of Uzbekistan, Shavkat Mirziyoyev, and the President of the Republic of France, Emmanuel Macron, on 2 November 2023.

In 2024, the total volume of trade with France amounted to US\$1.1 billion, including exports of US\$795.1 million and imports of US\$336.2 million.

Latin America

Uzbekistan seeks to maintain active contacts with the Latin American countries, especially with Brazil, Cuba, Chile and Argentina.

Bilateral talks are held on a regular basis with representatives of Latin American delegations arriving at Uzbekistan to discuss issues of cooperation in the political, trade-economic, cultural-humanitarian and scientific spheres, and to develop cooperation for tourism and international organisations.

Education

Education in Uzbekistan includes preschool, primary, secondary and tertiary education systems. As of the date of this Base Offering Circular, the literacy rate among the Uzbek population older than eight years old is almost 100%.

During the former USSR, the entire education cycle, starting from preschool education and ending with higher education, was built on the basis of German educational standards adapted in the former USSR. Following the

independence of Uzbekistan, the state did not abolish the existing education system, but gradually carried out reforms in order to bring the quality and accessibility of education in line with international standards. Article 50 of the Constitution of the Republic of Uzbekistan stipulates that “everyone has the right to education” and the state itself guarantees free general secondary and basic vocational education. General secondary education is compulsory in Uzbekistan.

Education in Uzbekistan is funded by state and local budgets. In 2024, UZS 71.2 trillion were allocated in the state budget for education expenditures, compared to UZS 61.2 trillion in 2023.

Pre-Primary Education

Pre-primary education plays a central role in the system of continuing education. Children in Uzbekistan undergo preschool education up until the ages of six or seven years in state and non-state kindergartens and in the family.

Full-time medical workers and medical workers of a health authority assigned to a preschool educational institution carry out the role of protecting the life and health of children in preschool educational institutions. Public and charitable organisations and international funds are actively involved in the implementation of the goals and objectives of preschool education.

In recent years, the country has paid special attention to the development of preschool education. In order to better regulate and coordinate the activities of public and private kindergartens, the Ministry of Preschool Education of the Republic of Uzbekistan was established by a Decree of the President of the Republic of Uzbekistan on 30 September 2017. In order to further regulate and coordinate the activities of state and private kindergartens, by the Decree of the President of the Republic of Uzbekistan on 2 July 2024, the activity of the Preschool Education Agency of the Ministry of Preschool and School Education was terminated, and the organisations in the organisational structure of the Agency were transferred to the Ministry.

As of 31 December 2024, there were 38,240 preschool educational institutions in Uzbekistan, which covered 76% of all children of preschool age. As part of its strategy for the development of preschool education, the Government plans to increase the coverage of children of preschool age to 100% by 2030. Uzbekistan is also implementing a programme to provide nutritious meals to children in public preschools.

Preschool education in Uzbekistan is carried out in Uzbek as well as in Karakalpak and Russian languages.

Primary and Secondary Education

As of 31 December 2024, there were 10,344 secondary schools (including primary) in Uzbekistan (which covered the 11 years of secondary education for 6,613,188 pupils), of which 10,134 are general secondary, 14 are presidential (network of schools for gifted students), 11 are creative, and 185 were specialised schools. The

following table sets out the number of schools, pupils, graduates and teachers in Uzbekistan's education system as of 31 December 2024.

	As of 31 December 2024 ⁽¹⁾		
	Total	Male	Female
Number of schools (total):	10,344	N/A	N/A
Secondary schools (incl. primary)	10,134	N/A	N/A
Presidential schools	14	N/A	N/A
Creative schools	11	N/A	N/A
Specialised schools.....	185	N/A	N/A
Number of pupils (total):	6,613,188	3,367,979	3,245,209
1-4 grades	2,615,518	1,353,848	1,261,670
5-9 grades	3,060,724	1,575,407	1,485,317
10-11 grades	936,946	438,724	498,222
Pupils with disabilities.....	1,845	794	1,051
Number of Graduates (total):	1,040,073	510,669	529,404
From 9th grade	606,631	310,834	295,797
From 11th grade	433,442	199,835	233,607
Number of teachers (total) (excluding part-time teachers):	538,009	161,432	376,577
Including with:			
Higher education	472,730	N/A	N/A
Incomplete higher education	45,642	N/A	N/A
Secondary special education.....	19,637	N/A	N/A

Source: Ministry of Preschool and School Education of the Republic of Uzbekistan

(1) Preliminary estimates.

In Uzbekistan, there is compulsory free general education for an 11-year period, which is subdivided into primary (year one through four) and secondary (year five through 11) education (or alternatively, pupils can study at a college or lyceum after finishing nine years of education).

Primary education in Uzbekistan is mandatory, free and universal. This means that all children who have reached school age attend general or special (for disabled children and children with developmental delays) primary school.

Primary education is aimed at forming the foundations of literacy, knowledge, skills and abilities necessary for students to continue general secondary education.

General secondary education is a continuation of primary education, but has a qualitatively different content and teaching methodology, including mandatory and additional components. The mandatory component is determined by state educational standards and establishes an adequate, minimally necessary level of student training. This component is established on the basis of the social order of the state and society, as well as the interests and needs of the individual. The additional component is determined on the basis of the needs and abilities of the student, the material, technical and personnel provision of the school and the requirements of the socio-economic development of the territories. The volume of additional study is determined according to the standards established by the Ministry of Preschool and School Education of the Republic of Uzbekistan. The educational work of the schools is carried out on the basis of the basic curriculum and educational programme of general secondary education, approved by the Ministry of Preschool and School Education of the Republic of Uzbekistan.

General secondary education is implemented in full-time programme and completes the final certification of graduates. The graduates are awarded a state certificate, including a certificate with distinction for those who have achieved particular success.

Secondary Special Education

Secondary specialised education, one of the forms of optional education, is aimed at preparing qualified employees, such as technical specialists, agronomists, elementary school teachers, service workers, medical assistants and dentists. For a number of sectors, secondary special education is the highest level of professional training (for example art, the circus and some artistic specialties).

Prior to 2017, secondary special education, as part of the compulsory 11-year education system, was provided only at a full-time basis in two types of educational institutions, academic lyceums and vocational colleges, with

a three-year study term for all specialties. Only after graduation from a secondary education institution graduates have the right to further higher education or to engage in labour activity in acquired specialties and professions.

Since 2017, the system of secondary specialised education has become more flexible, labour-oriented and accounts for the complexity of the profession. The system has restored compulsory 11-year general secondary education in schools and optional secondary specialised education, with professional programme from six months to two years, depending on the complexity of the specialty and profession. Therefore, a graduate of an 11-year secondary school has the equal right to choose the type of further education: either secondary optional education or higher education.

Higher Education

In accordance with the Law of the Republic of Uzbekistan “On Education” No. LRU-637 dated 23 September 2020, higher education has two levels: a bachelor’s degree and a master’s degree. Until 2017, higher education was carried out only following completion of secondary specialised education. Since 2017, it has been carried out following completion of the 11-year secondary school education.

Higher education encompasses fundamental knowledge in the chosen area with an average period of study of four years, although in some areas the period of study may be only three years, while in others, such as medicine, it may take up to six years. The master’s degree includes a higher education in a specific specialty with at least a year of study after a bachelor’s degree. Higher education may be provided on a full-time or part-time basis or through evening courses.

Currently, 208 higher educational institutions are functioning in the Republic’s education system, including 116 state educational institutions (with 37,600 professor-teachers) and 65 non-state educational institutions. There are also 30 foreign universities and their branches (including private branches) in Uzbekistan, including the Management Development Institute of Singapore in Tashkent (Singapore), the Polytechnic University of Turin (Italy), Inha University (Korea), Lomonosov Moscow State University, University of Oil and Gas named after I.M. Gubkin (Russia), Westminster International University in Tashkent (United Kingdom), Sharda University Uzbekistan (India) and others. As of December 2024, educational institutions in Uzbekistan were conducting 605 scientific projects, with a total funding of UZS 794.2 billion. In 2024, researchers from these institutions published 2,462 scientific works. Of these, 301 were featured in international journals indexed by the Scopus database, and the remaining publications were in other outlets.

In addition to higher education, a postgraduate education is available and is aimed at meeting the needs of society in the scientific and scientific-pedagogical staff of the highest qualification of the degree of PhD and DSc. Postgraduate education can be obtained in higher educational institutions and research institutions.

Healthcare

Healthcare in Uzbekistan is provided on general availability and free of charge. The Ministry of Health is the body for the administration of the complete healthcare process, supervising technical units of care, epidemiology care centres, professionals training and others. Services are financed by public revenue, with the budget allocation defined centrally.

The main sources of the healthcare budget are tax revenues and public financing. In 2023, healthcare expenditures amounted to UZS 31,066.7 billion (or 11.1% of the state budget expenditure). In 2024, public expenditure on healthcare amounted to approximately UZS 36,036.4 billion (or 11.6% of the state budget expenditure) without targeted funds. The Decree of the President of the Republic of Uzbekistan “On comprehensive measures for radical improvement of the health care system of the republic of Uzbekistan” No. PD- 5590 dated 7 December 2018 makes provision for healthcare expenditure in Uzbekistan for 2019 to 2025 in the amount of 15.4% of total government expenditure. Since 1993, owing to waves of privatisation, certain healthcare services have been, and are continuing to be, provided by the private sector, which is believed to be better equipped.

The current Uzbek healthcare system can be divided into rural and urban healthcare provisioning. Prior to 2017, it had too many different layers of care, such as polyclinics, community hospitals, district hospitals and regional hospitals as the highest level of health care provisioning. The Government restructured healthcare by (i) reducing the count of health provisioning access points held out as feldsher-midwifery posts, (ii) creating new

kinds of primary healthcare facilities (approximately 984 rural physician points and 1038 family polyclinics) and (iii) transferring part of the healthcare system to the private sector, creating approximately 9,000 private medical institutions as of 1 January 2024 (latest available data).

Currently, primary healthcare medical provisioning is typically aggregated into polyclinics and medical centres as a first point of entry. More specialised health care is provisioned in rural medical centres, district and regional hospitals. Moving the first point of care towards patients is very important in terms of providing cost efficient healthcare.

Since independence, the country has made significant achievements in the field of healthcare. Between 1991 and 2023, the average life expectancy of the population increased by 8.3 years, from 66.4 to 74.7 years. In 2023, the average life expectancy of males and females was 72.5 and 76.9 years, respectively. In 2024, the primary causes of mortality in Uzbekistan were circulatory diseases (57.6%), accidents, poisonings and injuries (5.8%), cancer (9.4%), respiratory diseases (6.3%), diseases of the digestive system (4.1%), infectious and parasitic diseases (1.1%) and other diseases (15.7%).

Uzbekistan was also able to obtain certificates from the World Health Organisation for the elimination of various diseases, such as wild poliomyelitis in 2002 as well as measles and rubella in 2017 and malaria in 2018.

Environment

Uzbekistan inherited many ecological challenges from the USSR. In the late 1980s, the Government created a new state entity, the State Committee of the Republic of Uzbekistan on Nature Protection (“**SCNP**”). Throughout its activities, the SCNP has undergone changes in name and structure. It was named the State Committee for Ecology and Environment Protection, the Ministry of Natural Resources, and on 31 May 2023, it established as the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan with the Committee of Tourism, Agency of Forestry and Agency of Uzhydromet under its supervision (the “**Ministry of Ecology**”). State management of the system of environmental protection and rational use of natural resources is carried out by the Ministry of Ecology through the coordination of the activities of authorised ministries and organisations.

The National Center for Climate Change, established by the Decree of the President of the Republic of Uzbekistan No. PF-106 dated 23 July 2024, plays an important role in combating climate change. The main tasks of the Center include, developing a national policy on climate change, developing international cooperation, attract investments, and ensure the implementation of the obligations of the Paris Agreement, participation in harmonising national legislation in the field of climate change with global documents, developing and implementing climate adaptation strategies, and carrying out extensive work to reduce the negative impacts of climate change, work within the Intergovernmental Panel on Climate Change (IPCC), and raise public awareness of climate issues. The Center also forms a science-based policy on climate adaptation and mitigation and contributes to the expression of the country’s interests at the international level in combating the consequences of climate change.

In December 1992, the Law of the Republic of Uzbekistan “On Protection of Nature” No. 754-XII was passed and it became one of the first laws adopted in independent Uzbekistan. With the cooperation of the Ministry of Ecology, more than 30 laws and normative acts were adopted which directly or indirectly concern environmental protection. In 1993, in order to find scientific solutions to ecological problems, the Technological Institute of Atmosphere and Unitary Research Enterprise and the Ecology of Water Administration were established.

Since its independence, Uzbekistan has been actively involved in, and cooperates with programmes and agencies of the United Nations. In 2021 Uzbekistan became a member of the International Union for Conservation of Nature.

The Republic of Uzbekistan is a member of the Central Asian Cooperation Organisation and the Shanghai Cooperation Organisation (“**SCO**”). In the context of coordinating the use of water resources in the region, Uzbekistan has become a member of the largest regional organisations, such as the Economic Cooperation Organisation and the Central Asian Regional Economic Cooperation (“**CAREC**”).

The Republic of Uzbekistan is a member of almost all programmes of the World Meteorological Organisation, including programmes in the field of hydrology, meteorology, climate, information, especially dangerous hydrometeorological phenomena, drought management, training and the International Decade for

Hydrometeorological Safety, as well as serving as a member of the UNESCO International Hydrological Programme and Scientific programmes of the Interstate Council on Hydrometeorology of the CIS.

Uzbekistan cooperates with central Asian states, including as part of the International Fund for Saving the Aral Sea (“**IFAS**”), whose other members are the central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. The main task of the IFAS is to coordinate solutions to problems arising out of the socio-economic development of the population, preserve the environment and improve the ecological status of the region in order to achieve sustainable development in Central Asia.

The IFAS’s activities are conducted under the leadership of the President of the IFAS, currently the President of the Republic of Tajikistan, and the headquarters of the IFAS’s Executive Committee are located in Dushanbe in the Republic of Tajikistan.

In addition, Uzbekistan is currently in compliance with the Montreal Protocol, showing annual decreases in the consumption of ozone-depleting substances. According to the National Programme for the Substitution of Ozone-Depleting Substances, until 2030 the consumption of Ozone-Depleting Substances within Uzbekistan will be restricted.

Most of the environmental problems in Uzbekistan are cross-border problems that require the joint efforts of neighbouring states to solve. These include acute water scarcity, large volumes of industrial waste, land degradation and a reduction in biodiversity. In this respect, the role of the international conventions of the United Nations Economic Commission for Europe (“**UNECE**”) is important.

Uzbekistan actively cooperates with the UNECE in respect of the potential accession of the Republic of Uzbekistan to a number of UNECE conventions. The development of continuous cooperation among UNECE countries is one of the most important goals for the UNECE.

Uzbekistan has ratified the Rio Declaration on Environment and Development, the United Nations Framework Convention on Climate Change (ratified by the Parliament in 1999) and its Paris Agreement, United Nations Convention on Biological Diversity (ratified by the Parliament in 1995), United Nations Convention to Combat Desertification (which Uzbekistan joined in 1995), Vienna Convention for the Protection of the Ozone Layer (which Uzbekistan joined in 1993), Basel Convention on the Control of Transboundary Movements of Hazardous Wastes (which Uzbekistan joined in 1995), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (which Uzbekistan joined in 1997), the Convention on the Conservation of Migratory Species of Wild Animals (which Uzbekistan joined in 1998), the Convention on Wetlands of International Importance (which Uzbekistan joined in 2001) as Waterfowl Habitats, Stockholm Convention on Persistent Organic Pollutants and Cartagena Protocol on Biosafety, UNECE-WHO/Europe Protocol on Water and Health (Uzbekistan joined in 2024) and Memorandum of Understanding on the Conservation of Migratory Birds of Prey in Africa and Eurasia under the Convention of Migratory Species (Uzbekistan joined in 2024), among others.

On 3 November 2015, the World Bank Board of Executive Directors approved an allocation of US\$38 million from the International Development Association (“**IDA**”) to finance the first phase of the Climate Adaptation and Mitigation Programme for Aral Sea Basin regional programme. The programme approved financing of US\$9 million for Tajikistan, US\$14 million for Uzbekistan and US\$15 million for regional activities to be implemented by the Executive Committee of the International Fund for saving the Aral Sea, with support from CAREC for day-to-day regional coordination and implementation of the regional components of the project. The programme aims to enhance the knowledge database and climate change capacities and facilitate regional dialogue and cooperation between many stakeholders to ensure effective climate response. From 2016 to 2024, the programme activities included the operation of a regional climate information platform, modernisation of the weather and climate monitoring system, development of climate change assessment methodology and tools, development of climate knowledge information products, human resource development, climate investment assessment mechanism and outreach activities.

Uzbekistan ratified the Paris Agreement on 9 November 2018 and has undertaken quantitative obligations to reduce greenhouse gas emissions by 2030 by 10% compared to 2010 and an initiative to reduce emissions of nitrous oxide. Furthermore, in 2024, Uzbekistan acceded to the Protocol on Water and Health, opening new opportunities for stronger action on water, sanitation, hygiene, and health.

The Laws of the Republic of Uzbekistan “On the Use of Renewable Energy Sources” No. LRU-539 dated 21 May 2019, “On Public Private Partnership” No. LRU-537 dated 10 May 2019, “On the Rational Use of Energy” No 412-I dated 25 April 1997 and other related laws have been adopted. The Resolution of the President of the Republic of Uzbekistan “On approval of the strategy for the transition of the Republic of Uzbekistan to ”Green“ economy for the period 2019-2030” No. PR-4477 was adopted on 4 October 2019 (“**PR-4477**”).

The key aims of the strategy outlined in the PR-4477 include increasing energy efficiency of the basic sectors of the economy; diversifying energy consumption and development of the use of renewable energy sources; adapting to and mitigating for the effects of climate change; increasing efficiency in the use of natural resources; conserving the natural ecosystem; and developing financial and non-financial mechanisms to support the green economy.

Target indicators for the implementation of the strategy are:

- a reduction of specific greenhouse gas emissions per unit of gross domestic product by 10% from the level of 2010;
- a twofold increase in energy efficiency;
- a decrease in the carbon intensity of gross domestic product;
- further development of renewable energy sources, bringing their share to more than 25% of the total electricity generation;
- providing access to modern, inexpensive and reliable energy supply for up to 100% of the population and sectors of the economy;
- modernisation of the infrastructure of industrial enterprises, ensuring their sustainability by increasing energy efficiency by at least 20%;
- wider use of clean and environmentally friendly technologies and industrial processes, expanding the production and use of motor fuels and vehicles with improved energy efficiency and environmental friendliness;
- the development of electric transport;
- a significant increase in the efficiency of water use in all sectors of the economy;
- the introduction of drip irrigation technologies on an area of up to 1 million hectares, with an increase in yields to 20-40% of crops cultivated on them;
- achieving a neutral balance of land degradation; and
- an increase to 20-25% of the average productivity of production of basic types of food agricultural products.

The Ministry of Energy developed “The Concept Note for Ensuring Electricity Supply in 2020-2030” with the goal of satisfying the increasing demand for electrical power at competitive prices and ensuring the dynamic development of the power sector in Uzbekistan through the modernisation and reconstruction of existing power plants, the construction of new generating assets using energy efficient power production technologies, the improvement of power metering systems, fuel diversification and the development of renewable energy sources.

In its updated 2021 Nationally Determined Contribution (“**NDC**”), Uzbekistan stated its intention to reduce greenhouse gas emissions per unit of GDP by 35% by 2030 from the level of 2010, an increase from its previous target of 10% from its prior NDC. Uzbekistan is also striving to further develop renewable energy sources, bringing its share of total power generation to 40% by 2030.

The “Yashil Makon” or “Green Nation” initiative was put forward by the President of Uzbekistan in November 2021. The initiative has the aim of planting one billion tree and shrub saplings over the next five years across Uzbekistan. By the end of 2024, approximately 640 million saplings had been planted nationwide,

contributing to the creation of green belts around urban areas. Jointly, the United Nations Development Programme (“UNDP”) and the Global Environment Facility (“GEF”) approved “Conservation and Sustainable Management of Lakes, Wetlands and Coastal Corridors in the Aral Sea Basin” during the period of 2022-2026. This project aims to develop integrated water resources management for the restoration and sustainability of the Aral Sea water level on an area of 900 thousand hectares in key areas of biodiversity (lakes, wetlands and coastal ecosystems), as well as the support of five newly-created protected areas covering an area of 3,194,600 hectares.

Uzbekistan formalised its commitment to reducing nitrous oxide emissions by joining the Nitric Acid Climate Action Group (“NACAG”). The sector’s greenhouse gas mitigation potential in Uzbekistan is estimated to be equivalent to roughly two million tonnes of CO₂ annually. With Uzbekistan’s signature, Uzbekistan’s nitric acid producers have become eligible to receive financial support from NACAG for the purchase and installation of nitrous oxide abatement technology.

Another project under UNDP-GEF, namely “Strengthening the resilience of Central Asian countries by enabling regional cooperation to assess glacio-nival systems to develop integrated methods for sustainable development and adaptation to climate change” is being developed to strengthen the adaptation capacity of Central Asian countries to climate change impacts on the cryosphere through assessment, promotion of regional cooperation and stakeholder engagement. The project aims to address the issue of regional cooperation in building a knowledge base and capacity on the monitoring of snow glaciers and permafrost, including forecasting responses to climate change and supporting national as well as regional strategic action programmes.

In recent years, Uzbekistan, in collaboration with the World Bank, has taken significant steps to address the challenges posed by fine particulate matter (“PM_{2.5}”) air pollution. A comprehensive assessment conducted in Tashkent revealed that the city’s annual average PM_{2.5} concentration is approximately 38.8 micrograms per cubic meter (µg/m³), exceeding the WHO’s guideline of 5 µg/m³ by over sevenfold. In response to these findings, the Ministry of Health of the Republic of Uzbekistan, in May 2024, adopted a new PM_{2.5} standard for residential air quality, aligning with WHO recommendations. This standard represents a proactive step towards mitigating air pollution and its associated health risks.

In 2024, Uzbekistan, with support from the World Bank, advanced the development of its national Green Taxonomy, a framework designed to classify environmentally sustainable economic activities. This taxonomy aims to guide policies and public resource allocation, thereby facilitating the country’s transition to a green economy. The Green Taxonomy Working Group, led by the Ministry of Economy and Finance of Uzbekistan and supported by the World Bank, prepared a model taxonomy that served as a primary reference for the initial framework adopted by the Government. To enhance implementation, the Government plans to further develop this model into an operational taxonomy aligned with international best practices and national priorities. This includes expanding the taxonomy to cover all sectors and developing quantitative environmental performance indicators.

In 2024, Uzbekistan established the Climate Council under the President of the Republic of Uzbekistan to develop a national strategy for mitigating and adapting to the effects of climate change, as well as to implement a unified state policy in this area. As part of its commitment to sustainability, Uzbekistan has also adopted green housing standards, reflecting its dedication to enhancing energy efficiency and promoting sustainable living. These measures align with the country’s broader environmental objectives, ensuring the integration of climate resilience into national development plans.

In 2024, Uzbekistan launched significant initiatives to accelerate urbanisation through the development of comprehensive planning strategies. A key milestone was the approval of Tashkent’s master plan, which extends through 2045 and is designed to support the city’s sustainable growth. This plan establishes a long-term framework for infrastructure development, efficient land use and environmental sustainability, ensuring that Tashkent evolves into a modern, resilient and well-planned urban centre.

In January 2025, Uzbekistan marked the commencement of the Year of Environmental Protection and Green Economy by launching two significant international projects, in collaboration with the UNDP and GEF, with a combined budget of approximately US\$6.5 million and implementation planned through 2030. The first project, the Comprehensive Programme to Support the Renewal of the National Biodiversity Strategy and Action Plan and the Seventh National Report, aims to update Uzbekistan’s National Biodiversity Strategies and Action Plans in alignment with the Global Biodiversity Framework. This initiative seeks to shape long-term state policy on the protection, conservation, and restoration of biodiversity, requiring active collaboration among government

agencies, the business community, and civil society. The second project, Integrated Management for the Protection and Restoration of Highly Valuable Landscapes in Uzbekistan, focuses on creating favourable conditions for ecosystem restoration through inclusive policies, innovative approaches, and sustainable financing mechanisms. Key pilot areas include the landscapes of the Western Tien Shan, the Nurata Mountains and Kugitang.

In collaboration with the World Bank, Uzbekistan has been working on the development of a comprehensive Long-Term Decarbonisation Strategy to identify low-carbon development pathways and assess their economic impacts. Key components of the draft strategy include enhancing energy efficiency, scaling up renewable energy sources and reducing reliance on depleting natural gas reserves. The strategy is expected to be finalised by the end of 2025.

The Ecological Party and Ecological Movement of Uzbekistan

The Environmental Movement of Uzbekistan was registered as a non-governmental, non-profit organisation by the Ministry of Justice on 23 October 2009. Its main goals are to achieve the observance of the rights of the citizens of Uzbekistan today and for the future generation to have a comfortable environment, health care, environmental protection, rational use of natural resources and environmental protection.

The Ecological Party of Uzbekistan was registered by the Ministry of Justice on 22 January 2019. The decision had been made to preserve the experience of the Environmental Movement of Uzbekistan in the practice of improving legislation, international cooperation, public environmental control, and solving environmental problems, and transfer it to a new political force.

As of 31 December 2024, the Ecological Party of Uzbekistan consists of 14 regional and approximately 208 district and city party organisations. Primary party organisations work in many neighbourhoods, enterprises, institutions and organisations. More than 638 thousand people became members of the Ecological Party of Uzbekistan so far, 51.0% of them are women and 49.0% are young people. There is a total of 778 deputies in this party, of which 16 are representatives of Legislative party, 86 are regional deputies and 676 are district deputies.

Litigation

The Government is a party to a number of arbitral proceedings relating to investment disputes. The Government does not consider that any of these proceedings, either individually or collectively, will ultimately result in a level of liability that may have significant effects on the fiscal position of the Republic of Uzbekistan.

THE ECONOMY OF THE REPUBLIC OF UZBEKISTAN

Introduction

Since it gained independence in 1991, Uzbekistan has undergone significant economic transformation. By 1996, the Government had implemented an independent development model, which allowed the country to emerge from economic recession, strengthen macroeconomic stability and commence economic structural transformation reforms. These measures allowed Uzbekistan to avoid the sharp recession and economic turmoil that many post-Soviet countries faced in the 1990s.

From 2020 to 2024, as a result of deepening economic reforms aimed at creating a favourable business environment, opening up world markets, and modernising and technologically upgrading production assets, Uzbekistan's GDP increased by an average of 5.5% per year, with a 6.5% growth rate in 2024. In 2024, the GDP of Uzbekistan in current prices amounted to UZS 1,454,573.9 billion, marking a real-term increase of 6.5% compared to the same period in 2023. Over the past five years (2020-2024), economic growth has been mainly driven by the industry (average economic growth of 5.7%), construction (average economic growth of 7.6%), services (average economic growth of 6.8%), and agriculture, forestry and fisheries sectors (average economic growth of 3.5%). The creation of a favourable business environment, which led to increased investment, has resulted not only in high economic growth rates, but also brought about significant qualitative changes in the economic structure.

As a result of the economic reforms, Uzbekistan's economy has become increasingly diversified, with various sectors driving economic growth. For instance, the industrial sector's contribution to gross value added increased from 26% in 2020 to 26.4% in 2024. Similarly, the services sector's share of gross value added increased from 41.6% in 2020 to 47.4% in 2024.

The share of the private sector in Uzbekistan's total GDP compared to the public sector has also increased over the years. According to the Uzbekistan Statistics Agency, the private sector's share of total GDP was 17.3% in 2024, compared to 17.4% in 2023. Small businesses have become an important factor in the economic development of Uzbekistan since 2000 and measures taken to create a favourable business environment and stimulate the development of small business and private entrepreneurship have led to a substantial increase in their contribution to the economy. In 2024, small business accounted for 54.3% of total GDP compared to 54.5% in 2023.

Recent Economic Trends

In recent years, Uzbekistan's GDP has consistently demonstrated stable growth.

Fixed asset formation in Uzbekistan has grown significantly, driven by an improved business environment and the liberalisation of the economy, as evidenced by key investment activity indicators. The share of fixed asset formation as a proportion of GDP increased from 31.5% in 2020 to 33.9% in 2024, reflecting the Government's ongoing efforts to enhance investment attractiveness. Over the past five years, investment in fixed assets has nearly doubled, expanding 2.3 times, with a particularly strong 27.6% real-term increase in 2024 compared to 2023. These trends highlight robust and sustainable economic progress, reinforcing Uzbekistan's position as an emerging investment destination.

The COVID-19 pandemic had a negative economic impact globally, including on Central Asian countries. The pandemic and ensuing economic crisis affected national healthcare systems, public sectors, business activity, consumption, international trade and investment worldwide. Despite these challenges, Uzbekistan's outlook remains positive as ongoing reforms continue to shift the economy towards greater resource efficiency and private sector growth.

In 2024, Uzbekistan's GDP in current prices amounted to 1,454,573.9 billion soums, marking a growth rate of 6.5% compared to 2023, the highest GDP growth rate in the last five years. Key contributors to this GDP growth included agriculture, forestry and fisheries (0.6%), industry (1.7%), construction (0.6%) and services (3.3%). Additionally, the growth of net taxes on products added 0.3% to GDP growth. In October 2024, the IMF projected 5.7% real GDP growth in Uzbekistan in 2025.

In 2024, there was a cumulative increase of approximately 10% in social payments and a 13.1% increase in minimum wages. This compares to a 7% increase in social payments and a 7% increase in minimum wages in

2023. Since 2021, higher remittances have supported the trade deficit, shrinking the current account deficit from 7% of GDP in 2021 and 1% in 2022. Exports increased from 15.9% in 2022 to 23.8% in 2023 and by 8.4% in 2024. Imports rose by 20.4% in 2022, 23.3% in 2023 and 0.8% in 2024. Increased external borrowing from multilateral and bilateral partners helped finance the current account deficit.

In 2024, the inflation rate was 9.8%, reflecting a slight increase of 1.0% compared to the 8.8% rate in 2023. However, this represented a decrease from 12.3% rate in 2022 and 10% rate in 2021. In response to easing inflationary conditions, the CBU cut its policy rate from 15.0% to 14.0% in March 2023, with a further cut to 13.5% in July 2024. As of the date of this Base Offering Circular, the policy rate remains at 13.5% per annum.

“Uzbekistan - 2030” Strategy

On 11 September 2023, the President signed a Decree No. PD-158 for the implementation of the strategy “Uzbekistan - 2030”, which outlines the next step of the Republic’s development. Pursuant to the strategy, the Government shall prioritise its efforts to (i) become one of the upper-middle-income countries through sustainable economic development; (ii) create educational, medical, and social protection systems that fully meet the needs of the people and international standards; (iii) create favourable environmental conditions for the population; (iv) build a just and modern state in service of the people; (v) and guarantee sovereignty and security of the country.

The main tasks of the “Uzbekistan - 2030” Strategy are:

- To ensure the well-being of the population through sustainable economic growth. In particular, a two-fold increase in the economy was determined, bringing the volume of GDP to US\$160 billion and the volume of GDP per capita from the current US\$3,092 to US\$4,000;
- Qualitative improvements of the system of social protection that have been formed to date. Measures will be taken to reduce poverty by 2 times by 2026 and to reduce it to 5% by 2030;
- Reducing the unemployment rate among young people from 14% to 6%. Measures will also be taken to ensure the employment of an additional one million young people by 2030 through the development of industries;
- To support exports with a doubling of its volume to US\$45 billion, which will more than double the export volume of US\$19 billion achieved in 2022;
- To increase the role of the non-state sector in the economy to 85%, fostering private sector growth and reducing reliance on the SOEs;
- Increasing productivity and profitability in agriculture with the use of modern water-saving technologies. It is expected to increase the level of provision with local vegetables, potatoes and potato seeds from the current 15% to 50%. To prevent losses in water supply, a programme will be developed to introduce a closed system of pipelines. In addition, in the next seven years, it is planned that water supply will cover an additional 1.2 million hectares of land;
- To carry out a number of works in the direction of the integrated development of the territories. In the next seven years, the level of urbanisation is planned to increase from the current 51% to 60%;
- The introduction of new approaches to infrastructure development. It is planned to provide all settlements with complete clean drinking water, as well as to increase the share of electrified railways from 43% in 2022 to 65% by 2030; and
- US\$6 billion to be allocated for the construction and reconstruction of 56,000 km of roads with the participation of the private sector.

In January 2025, the Senate Committee on Budget and Economic Affairs convened a meeting to discuss the draft of the State Programme for 2025, aimed at implementing the “Uzbekistan – 2030” Strategy within the framework of the “Year of Environmental Protection and Green Economy.” During the meeting, participants thoroughly examined all aspects of the project and provided their suggestions for its enhancement. It was noted that the recommendations developed during the meeting would be taken into account when finalising and

adopting the final version of the State Programme. This programme is expected to play a crucial role in improving the well-being of the population and fostering the continued development of Uzbekistan.

Uzbekistan's Development Strategy for 2022-2026

In January 2022, the President signed a Decree No. PD-60 for the implementation of the strategy for the further development of Uzbekistan for 2022-2026 (the “**Development Strategy for 2022-2026**”). The Development Strategy for 2022-2026 focuses on seven priority areas and is intended to increase the efficiency of governmental reforms, ensure the comprehensive, accelerated development of the state and society and set the priority areas for the country's modernisation and liberalisation. The Development Strategy for 2022-2026 provides for the timely and effective implementation of the reforms as a top priority for all state authorities and officials. Thus, the Government established the National Commission for the implementation of the Development Strategy for 2022-2026, headed by the President, as well as commissions for the execution of each of the strategy's seven priority areas.

The Development Strategy's for 2022-2026 seven priority areas are:

- building a people's state by elevating human dignity and the furtherance of a civil society: improving the efficiency of the institution of the mahalla, strengthening the role of the Kenghashes of people's deputies, further expanding the capacity of local governments, transforming leadership principles among local authorities into an ethic of 'servant leaders', introducing a compact public administration system, streamlining administrative structures in the public administration system, further increasing the role of chambers of the Oliy Majlis and political parties, modernising regulatory processes, developing an 'e-government system', modernising the civil service system, developing effective mechanisms for communication with the public, and improving the organisational and legal framework for effective public oversight;
- establishing the principles of justice and the rule of law as the most fundamental and critical conditions for the country's development: protecting property rights' inviolability, ensuring the rule of law and constitutional legality, establishing effective judicial oversight and increasing access to justice, ensuring public security, creating a new image of law enforcement bodies, ensuring timely execution of court orders and orders of other state bodies, increasing the role of the Bar Association, and developing an active civil society among citizens;
- developing a robust national economy that ensures rapid growth: ensuring stable high growth rates in sectors of the economy, increasing the volume of industrial production, increasing dramatically the volume of geological prospecting activities, providing an uninterrupted supply of electricity into the economy, making the digital economy the primary economic driver of the economy, improving the country's investment climate, expanding the economy's financial resources, increasing the country's export potential, creating conditions conducive to entrepreneurial activity, intensive development of agriculture, reforming the water management system, expanding the livestock feed base, proportional development of the regions, developing engineering-communication and social infrastructure systems and services in the regions, developing tourism, and developing the transport system;
- pursuing just and fair public policies and human capital development: developing pre-school education, developing public education, developing higher education, introducing broad innovations into the economy, improving the healthcare system, strengthening social protection, increasing citizen engagement in health and wellness activities, supporting women and ensuring their active participation in society, and improving state policies aimed at youth development;
- ensuring the elevation of spiritual values through developing those institutions tasked with their stewardship: instilling the positive and inventive worldview inherent in Uzbekistani society on a national level, popularising reading, in-depth study and widespread promotion of the scientific heritage of Uzbekistani ancestors, encouraging an atmosphere of interethnic harmony and interreligious tolerance in society, developing Fine Arts, Applied Arts and Design, developing further culture and arts, developing further the study and promotion of the history of Uzbekistan, and developing national cinematography capacity;

- approaching global challenges through the lens of national interests: eliminating and mitigating existing environmental problems, protecting the ecological and environmental integrity of the country, expanding forest regions, combating extremism and terrorism, introducing ethical standards in the civil service, instilling a zero-tolerance attitude to corruption in society, reducing poverty by at least two-fold by the end of 2026, pursuing safe, orderly and legal labour migration and effective migration policy, establishing permanent and effective contacts with compatriots in foreign countries through the Public Fund ‘Vatandoshlar’, and increasing the effectiveness of pandemic control; and
- strengthening the country’s security and defence potential, while pursuing an open, pragmatic and active foreign policy: strengthening the rights of citizens in the area of personal freedoms to receive and impart information, augmenting and elevating the state’s defence capability, strengthening the social protection of servicemen and their families comprehensively, creating an effective emergency prevention and response system, increasing the country’s role as an equitable international entity, elevating to the highest level the close cooperation in Central Asia, further developing relations with traditional partners, strengthening the activities of the country in the framework of the United Nations bodies and institutions, achieving WTO membership and deepening integration processes with the Eurasian Economic Union, developing and enhancing strategic messaging to provide an accurate image of Uzbekistan in the world community, improving the regulatory framework of foreign policy and foreign economic activity and the legal framework of international cooperation, and improving the system of services for citizens of Uzbekistan abroad.

According to the Development Strategy for 2022-2026, large-scale institutional and structural reforms aimed at reducing the state’s presence in the economy are being implemented, including measures to strengthen further the protection of private property rights and to stimulate the development of small business and private entrepreneurship. A commission has been established under the President to protect the rights and legal interests of business entities and a ban has been imposed on the use of criminal punishment in the form of deprivation of the right to engage in entrepreneurial activity. In addition, the Chamber of Commerce and Industry of the Republic of Uzbekistan was reformed to effectively support a new system for the protection of the rights and legitimate interests of business entities. Measures have been taken to improve the management of state property and increase the efficiency of previously privatised enterprises and to support the private sector in the post-privatisation process by assisting the development of investment projects to restore inactive enterprises. The foreign exchange market has also been liberalised and economic entities have gained free access to national currency conversion. A market-based mechanism of foreign exchange rates was formed and exchange restrictions were eliminated.

The Development Strategy for 2022-2026 also envisages implementation of measures to reduce the annual inflation rate and the fiscal deficit; complete the processes of transformation of commercial banks with a state share, increasing the share of the private sector in banking assets to 60% by the end of 2026. Following the Development Strategy for 2022-2026, value added tax rate has been reduced to 12% in 2023.

A number of programmes were adopted by Decree of the President of the Republic of Uzbekistan as part of the Development Strategy for 2022-2026. In general, these programmes are aimed at reforming the social and economic sectors of Uzbekistan over a five-year period. These programmes provide for, *inter alia*, structural reforms, modernisation, diversification of production and the continuation of the policy of stimulating localisation of finished products, components and materials. The acceleration of renovation of physically worn and obsolete equipment, as well as the reduction of industrial production costs, is also envisaged by these programmes. The reforms also cover the energy sector, including measures to further develop renewable energy, improve energy efficiency in the economy and reduce the emission of harmful gases into the atmosphere through the active introduction of green energy technologies in all areas.

Recent Economic Developments

In 2024, Uzbekistan significantly reduced the registration fee for foreign companies from UZS 3.4 million (approximately US\$272) to UZS 340,000 (around US\$27), bringing it in line with the fee for local businesses. This reform aims to enhance the ease of doing business and attract greater foreign investment. Further, from 1 January 2025, Uzbekistan is implementing a revised fee structure for intellectual property registrations, eliminating the previous disparity between resident and non-resident applicants. Under the new system, fees will be determined based on the applicant’s legal status rather than residency, leading to a substantial reduction

in costs for foreign applicants. In some cases, fees will decrease by up to 75%, further improving the country's business environment and encouraging greater participation in its intellectual property market.

Reform of SOEs

On 1 March 2023, the President adopted the Resolution No. PR-83 “On measures to accelerate the processes of reforming companies with the state participation”. The resolution established that UzAssets JSC, the investment company fully owned by the Agency of Strategic Development, shall receive shares of the major SOEs (as listed in Annex I to the Resolution), and shall be authorised to appoint members of the management and supervisory boards, and engage international auditors, investment consultants, investment banks and other parties to improve operations of the companies and prepare them for future privatisation.

In addition, pursuant to the Law of the Republic of Uzbekistan “On Public Debt” No. LRU-836 dated 29 April 2023 (the “**Public Debt Law**”), the state's contingent liabilities include guarantees provided to private partners under PPP agreements and loans taken by SOEs, excluding those raised on behalf of the Republic of Uzbekistan or with state guarantees. The Ministry of Economy and Finance of Uzbekistan is responsible for managing these contingent liabilities.

Presidential Resolution No. PR-83 was subsequently amended by the Presidential Resolution dated 18 August 2023, pursuant to which (i) the Agency of Strategic Development transferred its shares in UzAssets JSC to the Ministry of Economy and Finance; and (ii) shares of certain state-owned banks were also transferred from the Uzbekistan Fund for Reconstruction and Development to the Ministry of Economy and Finance.

On 27 August 2024, the President adopted Resolution No. PR-303 “On the establishment of the National Investment Fund of the Republic of Uzbekistan”. The resolution approves the establishment of the National Investment Fund of the Republic of Uzbekistan, with the Ministry of Economy and Finance of the Republic of Uzbekistan as its sole shareholder until the public offering of the Fund's shares. The charter capital of the National Investment Fund is formed through the transfer of shares in selected SOEs, as outlined in Annex 1 to Resolution No. PR-303. The National Investment Fund has been established to enhance the market value of its assets through strategic management and investment, with the ultimate goal of positioning itself as a key player in the global financial market. A core objective of the Fund is to facilitate the listing of its shares on leading international stock exchanges, thereby attracting major institutional investors and increasing foreign participation in Uzbekistan's privatisation programme. In line with international best practices, the Fund is committed to implementing OECD corporate governance standards, transitioning to IFRS and integrating ESG principles into its investment strategy.

In February 2025, the National Investment Fund of Uzbekistan appointed Franklin Templeton Asset Management LLC as its trustee and manager. The manager will oversee an investment portfolio comprising shares from 18 SOEs and commercial banks associated with the Fund. As part of its mandate, the manager will develop and implement transformation programmes aimed at enhancing the investment appeal of these assets. Following these initiatives, the Fund, along with the SOEs and banks under its management, intends to list on both local and international stock exchanges. To facilitate this process, Franklin Templeton will review and refine the strategies of the Fund's SOEs and commercial banks. Transformation initiatives will focus on aligning corporate governance, financial efficiency, internal auditing and risk management systems with global standards, while also enhancing employee qualifications.

In 2024, Uzbekistan continued to advance the corporate governance framework of SOEs, strengthening oversight and transparency in line with international best practices. A key development has been the restructuring of supervisory boards across all SOEs, with independent board members now accounting for 26% of SOE supervisory boards and 41% in state-owned banks. Additionally, all SOEs have established dedicated board committees, which play a key role in enhancing corporate governance standards, monitoring performance and ensuring accountability. Each year, a comprehensive corporate governance assessment is conducted across all SOEs and state-owned banks to evaluate the effectiveness of governance structures and identify areas for improvement. Based on these assessments, supervisory boards are responsible for addressing gaps and implementing the necessary measures to enhance governance efficiency, mitigate risks and strengthen overall corporate performance.

Liberalisation of Economic Activities

Decree of the President No. UP-101 was adopted on 8 April 2022 and sets a groundwork for liberalisation of certain economic activities of residents and non-residents of Uzbekistan. Among others, the Decree permitted foreign citizens to purchase certain immovable property without requiring them to obtain the residence permit in the Republic of Uzbekistan.

Further the Decree instructed to engage services of investment banks and other consultants to start preparation of limited privatisation process of several major SOEs, including Uzbekneftegaz JSC, Uzbekistan Airways JSC, UzAuto Motors JSC and others through the IPO process.

Finally, the Decree contained a number of measures aimed at increasing trade by reducing import tariffs and other regulatory barriers.

International Capital Markets and Investment

Since its debut Eurobond issuance in February 2019, Uzbekistan has established itself as a regular issuer in international capital markets. The country's Eurobonds are listed on the London Stock Exchange, providing a benchmark for foreign bond issuances by Uzbek entities and expanding access to global fixed-income investors.

Uzbekistan's outstanding Eurobond series include:

- February 2019: US\$500 million 5.375% Eurobond issuance due in February 2029;
- July 2021: US\$635 million 3.9% Eurobond issuance due in October 2031;
- October 2023: US\$660 million 7.85% Eurobond issuance due in October 2028;
- October 2023: The first-ever Green Sovereign Eurobond issuance (UZS 4.25 trillion 16.25%) due in October 2026, reinforcing Uzbekistan's commitment to green development.
- June 2024: A landmark triple-currency bond issuance (USD, EUR, and UZS) totalling US\$1.5 billion, including Uzbekistan's first-ever Euro-denominated tranche, with proceeds supporting sustainable development projects under the SDG Bond Framework.

Tax Regime

The Tax Code came into effect on 1 January 2020. The tax reform led to a notable decrease of the tax burden to businesses and simplification of tax reporting. Key changes included (i) the 8% social security contributions and all mandatory payments to various state funds were abolished, (ii) corporate and individual income taxes were reduced from a progressive rate of up to 24% to a single flat rate of 12%, (iii) the income tax rate on dividends was reduced from 10% to 5%, (iv) the VAT tax rate also decreased from 20 to 15%, and (v) 13 forms of tax inspections were consolidated into two.

Since 2020, Uzbekistan has undertaken significant reforms to enhance revenue mobilisation through the digitalisation of tax collection. A key component of this effort has been the Tax Administration Reform Project, supported by US\$60 million in World Bank funding, aimed at automating tax administration processes and improving efficiency. The Government has also prioritised reducing the informal sector, which is estimated to account for around 30% of GDP, by enhancing compliance and transparency. As part of these measures, a new data centre has been established for the State Tax Committee, further strengthening the country's tax infrastructure.

Effective from 1 January 2023, the VAT was reduced from 15% to 12% by the Law of the Republic of Uzbekistan No. RU-812 dated 30 December 2022 "On introducing of amendments and additions to some legislative acts of the Republic of Uzbekistan in connection with the adoption of the main directions of tax and budget policy for 2023". Additionally, a VAT exemption was introduced for essential food products and certain medical supplies to mitigate inflationary pressures. From 1 April 2024, all legal entities selling pharmaceutical products or providing medical services will automatically become VAT payers, regardless of income.

The Personal Income Tax rate remains unchanged at 12%. However, significant changes have been made to expand tax deductions and incentives, including for income used by employees to purchase shares under employee stock ownership plans and income contributed to individual investment accounts.

Regarding excise tax, since 1 April 2024, an excise tax has been imposed on carbonated beverages containing sugar or other sweeteners, or flavouring substances, and packed in consumer packaging (including energy and tonic drinks). Excise taxes were also increased on tobacco and alcohol to discourage consumption and promote public health. See “*Public Finance – Tax Reforms*”.

In 2024, the top ten taxpayers contributed UZS 90.85 trillion, representing approximately 33.1% of the Government’s total revenue. This is in comparison to the UZS 72.75 trillion, or 31.4% of the Government’s total revenue, contributed by the top ten taxpayers in 2023.

Regulatory Developments

Effective 1 January 2021, the licensing and permitting procedures for business were significantly streamlined under the Decree of the President of the Republic of Uzbekistan No. PD-6044, titled “On measures for cardinal improvement of licensing and permitting procedures”, dated 24 August 2020. This reform facilitated the expansion of economic sectors and the emergence of new production capacities. From this date, numerous licensing and permitting requirements were either removed or consolidated.

Continuing the reforms, the Republic of Uzbekistan enacted the Law titled “On licensing, permission and notification procedures”, which approved lists of 208 types of licences, permits and notifications. Since 1 January 2021, all licensing, permitting and notification procedures have been carried out electronically through the “License” information system developed by the Ministry of Justice. This system, which includes a special mobile application, enables electronic cooperation between ministries and manages all procedures related to licensing, permitting and notification. The Ministry of Justice oversees the management of the “License” information system.

As of the date of this Base Offering Circular, a total of 115 types of licences, permits and notifications have been launched through the “License” information system.

Social Policy

On 30 April 2024, the President signed a decree raising the minimum amounts of pensions and benefits by 7%, effective from 1 May 2024. The basic amount for pension calculation will be 347,000 soums, up from the current 324,000 soums. The minimum size of the old-age pension will increase to 677,000 soums from 633,000 soums. The minimum amount of disability pensions, including those for incomplete work experience, as well as benefits paid to disabled citizens and persons with disabilities since childhood, will be raised to 747,000 soums from 698,000 soums.

Additionally, on 18 July 2024, the President approved a decree titled “On the Fundamental Improvement of the Procedure for Social Support of the Population by the State.” This decree grants pensioners the right to receive age, disability, and survivor’s pensions through a social card starting from 1 October 2025, thereby facilitating the payment process.

Uzbekistan’s Innovation Strategy

The implementation of the Innovative Development Strategy of the Republic of Uzbekistan for 2019-2021 has led to positive results in ensuring and stimulating innovative and technological progress in sectors of the economy and social sphere, including agriculture, energy, construction, education, and healthcare. In 2024, Uzbekistan climbed 39 positions in the Global Innovation Index ranking compared to its standing in 2015. The annual state budget allocation for innovation and scientific spheres reached UZS 6,130 trillion in 2024.

On 6 July 2022, the Resolution of the President of the Republic of Uzbekistan titled “On Approval of the Strategy of Innovative Development of the Republic of Uzbekistan for 2022-2026” No. PR-307 (the “**Innovation Strategy**”) was adopted. The Innovation Strategy ascertains the main existing barriers to innovation in the Republic of Uzbekistan and provides for strategic goals aimed at further boosting the country’s innovation potential.

The main tasks of the Innovation Strategy are to:

- supporting start-up initiatives by forming a network of innovation infrastructure entities (innovation technology park, technology transfer centre, innovation cluster, etc.), as well as organising large-scale production (capital creation);
- increasing the share of innovatively active organisations by improving institutional mechanisms of state support for innovation activities;
- ensuring accelerated socio-economic growth of regions by increasing the innovative activity of small businesses;
- stimulating demand for innovation by providing a comprehensive system for creating new types of products and innovative technologies from the idea to the final consumer;
- formation of a system for reorienting created capital towards “disruptive” innovations; and
- further development of human capital in the management of innovation activities through the development of creativity skills, innovative entrepreneurship and innovation at all stages of education.

One of the main goals of the Innovation Strategy is for Uzbekistan to rank in the top 50 in the Global Innovation Index (GII) by 2030. Progress towards this goal is already evident, as Uzbekistan secured 83rd place among 133 countries in the 2024 GI ranking. The country was recognised for achieving a high rate of innovation relative to its level of national economic development, indicating high efficiency of innovation in relation to GDP. In its income group (lower middle income), Uzbekistan ranked 10th among 38 countries and fourth place among 10 Central and South Asian countries in the regional classification of innovative economies.

In the GI 2024 report, Uzbekistan ranked 71st in the Innovation Input Sub-Index, which measures available resources and conditions for innovation, and 91st in the Innovation Output Sub-Index, which measures practical results achieved through innovations. Notably, data for 8 out of 10 previously missing indicators in the 2023 report was successfully included in the 2024 ranking for the first time. The coverage level of indicators increased to 97.4% in 2024, compared to 87.5% in 2023 and 81.4% in 2022, representing an increase of 16% since 2022.

Uzbekistan achieved high scores in several indicators of the Global Innovation Index, including Entrepreneurship Policies and Culture (fourth place), Gross Capital Formation (seventh place), Labour Productivity Growth (seventh place), Science and Engineering Graduates (12th place), Utility Models by Origin (14th place). The Gross Capital Formation indicator reflects the level of domestic investments in the country, particularly, considering factors such as the population’s and businesses’ ability to obtain credit and the speed of investment flows. Labour Productivity Growth measures the increase in GDP per capita.

Scientific and Research Development

Over 60 laws and regulations have been adopted to enhance the effectiveness of scientific and technical activities in Uzbekistan. Key among these are such Presidential Resolution No. PR-3855, “On additional measures to increase the effectiveness of commercialisation of the results of scientific and scientific-technical activities”, dated 14 July 2018 and Presidential Resolution No. PR-3876, “On measures to further increase the wages of employees of the field of science and higher education, to support the implementation of the results of scientific and scientific-technical activities by the state”, dated 20 July 2018.

To regulate scientific activities in the country and provide quality and efficiency in research and innovation, Uzbekistan enacted the Law “On Science and Scientific Activity” No. LRU-576 dated 29 October 2019 and the Law “On Innovative Activity” No. LRU-630 dated 24 July 2020.

Additionally, on 14 October 2024, the President approved a resolution to accelerate the development of artificial intelligence (AI) technologies in Uzbekistan. The strategy, outlined in Presidential Resolution PP No. 358, aims to guide the country’s AI progress until 2030. This initiative seeks to boost the market value of AI-driven software products and services to US\$1.5 billion by 2030. Furthermore, the share of government services provided through the national platform is expected to grow to 10%, leveraging AI technology to enhance efficiency and user experience. A significant aspect of the strategy includes the establishment of 10 scientific

laboratories dedicated to AI research and development, alongside the launch of high-performance computing servers to support these efforts. Uzbekistan also aims to enter the top 50 countries on the Government AI Readiness Index by 2030, marking a substantial commitment to advancing its technological infrastructure and capabilities.

Uzbekistan has gradually increased its budgetary allocations towards research and development (R&D). Between 2019 and 2023, the state budget allocated UZS 445.6 billion (approximately US\$136.4 million) towards R&D. In 2024, this amount increased to UZS 353.6 billion (approximately US\$27.4 million). Additionally, UZS 44.8 billion (approximately US\$3.5 million) was allocated to international projects in cooperation with various partners.

Startup and Venture Capital Development

The GII encourages development of a single database of innovative projects and start-ups. In line with this objective, a special portal for innovative developments was launched in Uzbekistan as per the Resolution of the Cabinet of Ministers No. 276 dated 6 April 2018, “On Measures for Organising the Construction of the Building of the Ministry of Innovative Development of the Republic of Uzbekistan, as well as the Creation of an Innovation Park and a Scientific and Practical Centre for Implementation of Innovation Developments”.

Further advancing its commitments to innovation, Uzbekistan established the National Venture Fund, UzVC, in December 2020 with a capital of UZS 15 billion, pursuant to the Resolution of the Cabinet of Ministers No. 684 dated 3 November 2020, titled “On measures to organise the activities of the National Venture Fund UzVC”. The National Venture Fund provides comprehensive financial support to innovative start-ups and to accelerate development of the private equity market in Uzbekistan.

By December 2024, UzVC had established partnerships with numerous venture capital funds across Central Asia. The organisation reviewed over 840 startups and invested nearly US\$800,000 in 9 startup projects across various sectors, including EdTech, RetailTech, InsurTech, FinTech, AgroTech, LogTech and Green Tech.

In March 2024, Uzum, a digital ecosystem encompassing e-commerce and fintech services, became Uzbekistan’s first unicorn, achieving a valuation exceeding US\$1 billion. Uzum’s rapid ascent reflects the dynamic growth of Uzbekistan’s tech sector and underscores the country’s potential as an emerging hub for digital innovation.

The Implementation of Key Performance Indicators and Public Service Reform in Uzbekistan

Uzbekistan has focused on establishing an effective and transparent system of public administration, which safeguards citizens’ rights and enhances Uzbekistan’s global economic competitiveness. President Mirziyoyev’s initiatives have focused on improving the institutional, organisational, and legal framework of executive authorities, as well as establishing an efficient system of professional civil service. These efforts also involve implementing robust mechanisms to combat corruption.

In 2019, an authorised body responsible for the formation and development of the civil service institute, setting requirements for officials, their training, and the selection of candidates for vacant positions, was established under the President. This policy is outlined in the Decree of the President of the Republic of Uzbekistan “On measures to fundamentally improve personnel policy and the civil service system in the Republic of Uzbekistan” No. PD-5843 dated 3 October 2019. Additionally, Presidential Resolution No. PR-4472 dated 3 October 2019 approved the regulation on the Agency for the Development of Public Service under the President.

On 14 January 2021, the President issued Resolution No. PR-4951, “On measures to introduce an effective mechanism for determining the state of ensuring the rule of law in the Republic of Uzbekistan”. This resolution established the creation and administration of a ‘Rule of Law Index’ to evaluate administrative efficiency in Uzbekistan’s administrative regions. The ‘Rule of Law Index’ is measured on the basis of statistical indicators and the results of social surveys conducted in compliance with legislative acts in the regions; ensuring the rights and freedoms of citizens; the state of administration of justice and execution of court decisions; establishing law and order and ensuring security; effective control over the activities of local executive bodies; effectiveness of combating corruption; and transparency of government institutions.

The ‘Rule of Law Index’ for 2022 was based on a survey conducted among more than 24,000 respondents (including judges, lawyers, journalists and representatives of civil society institutions) and 85,000 statistical

surveys from ministries and departments. For 2022, the Surkhandarya region recorded the best index (72 points), while the Samarkand region and Fergana recorded the lowest (each 66 points). In the context of the directions of the index, it was noted that while the average indicators of regions for compliance with legislation are higher than in other areas, the average indicators for effective control over the activities of local executive authorities are at a much lower level.

Additionally, the Law of the Republic of Uzbekistan “On Public Service” No. LRU-788 was adopted on 8 August 2022, incorporating practices from Europe, Japan, Singapore, the Republic of Korea and other CIS countries. This law introduces the concept of meritocracy, which is expected to benefit individuals in a competitive job market. Moreover, the law includes provisions for the development of Key Performance Indicators (“**KPI**”) to evaluate the performance of state employees.

The successful implementation of the state’s Development Strategy relies on enhancing management efficiency across all levels of government. To achieve this, the Government emphasises the importance of establishing a system of balanced performance indicators for civil servants at khokimiyats, ministries and departments, as well as for individual officials (personal success criteria). The use of KPIs is expected to serve as a strategic compass, guiding and accelerating improvement efforts within government entities. It will promote synergy and collaboration by aligning performance standards and metrics across different sectors. Furthermore, the adoption of KPIs will not only lead to qualitative improvements in human resources, but also foster a healthy competitive environment and significantly enhance the transparency and accountability of government activities.

As a part of ongoing reforms, the Government of Uzbekistan has introduced performance assessment system for central and regional governments. On March 13 2024, the President signed Decree PF-49, titled “On Measures to Improve the System for Evaluating the Effectiveness of the Activities of Republican and Local Executive Authorities, as well as Quasi-Government Entities”. The decree aims to enhance the evaluation system for assessing the effectiveness of government bodies and business associations in Uzbekistan. Its purpose is to ensure timely and efficient achievement of targets set for 2024 within the “Uzbekistan - 2030” Strategy, while also increasing personal accountability and refining performance evaluation methods for leaders and deputy leaders of these entities.

The decree seeks to establish a structured evaluation system aligned with national objectives, fostering accountability and efficiency across government bodies and quasi government entities at various levels. Further areas of improvement should focus on enhancing mechanisms for inter-ministerial co-ordination, clarifying reform mandates among relevant agencies, ensuring a skilled and stable workforce within line ministries, aligning KPIs with actionable inputs to support heightened monitoring and evaluation, and streamlining key reform priorities.

This evolution towards more quantifiable objective-setting will mark a significant improvement in Uzbekistan’s public civil service.

Gross Domestic Product

From 2020 to 2024, Uzbekistan’s GDP volume increased 117.8%. In 2024, Uzbekistan’s GDP at current prices amounted to 1,454,573.9 billion soums, representing a real-term increase of 6.5% compared to 2023. The GDP deflator index for 2024, compared to 2023 prices, was 113.3%. In 2024, GDP per capita in current prices amounted to 39,131.4 thousand soums, while for 2023, it was 33,079.0 thousand soums, marking a nominal increase of 4.1%.

The following table sets out information on Uzbekistan’s GDP in nominal terms and in real terms for each of the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Nominal GDP, total	668,038.0	820,536.6	995,573.1	1,204,485.4	1,454,573.9
Real GDP, total	603,956.2	721,712.7	869,779.8	1,058,382.5	1,283,345.6
At current prices, <i>soums billion</i>	668,038.0	820,536.6	995,573.1	1,204,485.4	1,454,573.9
At current prices, <i>US\$ billion</i>	66.4	77.3	90.1	102.6	115.0
Real GDP growth, total (%)	1.6	8.0	6.0	6.3	6.5
GDP, per capita					
At current prices, <i>soums thousand</i>	19,515.0	23,500.9	27,927.8	32,079.0	39,131.4
At current prices, <i>US\$ thousand</i>	1.9	2.2	2.5	2.8	3.1

GDP per capita (PPP basis, <i>US\$ thousand</i>).....	8.3	9.1	10.1	10.9	11.7
Real GDP growth per capita based on PPP, %.....	(1.1)	9.4	11.2	7.8	7.5

Source: The Statistics Agency under the President of the Republic of Uzbekistan. Based on average exchange table, see “Exchange Rates” above.
(1) Preliminary estimates.

The average annual exchange rate was UZS 10,055.80 in 2020, UZS 10,610.00 in 2021, UZS 11,051.20 in 2022, UZS 11,737.20 in 2023, and UZS 12,652.70 in 2024.

Despite the ongoing depreciation, nominal GDP in dollar terms increased from US\$66.4 billion in 2020 to US\$77.3 billion in 2021, US\$90.1 billion in 2022, US\$102.6 billion in 2023, and US\$114.9 billion in 2024. Economic growth in the periods under review was mainly driven by the growth of key sectors of the Uzbekistan economy. In 2024, gross value added produced by all sectors of the national economy amounted to 95.3% of total nominal GDP and grew by 6.6% in real terms. Net taxes on products amounted to 4.7% as a percentage of total nominal GDP and increased by 6.0% in real terms compared to 2023.

Real GDP growth (in soum terms) was 6.5% in 2024, primarily due to growth in the construction (by 8.8%), service (by 7.7%) and transportation and storage (by 8.5%) sectors of the economy. This compares to 6.3% real GDP growth (in soum terms) in 2023, primarily due to growth in the construction (by 6.8%) and service (by 7.3%) sectors of the economy.

From 2020 to 2023, Uzbekistan’s annual growth rate of output per worker, measured in GDP purchasing power parity (constant 2017 in international \$), exhibited fluctuations reflecting external economic conditions and domestic recovery efforts. In 2020, growth dropped to 1.5%, significantly lower than previous years, largely due to the economic disruptions caused by the COVID-19 pandemic. However, in 2021, productivity rebounded strongly, reaching 5.7%, the highest level recorded in recent years, as the economy recovered from pandemic-related slowdowns. This momentum slowed in 2022, with growth moderating to 3.5%, before slightly increasing to 3.9% in 2023, indicating a stabilisation in productivity gains.

The following table sets out the breakdown of real GDP by sector for each of the periods indicated:

	Year ended 31 December									
	2020		2021		2022		2023		2024 ⁽¹⁾	
	(UZS billion)	Structure in (%)	(UZS billion)	Structure in (%)	(UZS billion)	Structure in (%)	(UZS billion)	Structure in (%)	(UZS billion)	Structure in (%)
Real GDP (previous year prices), total .	603,956.2	100.0	721,712.7	100.0	869,779.8	100.0	1,058,382.5	100.0	1,283,345.6	100.0
<i>of which:</i>										
Gross Value Added by Industries (excluding net taxes on products)..	557,947.5	93.4	675,290.2	93.7	818,983.2	94.0	994,304.4	95.1	1,221,333.9	95.3
<i>of which:</i>										
Agriculture, forestry and fisheries.....	133,592.0	24.1	156,445.0	23.7	188,345.8	22.3	217,279.8	21.2	250,481.3	19.2
Industry	147,293.4	26.0	176,415.3	26.3	212,562.1	25.7	255,515.5	25.3	309,185.7	26.4
<i>of which:</i>										
Manufacturing	112,751.8	20.5	138,655.6	20.8	167,983.8	20.3	203,836.9	20.4	251,281.3	21.2
Mining and quarrying	24,076.0	3.6	24,547.4	3.7	29,185.4	3.6	33,222.3	3.2	37,061.9	3.2
Electricity, gas, steam and air conditioning supply	9,528.1	1.8	12,289.5	1.6	13,988.4	1.6	16,843.5	1.6	19,070.4	1.8
Water supply; sewerage, waste management and remediation activities	937.6	0.2	922.8	0.2	1,404.6	0.2	1,612.7	0.1	1,772.1	0.2
Construction.....	49,605.0	8.3	54,908.8	8.3	68,069.9	7.8	78,762.9	7.3	91,691.8	7.0
Services	227,457.1	41.6	287,521.1	41.8	350,005.3	44.2	442,746.3	46.2	570,112.2	47.4
<i>of which:</i>										
Social services.....	46,058.2	8.6	59,264.7	8.8	69,972.1	8.8	85,252.1	8.5	101,953.9	8.4
Trade services.....	34,237.1	6.2	43,727.0	6.4	51,496.6	6.2	64,002.9	6.4	81,665.4	6.3
Real estate services.....	31,935.8	5.7	37,335.8	5.4	42,960.2	5.2	50,903.7	5.1	61,038.9	5.9
Transport services	28,663.6	5.0	36,140.5	5.1	42,610.7	5.0	50,113.9	5.2	64,580.4	5.4
Financial services	16,018.5	3.5	22,583.1	2.6	26,274.5	3.6	37,138.0	3.8	47,701.2	4.4
IT services	9,957.8	1.6	12,864.4	1.7	16,557.2	1.9	22,141.8	2.3	32,211.6	2.7
Other type of services.....	60,586.1	11.0	75,605.7	11.8	100,133.9	13.4	133,194.0	14.8	180,960.8	14.3
Net Taxes on products	46,008.7	6.6	46,422.5	6.3	50,796.6	6.0	64,078.1	4.9	62,011.0	4.7

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

The public sector accounted for 17.4% of total GDP in 2024, compared to 17.6% in 2023 and 17.1% in 2022. The main reason for the changes during 2022-2024 were the allocation of subsidies from the state budget for energy resources and an increase in wages by 12% in June 2022 and by 7% in May 2023. At the same time, one of the sectors with the lowest share of the state participation is agriculture with the gross added value of 19.2% in 2024.

The following table sets out the breakdown of the public sector and private sector contributions to Uzbekistan's GDP, as percentages of the total GDP for the periods indicated:

	Year ended 31 December				
	2020	2021	2022 (%)	2023	2024 ⁽¹⁾
Public sector	16.6	16.9	17.1	17.6	17.4
Private sector	83.4	83.1	82.9	82.4	82.6
Total GDP	100.0	100.0	100.0	100.0	100.0

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

Principal Sectors of the Economy

Agriculture, forestry and fisheries

In the first nine months of 2024, 3,421.7 thousand people, or 24.7% of the employed population, were engaged in the agriculture, forestry and fisheries sectors.

Since its independence from the USSR in 1991, the Republic of Uzbekistan has introduced market principles and changed the forms of ownership in the agricultural sector, which has resulted in the appearance of new farming methods and the development of the agrarian economy.

The main principles of the strategy for the development of agriculture included the shift from cotton monoculture to self-sufficiency in food products, primarily grains. Within this framework, the Government has implemented measures to diversify production, improve conditions for land reclamation, introduce modern, highly effective agricultural technologies and strengthen the material and technical basis of farms. In 2024 (preliminary estimates), the total value of agriculture, forestry and fishing products (services) amounted to UZS 467,041.5 billion, of which the value of farming and livestock breeding, hunting and services in these areas was UZS 451,019.6 billion, the value of forestry was UZS 11,778.4 billion and the value of fish farming was UZS 4,243.5 billion.

Between 2020 and 2024, the gross value added by agricultural production steadily increased, growing by an average of 3.5% annually. In 2024, the gross value added by agricultural production increased by 3.1% as compared to 4.1% in 2023 and 3.6% in 2022. The growth in 2024 was primarily driven by a 3.1% increase in the total value of crop production and livestock, hunting and provision of services in these areas and a 3.0% increase in the total value of forestry.

According to preliminary data for 2024, 63.1% of the total volume of agricultural production came from dekhkan and subsidiary plots, in comparison to 62.3% in 2023 and 31.4% in 2021. The share of organisations engaged in agricultural activities was 7.2% in 2024, in comparison to 7.5% in 2023 and 6.9% in 2022.

The table below shows distribution of agricultural production by type of farm in the periods indicated:

	Year ended 31 December				
	2020	2021	2022 (%)	2023	2024 ⁽¹⁾
Dekhkan (private) farms ⁽²⁾	28.2	29.3	31.4	30.2	27.5
Farm enterprises ⁽³⁾	67.4	65.5	61.7	62.3	67.1
Organisations engaged in agricultural activities ⁽⁴⁾	4.4	5.2	6.9	7.5	7.2
Total	100.0	100.0	100.0	100.0	100.0

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

(2) Dekhkan farms – farms that grow and sell agricultural products based on the personal labour of members of the dekhkan farm on a plot of land provided to the head of the dekhkan farm on the right of lifelong inheritable ownership or lease (sublease).

- (3) Farm enterprises - business entities engaged in the production of agricultural products and other types of activities not prohibited by law, using land plots provided for lease.
- (4) Organisations engaged in agricultural activities – large agricultural organisations, micro-firms and small enterprises carrying out agricultural activities with the formation of a legal entity, as well as non-agricultural organisations with subsidiary farming.

In 2024, as a result of favourable weather, timely planting of crops and the liberalisation of grain prices, farms of all types produced 8,855.2 thousand tonnes of grains (an increase of 4.8% as compared to the corresponding period in 2023), 3,716.8 thousand tonnes of potatoes (an increase of 4.0% as compared to the corresponding period in 2023), 11,994.8 thousand tonnes of vegetables (an increase of 3.8% as compared to the corresponding period in 2023) and 1,825.8 thousand tonnes of grapes (an increase of 1.6% as compared to the corresponding period in 2023).

The table below shows the values of agricultural output at farms of all categories for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(billion soums)</i>				
Total value of agriculture, forestry and fishing	261,892.2	317,027.6	362,898.0	426,030.2	467,041.5
<i>Of which:</i>					
Crop production and livestock, hunting and provision of services in these areas	253,182.3	306,915.1	350,058.3	411,208.2	451,019.6
<i>Of which:</i>					
Agricultural products	250,250.6	303,415.5	345,191.7	405,418.0	444,586.4
<i>Of which:</i>					
crop production	123,858.8	152,130.4	177,962.7	203,082.7	218,824.1
livestock production	126,391.8	151,285.1	167,229.0	202,335.3	225,762.3
Forestry	6,820.8	7,539.6	9,624.7	10,713.8	11,778.4
Fishing and aquaculture	1,889.1	2,572.9	3,215.0	4,108.2	4,243.5
Cereals and legumes, total <i>thousand tonnes</i>	7,636.0	7,634.6	7,990.5	8,453.4	8,855.2

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

According to preliminary estimates, in 2024, the gross value added by agriculture, forestry and fisheries accounted for 19.2% of gross value added by industries in nominal terms.

The increase in the gross value added by agricultural production in nominal terms since 2018, including crop production in 2018 to 2022, is largely due to the devaluation of the soum, which made imported chemical products used in agricultural production and therefore the agricultural products produced, more expensive. The gross value added by agricultural production increased in 2024 by 3.1% compared to the same period of 2023.

Cotton Industry

The cotton industry occupies a central place in the economy of the Republic of Uzbekistan. Income from international market sales is an important source of foreign currency for the state budget of the Republic of Uzbekistan. Due to the large volumes of cotton fibre production, Uzbekistan is a leading participant in the global cotton industry as its cotton fibre is globally competitive.

According to the U.S. Department of Agriculture, Uzbekistan ranks eighth in cotton production globally in 2023/2024. However, the diversification of the export commodity structure in line with the Development Strategy of 2017-2022 and economic reforms has reduced Uzbekistan's dependence on the export of cotton fibres.

In 2024, all categories of farms in Uzbekistan harvested 2.9 million tonnes of raw cotton, a decrease of 20.8% from the 3.7 million tonnes of raw cotton produced in 2023.

The key components of the economic shift in the cotton industry were the transition from the planning system to market management mechanisms and the transformation of inefficient producers into farms. The personal interest of landowners and farmers, as well as agro-technical measures carried out at the state level have affected the increase of cotton yields and the profitability of its production.

Industry

The industrial sector of Uzbekistan includes the manufacturing industry, mining and quarrying, the supply of electric power, gas, steam and air conditioning, water supply, sewerage, waste management and remediation activities. The manufacturing industry accounted for 85.1% of the industrial sector in 2024, compared to 84.4% in 2023.

The share of industry in Uzbekistan's gross value added in nominal terms amounted to 26.0%, 26.3%, 25.7%, 25.3% and 26.4% in 2020, 2021, 2022, 2023 and 2024, respectively.

The main factors that contributed to the growth of the total industrial output in 2024 as compared to 2023 were the growth of added value in the manufacturing industry by 7.7%, electricity, gas, steam and air conditioning supply by 5.4%, water supply, sewerage, waste collection and disposal by 5.6% and mining and quarrying by 1.9%.

In 2024, the value of production of tobacco increased by 21.8%, for articles of leather and related products increased by 9.3%, for wood and products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials increased by 55.6%, in each case compared to the same period in 2023.

Small business growth also affects industrial development in Uzbekistan. In the industry sector, the share of small business and private entrepreneurship was 32.4% in 2024 compared to 27% in 2023.

In addition, the Government is in the process of implementing trade liberalisation reforms, which, among other things, provide for the development of an important SOE, JSC "Uzkimyosanoat" (a holding company for the chemical industry), which unites chemical-industrial technoparks (Chirchik and Jizzakh) and four large industrial enterprises (Maxam-Chirchiq JSC, Dekhkanabad potash plant JSC, Kungrad soda plant JV LLC, Ammofos-Maxam JSC), which provide chemical products to the agricultural sector, design and scientific-research institutions, and a transport-forwarding company. The chemical industry development programme for 2017-2021 implemented 15 investment projects.

The table below shows the value of industrial production in each sector and percentage changes in the rates of industrial production for the periods indicated.

	2020			2021			2022			2023			2024 ⁽¹⁾		
	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>
Total Industry	368,740.2	100.0	100.9	456,056.1	100.0	108.8	553,265.0	100.0	105.3	658,991.7	100.0	106.3	885,818.9	100.0	106.8
<i>of which:</i>															
Manufacturing	305,928.6	83.0	107.9	378,186.4	82.9	108.3	460,491.8	83.2	105.4	556,382.4	84.4	107.4	753,613.2	85.1	107.7
Food production .	42,314.9	11.5	108.6	48,643.3	10.7	104.2	57,547.3	10.4	106.0	65,678.2	10.0	107.0	103,692.9	11.7	104.5
beverages.....	7,417.6	2.0	105.7	10,135.4	2.2	118.0	16,111.3	2.9	115.7	17,986.4	2.7	106.4	25,074.2	2.8	99.0
tobacco.....	1,951.2	0.5	99.5	2,089.4	0.5	91.4	2,888.9	0.5	124.0	3,200.2	0.5	100.5	4,515.3	0.5	121.8
textiles	36,713.9	10.0	117.4	52,372.3	11.5	119.5	62,850.7	11.4	109.9	71,509.8	10.9	106.4	89,451.2	10.1	111.1
wearing apparel ..	10,402.4	2.8	107.2	13,592.8	118.7	118.7	17,264.8	3.1	105.8	23,087.8	3.5	112.7	33,764.2	3.8	109.4
articles of leather and related products.....	1,616.9	0.4	97.4	2,083.9	0.5	103.9	2,220.6	0.4	104.3	2,795.7	0.4	105.9	4,384.0	0.5	109.3
repair, installation of machinery and equipment.....	1,379.4	0.4	100.9	1,885.3	0.4	122.3	2,078.4	0.4	101.4	3,061.2	0.5	114.0	7,490.3	0.8	178.4
motor vehicles, trailers and semi- trailers.....	33,594.9	9.1	99.4	32,167.6	7.1	94.8	51,396.2	9.3	137.8	76,904.9	11.7	119.9	88,725.4	10.0	104.5
fabricated metal products, except machinery and equipment.....	7,063.3	1.9	118.8	11,064.1	2.4	120.5	12,584.3	2.3	102.2	14,404.1	2.2	106.7	17,914.4	2.0	86.8
wood and products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials.....	1,563.8	0.4	88.1	2,209.0	0.5	129.2	2,537.0	0.5	104.2	2,144.2	0.3	96.0	4,198.7	0.5	156.6
Manufacture of paper and paper products.....	2,257.8	0.6	106.4	2,896.2	0.6	115.4	4,275.6	0.8	114.6	5,701.3	0.9	110.3	8,999.7	1.0	123.4
Manufacture of computer, electronic and optical products ..	3,457.7	0.9	172.0	6,232.9	1.4	138.4	6,261.7	1.1	85.8	4,202.3	0.6	78.1	5,004.6	0.6	97.0
Electrical equipment manufacturing	8,635.4	2.3	110.1	11,212.0	2.5	93.0	14,388.0	2.6	106.0	18,702.0	2.8	116.1	26,256.4	3.0	104.5
Manufacture of machinery and equipment n.e.c.	4,291.3	1.2	94.7	4,353.3	1.0	97.0	5,448.7	1.0	106.0	5,643.0	0.9	101.1	9,013.9	1.0	137.8
Manufacture of other transport equipment.....	879.3	0.2	102.5	1,137.6	0.2	108.8	1,520.7	0.3	105.4	1,734.5	0.3	99.3	2,553.4	0.3	140.3

	2020			2021			2022			2023			2024 ⁽¹⁾		
	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>	<i>Billion soums</i>	<i>(% of total)</i>	<i>Change</i>
Furniture manufacture	2,097.3	0.6	90.2	3,059.8	0.7	114.0	3,996.7	0.7	101.8	4,278.0	0.6	103.2	6,756.6	0.8	109.6
Other production, printing and reproduction of recorded media ...	1,699.3	0.5	110.3	2,049.5	0.4	109.7	2,499.1	0.5	95.5	4,203.5	0.6	115.8	7,768.5	0.9	136.9
coke and refined petroleum products	1,081.5	0.3	76.3	1,683.2	0.4	127.8	2,627.5	0.5	140.5	2,217.7	0.3	84.9	3,588.1	0.4	99.4
chemical products	11,003.3	3.0	98.3	11,371.5	2.5	71.0	16,095.9	2.9	104.2	25,082.2	3.8	127.3	28,041.6	3.2	100.5
rubber and plastics products .	21,213.5	5.8	107.6	28,080.7	6.2	107.0	33,639.5	6.1	98.1	33,838.0	5.1	96.7	40,621.2	4.6	103.4
pharmaceuticals	7,017.7	1.9	109.7	8,463.3	1.9	101.3	9,342.7	1.7	98.8	11,056.2	1.7	107.3	17,755.2	2.0	127.2
Other non-metallic mineral products	2,543.5	0.7	118.9	3,903.0	0.9	144.5	3,402.0	0.6	89.9	4,005.5	0.6	102.5	4,630.3	0.5	92.5
Metallurgy	16,287.7	4.4	105.9	20,714.8	4.5	108.6	22,442.5	4.1	96.8	28,460.0	4.3	112.0	41,980.8	4.7	118.0
Mining and quarrying	79,445.1	21.5	107.7	96,785.5	21.2	108.1	107,071.9	19.4	104.4	126,485.7	19.2	106.6	171,432.1	19.4	106.3
Electricity, gas, steam and air conditioning supply	33,106.9	9.0	78.0	43,872.2	9.6	110.8	52,093.5	9.4	101.9	55,442.0	8.4	99.5	67,796.0	7.6	101.9
Water supply; sewerage, waste management and remediation activities	27,375.3	7.4	106.8	30,815.5	6.8	111.8	37,653.7	6.8	113.5	43,967.6	6.7	109.5	59,869.7	6.8	105.3
	2,329.3	0.6	99.1	3,182.0	0.7	85.8	3,026.1	0.5	94.7	3,199.7	0.5	103.2	4,540.0	0.5	105.5

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

Mining and quarrying

Non-ferrous metallurgy

The Government of Uzbekistan wishes to see the mining sector make a more fulsome contribution to the economy and public finances, and has identified it as a priority area of focus for reform efforts. To achieve these objectives, the Government has committed to making significant changes to both the structure and governance of both the sector and its main state-owned participants.

The mining sector is one of the Republic of Uzbekistan's most important and strategic industries, and the country is among the world's top ten leaders by reserves and resources of some of the most important types of mineral resources in 2024, such as gold (third place), uranium (12th place), copper (10th), potassium salts (fourth place), phosphorites and kaolin.

The Ministry of Mining Industry and Geology of the Republic of Uzbekistan is the regulatory government body that provides state policy in the field of the mining industry, geological study and use of mineral resources. Key functions of the ministry are the implementation of mineral development strategy and mining policy, licensing of mineral rights (exploration and mining), introduction of a "one stop shop" principle, provision of geoinformation and geodata management, institutional settings and coordination of subsoil use.

"Almalyk MMC" JSC is the sole copper producer in Uzbekistan, processing 45 million tonnes of ore annually, resulting in the production of 148,500 tonnes of copper cathodes each year. The company has plans to increase its production of cathode copper to 500,000 tonnes, gold to 50 tonnes, and silver to 300 tonnes by 2030. In addition to copper, "Almalyk MMC" also produces refined copper, metallic zinc, molybdenum, lead concentrates, and other related products. For the nine months ended 30 September 2024, the company reported a net profit of UZS 6.1 trillion.

NMMC is a government-owned mining enterprise in Uzbekistan, ranked fifth in gold production globally, responsible for running the Muruntau open pit mine, recognised as one of the world's major gold mining sites in terms of both production and available reserves/resources. For the six months ended 30 June 2024, the company reported a net profit of USD 882 million.

"Navoiyuran" SE is a company involved in the development of more than 20 uranium deposits in Uzbekistan and plans to prepare and involve about 10 deposits in production in the years 2022-2026. SE "Navoiyuran" is a member of the IAEA World Nuclear Association and currently supplies finished products in the form of uranium oxide to Canada, Japan, Korea, and the United States.

"Uzmetkombinat" JSC is the leading steel producer in Uzbekistan, with an annual steel production exceeding 1 million tonnes. The company has plans to expand its operations by constructing a new cast and rolling complex, which will enable the production of hot rolled steel starting from 2025. This expansion aims to diversify the product mix and is expected to double the annual production to reach 2.2 million tonnes. As of the financial year 2023, "Uzmetkombinat" JSC reported a revenue of US\$745 million.

Reforms in the mining and quarrying sector

The mining industry in Uzbekistan is currently undergoing significant changes as part of a broader socio-economic reform agenda. On 21 December 2022, the State Committee for Geology and Mineral Resources was reorganised into the Ministry of Mining Industry and Geology through Decree No. PF-269 by the President.

Starting from 1 January 2022, the tax rates for certain types of minerals that are attractive to investors have been adjusted in Uzbekistan. Specifically, for copper and gold, the tax rate has been reduced by 1.4 times, from 10% to 7%. Similarly, the tax rates for zinc and lead have decreased from 10% to 7% and from 8% to 7%, respectively. The tax rate for tungsten has significantly reduced, nearly 4 times, from 10.4% to 2.7%. The tax rate for uranium has been lowered from 10% to 8%, while for iron it has been reduced from 5% to 2%.

Furthermore, land plots that are allocated for geological exploration and/or exploration activities are exempt from land tax. This exemption provides an incentive for companies engaged in these activities.

On 31 October 2024, the Law titled "On Subsoil" (Law No. 987) was adopted. This legislation was developed in collaboration with international experts from the EBRD and the Boston Consulting Group. It aims to ensure the effective and systematic implementation of responsible geological exploration, utilisation, and protection of

natural resources in the republic, based on modern standards. The law seeks to create modern production capacities by leveraging available raw materials, accelerating both domestic and foreign investments in the industry. It also aims to establish new sustainable jobs in remote regions, expand the tax base for the economy, and enhance competitiveness in international markets.

The new mining code will also focus on supporting junior mining companies, providing property guarantees, and incorporating environmental, social, and governance (ESG) principles into mining operations. These measures aim to promote responsible and sustainable mining practices in Uzbekistan.

Construction

The gross value added by the construction sector accounted for 8.3%, 8.3%, 7.8%, 7.3%, and 7.0% of the gross value added by industries in 2020, 2021, 2022, 2023, and 2024 respectively. In 2024, construction-assembly works amounted for UZS 233,832.9 trillion, which represented 8.8% growth as compared to 2023. In 2023, the total value of construction-assembly works fulfilled was UZS 150.8 trillion, representing a 7.0% increase as compared to the corresponding period of 2022.

The construction industry has been among the major drivers of Uzbekistan's economic growth over the past ten years. Over the last decade, the country's construction output surged in real terms. Strong growth in the construction industry in Uzbekistan has provided decisive support for domestic production of building materials, particularly in terms of cement.

The growth of large construction organisations has facilitated the construction of major investment projects, including, but not limited to:

- construction of 21 new metro stations (two new stations of the Yunusabad line, five new stations of Sergeli line and 14 new stations of the Elevated Circle line);
- construction of a number of business centres, including Tashkent City, Olmazor City, Yunusobod Business City, Mirzo-Ulugbek Business City;
- construction of a plant "Uzbekistan GTL" that produces synthetic liquid fuel in Kashkadarya region using gas-to-liquids technology;
- construction of facility on propane-butane mixture at Shortanneftegaz; and
- construction of the first three-level transport interchange in Tashkent.

As of January 2025, 27.4 thousand enterprises and organisations were involved in the construction sector, a decrease of 21% as compared to the corresponding date as of 2023. The number of small enterprises in the construction sector have also decreased by 21.4%. In the construction sector, the share of small business and private entrepreneurship was 98.3% in 2024.

A significant part of the construction work in 2023 consisted of construction of new buildings and structures. Thus, 73.7% of the total volume of construction work, or UZS 62.1 trillion were allocated for the construction of buildings and structures and 18.4% or UZS 17.8 trillion were allocated for the construction of civil facilities. This trend continued in 2024 and 74.2% of the total volume of construction work, or UZS 124 trillion were allocated for the creation of new production facilities in the economy, housing and other social facilities.

Uzbekistan's authorities are determined to continue to provide financial, infrastructure and legal incentives to investors willing to set up new plants to produce materials previously not manufactured in the country. In recent years, new production units capable of supplying over 30 new building materials not previously manufactured in Uzbekistan have been activated across the country, including dry-building mixtures, plasterboard, bitumen membrane and ceramic sanitary ware.

Services

The gross value added by the services sector accounted for 41.6%, 41.8%, 44.2%, 46.2%, and 47.4% of total gross value added by industries in 2020, 2021, 2022, 2023 and 2024, respectively. In 2024, the gross added value of the service sector amounted to UZS 657,348.5 billion, representing an increase of 7.7% as compared to 2023. The increase was due to a 11.5% increase in trade services, a 10.7% increase in accommodation and

food services, 8.5% increase in transportation and storage, 24.7% increase in information and communication, and 4.5% increase in other services.

As of 31 December 2024, 246,122 small businesses were involved in the services sector, a decrease of 11.2% as compared to 2023. The creation of new enterprises and organisations, as well as the use of innovative technologies and the expansion of the range of services provided by existing enterprises and organisations, has contributed to the increase of jobs and the improvement of the well-being of the population. As of 31 December 2024 the share of those engaged in the services sector reached 68.7% of the total number of operating small businesses (as compared to 60.1% in 2020) and 73.2% of enterprises and entities (as compared to 65.1% in 2020).

The table below sets out the volume of market services by types of economic activity in the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(billion soums)</i>				
Services total (including net taxes).....	219,978.5	284,388.1	366,891.0	649,806.4	818,428.3
<i>Of which:</i>					
Communication and information	13,852.3	17,755.1	24,508.1	39,064.4	56,174.2
Financial services	45,783.0	59,733.3	80,849.1	107,290.6	135,509.5
Transport services	53,662.9	67,238.6	83,985.6	114,553.3	145,124.4
Accommodation and food service services	5,431.7	8,375.4	13,115.6	144,234.3	183,314.5
Trade services	57,572.7	72,483.2	89,816.2	125,995.0	149,599.8
Real estate services	6,016.9	8,081.1	9,581.7	16,554.0	20,633.1
Education services	8,539.4	12,102.6	15,858.4	24,533.1	30,036.5
Public health services.....	3,386.7	5,105.9	6,613.1	12,858.4	15,778.7
Renting and leasing services.....	4,149.0	5,351.0	6,471.7	7,560.6	9,707.6
Computer and household goods repair services	3,347.8	4,680.5	5,707.3	9,475.5	11,848.2
Personal services.....	5,032.2	6,764.1	8,670.8	12,107.3	15,462.0
Architectural and engineering activities, technical testing and analysis	4,907.5	6,306.8	7,284.2	8,854.9	11,200.6
Other service activities.....	8,296.4	10,410.5	14,429.2	26,725.0	34,039.2

Source: The Statistics Agency under the President of the Republic of Uzbekistan.

(1) Preliminary estimates.

(2) Data for 2024 include the shadow economy

In 2024, the highest growth rates were observed in communication and information services (125.8%), financial services (120.6%), and educational services (113.4%) compared to the same period in 2023.

In 2024, the largest shares of the total volume of market services provided, accounting for the shadow economy, were accommodation and food services (22.4%), trade services (18.3%), financial services (16.5%), transport services (17.7%), and communication and information services (6.9%). The growth in accommodation and food services is attributed to improved service quality, increased interest in a healthy lifestyle, and the development of digital technologies in the industry.

In 2023, the share of small businesses in the service sector reached 56.8%. In 2024, this share increased to 57.0% of the total volume of market services.

Transport

Currently, the Republic of Uzbekistan utilises all modern modes of transport except for seaborne transport. Uzbekistan has a network of railways, highways and international airports, and air routes that cross the territory of the state, as well as meet its international and transit traffic requirements. Uzbekistan's modern transport system is an important factor for the development of foreign economic relations and integration with other states.

According to the strategy "Uzbekistan-2030", the main goal of the transportation system of Uzbekistan is to intensify the integration of the Republic of Uzbekistan into global transport and logistics networks and to advance the potential of the national transport system.

One of the targets set by this strategy is to increase the share of electrified railways to 65% and to boost the number of passenger traffic on high-speed trains by 2.5 times by 2030. This will be achieved through the construction of new high-speed railways in the "Tashkent - Samarkand" and "Samarkand - Navoi - Bukhara"

directions, covering a total approximate length of 600 km, and the launch of 6 additional high-speed trains in these directions. Additionally, new toll roads will be constructed along the “Tashkent - Samarkand” and “Tashkent - Andijan” routes, also totalling approximately 600 km, based on public-private partnerships. The full coverage of cities and districts in Uzbekistan by public transport will be ensured by purchasing 5,000 new buses and 2,000 electric buses. Furthermore, the number of air flights will be increased fourfold by 2030. These measures are expected to triple the volumes of passenger and cargo transportation services.

Moreover, 64,053 km of roads, bridges, overpasses, and interchanges will be constructed and reconstructed with an allocation of UZS 27.7 billion from the Republican Budget. Key future reforms in railway and air transport sectors include transitioning to market principles for setting tariffs for passenger and cargo transportation services and attracting private and foreign operators to these sectors.

Since 2023, Uzbekistan has undertaken transport tariff liberalisation as part of broader economic reforms aimed at improving efficiency and encouraging investment in the sector. A key development has been the introduction of public transport cards, which standardise fare collection and enable a new tariff system based on ride frequency. Additionally, tariffs for passenger transportation on high-speed trains and domestic freight transport have been liberalised, allowing for greater competition and efficiency in the market. These reforms are expected to optimise pricing structures, attract private sector participation and enhance the overall quality of transport services, supporting the country’s long-term economic and infrastructure development objectives.

In November 2024, Uzbekistan enacted a new version of the Railway Transport Law, effective from 1 January 2025, to promote market principles in railway transportation and encourage private entrepreneurship. The law introduces market-based pricing for freight transport and eliminates discounts on domestic freight services, with any exceptions requiring separate decisions by the Cabinet of Ministers. Additionally, the law emphasizes expanding international cooperation in railway transport, focusing on PPPs to fund and execute major projects, and outlines strategies for attracting investment into railway infrastructure. These reforms aim to unbundle the state-dominated railway sector, foster competition, and attract private investment, thereby enhancing the efficiency and competitiveness of Uzbekistan’s railway system.

To enhance airport capacity and service quality, the “Open Skies” regime will be introduced with strategic partners at all airports in the republic. Low-profit regional and six major international airports will be modernised through public-private partnerships and subsequently transferred to trust management.

To foster competition in air transportation and improve service capabilities, the Government aims to increase the number of private airlines to 15 and expand the national air fleet to 100 aircraft by 2030. Special attention will be given to the development of regional and local roads. This includes constructing and repairing 56,000 kilometres of roads of international and regional importance, including 5,500 kilometres of cement concrete pavement roads, extending from regional centres to rural settlements. These efforts aim to increase the transit flow of vehicles and the volume of transit freight transportation through the republic to 16 million tonnes by 2030.

Uzbekistan also plans to implement 25 projects with financing provided by international financial organisations. Within the scope of these projects, the Government has planned the following projects for the period of 2021-2030, to develop the region’s road and transport infrastructure to improve both the domestic transport network and international transport corridors:

- the construction and reconstruction of approximately 2,137.0 km of public roads of international importance, including highways as part of international transport corridors;
- the construction of Tashkent-Samarkand (305 km) and Tashkent-Andijan (340 km) toll roads;
- the construction and reconstruction of the “Navoi-Kukdala-Guzar” route, as an alternative direction to the existing route “Navoi-Bukhara-Karshi-Guzar”;
- the phased creation of a number of new international and interregional road routes, including: Navoi-Zarafshan-Uchkuduk-Kyzylorda, Djizak-Nurata-Tuprakkala and to Urgench and Nukus;
- the overhaul and reconstruction of about 1,788.7 thousand km of state roads of local significance with the transfer from black to asphalt concrete pavement; and

- the construction of about 32 km length of the “Tashkent-Nurafshon” express road.

Special attention will be paid to the further development of regional and local roads in order to increase the transit flow of vehicles.

In 2024, preliminary estimates indicate that 1,528.1 million tonnes of freight were transported through Uzbekistan’s transport system, reflecting a 5.0% increase compared to 2023. The freight turnover amounted to 80.5 billion tonne-kilometres, an increase of 3.8% compared to 2023.

In 2023, 90.8% of cargo transportation was carried by automotive transport, while transportation by other modes of transport was 9.2%. In the first nine months of 2024, the automotive transport accounted for 91% cargo transportation, while the other types of transport delivered 9.0%.

During the year of 2024, 91.1% of cargo transportation was carried by automotive transport, while transportation by other modes of transport was 8.9%.

The table below shows freight and cargo turnover by type of transport in the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Transported by freight	1,366.7	1,420.2	1,420.9	1,455.7	1,521.2
Railway, <i>million tonnes</i>	70.6	72.0	73.4	73.7	73.9
Automobile, <i>million tonnes</i>	1,238.2	1,282.0	1,284.1	1,322.0	1,385.5
Pipeline, <i>million tonnes</i>	57.9	66.2	63.5	60.0	61.8
Air, <i>thousand tonnes</i>	5.3	9.1	10.2	9.1	14.4
Freight turnover of transport	66.9	74.8	75.5	77.6	79.5
Railway, <i>billion tonnes/km</i>	24.6	25.0	27.1	27.5	23.6
Automotive, <i>billion tonnes/km</i>	16.2	19.1	20.5	22.3	23.0
Pipeline, <i>billion tonnes/km</i>	26.8	30.8	29.7	28.0	28.8
Air, <i>thousand tonnes/km</i>	219.0	303.5	322.8	226.3	269.1

Source: The Statistics Agency under the President of the Republic of Uzbekistan

(1) Preliminary estimates.

Communication

The volume of communication and information services in 2024 amounted to UZS 56,174.2 billion (an increase of 25.8% compared to the same period in 2023). On the other hand, telecommunication services (wired and mobile communication services, internet network, satellite communication services and others) consisted 40.7% of the total volume of communication and information services at the same period of 2024.

In 2024, 83% of all mobile communication subscribers were individuals, while 17% were legal entities. In 2024, 36,251.7 thousand subscribers were provided with mobile communication, of which 30,095.3 thousand were individuals. The provision of the population with mobile communication was 81.2 units per 100 people. Additionally, 271 economic entities were licensed to provide internet access services as of 1 January 2025.

On 27 December 2024, Uzbekistan enacted a new version of the Telecommunications Law, effective from 28 December 2024. Notably, the law eliminates the licensing requirement for providing data transmission services in public access points, including those owned by small businesses in rural areas, as well as for local, long-distance and international communication services. Additionally, operators and providers are granted the right to jointly use telecommunications infrastructure, communication channels and the radio frequency spectrum on a contractual basis, with tariffs for such services established through mutual agreements. The law also mandates that the Ministry of Construction and Housing and Communal Services of the Republic of Uzbekistan, in collaboration with relevant national and local authorities, ensure the integration of telecommunications infrastructure requirements during the development and approval of design tasks and project documentation for public, administrative, residential and industrial buildings. These reforms aim to foster a more competitive and efficient telecommunications sector, encouraging private investment and supporting the country’s digital transformation initiatives.

Fuel and Energy

Energy is one of the main sectors of Uzbekistan’s economy. The country has a diverse energy mix, which as of 31 December 2024, includes natural gas (72.0% of total energy produced), oil (4.2%), coal (7.8%),

hydropower-generated electricity (10%) and solar and wind (6%). Collectively, renewable energy sources, including hydropower, solar and wind, account for 16% of the total energy produced. Uzbekistan also benefits from favourable climatic conditions which are conducive to the use of renewable energy sources.

The table below outlines the production of primary fuel-energy resources for the specified periods:

	Year ended 31 December				
	2020	2021	2022	2023	2024
	<i>(thousands of tonnes)</i>				
Oil, including natural gas condensate and liquefied petroleum gas..	2,781.5	2,853.0	2,921.8	2,833.9	2,840.3
Oil, including only natural gas condensate.....	2,058.6	2,078.2	2,076.5	1,985.8	1,999.8
Natural gas, billion m3	49.8	53.8	51.7	46.7	44.9
Coal	4,132.0	5,056.0	5,356.0	6,558.8	8,413.3
Hydropower, billion KW/h	5.0	5.0	6.5	6.9	8.2

Source: The Ministry of Energy of the Republic of Uzbekistan

Natural Gas

According to the Ministry of Mining Industry and Geology, in 2023, Uzbekistan was ranked 16th globally in natural gas production (ranking third among the CIS countries). In terms of reserves, Uzbekistan holds the 17th largest natural gas reserve base globally.

The reduction in oil production due to depleting oil reserves means that natural gas is currently Uzbekistan's main source of primary energy production, constituting nearly 72.0% of the total amount of energy produced by Uzbekistan. At the end of 2024, natural gas production amounted to 44.9 billion cubic metres and 1,999.8 million tonnes of oil and gas condensate.

Uzbekistan also serves as a crucial natural gas transit territory, with pipelines transporting gas from Turkmenistan to China. To facilitate natural gas export from Uzbekistan through the pipeline, the Government has invested in the development of the internal gas pipeline framework, including the Gazli-Kagan and Gazli-Nukus pipelines, connecting distant regions of the country.

In addition to international initiatives, a campaign led by Khududgaztaminot JSC and Khududiy Elektr Tarmoqlar JSC was launched in 2020 to install natural gas and electricity meters for consumers. As of 1 January 2025, 3,643.5 thousand meters with the possibility of connecting to the automated system of Natural Gas Control and 8.4 million modern electronic meters with the possibility of connection to the automated system of Electricity Control were installed.

Uranium

According to the Ministry of Mining Industry and Geology, in 2023, Uzbekistan ranked fifth globally in uranium production and holds the 12th largest uranium reserves worldwide, making it a key player in the global uranium supply chain. Within the CIS region, Uzbekistan ranks third in uranium production and second in uranium reserves.

The country's uranium industry is primarily managed by "Navoiuranium" SE, which operates large-scale uranium extraction and processing facilities. Uzbekistan's uranium is primarily exported under long-term contracts, with China and other international buyers being major customers. The Government continues to modernise uranium mining operations and explore new reserves to strengthen its position in the global market.

Hydroelectricity and Thermal Electricity

At the end of 2024, Uzbekistan's hydroelectric power stations had a capacity of 2,247 megawatts ("MW"). Hydroelectric power generation reached 8.2-billion-kilowatt hours ("kW/h"), marking an increase of 1.3 billion kW/h compared to the same period in 2023. This growth is attributed to extensive involvement of the private sector and the population electricity production using natural water flows.

In September 2023, Uzbekistan's total national electricity capacity was 18 gigawatts, of which 85.3% was generated by 17 thermal power plants and 12.3% by 54 hydropower plants. By 31 December 2024, the electricity production capacity reached 74.3 billion kW/h.

Electricity is transmitted through a 291,800-km network of transmission lines, with a voltage range of 0.4 kilowatts (“KW”) to 500 KW. Although the national electrification rate is 100%, the supply to consumers is often unreliable, with frequent blackouts. Consequently, the renovation of power transmission networks has become a priority in the energy sector priorities, with a National Energy Efficiency Strategy in place since 2001.

The table below shows the electric energy, production, consumption and exports for the indicated periods:

	Year ended 31 December				
	2020	2021	2022	2023	2024
	<i>(billion kW/h, besides the percentage)</i>				
Domestic production	66.4	71.3	74.3	78.0	81.5
Domestic consumption	69.0	68.6	71.6	81.0	82.6
% of total production	103.9	96.2	96.4	103.9	101.4
Exports from Uzbekistan (including transit)	2.7	2.7	2.7	2.0	3.0
Import from other countries	5.2	6.2	4.8	5.0	4.1

Source: The Ministry of Energy of the Republic of Uzbekistan

Solar Power

The Ministry of Energy and the IFC conducted a competitive selection of potential companies for the implementation of a pilot investment project of a solar photovoltaic station with a capacity of 100 MW on the basis of PPP and “Abu Dhabi Future Energy Company - Masdar” (UAE) was recognised as the winner with the lowest tariff of 2.679 US cents per kW/h.

Nuclear Power

On 7 September 2018, following the meeting of Intergovernmental Commission for Economic Cooperation in Moscow, the Prime Ministers of Uzbekistan and Russia signed an agreement on the construction of a nuclear power plant in Uzbekistan, which entered into force on 19 October 2018.

The agreement envisaged cooperation in designing, constructing, commissioning, operating and decommissioning a nuclear power plant in the territory of Uzbekistan. The plant consists of two power units, each with a power capacity unit up to 1.2 gigawatts, based on a water-cooled power reactor. Uzbekistan and Russia have also agreed to cooperate in improving Uzbekistan’s infrastructure necessary for the construction and operation of the nuclear power plant’s power unit.

On 19 October 2018, the President of Russia, Vladimir Putin, and the President of Uzbekistan held a ceremony for construction of the first nuclear power plant in Uzbekistan and for the engineering surveys to select the site for the construction of the nuclear power plant. As of May 2024, the project remains to be finalised, with the Agency for the Development of Nuclear Energy under the Ministry of Energy of the Republic of Uzbekistan overseeing its implementation.

On 13 July 2022, a Memorandum of Understanding between Rosenergoatom JSC, Rosatom Technical Academy Independent Non-Profit Organisation for Continuing Professional Education and the Agency for the Development of Nuclear Energy under the Ministry of Energy of the Republic of Uzbekistan was signed.

Any civil liability for nuclear damage that may arise in connection with the implementation of cooperation will be governed by Uzbekistan and Russia in accordance with the Vienna Convention on Civil Liability for Nuclear Damage of 21 May 1963.

During the State Visit of the President of the Russian Federation to the Republic of Uzbekistan on 27 May 2024, a protocol was signed regarding amendments to the intergovernmental agreement on cooperation in the construction of a nuclear power plant (NPP) in the Republic of Uzbekistan, originally dated 7 September 2018. These amendments provide for the expansion of cooperation to include the construction of a Low-Power Nuclear Power Plant (LPNPP) in Uzbekistan.

On the sidelines of this event, Atomstroyexport (ASE) JSC, the engineering division of the State Atomic Energy Corporation “Rosatom,” and the Directorate for the Construction of a Nuclear Power Plant State Enterprise under the Atomic Energy Agency of the Cabinet of Ministers of the Republic of Uzbekistan (Uzatom Agency) signed a contract for the design, supply, and construction of an LPNPP in Uzbekistan. The project for the

construction of the LPNPP in the Jizzakh region is based on the latest Russian development, the water-reactor RITM-200N. This technology adapts innovative ship-based technology for land-based use, consisting of up to six power units, each with a capacity of up to 55 MW.

On 26 June 2024, Uzatom Agency and ASE JSC signed a protocol on the entry into force of the contract at the priority site for LPNPP construction. Concurrently, work is ongoing with ASE JSC on the “Environmental Impact Assessment” (EIA) report and the “Safety Justification Report” (SJR), in accordance with the established deadlines at this stage of the project. These steps are necessary to obtain permission for the placement of the LPNPP.

Reforms and Projects in the Energy and Fuel Sector

The electricity and oil and gas sectors of the Republic of Uzbekistan are undergoing an important restructuring and reform process. The Government of Uzbekistan is preparing to reform its oil and gas and electricity sectors from a vertical market to a competitive one, so that market players can purchase and sell oil, gas, and electricity at competitive prices.

The Ministry of Energy of the Republic of Uzbekistan was established in 2019, followed by the power, oil, and gas sector reform office in 2020. UzbekEnergo JSC was reorganised into thermal, hydro, transmission and distribution companies in 2019, namely, JSC “Thermal Power Plants”, JSC “National Electric Networks of Uzbekistan” and JSC “Regional Electric Networks”. Uzbekneftegaz JSC was reorganised into oil and gas production and refining, transportation and distribution companies in 2019.

On January 17, 2024, the President of the Republic of Uzbekistan adopted decision PQ-28 regarding the “Measures for Organising the Activities of the Energy Market Development and Regulation Agency,” which approved the priority areas of the Agency’s activities and the action plan for further developing the energy market. With this decision, the Agency’s operations were fully established, and to date, a number of actions have been taken to create the legal framework for organising the energy market and implementing market principles.

At the same time, on April 30, 2024, the Cabinet of Ministers approved the regulation of the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan with decision No. 252. The main objectives of the Electricity Sector Strategy are as follows:

- security of supply through optimal and efficient utilisation of domestic electricity generation resources and capacities;
- transparent and competitive wholesale and retail markets through commercialisation of the sector and investment by foreign investors; and
- availability and affordability of electricity for all consumer categories through prudent regulatory practices.

According to Annex 1 of the Resolution No. 204 of the Cabinet of Ministers of Republic of Uzbekistan dated 16 April 2024, a schedule for changes in electricity and natural gas prices has been approved. The changes take effect from 1 May 2024, 1 June 2024 and 1 April 2025.

Energy tariff liberalisation has been implemented for legal entities since 1 October 2023 and for households since 1 May 2024. This reform included a significant reduction in energy subsidies for SOEs, decreasing from approximately UZS 18 trillion in 2023 to UZS 10 trillion in 2024. As a result, cost recovery levels are projected to reach 73% for natural gas and 87% for electricity, contributing to the financial sustainability of Uzbekistan’s energy sector while aligning with broader fiscal consolidation efforts.

The energy tariff liberalisation in Uzbekistan is projected to reduce fiscal expenditures by decreasing subsidies, thereby improving the fiscal balance. This approach aims to improve the financial viability of the energy sector and decrease the fiscal deficit. For instance, Fitch Ratings projects that Uzbekistan’s fiscal deficit will contract to 3.4% in 2025, attributing this reduction partly to cuts in energy subsidies. While energy tariff reforms are expected to bolster government revenues, they may also contribute to inflationary pressures. The CBU estimates that the planned tariff increases starting in April 2025 could add between 1.5 and 1.8 percentage points to the overall inflation rate.

Further, Uzbekistan has set an ambitious target to increase the share of renewable energy in its total energy consumption to 40% by 2030. This initiative is part of the country's long-term growth strategy to meet the rapidly rising electricity demand, driven by an annual economic growth rate of 6% and a growing population. To achieve this goal, the Government plans to add up to 20 gigawatts of solar and wind power capacity, which will form the backbone of its renewable energy strategy.

On 7 August 2024, Uzbekistan enacted a new Law on Electric Power, effective from 9 November 2024, to establish a competitive electricity market and enhance regulation within the sector. This legislation delineates the procedures for electricity production, transmission, distribution, storage, purchase and sale, import and export. The law introduces a market structure where functions such as production, transmission, distribution, supply and dispatch management are gradually separated to foster competition. The Agency for the Development and Regulation of the Energy Market is designated as the principal regulator, responsible for developing methodologies for calculating tariffs and setting rates for electricity and related services.

Energy Investment Projects

Uzbekistan is currently undertaking a number of investment projects for processing natural gas and the production of petrochemical products, for example, the production of synthetic liquid fuels based on purified methane from Shurtan gas-chemical complex.

The following table gives information about the major on-going fuel and energy projects in Uzbekistan.

Company in charge of a project	Sector	Commercial Operation Date	Investment volume (US\$ million)	Project outline
Completed projects				
“ACWA Power” (Saudi Arabia)	Combined cycle power plant	2023	1,200.0	Construction of a combined cycle power plant with a capacity of 1500 MW in the Sirdarya region
“Aksa Energy” (Turkey)	Combined cycle power plant	2021	150.0	Construction of a combined cycle power plant with a capacity of 240 MW in the Tashkent region
“Masdar” (United Arab Emirates)	Solar photovoltaic power plant	2021	110.0	Construction of a solar photovoltaic power plant with a capacity of 100 MW in the Navoi region
“Total Eren” (France)	Solar photovoltaic power plant	2021	100.0	Construction of a solar photovoltaic power plant with a capacity of 100 MW in the Samarkand region
“Aksa Energy” (Turkey)	Combined cycle power plant	2021	150.0	Construction of a combined cycle power plant with a capacity of 230 MW in the Tashkent region
“Aksa Energy” (Turkey)	Combined cycle power plant	2021	150.0	Construction of a combined cycle power plant with a capacity of 270 MW in the Bukhara region
Cenergo LLC (Turkey)	Combined cycle power plant	2021	150.0	Construction of a combined cycle power plant with a capacity of 240 MW in the Tashkent region
Odas Energy(Turkey)	Combined cycle power plant	2021	105.0	Construction of a combined cycle power plant with a capacity of 174 MW in the Khorazm region
“Masdar” (United Arab Emirates)	Wind power plant	2024	600.0	Construction of a wind power plant with a capacity of 500 MW in the Navoi region
IFC SCALING SOLAR 2 (Winner of the tender “Masdar” (United	Solar photovoltaic power plants	2023	300.0	Construction of a solar photovoltaic power plants with the overall capacity of 440 MW in Jizzakh and Samarkand regions

Company in charge of a project	Sector	Commercial Operation Date	Investment volume (US\$ million)	Project outline
Arab Emirates)				
ADB SOLAR SHERABAD (Winner of the tender “Masdar” (United Arab Emirates)	Solar photovoltaic power plant	2023	260.0	Construction of a solar photovoltaic power plant with a capacity of 457 MW in Surkhandarya region
“Aksa Energy” (Turkey)	Combined cycle power plant	2024	350	Construction of a combined cycle power plant with a capacity of 400 MW in the Kashkadarya region
New projects				
“ACWA Power” (Saudi Arabia)	Wind power plants	2025	1,300.0	Construction of a wind power plants with the overall capacity of 1000 MW in Bukhara regions
Stone City Energy (Netherlands)	Combined cycle power plant	2027	1,200.0	Construction of combined cycle power plant with a capacity of 1560 MW in Surkhandarya region
EDF(France)	Combined cycle power plant	2026	1,200.0	Tender for the selection of an investor for the construction of a combined cycle power plant with a capacity of 1 250 – 1 500 MW in the Sirdarya region
EBRD WIND (initiator – by tender)	Wind power plant	2025	120.0	Tender for the selection of an investor for the construction of a wind power plant with a capacity of 100 MW in Karakalpakstan
“Tepelen” (Switzerland)	Solar photovoltaic power plant	2025	350	Construction of 500 MW solar photovoltaic power plant in the Namangan region
“Tepelen” (Switzerland)	Solar photovoltaic power plant	2025	150	Construction of 200 MW solar photovoltaic power plant in the Navoi region
“Hyper Partners” (Germany)	Solar photovoltaic power plant	2025	350*	Construction of 500 MW solar photovoltaic power plant in the Namangan region (Phase II – 300 MW)
“Hyper Partners” (Germany)	Solar photovoltaic power plant	2025	350	Construction of 500 MW solar photovoltaic power plant in the Fergana region (Phase I – 200 MW)
“China Datang” (China)	Solar photovoltaic power plant	2025	150	Construction of 263 MW solar photovoltaic power plant in the Tashkent region
“CEE, Poly Changda (China)”	Solar photovoltaic power plant	2025	350	Construction of 500 MW solar photovoltaic power plant in the Jizzakh region (Phase I – 200 MW)
“Sinoma” (China)	Solar photovoltaic power plant	2025	250	Construction of 300 MW solar photovoltaic power plant in the Navoi region
“Sunview” (Malaysia)	Solar photovoltaic power plant	2025	400	Construction of 400 MW solar photovoltaic power plant in the Andijan region (Phase I – 100 MW)
“Sunview” (Malaysia)	Solar photovoltaic power plant	2025	180	Construction of 200 MW solar photovoltaic power plant in the Fergana region

Company in charge of a project	Sector	Commercial Operation Date	Investment volume (US\$ million)	Project outline
“Volitalia” (France)	Solar photovoltaic power plant	2025	68	Construction of 100 MW solar photovoltaic power plant in the Khorezm region
“Masdar” (UAE)	Solar photovoltaic power plant	2025	273	Construction of 250 MW solar photovoltaic power plant in the Bukhara region
“China Energy Overseas Investment” (China)	Solar photovoltaic power plant	2025	390	Construction of 600 MW hybrid power plant in the Navoi region (300 MW solar, Phase I – 150 MW)
“ACWA Power” (Saudi Arabia)	Wind power plant	2025	650*	Construction of 500 MW wind power plant in the Bukhara region (Phase II – 300 MW)
“ACWA Power” (Saudi Arabia)	Wind power plant	2025	650*	Construction of 500 MW wind power station in Bukhara region (Phase II – 300 MW)
“ACWA Power” (Saudi Arabia)	Wind power plant	2025	62	Construction of 52 MW wind power plant in the Bukhara region (hydrogen)
“ACWA Power” (Saudi Arabia)	Wind power plant	2025	108	Construction of 100 MW wind power plant in the Karakalpakstan
“Masdar” (UAE)	Battery energy storage system	2025	70	Construction of battery energy storage system project with a capacity of 63 MW in the Bukhara region (near 250 MW solar station, “Olot” Substation)
“ACWA Power” (Saudi Arabia)	Battery energy storage system	2025	370	Construction of battery energy storage system project with a capacity of 334 MW in Tashkent region (in the scope of building a 200 MW solar station, “Yukorichirchik” Substation)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Construction of battery energy storage system project with a capacity of 100 MW in Tashkent region (Substation “Adolar”)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Construction of battery energy storage system project with a capacity of 100 MW in Tashkent region (Substation “Chirchik”)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Energy storage system project with a capacity of 100 MW in the Tashkent region (Substation “Ohangaron”)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Construction of battery energy storage system project with a capacity of 100 MW in the Andijan region (Substation “Hakan”)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Construction of battery energy storage system project with a capacity of 100 MW in the Namangan region (Substation “Obikhayot”)
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	110	Construction of battery energy storage system project with a capacity of 100 MW in Namangan region (Substation “Kizilravot”)

Company in charge of a project	Sector	Commercial Operation Date	Investment volume (US\$ million)	Project outline
“China Energy Overseas Investment” (China)	Battery energy storage system	2025	150	Construction of battery energy storage system project with a capacity of 150 MW in Navoi region (within the framework of building a 600 MW hybrid power station, “Nurota” Hybrid Substation)
“AMEA Power” (Qatar)	Battery energy storage system	2025	150	Construction of battery energy storage system project with a capacity of 150 MW in Tashkent city (Substation “Traktorsoz”)
“China Zhongshida Power Group” (China)	Battery energy storage system	2025	150	Construction of battery energy storage system project with a capacity of 150 MW in Tashkent region (Substation “Sergeli”)
“Sungrow” (China)	Battery energy storage system	2025	60	Construction of battery energy storage system project with a capacity of 50 MW in Tashkent city (Substation “New Uzbekistan”)
“Ogma Group”	Battery energy storage system	2025	900	Construction of battery energy storage system with a total capacity of 825 MW (Phase I – 285 MW)
Cenergo LLC (Turkey)	Combined cycle power plant	2027	450	Construction of a combined cycle power plant with a capacity of 550 MW in the Jizzakh region
JSC “Navoi TPP”	Combined cycle power plant	2027	787	Construction of a combined cycle power plant with a capacity of 650 MW in the Navoi region
JSC “Talimarjan TPP”	Combined cycle power plant	2025	945	Construction of a combined cycle power plant with a capacity of 1065 MW in the Kashkadrya region

Regional Energy Cooperation Initiatives and Developments

The CAREC programme, which has been in place for more than 20 years, plays an important role in the development of regional economic cooperation for energy transportation, logistics, trade and others. One of the goals of this organisation is to ensure reliable, uninterrupted, cleaner and more affordable energy supply in Central Asia. Uzbekistan is an important link in the implementation of this task, as a country with a concentration of significant energy resources.

In 2019, the Central Asian countries signed a Joint Declaration on regional cooperation in the field of energy reforms and the creation of a unified electricity market. The operation of the Unified Energy Ring in Central Asia resumed in 2017. Uzbekistan plans to connect Afghanistan to the unified energy ring via the new Surkhan Pul-e-Khumri power transmission line. Currently, the Uzbek section of this power line is being built, which will connect Kabul to the unified energy system of Central Asia. Importantly, it can become an integral part of the Central Asia South Asia Electricity Transmission and Trade Project and contribute to the supply of electricity to Pakistan and other South Asian countries.

Uzbekistan and Tajikistan have been discussing the joint construction and operation of hydroelectric power stations in the Zarafshan river basin. During a high-level official visit to the Republic of Tajikistan on 10 June 2021, an Agreement was signed between the Government of the Republic of Tajikistan and the Government of the Republic of Uzbekistan on the “Organisation of a joint-stock company, construction of two hydroelectric power stations in the Zarafshan River basin and technical-economic evaluation of their use”. Subsequently, JSC “TAUZ HYDRO” was established for project implementation, and project-research activities commenced.

As of 1 December 2023, project survey works, including geodesy, aerotopography, and geological surveys, were completed. However, due to the failure to confirm the expected results of these surveys, a new site must be selected for the construction of the Yovon HPP dam structure. Consequently, measures are being taken to

relocate equipment back to the project site to conduct additional geological survey works. The necessary data for developing the initial technical-economic justification by “Uzbekhydroenergo” JSC will be determined based on laboratory analysis of materials obtained from these additional survey works. The Yovon HPP is projected to have a capacity of 100 MW (comprising 2 units of 9 MW and 2 units of 41 MW), with an average annual production of 431.9 million kWh, and an estimated cost of US\$180 million.

On 5 January 2024, the Supervisory Board discussed the 2024 budget review and approved the updated staffing table. An extraordinary meeting on 2 February 2024, addressed issues of increasing the company’s charter capital and approving the audit commission’s regulations.

On 2 May 2024, within the framework of the 3rd Tashkent International Investment Forum, a presentation was made to investors to attract funding for the construction of the Yovon HPP. Simultaneously, negotiations are ongoing with the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), and Masdar companies regarding financing.

Between September and November 2024, negotiations on project financing were held with the European Bank for Reconstruction and Development, the International Finance Corporation (IFC), and the Asian Development Bank (ADB). Due to limited additional credit funds from ADB for Tajikistan, it was deemed advisable to implement the project based on Public-Private Partnership (PPP) principles, with ADB expressing readiness to assist in attracting structured finance and investors under PPP principles.

On 17 November 2024, a non-disclosure agreement was signed between JSC “TAUZ HYDRO” and EDF company. In December 2024, technical documents for the project were sent to EDF to facilitate implementation based on PPP principles. On 20 December 2024, ACWA Power expressed its readiness to explore the possibility of implementing the project under PPP principles, and initial data were presented to the foreign partner.

Regional transit of energy resources, their purchase and sale are expanding. The regional capitals of Central Asian countries are in discussions regarding creation of a Regional Energy Centre that would create conditions for international investors to consider Central Asia as a single promising market for the benefit of all partners.

Currently, Turkmen natural gas is being transmitted through the territory of the Republic of Uzbekistan to the People’s Republic of China under Asia Trans Gas JV LLC. In addition, Kazakh, Uzbek and Kyrgyz Republics have the unified transmission system of electricity. They can transmit the electricity to each other whenever is needed.

Employment, Wages, Pensions and Social Security

Employment

Labour resources in Uzbekistan amounted to 19,965,073 people, or 53.8% of the total population as of 30 September 2024. The economically active population was 15,084,799 people, representing 75.6% of the total labour resources as of 30 September 2024.

The following table sets employment statistics as of the dates indicated:

	As of 31 December				As of 30 September
	2020	2021	2022	2023	2024
Average annual number of permanent population, thousand people.....	34,231.7	34,915.1	35,648.1	36,412.4	37,077.6
Labour resources, thousand people	19,158.2	19,334.9	19,517.5	19,739.6	19,965.1
Economically active population, thousand people.....	14 797,4	14,980.7	15,038.9	15,038.3	15,084.8
Employed, thousand people.....	13,236.4	13,538.9	13,706.2	14,014.2	14,232.2
Unemployment rate, %	10.5	9.6	8.9	6.8	5.7

Source: The Statistics Agency under the President of the Republic of Uzbekistan and Ministry of Labour of Employment and Poverty Reduction of the Republic of Uzbekistan

As of 30 September 2024, the agriculture, forestry and fisheries sector contributed 22.8% of the total employed population, while the industrial sector contributed 11.2%, the trade sector 10.7%, the construction sector 10.1%, and the education sector 9.1%. These sectors were the most significant contributors to total employment.

As of 31 December 2023, the total number of people employed in the public sectors of the economy was 2,567.4 thousand (or 18.3% of the total number of employed people), as compared to 11,446.8 thousand employed in the non-public sectors of the economy (or 81.7% of the total number of employed people).

As of 30 September 2024, the total number of employed people in the formal sector was 7,332.3 thousand, reflecting an increase of 14.0% (or 911.2 thousand people) compared to the same period in 2023. As of 30 September 2023, 5,555.2 thousand people were employed in the informal sector (excluding labour migrants working abroad). The informal sector accounted for 39.0% of the overall employed population as of 30 September 2024.

The following table sets out the distribution of employment by economic activity as of the dates indicated:

	As of 31 December				As of 30 September
	2020	2021	2022	2023	2024
	<i>(thousand people)</i>				
Employed, total	13,239.6	13,538.9	13,706.2	14,014.2	14,232.2
Agriculture, forestry and fisheries	3,560.0	3,414.7	3,438.7	3,344.0	3,251.4
Industry	1,789.9	1,863.2	1,810.6	1,835.9	1,590.5
Construction	1,267.8	1,350.8	1,314.3	1,502.2	1,431.3
Trade	1,364.4	1,535.6	1,525.2	1,586.1	1,526.7
Transportation and storage	623.0	654.2	633.1	640.4	596.6
Accommodation and food services.....	304.9	341.1	348.8	367.2	362.6
Information and communication	58.2	70.5	77.3	87.8	95.6
Finance and insurance activities	79.5	70.4	69.6	73.4	76.9
Education	1,160.0	1,220.5	1,268.7	1,299.5	1,294.2
Health and social services	652.1	650.8	671.3	694.8	697.6
Art and recreation.....	68.2	70.2	71.7	71.9	68.2
Mortgage operations.....	58.2	63.2	62.2	64.9	61.4
Professional, scientific and technical activities	144.5	138.0	135.7	139.2	144.3
Management activities and assistance services	101.4	100.2	108.1	108.7	109.8
State management and defence; obligatory social provision	644.7	637.3	636.8	637.9	636.9
Other services.....	1,362.8	1,358.2	1,534.1	1,560.3	2,110.6

Source: The Statistics Agency under the President of the Republic of Uzbekistan

(1) Preliminary estimates.

Unemployment

During the nine months ended 30 September 2024, a total of 11.3 thousand individuals were registered as jobseekers through labour agencies, reflecting a decrease compared to the same period in 2023, when the figure stood at 14.5 thousand. This decrease aligns with the overall decline in the number of unemployed people, which fell to 852.6 thousand in the first nine months of 2024, down from 1,079.2 thousand during the same period in 2023. Correspondingly, the unemployment rate also declined, from 7.2% in the first nine months of 2023 to 5.7% in the same period of 2024.

Unemployment benefits are limited in the Republic of Uzbekistan. The Law of the Republic of Uzbekistan “On Employment of Population” No. LRU-642 (the “**Employment Law**”) which replaced the old Law No 510-XII was adopted on 20 October 2020. The Employment Law regulates the arrangements and financing of unemployment payments and benefits and sets out the criteria for such entitlements.

Under the Employment Law, all categories of unemployed people are paid unemployment benefits for a period for 26 calendar weeks over a 12-month period, as compared to the old law as of 1 May 1998 where the benefit was paid only to those who had never been employed and were looking for work for the first time for 13 calendar weeks over a 12-month period.

Unemployment benefits are paid in the following amounts:

- to persons deprived of work and employment for the last 12 months – 50% of the person’s average monthly salary at the person’s previous workplace, but not less than the minimum wage (UZS 1,155,000 per month) and not more than the average salary at the time of calculation of benefits. Under the 1998 law, 35.2% of the minimum wage (UZS 406,560) were paid in small amounts as benefits;

- to persons who have been made redundant and are resuming work after a long break (more than one year) – in the amount of one time the minimum wage (UZS 1,155,000). Under the 1998 law, persons with specialisation received not less than 35.2% of the minimum wage (UZS 406,560) and non-specialists received 26.5% (UZS 306,075); and
- to persons who have not previously worked and are looking for a job for the first time – in the amount of at least 75% of the minimum wage (UZS 866,250). Under the 1998 law, benefits were paid in the amount of at least 26.5% of the minimum wage (UZS 306,075).

In line with the introduction and scope of the Employment Law, the Government anticipates that unemployment benefits will amount to UZS 20,435.0 million in 2025.

Reforms and Improvements in Labour Practices in Uzbekistan

In February 2018, the International Labour Organisation (ILO) published its report on child labour and forced labour during the 2017 cotton harvest in Uzbekistan. The report was based on an analysis of more than 3,000 interviews with cotton pickers among 2.6 million workers across the country. The results of the study suggested that a number of significant changes had been observed in the cotton industry, which were aimed at protecting fundamental labour rights. In addition, the report showed that the majority of the 2.6 million cotton pickers had worked voluntarily. The document also confirmed that the systematic use of child labour in cotton harvesting was no longer observed, but the ILO noted that the situation must be controlled so that children continue to go to school. In November 2018, the ILO announced its preliminary results of monitoring the cotton harvest in 2018. It found that 93% of the cotton pickers worked in cotton fields voluntarily.

In January 2020, the Republic of Uzbekistan became a member of the international association “WorldSkills International” and started issuing qualification certificates for skills that are recognised worldwide. In 2021, the ILO Third-Party Monitoring Report of the Cotton Harvest in Uzbekistan found that the country had eradicated systemic forced and child labour during the 2021 cotton harvest. As a result of the report and the Government’s agricultural economic reforms, which included increasing punishment of officials for forced labour, the Cotton Campaign lifted its boycott of Uzbekistan in March 2022. This boycott had been imposed since 2011 due to the use of child and forced labour during the Uzbek cotton harvest.

As evidence of Uzbekistan commitments towards eradicating child labour and forced labour, five local officials were fined in 2021 for violations related to forced labour during the cotton harvest. Furthermore, there were no violations related to forced labour during the cotton harvest in 2022.

On 28 October 2022, the President signed Law No. LRU-798 “On Approval of the Labour Code of the Republic of Uzbekistan”. In connection therewith, since 1 April 2023, the Labour Code has been effective in the Republic of Uzbekistan in a new edition.

On 30 May 2023, the Better Work programme (a partnership programme of the ILO and IFC), the Federation of Trade Unions of Uzbekistan, and the Government of Uzbekistan signed a Memorandum of Understanding (MOU) which outlines areas for further reform and demonstrates Uzbekistan’s commitments to improving labour practices and industry standards. The MOU marked a significant step in Uzbekistan’s plans to add value to its established cotton industry and emerge as a key global sourcing destination for apparel production.

Wages

The average monthly wage in Uzbekistan has grown significantly in recent years. In the first nine months of 2024 ended 30 September 2024, the average monthly nominal accrued wage was UZS 5,172.1 thousand, representing an increase of 16.9% compared to the corresponding period in 2023.

The following table sets out data on wage levels during the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>thousands of soums</i>				
Nominal growth of average annual nominal wage rate	15.0	20.3	20.8	17.5	17.4
Average monthly nominal wage, thousand soums	2,673.3	3,214.8	3,882.2	4,561.9	5,357.2
Average monthly nominal wage, US\$	265.8	303.0	351.3	388.7	423.4

Source: The Statistics Agency under the President of the Republic of Uzbekistan
(1) Preliminary estimates.

In 2024, the average monthly nominal wage of employees in several sectors exceeded the national average wage. Notably, the finance and insurance sector recorded an average wage of UZS 15,263.7 thousand, which is 114.3% higher than the national average. The information and communication sector's average wage was UZS 13,157.4 thousand, representing a 124.2% increase. The industry sector reported an average wage of UZS 6,439.9 thousand, 113.8% higher than the national average, while the transportation and storage sector had an average wage of UZS 8,113.3 thousand, 118.5% higher. The construction sector's average wage stood at UZS 5,973.6 thousand, 115.3% higher than the national average. Conversely, the education sector and the healthcare and social services sector reported lower average monthly wages, at UZS 3,637 thousand and UZS 3,411 thousand, respectively.

The following table sets out the average monthly nominal accrued wages of employees by types of economic activity for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>thousands of soums</i>				
Average in the Republic	2,673.3	3,214.8	3,882.2	4,561.9	5,357.2
Industry	3,679.2	4,278.3	4,904.1	5,656.8	6,439.9
Construction	3,311.8	3,960.1	4,677.6	5,179.7	5,973.6
Trade	2,766.9	3,183.2	3,917.6	5,002.0	6,235.0
Transportation and storage	3,409.8	4,240.7	5,123.8	6,848.9	8,113.3
Accommodation and food services.....	1,839.5	2,402.9	3,046.1	4,120.1	4,670.7
Information and communication	4,390.5	5,577.2	7,560.8	10,596.0	13,157.4
Finance and insurance	6,270.7	8,309.8	10,799.9	13,357.6	15,263.7
Education	1,980.3	2,309.0	2,688.3	3,125.7	3,637.0
Healthcare and Social Services	1,811.2	2,153.6	2,602.3	3,006.5	3,411.0
Art, entrainment and rest	2,262.5	2,744.6	3,096.5	3,784.1	4,310.1
Other activities	2,729.6	3,530.1	4,424.1	5,385.0	6,516.4

Source: The Statistics Agency under the President of the Republic of Uzbekistan
(1) Preliminary estimates.

Tariff System

Wages in Uzbekistan are determined by the tariff system, which considers the job's complexity, working conditions, natural and climatic conditions and the intensity of labour. The main elements of the tariff system include tariff rates and grids, tariff coefficients, tariff qualification directories and surcharges.

The Decree of the President of the Republic of Uzbekistan No. PD-6038, titled "On Additional Measures for Material Support of the Population in Need of Help and Social Protection During the Coronavirus Pandemic," was adopted on July 30, 2020. While this decree increased the minimum payments for pensions and disability, the base calculated quantity remained unchanged until 30 December 2020, when Resolution No. PR-4938 increased the minimum labour remuneration to UZS 747,300, and the base calculated quantity to UZS 245,000, effective from 1 February 2021.

Subsequent adjustments were made through various presidential decrees and resolutions. For instance, Decree No. 6279, dated 17 August 2021, further increased the minimum labour remuneration to UZS 822,000 and the base calculated quantity to UZS 270,000, effective from 1 September 2021. On May 20, 2022, Decree No. 138 was issued, setting the minimum labour remuneration at UZS 920,000 and the base calculated quantity at UZS 300,000, effective from 1 June 2022.

This was followed by Decree No. 48, dated 28 March 2023, which increased the minimum labour remuneration to UZS 980,000 and the base calculated quantity to UZS 330,000, effective from 1 May 2023. Further adjustments were made by Decree No. 196, dated 1 November 2023, which set the minimum labour remuneration at UZS 1,050,000 and the base calculated quantity at UZS 340,000, effective from 1 December 2023. The latest adjustment, according to Decree No. 108, dated 12 August 2024, set the minimum labour remuneration at UZS 1,155,000 and the base calculated quantity at UZS 375,000, effective from 1 October 2024.

The use of the Single Tariff System (UTS) for labour remuneration is mandatory for all institutions and organisations financed by the budget. Other enterprises, including foreign companies and multinational corporations, are recommended to establish the tariff-qualifying category of workers based on the UTS. Private enterprises and organisations that use the UTS as a basis for labour remuneration are entitled to set increased UTS tariff coefficients depending on their financial capabilities and business results. When applying a tariff-free system, the size of an employee's salary depends on the final results of the unit or enterprise as a whole, which determines the total salary fund, including the fund under the tariff-free system.

Social Protection and Assistance

Uzbekistan has experienced steady economic growth in recent years, reflected in the continuous increase in GDP per capita. This increase has been accompanied by a significant decline in the national poverty level, which fell from 17.0% in 2021 to 14.1% in 2022. The downward trend continued in 2023, with poverty levels decreasing to 11.8%, and further to 8.9% in 2024. These trends highlight the effectiveness of economic policies aimed at fostering income growth, expanding employment opportunities, and reducing poverty, while also demonstrating the resilience of Uzbekistan's economy amid global and regional economic challenges.

In 2017, Uzbekistan launched an ambitious economic modernisation programme aimed at high economic growth, with one of its five priority areas being the strengthening of the social protection (SP) system. The main objectives of Uzbekistan's social policy are to enhance the quality of life, stimulate labour and economic activity, strengthen social justice, and improve mechanisms for social guarantees and protection. The policy also focuses on regulating household income, addressing employment issues, investing in human capital, promoting sustainable development, and reorganising the financing of healthcare, education, and culture.

Beginning in 2019, Uzbekistan introduced an information system known as the 'Single Registry of Social Protection' (the "SRSP") to simplify its state social protection system and enhance operational transparency through automation of the benefits assignment and payment procedures. The pilot project of the SRSP was successfully rolled out in the Syrdarya region in 2019. Encouraged by the pilot project, the Government deployed the SRSP across all 14 regions in Uzbekistan by the end of 2020.

At the President's initiative, the social protection sector was transformed into a unified, centralised system with the establishment of the National Agency for Social Protection (NASP) on 1 June 2023. NASP aims to provide targeted social services, identify and address the real causes of challenges faced by the population, and integrate individuals into society. Supported by the World Bank, ILO, and UNICEF, NASP consolidated the structures of six ministries and agencies to streamline efforts and implement state policy effectively. As of the date of this Offering Circular, NASP attracted US\$159.3 million in foreign investments for social protection programs through 14 projects, including US\$100 million in loans and US\$58.6 million in grants. The World Bank allocated US\$100 million for the 2024-2029 "INSON" Project, aimed at developing an innovative social protection system for integrating vulnerable population groups.

In 2024, UZS 20.3 trillion were allocated from the state budget for social protection, accounting for 1.4% of GDP. During the first 11 months of 2024, a total of UZS 11,224.5 billion was allocated for benefits, including UZS 5,954.3 billion for child allowances and financial aid to low-income families, UZS 4,801.8 billion for benefits to individuals without required work experience for pensions, UZS 448.3 billion for one-time benefit payments, and UZS 20.2 billion for financial assistance to elderly individuals and persons with disabilities (PWDs). Additionally, during the energy resource tariff reform, UZS 290.3 billion was paid to 1.1 million families to mitigate the impact on low-income households.

In collaboration with tax authorities, the usage rate of income tax privileges for employed PWDs increased 2.4 times from January to September 2024. Legal entities and individual entrepreneurs with a workforce and wage fund of at least 50% PWDs were allowed to sell goods and services to state entities through direct contracts. The NASP organised the "Inson uchun" trade exhibition on May 1-2, 2024, where over 250 entrepreneurs, including individual producers and craftsmen with disabilities, participated, resulting in approximately 900 contracts worth UZS 440 billion.

Concerning the pension system, the Pension Fund under the Ministry of Economy and Finance of Uzbekistan has developed draft reforms. The aim is to improve the pension system and ensure a balanced provision for pensioners. As of 1 January 2025, the pension system covered over 4.1 million citizens, about 10.9% of the

population. This includes 3.4 million retirement age pensioners, 461,000 receiving disability payments, and 243,367 families receiving survivor benefits.

Despite these measures, there is a risk of imbalance in the Pension Fund's income and expenses, necessitating potential state budget subsidies. In 2024, the Pension Fund recorded a deficit of 1.12% of GDP due to ongoing tax and market reforms. These reforms, aimed at modernising the economy, enhancing private sector growth and reducing the tax burden, have led to a decline in direct contributions to the Pension Fund. The reduction in payroll taxes and social security contributions was implemented to encourage business formalisation and stimulate job creation. However, this has resulted in decreased revenue for the Pension Fund. Additionally, shifts in employment patterns, including a move toward private-sector and informal employment, have resulted in fewer mandatory pension contributions.

The average retirement age in Uzbekistan is 57.5 years (55 for women and 60 for men), while the global average retirement age is 62 years. The country has one of the lowest retirement age in the CIS and in the world. Currently, individuals with at least seven years of employment and contributions to the Pension Fund are granted pensions proportional to their work experience, whereas the average qualifying employment duration in CIS countries is 10-15 years. From 1 March 2025, A procedure will be introduced to proactively assign old-age pensions to citizens upon reaching the specified retirement age, without requiring a separate application.

Foreign Investment

Foreign investment into Uzbekistan can be made in various forms, including:

- equity participations in statutory funds and other property of commercial companies and partnerships, banks, insurance organisations and other enterprises established together with legal entities and/or individuals of the Republic of Uzbekistan;
- the creation and development of economic societies and partnerships, banks, insurance organisations and other enterprises fully owned by foreign investors;
- the acquisition of property, shares and other securities, including debt instruments issued by residents of the Republic of Uzbekistan;
- investments in intellectual property rights, including copyrights, patents, trademarks, utility models, industrial designs, trade names and know-how, as well as business reputation (goodwill);
- the acquisition of concessions, including concessions for the exploration, development, extraction or use of natural resources;
- the acquisition of the objects of trade and services, land and any fixtures on the property and the use of land (including on the basis of rent) and natural resources.

There are no restrictions on the form of investment in Uzbekistan. Foreign investors can create enterprises in the territory of Uzbekistan in any legal form permitted by law. Potential foreign investors may make investments in a variety of forms, such as the creation of a joint venture and an enterprise with 100% foreign capital, or the acquisition of part or full package of shares of privatised enterprises.

The following table sets out the amount of foreign investment into Uzbekistan for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
			(US\$ million)		
Total amount of foreign investment and loans	10,104.0	11,126.7	11,870.4	22,389.9	34,836.5
IFIs	2,797.9	2,092.8	1,806.1	2,849.4	2,983.3
Foreign direct investment and loans	7,306.2	9,033.9	10,064.3	19,540.5	31,813.0

Source: Ministry of Investments, Industry and Trade of the Republic of Uzbekistan

(1) Preliminary estimates.

In addition, the Government is further developing the legislative base for foreign investment. On 25 December 2019, the Government adopted the Law of the Republic of Uzbekistan "On Investments and Investment Activities". The law entered into force on 27 January 2020 with the purpose of improving the

fragmented investment legislation, ensuring the unity of the investment space, equality of the legal regime of domestic and foreign investors, freedom of economic activity of investment entities in Uzbekistan and creating conditions for the effective functioning of the investment market of Uzbekistan. The law also secures rights and guarantees of investors, especially guarantees for the free repatriation of income, free conversion of funds and protection against privatisation and nationalisation.

In 2022, the Government introduced additional privileges for foreign investors in the Information Technology (IT) sector. These include lower taxes and IT-Visas – three-year long work permits with simplified extension, and options for obtaining a residence permit.

On 23 January 2025, the Senate of the Oliy Majlis unanimously approved a new edition of the Law of the Republic of Uzbekistan “On Investments and Investment Activities” during its third plenary session. This draft law, developed in collaboration with experts from the World Bank and the International Finance Corporation, comprises six chapters and 37 articles. The law aligns Uzbekistan’s investment legislation with international standards, including those from the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organisation (WTO).

The new law integrates internationally recognised investment practices and principles, adopting the “Salini” principle, which characterises investment activity as risk-oriented, long-term, and beneficial to the national economy. It establishes principles for encouraging responsible business conduct (RBC) among investors and introduces “national treatment” for foreign investors, as required by the WTO. Additionally, it excludes non-investment-related activities from the scope of the law and standardises investment terminology to align with international standards.

The law incorporates amendments based on analysis of investor feedback received by the Ministry of Investment, Industry, and Trade. It aims to eliminate factors and risks of concern to investors and remove unnecessary restrictions. Notable provisions include market access guarantees and protections against unwarranted inspections, and the classification of investment projects into priority small (up to US\$3 million), medium (up to US\$10 million), large (up to US\$100 million), and strategic (over US\$100 million) projects. The law elevates the status of the Council of Foreign Investors under the President of Uzbekistan and implements a “one-stop shop” system for interactions between investors and government agencies, along with primary and secondary support systems for foreign investors. It also extends land use rights for foreign investors from 25 to 49 years and ensures equal benefits and preferences for local and foreign investors, meeting one of the WTO’s key requirements. Furthermore, the law expands investment benefits and preferences, including the reduction of the equity participation requirement for foreign investors in enterprises from 15% to 10%.

The following table sets out the amount of foreign investment into Uzbekistan for the periods indicated:

	2022 (US\$ million)	Change against 2021 (%)	2023 (US\$ million)	Change against 2022 (%)	2024 ⁽¹⁾ (US\$ million)	Change against 2023 (%)
Foreign investments and loans to fixed assets.....	10,303.0	108	16,007.7	155	26,280.0	164
including:						
IFIs	1,361.0	80	1,802.3	132	1,832.0	101
Foreign direct investment and loans	8,943.0	114	14,205.4	158	24,448.0	172
Total volume of foreign investments and loans in U.S. dollar term	11,870.4	107	22,389.9	188	34,836.5	160
including:						
IFIs	1,806.1	86	2,849.4	157	2,983.3	104
Foreign direct investment and loans	10,064.3	111	19,540.5	194	31,813.0	162

Source: Ministry of Investments, Industry and Trade of the Republic of Uzbekistan

(1) Preliminary estimates.

For 2024, the total absorption volume of foreign investments and credits amounted to US\$34.8 billion. This includes US\$31.8 billion in foreign direct investments and credits, and US\$2.9 billion in credits under the State guarantee.

The following major investment projects were funded by direct and other foreign investments and loans in 2024:

- Construction of a 500 MW solar photovoltaic power station in Qarovulbazar district, Bukhara region, with a project cost of US\$400 million, creating 40 jobs. The project is being undertaken by the foreign company “China Gezhouba Group” from China;
- Construction of a gas-piston power station with a capacity of 400 MW in Nishon district, Kashkadarya region, with a project cost of US\$250 million, also creating 40 jobs. This project is being developed by the Turkish company “AKSA Energy.”
- Construction of a 500 MW wind power plant in Tomdi district, Navoi region, with a project cost of US\$600 million, generating 40 jobs. This initiative is led by the UAE-based company “Abu Dhabi Future Energy Company PJSC - Masdar.”
- Organisation of the production of electric and hybrid vehicles by the Chinese company “BYD,” with a project cost of US\$120 million, resulting in the creation of 1,200 jobs.
- Organisation of the production of electrical products by “Bukhara Next Generation Product” LLC, with a project cost of US\$120 million, creating 2,000 jobs.

Obod Qishloq and Obod Makhalla

The ‘Obod Qishloq’ (Prosperous Village) programme was initiated by Presidential Decree No. PD-3630 on March 29, 2018, with the goal of revitalizing rural settlements, developing infrastructure, and enhancing living conditions. Key activities include improving the supply of drinking water, constructing and repairing water systems, roads, power lines, and gas pipelines, and building educational, medical, and public facilities.

Similarly, the ‘Obod Makhalla’ (Prosperous Neighbourhood) programme was launched by Presidential Decree No. PD-5467 on June 27, 2018, and focuses on improving urban living conditions through construction, landscaping, road development, and public facility enhancement. Approximately UZS 12,848.3 billion have been allocated to this initiative.

In 2022, significant progress was made under both programmes. Construction and landscaping activities were completed in 413 villages and neighbourhoods. A total of 4,708 km of internal roads were built and repaired. Construction and repair work were carried out in 255 schools, 137 kindergartens, 131 medical centres, and two cultural and sports facilities. Additionally, 3,837.5 km of drinking water networks were laid, 427 water structures were built, and 2,992.4 km of power lines along with 1,114 transformer points were newly installed and repaired.

Resolution No. 183 of the Cabinet of Ministers, adopted on May 4, 2023, established procedures for implementing these programmes through public opinion-based budgeting. Starting in 2023, activities financed under the programmes will be determined by public voting via the “Open Budget” portal. The annual voting process for the following year’s activities occurs in November-December. The limited project funding amount is set at UZS 8 billion, with at least UZS 4 trillion allocated annually from the State budget to finance these programmes.

Privatisation

The main goal of privatisation in Uzbekistan is to attract private sector investment for the modernisation, technical and technological re-equipment of privatised enterprises, the production of import-substituting and export-oriented products and the creation of new jobs.

Privatisation in Uzbekistan is based on the following principles:

- all state assets are sold exclusively through open bidding and on a competitive basis;
- the privatisation process is as transparent and simplified as possible;

- all investors, regardless of their jurisdiction, have equal rights and access to information on the realisable objects (entities); and
- the safety of investments made is guaranteed by legislation.

The following table sets out privatisation results for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Collected funds, billion soums	1,099.2	3,700	6,600	9,137.8	8,811.1

Source: State Assets Management Agency of the Republic of Uzbekistan

(1) Preliminary estimates.

Uzbekistan is actively advancing the privatisation of state assets as part of its broader economic reform agenda aimed at enhancing efficiency, fostering competition, and attracting substantial foreign direct investment. Between 2020 and 2024, state-owned assets valued at UZS 39.6 trillion were successfully privatised, demonstrating the Government's commitment to reducing its direct involvement in commercial activities and creating a more market-oriented economy. In 2025, the privatisation programme is set to accelerate, with over 1,000 additional state assets scheduled for sale. This includes high-profile enterprises across key sectors, such as telecommunications, insurance, manufacturing and mining, notably, Universal Mobile Systems LLC (telecommunications), O'zbekinvest LLC (insurance), Dehkanabad Potash Plant JSC (mining and chemical production), SamAvto LLC (automobile manufacturing), O'zagrosug'urta JSC (insurance).

Privatisation of State-Owned Banks

As part of the banking reforms, the Republic of Uzbekistan intends to sell the majority of the nine state-owned banks, keeping only five banks under government control: the National Bank of Uzbekistan (a key bank to finance public projects, large enterprises, exports and retail services), Halk bank, Agrobank (a key bank for funding the agricultural sector), Mikrokreditbank (a microfinance bank) and Business Development Bank (The bank's main areas of activity are aimed at financing projects of small businesses and providing them with comprehensive services). The remaining banks are planned to be privatised in two stages. In the first stage, the four following banks will be transformed with financial assistance from international financial institutions: Asakabank, Turonbank, SQB and Alokabank. In the second stage, after successful transformation, state-ownership in those banks is to be sold to strategic investors.

In June 2023, Hungarian OTP Bank purchased 73.7% of Ipoteka Bank's common shares from the Government, with the remaining stake to be acquired within three years. The sale of Ipoteka Bank marks the first major deal under the Government's banking sector reform to privatise all state-owned banks without a policy role by end-2025. SQB and Asakabank are scheduled to be privatised by the end of 2025.

Privatisation of State-Owned Assets

In 2024, assets and land plots of state and of the SOEs worth 24.6 trillion soums were put up for auction, and assets and land plots worth 17.7 trillion soums were sold during the reporting period. The proceeds from the Privatisation Fund amounted to 8.8 trillion soums, with 7.7 trillion soums transferred to the state budget. This included 6.2 trillion soums to the republican budget and 1.5 trillion soums to local budgets, marking an increase of 130.5% compared to the previous year.

Notable transactions included the sale of a vacant property complex in Tashkent city for 300 billion soums, a 49% stake in Kungrad Soda Plant JSC LLC for 244 billion soums, the HUMO payment system for US\$65 million, InterHotel for US\$26 million, Lotte City Palace Hotel for US\$20 million, a 35% stake in O'ztemiryo'lcontainer JSC for 200 billion soums, an 85.58% stake in Foton JSC for 151.0 billion soums, vacant buildings and structures in the Chilonzor district for 138.4 billion soums, a 96% stake in Andijan Biochemical Plant JSC for 101.3 billion soums, and former Autocompound No. 2512 SUE car depot buildings and structures for 101 billion soums.

In particular, in 2024, Bond Investments Limited LLC (UAE) acquired Poytakht Bank JSC for US\$10 million, and a 49% stake in Kungrad Soda Plant LLC was sold to NCV International DMCC (UAE) for 244 billion soums. For the first time, shares of Uzbek Commodity Exchange JSC, valued at 42.8 billion soums, were publicly placed within the framework of the Public IPO program.

Privatisation Legislation

To manage state property effectively, the Law of the Republic of Uzbekistan No. LRU-821, dated 9 March 2023, “On State Property Management,” was enacted.

The law establishes the powers of the Cabinet of Ministers, the authorised state body, and specially authorised state bodies in regulating the privatisation of state property. The main principles of state property management stated in the law include legality, accountability, openness and transparency, equality of conditions for healthy competition, justification of state property ownership, efficiency of state property use, separation of the functions of the owner and the regulator, and prioritisation of environmental and natural resource protection.

The law also details the categories of state property, the subjects of state property management and their powers, general rules for the ownership and use of state property, rules for the organisation and reorganisation of enterprises based on state property, management of enterprises with state participation, basic requirements for the activities of the management bodies of such enterprises, maintenance of a state property register, and rules for the disclosure of information in state property management.

Additionally, the Law of the Republic of Uzbekistan No. LRU-907 “On Privatisation of State Property,” adopted on 14 February 2024, regulates relations in the field of privatisation of state property and introduces several innovations. All stages of privatisation are defined in detail at the level of the directly applicable law. The processes of making decisions on privatisation, conducting inventories and evaluations, attracting consultants, distributing and using funds, and conducting trades are comprehensively covered. Seven new privatisation methods are introduced, such as electronic online auctions and exchanges, public bidding for negotiations, sale based on competitive dialogue, inclusion of an enterprise in the authorised capital of another company, and lease of enterprises with subsequent sale.

The powers of the State Assets Management Agency in the field of privatisation are expanded, including decision-making on the privatisation of real estate objects, setting the starting price of the object, considering the methods of sale and the valuation report, and attracting consultants. In the event of a lack of interest in state-owned objects, the law determines to revise their starting price after three months or change the sales method after six months.

Certain entities are prohibited from participating as buyers in the privatisation of state assets, including state organisations, persons included in the open electronic register of those convicted of corruption crimes, and employees of authorised bodies directly involved in the privatisation process, consultants, or their close relatives. Standards are introduced to ensure openness and transparency in the privatisation process.

Tax Incentives

The Tax Code of the Republic of Uzbekistan adopted with the Law of the Republic of Uzbekistan No. 599 “On introduction of changes and additions to the tax code of the Republic of Uzbekistan” dated 30 December 2019, significantly transformed the country’s tax environment. Tax benefits and other mandatory payments provided by pre-existing tax legislation, including presidential and cabinet decisions, remain valid until their expiration dates.

Under the revised Tax Code, tax incentives are generally provided exclusively within the Code. However, the President of Uzbekistan retains the authority to offer specific tax benefits, limited to a reduction in the established tax rate by no more than 50% and for a period not exceeding three years. Since 2020, Uzbekistan has implemented various tax incentives to attract private sector investment and support the Government’s privatisation objectives.

One significant change occurred on 30 December 2022 with the passage of the Law titled “On Amendments and Additions to Certain Legislations of the Republic of Uzbekistan in Connection with the Adoption of the Main Directions of Tax and Budget Policy for 2023”, which lowered the value-added tax (VAT) rate from 15% to 12%, effective 1 January 2023.

Furthermore, Law No. LRU-783, dated 12 July 2022, amended the Tax Code to exempt participants in special economic zones from corporate income tax for specific periods based on their investment amounts.

Law No. ZRU-785 “On Introduction of Amendments to Some Legislative Acts of the Republic of Uzbekistan Aimed at Improvement of Tax and Customs Legislation,” was enacted on 26 July 2022 to introduce significant tax reforms across education, social support, tourism and industry, enhancing economic growth and investment:

- The law provides tax exemptions for tuition fees up to UZS 3 million for schools and pre-schools, as well as free education for gifted children in need of social support. To support student employment, tax exemptions now apply to paid training courses, sports clubs, and other educational services within higher education institutions.
- To attract foreign professionals, the tax rate for non-resident individuals on income sourced from Uzbekistan has been reduced from 20% to 12%.
- The law also supports tourism, hospitality, and infrastructure development, with property and land tax rates for shopping complexes and hotels reduced tenfold until 1 January 2027.

Further, the following tax incentives and exemptions have recently been introduced:

- From 1 January 2025 to 1 January 2028, the social tax rate is set at 1 per cent for members of low-income families who are employed, provided their salary is at least UZS 1.7 million.
- From 1 September 2024 to 1 September 2027, income tax and social tax for students of schools, colleges, and technical schools are set at 1 per cent.
- Until 1 January 2028, young people (under 30 years old) who engage in mobile trade along highways are exempt from paying taxes for the first six months of their activities.
- Until 1 January 2029, income earned by publishing and printing enterprises from publishing or printing children’s literature, fairy tales and poetry collections will not be subject to profit tax.
- Tax benefits for IT Park residents, in the form of exemption from all taxes (profit tax, land tax, property tax, water tax, turnover tax and social tax), except for VAT and personal income tax, are being extended until 1 January 2040 (effectively until 1 January 2028).

On 9 September 2022, Presidential Decree No. UP-220 introduced tax incentives for renewable energy producers. This decree reduced corporate income tax and property tax rates by 50% for legal entities producing solar installations, wind power plants, and small hydroelectric plants for a period of three years. These incentives extend to new companies in these sectors established before 1 September 2025.

Additionally, Law No. LRU-785, adopted on 26 July 2022, further amended the Tax Code. Under this legislation, the personal income tax rate on income received by non-resident individuals under employment and civil contracts was reduced from 20% to 12%, effective 1 May 2022.

In May 2023, the Cabinet of Ministers approved Resolution No. 167 to enhance Uzbekistan’s investment and business climate and promote foreign investments. This resolution offers VAT reimbursement for projects financed by International Financial Institutions (IFIs) and approved after 1 July 2020, thereby eliminating investors’ and employers’ VAT liability under specified conditions.

Starting January 2024, companies in the electrical industry will be granted tax benefits until 1 January 2027. These benefits include a 50% reduction in income tax and property tax rates. Eligible entities must derive at least 80% of their total revenue from the sale of electrical products at the end of the reporting period.

Public-Private Partnership (“PPP”)

The Government has adopted a number of regulatory legal acts on the organisation of entrepreneurial activity on the terms of a public-private partnership. In particular, in accordance with the Decree of the President of the Republic of Uzbekistan “On additional measures to simplify the sale of state-owned assets and land rights to business entities” No. PD-5552 dated 11 October 2018, the SOEs in the education, healthcare and sports, cultural and social sectors are to be transferred to business entities solely on the basis of public-private partnership.

In addition, the Resolution of the President of the Republic of Uzbekistan No. PR-3980 dated 20 October 2018 established the Agency for the Development of Public-Private Partnerships under the Ministry of Economy and Finance of the Republic of Uzbekistan. The agency's main duties are (i) participating in the development of sectoral programmes and specific PPP projects; (ii) developing methods for evaluating the effectiveness, implementation and monitoring of PPP projects, (iii) ensuring interagency coordination in the implementation of PPP projects, (iv) publication of the information about PPP projects, (v) interaction with investors, international financial and donor organisations, as well as the scientific and expert community and others on the development of PPP market participants, and (vi) providing comprehensive assistance in protecting the rights and legitimate interests of participants in PPP projects.

On 22 January 2021, the new edition of the Law of the Republic of Uzbekistan “On public-private partnership” No. LRU-660 was adopted and replaced the Law No. ZRU-537 dated 10 May 2019. The Law introduced new procedures on the allocation of land by local municipalities without an auction and permission to link prices for goods and services sold on the territory of the Republic of Uzbekistan to foreign currencies and conventional units. In addition, the relevant ministries and departments, together with international financial institutions, are working towards improving capacity building of PPP Department to facilitate planning and implementation of PPPs in Uzbekistan.

Between 2019 and 2024, Uzbekistan has made significant progress in attracting private investment through PPPs, with a total of US\$30.0 billion in PPP transactions reaching the post-contract award stage as of 31 December 2024.

The regulation “On the Procedure for Managing Fiscal Liabilities of the State Arising from Public-Private Partnership Projects” was adopted by the Cabinet of Ministers through Resolution No. 558, dated 23 October 2023. This regulation establishes the legal and procedural framework for assessing, monitoring, and managing fiscal commitments arising from PPP projects. It outlines the responsibilities of relevant government authorities in evaluating fiscal risks, setting limits on contingent liabilities, and ensuring compliance with fiscal sustainability principles. Additionally, the regulation provides mechanisms for reporting and transparency, aiming to enhance investor confidence by mitigating potential risks associated with state obligations under PPP agreements.

Projects have been implemented in the following various spheres: energy (61 projects amounting to US\$27.5 billion), utility sector (225 projects with amount of US\$1.7 billion), education (150 projects with amount of US\$253 million), ecology (67 projects with amount of US\$116.3 million), transport services (two projects with amount of US\$94.2 million), healthcare (57 projects with amount of US\$59.7 million), and other sectors with 885 projects with amount of US\$253.2 million.

The Budget Law 2025 sets a US\$6.5 billion cap for PPP projects in 2025 to limit fiscal exposure. A total of 1,129 PPP projects have been signed, amounting to US\$30 billion, out of which 802 projects are operational, representing US\$9.1 billion in investment. Notably, approximately 92% of committed PPP projects are in the energy sector (including 81% in renewables), underscoring Uzbekistan's strategic focus on enhancing energy security, expanding renewable energy capacity, and modernizing its power infrastructure. To enhance transparency and financial oversight, Uzbekistan's PPP liabilities are closely monitored through a World Bank-supported dashboard, ensuring responsible fiscal management and sustainable project implementation.

In line with the “Uzbekistan - 2030” strategy, and to accelerate the development of the PPP sector, expand the scale of large-scale promising projects, attract investments of at least US\$30 billion in PPP projects by 2030, and develop the social and economic infrastructure necessary for high economic growth in the regions, the President of the Republic of Uzbekistan issued Resolution No. PP-308 on 30 August 2024, “On Measures to Develop Public-Private Partnership in the Republic of Uzbekistan in 2024-2030.”

To support the legal framework for PPPs, a draft law on amendments and additions to the Law of the Republic of Uzbekistan “On State Debt” is expected to be developed. This legislation will establish an upper limit for obligations assumed by the state, including take-or-pay agreements and comfort letters for PPP projects. In addition, Resolution No. PP-308 instructs the creation of a specialised project office, the “Center for Public-Private Partnership Projects”, within the Ministry of Economy and Finance. This office will oversee the execution of the PPP program, ensuring timely and efficient project implementation. The Project Office will be responsible for organising international roadshows, seminars, and roundtables, as well as facilitating the training and certification of local specialists in PPP management.

According to the resolution, measures were approved for the implementation of priority public-private partnership projects for 2024-2026, and a comprehensive programme of projects to be executed on the basis of public-private partnership from 2024 to 2030. Work on implementing the projects outlined in the programme has commenced in 2024.

Specifically, tender processes are underway for the construction and equipping of 13 secondary schools in Tashkent city and Tashkent region, with a projected investment of US\$97 million. Additionally, the modernisation and transfer of management of Urgench International Airport, with an estimated cost of US\$181 million, and the construction of four small and medium hydroelectric power stations, with a total capacity of 41.6 MW, in the Kashkadarya, Namangan, and Tashkent regions, at a cost of US\$160 million, are also in progress.

Furthermore, the first stage of tenders has been announced for the creation of an 800-bed multidisciplinary hospital in the Fergana region, with a budget of US\$306 million, and the modernisation and transfer of electricity networks to private sector management in the Samarkand region, with an estimated investment of US\$250 million.

Key ongoing projects are aimed at enhancing renewable energy, transportation, healthcare and urban utilities. These include the construction of a 100 MW wind farm in the Republic of Karakalpakstan (US\$108 million) and the modernisation of Samarkand International Airport (US\$93 million), both expected to strengthen sustainable energy and transport infrastructure. In urban development, the modernisation of Tashkent's heating systems (€1.4 billion) and the upgrading of Namangan's wastewater treatment plant (US\$96 million) will improve energy efficiency and environmental sustainability. The healthcare sector is also benefiting from the establishment of haemodialysis service centres in Tashkent, Karakalpakstan, and Khorezm (US\$9.8 million), expanding access to critical medical services. Additionally, the construction of a 250 MW solar power plant with 63 MW battery energy storage in Bukhara (US\$273 million) highlights Uzbekistan's commitment to renewable energy expansion and energy security. These projects, supported by international financial institutions such as the World Bank, EBRD, ADB and IFC, reinforce Uzbekistan's efforts to attract foreign investment, modernise critical infrastructure, and drive long-term economic growth.

Uzbekistan continues to strengthen its economic and infrastructure development through strategic partnerships with a range of international investors (Masdar, ACWA Power, Metito, EDF, Veolia, NephroPlus, and Volitalia) and private consulting partners (Arup, ILF Consulting Engineers, and Synergy Consulting).

Third Party Management

The transfer of state-owned shares to trustee management is governed by a number of current members, including the Resolution of the Cabinet of Ministers No. 215 "On measures to ensure the effective management of state-owned enterprises and the proper accounting of the state property" dated 16 October 2006. In addition, the Regulation on Trust Managers of Investment Assets was approved by the Resolution of the Cabinet of Ministers No. 189 "On measures to improve the corporate governance of privatised companies" dated 19 April 2003.

In accordance with the Presidential Resolution PR-4077 "On measures to accelerate the modernisation process of production facilities, technical equipment and industrial technology" dated 25 December 2018, transfer of shares owned by the state or economic management bodies into trust management by a trustee of investment assets in the prescribed manner is carried out on a competitive basis for a period of up to five years, subject to:

- availability of an appropriate license to carry out professional activities on the securities market in the Republic of Uzbekistan;
- submission by the trustee to the relevant competition commission of a business plan to further improve the efficiency of the enterprise;
- inclusion of state representatives in the supervisory board of enterprises in an amount of at least 40% of the number appointed according to the share transferred to trust management; and
- payment for the services of the trustee in the form of a monthly remuneration to reimburse his administrative expenses and a bonus calculated at the end of the financial year depending on the fulfilment of the parameters of the business plan.

At the same time, if the trustee attracts its own funds in the form of cash, equipment, software products for the implementation of the approved business plan, these funds are subject to reimbursement in the prescribed manner from the enterprise according to reasonable calculations and the conclusion of an independent auditor in accordance with a separate schedule between the trustee manager and the enterprise.

In accordance with the Resolution of the Cabinet of the Ministers “On approval of the strategy for management and reforming of enterprises with state participation for 2021 - 2025” No. 166 dated 29 March 2021 the following actions were taken:

- Where the main operations of the entities (i) fully match with natural monopoly, (ii) are non-profit, and (iii) are of strategic importance or play important systematic role in the economy of Uzbekistan, the entities (or shares in those entities) will be either sold, re-established or ended by 2025 further to legal documents. Until they are sold, such entities will be under trust management; and
- The Law of the Republic of Uzbekistan “On management of state property” No. LRU-821 was adopted on 9 March 2023, and included procedures for attributing state assets to trustee management.

Further, the Decree of the Cabinet of Ministers “On measures for ensuring the effective participation of state representatives in the management bodies of state-owned enterprises” No. 373 dated 16 August 2023 specifies the procedure for the implementation of the activities of state representatives in state-owned companies. Among others, the Decree:

- establishes the requirement for the general meeting of shareholders (participants) of state-owned company to be attended by the authorised representative of the State and voted on the agenda;
- specifies the procedure for agreeing the amount of dividend from the net profit of state-owned companies with Agency on Management of State Assets; and
- sets the procedure and deadlines for submission of notices and documents on issues to be included in the agenda of the general meeting of shareholders (participants) of companies with state participation.

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

The balance of payments statistics for Uzbekistan are collected and presented by the CBU in accordance with the sixth edition of the IMF Balance of Payments and International Investment Position Manual.

The following tables set out Uzbekistan's balance of payments for each of the periods indicated:

	For the year ended 31 December					Nine months ended 30 September	
	2019	2020	2021	2022	2023	2023	2024
	<i>(US\$ million)</i>						
Net investment position	19,792.8	20,279.4	17,064.0	18,956.1	12,605.0	13,962.6	16,318.7
Current account (excludes reserves and related items)	(3,371.2)	(3,027.9)	(4,897.5)	(2,846.9)	(7,799.8)	(4,159.1)	(3,448.4)
Goods, credit (exports).....	13,898.6	12,832.2	14,142.0	16,649.2	19,616.6	14,270.0	14,269.3
Goods, debit (imports)	21,190.0	19,048.3	22,908.7	28,309.2	34,475.6	23,938.1	24,073.3
Balance on goods	(7,291.3)	(6,216.1)	(8,766.7)	(11,659.9)	(14,859.0)	(9,668.2)	(9,804.0)
Services, credit (exports).....	3,127.1	1,704.3	2,300.0	4,316.6	5,433.0	4,046.2	4,780.8
Services, debit (imports)	5,397.8	3,589.7	5,027.2	7,334.2	8,170.8	5,852.2	7,361.0
Balance on goods and services.....	(9,562.0)	(8,101.6)	(11,493.9)	(14,677.5)	(17,596.9)	(11,474.1)	(12,384.3)
Primary income, credit	2,957.3	1,938.9	2,554.0	4,321.4	5,317.6	4,061.0	4,409.2
Primary income, debit	2,221.0	1,778.8	2,196.7	3,308.0	4,325.7	3,034.3	3,436.3
Balance on goods, services, and primary income	(8,825.8)	(7,941.5)	(11,136.5)	(13,664.1)	(16,604.9)	(10,447.5)	(11,411.3)
Secondary income, credit	6,040.3	5,396.0	6,892.3	11,684.6	9,685.4	6,957.2	8,765.7
Secondary income, debit	585.7	482.3	653.4	867.5	880.2	668.8	802.7
Capital account (excludes reserves and related items)	254.0	25.2	32.2	22.2	8.4	7.9	6.0
Capital account, credit.....	254.0	25.2	32.2	22.2	8.4	7.9	6.0
Capital account, debit.....	—	—	—	—	—	—	—
Balance on current and capital account	(3,117.2)	(3,002.7)	(4,865.3)	(2,824.7)	(7,791.3)	(4,151.1)	(3,442.4)
Financial account (excluding reserve assets)	(6,468.6)	(5,527.9)	(5,918.6)	(480.6)	(6,377.0)	(1,923.1)	(3,277.2)
Direct investment: assets	3.4	11.3	2.5	4.1	11.7	11.1	13.9
Direct investment: liabilities	2,316.5	1,728.2	2,280.3	2,657.4	2,156.4	1,757.7	1,876.5
Portfolio investment: assets.....	—	—	—	0.0	0.5	0.2	0.3
Equity and investment fund shares	—	—	—	0.0	0.5	0.2	0.3
Debt securities.....	—	—	—	—	—	—	—
Portfolio investment: liabilities...	1,345.7	1,389.6	1,995.8	27.3	994.8	131.1	1,703.7
Equity and investment fund shares	29.2	32.5	16.0	25.6	23.2	16.0	(7.0)
Debt securities.....	1,316.5	1,357.1	1,979.8	1.8	971.6	115.1	1,710.7
Financial derivatives (other than reserves)	4.3	6.4	12.7	9.9	1.6	1.6	—
Financial derivatives: assets	—	—	—	—	—	—	—
Financial derivatives: liabilities.....	(4.3)	(6.4)	(12.7)	(9.9)	(1.6)	(1.6)	—
Other investment: assets	2,630.0	5,266.2	4,255.8	11,264.2	3,955.7	3,785.2	4,597.1
Other equity instruments	0.3	0.3	0.6	0.4	0.4	0.4	5.0
Debt instruments	2,629.7	5,265.8	4,255.2	11,263.8	3,955.3	3,784.8	4,592.1
Central bank	—	—	—	—	—	—	—
Deposit (taking corporations (except the central bank)	(1,058.2)	620.2	222.9	1,645.8	(1,206.2)	(781.9)	857.8
General government	(7.8)	(21.8)	(20.2)	(21.1)	(18.1)	(13.9)	(9.8)
Other sectors.....	3,695.7	4,667.4	4,052.5	9,639.2	5,179.6	4,580.6	3,744.0
Other financial corporations	(9.5)	(0.6)	-	-	-	-	-
Nonfinancial corporations, households, and NPISHs	3,705.2	4,668.0	4,052.5	9,639.2	5,179.6	4,580.6	3,744.0
Other investment: liabilities	5,444.0	7,693.9	5,913.6	9,074.0	7,195.4	3,832.3	4,308.3
Other equity.....	—	—	—	—	—	—	—
SDR allocation	(0.2)	(0.4)	749.4	4.8	2.4	2.2	(0.7)
Debt instruments	5,444.2	7,694.3	5,164.1	9,069.2	7,193.1	3,830.1	4,308.9
Central bank	—	—	—	—	—	—	—
Deposit (taking corporations (except the central bank)	1,785.8	2,743.1	1,340.8	3,861.2	942.7	874.4	197.0
General government	2,842.4	2,919.0	1,404.1	3,134.2	3,421.5	1,113.0	2,377.5

	For the year ended 31 December					Nine months ended 30 September	
	2019	2020	2021	2022	2023	2023	2024
	(US\$ million)						
Other sectors.....	816.0	2,032.2	2,419.2	2,073.9	2,828.8	1,842.7	1,734.5
Other financial corporations.....	3.3	1.8	30.8	29.5	14.4	21.1	6.3
Nonfinancial corporations, households, and NPISHs.....	812.7	2,030.4	2,388.4	2,044.4	2,814.4	1,821.6	1,728.2
Net Errors and Omissions	(1,944.8)	(1,128.6)	(1,519.7)	1,020.0	(1,276.6)	(2,434.2)	(420.1)
Overall Balance	(1,406.6)	(1,396.6)	466.4	1,324.2	2,690.9	4,662.3	585.3
Reserves and Related Items	1,406.6	1,396.6	(466.4)	(1,324.2)	(2,690.9)	(4,662.3)	(585.3)
Reserve assets.....	1,406.6	1,771.4	(466.4)	(1,323.0)	(2,751.8)	(4,692.6)	(677.5)
Net credits from the IMF (other than reserves)	—	374.8	(0.0)	1.1	(60.9)	(30.4)	(92.3)
Exceptional financing.....	—	—	—	—	—	—	—

Source: Central Bank of the Republic of Uzbekistan. The data presented is relevant as of 31 December 2024. Previously published historical series are adjusted when accounting methodology is changed and/or additional data is received. Reports received on transactions between residents and non-residents, information provided by business entities, detected statistical discrepancies and foreign trade data refinement are the sources for an update of previously published series.

Current Account

During the nine months ended 30 September 2024, Uzbekistan's current account balance represented a deficit of US\$3.4 billion (or 4.3% of GDP), as compared to a deficit of US\$4.2 billion for the nine months ended 30 September 2023. A significant increase in remittance inflows due to expansion of high-income countries in the labour migration landscape, along with wage growth in traditional host countries; a rise in prices of Uzbekistan's main commodity goods in global markets and expansion of international services provided to non-residents, a slower growth rate of imports relative to last year were the main drivers of the decrease in the current account deficit.

During the nine months ended 30 September 2024, the volume of exports and imports of goods amounted to US\$14.3 billion and US\$24.1 billion, respectively. Thus, the negative trade balance of goods amounted to US\$9.8 billion for the nine months ended 30 September 2024, which represented an insignificant increase compared to US\$9.7 billion for the nine months ended 30 September 2023.

The deficit in international trade of services for the nine months ended 30 September 2024 amounted to US\$2.6 billion, which represented a 42.9% increase from a US\$1.8 billion deficit for the nine months ended 30 September 2023. The increase in the deficit was due to a higher growth rate in imports of services compared to exports as a result of the expansion of transport and travel-related services and the increase in import of services in connection with ongoing infrastructure projects and industrial expansion.

The positive balance in primary income was US\$973 million for the nine months ended 30 September 2024, a slight decrease from US\$1.0 billion for the nine months ended 30 September 2023.

The positive balance of secondary income was US\$8.0 billion for the nine months ended 30 September 2024, an increase of 26.6% compared to US\$6.3 billion for the nine months ended 30 September 2023. The increase was due to an increase in personal transfers received by residents in the nine months ended 30 September 2024.

Current account deficit was financed by capital inflows in the financial account, particularly direct and portfolio investments, funds from other sources.

Capital Account

The positive balance of the capital account, for the nine months ended 30 September 2024, amounted to US\$6.0 million (as compared to US\$7.9 million for the same period in 2023). A decrease in the balance of the capital account was due to a lower volume of capital transfers received in the nine months of 2024 compared to the same period in 2023.

Financial Account and International Investment Position

The balance of the financial account (excluding reserve assets) for the nine months ended 30 September 2024 was negative and amounted to US\$3.3 billion, as compared to a negative balance of US\$1.9 billion for the nine months ended 30 September 2023. This change was primarily driven by the following factors:

- Negative balance of portfolio investments in the nine months ended 30 September 2024 amounted to US\$1.7 billion (US\$131 million for the nine months ended 30 September 2023) due to attraction of foreign portfolio investments to the capital of entities, as well as operations related to international bonds issued by the Government of Uzbekistan, commercial banks and other enterprises;
- the net inflow of foreign direct investment amounted to US\$1.9 billion, increasing by 6.8% compared to the nine months ended 30 September 2023, as a result of the following:
 - the net increase of foreign direct investment's share capital to the country amounted to US\$1.3 billion, increasing by 55.5% compared to the nine months ended 30 September 2023;
 - the net decrease of foreign direct investment made under production sharing agreements was equal to US\$442 million (US\$238 million in the nine months ended 30 September 2023);
 - the net increase of liabilities through loans from head companies amounted to US\$697 million, increasing by 22.1% compared to the nine months ended 30 September 2023; and
 - reinvested income by foreign investors decreased by 49.4% compared to the nine months ended 30 September 2023, amounting to US\$287 million.

The below table sets out the international net investment position for the dates indicated according to the CBU based on IMF methodology:

	As of 31 December					As of 30 September
	2019	2020	2021	2022	2023	2024
	(US\$ million)					
Net investment position	19,792.8	20,279.4	17,064.0	18,956.1	12,605.0	16,318.7
Assets	54,877.1	65,920.6	70,404.0	82,293.7	84,883.5	95,653.3
Reserve assets.....	29,172.1	34,904.0	35,139.2	35,767.5	34,564.6	41,139.1
Other investments.....	25,516.9	30,819.0	35,064.6	46,321.6	50,106.0	54,287.7
<i>Currency and deposits</i>	19,794.2	22,979.9	26,252.1	35,095.0	37,525.0	41,658.2
Liabilities	35,084.3	45,641.2	53,340.1	63,337.5	72,278.5	79,334.6
Direct investments.....	9,581.8	10,288.4	11,615.7	13,844.7	14,866.9	15,856.7
Other investments.....	24,032.3	32,401.2	36,992.4	45,298.6	52,116.1	56,338.3
<i>Loans and credits</i>	22,333.4	29,901.0	33,209.3	37,152.8	43,957.3	48,649.7

Source: Central Bank of the Republic of Uzbekistan

As of 30 September 2024, the total volume of foreign assets and external liabilities of Uzbekistan amounted to US\$95.6 billion and US\$79.3 billion, respectively. The net investment position of the Republic of Uzbekistan increased by US\$3.7 billion compared to 31 December 2023 and as of 30 September 2024 amounted to US\$16.3 billion. An analysis of Uzbekistan's international investment position shows that the government and other sectors have retained "net creditor" status while the banking sector is "net debtor", as illustrated by the table below.

	Net investment position		
	1 January 2024	1 October 2024	Change
	(US\$ million)		
General government			
Assets	34,571.5	41,151.4	6,579.9
Monetary gold.....	24,632.2	31,860.3	7,228.1
Special drawing rights.....	563.0	569.2	6.2
Reserve position in IMF.....	0.0	0.0	0.0
Currency and deposits.....	9,369.5	8,709.6	(659.9)
Other assets.....	6.9	12.4	5.5
Liabilities	25,707.0	28,878.1	3,171.1
Portfolio investments.....	3,284.89	4,174.97	890.1
Loans and credits.....	21,353.4	23,623.3	2,270.0
Special drawing rights.....	1,068.8	1,079.8	11.0
Banking			

	Net investment position		
	1 January 2024	1 October 2024 (US\$ million)	Change
Assets.....	3,262.3	4,124.7	862.4
Direct investments.....	18.48	18.97	0.5
Portfolio investments	1.1	1.1	(0.0)
Currency and deposits	3,237.1	4,101.2	864.1
Loans and credits	5.6	3.4	(2.2)
Liabilities	13,224.5	14,439.1	1,214.6
Direct investments.....	822.8	946.4	123.6
Portfolio investments	1,085.1	1,999.4	914.2
Financial derivatives	-	-	-
Currency and deposits	3,653.1	3,297.7	(355.4)
Loans and credits	7,663.4	8,195.7	532.2
Others			
Assets.....	47,049.7	50,377.2	3,327.5
Direct investments.....	191.4	204.4	13.0
Portfolio investments	1.8	2.1	0.3
Currency and deposits	34,283.1	37,551.6	3,268.6
Loans.....	1.1	1.1	-
Trade credits and advances	12,572.3	12,618.0	45.7
Liabilities	33,347.0	36,017.4	2,670.4
Direct investments.....	14,044.1	14,910.3	866.3
Portfolio investments	925.5	965.3	39.8
Loans and credits	14,940.5	16,830.7	1,890.2
Trade credits and advances	2,514.1	2,297.4	(216.7)
Other accounts payable	922.8	1,013.7	90.9

Source: Central Bank of Uzbekistan. The data presented is relevant as of 31 December 2024. Previously published historical series are adjusted when accounting methodology is changed and/or additional data is received. Reports received on transactions between residents and non-residents, information provided by business entities, detected statistical discrepancies and foreign trade data refinement are the sources for an update of previously published series.

As of 1 October 2024, the total assets of the general government sector increased by US\$6.6 billion compared to 1 January 2024 due to the increase in international reserves. As of 1 October 2024, the total liabilities of the general government increased by US\$3.2 billion compared to 1 January 2024, mainly due to newly incurred loans and Eurobond issuances.

As of 1 October 2024, the external assets of commercial banks increased by US\$862.4 million compared to 1 January 2024 due to an increase in currency and deposits. As of 1 October 2024, the external liabilities of the banking sector increased by US\$1.2 billion compared to 1 January 2024, primarily due to a rise in the volumes of portfolio investment and external borrowings.

Foreign assets of other sectors as of 1 October 2024 increased by US\$3.3 billion compared to 1 January 2024 to US\$50.4 billion, mainly due to an increase in currency and deposits. As of 1 October 2024, foreign liabilities of other sectors increased by US\$2.7 billion, mainly due to growth in the volume of operations related to foreign direct investment, external borrowings, and other accounts payable, and amounted to US\$36 billion as of 1 October 2024.

Foreign Trade

The strategy for the development of the economy of Uzbekistan aims to create a diversified and competitive economy, the maximum use of national resources with the involvement of innovative technologies and new methods of market management. An important role in this process is played by the development of foreign economic activity as the result of the policy implemented in the country, which directly affects the standard of living of the population.

Uzbekistan ranked 88th of 153 countries in the United Nations Industrial Development Organisation's Competitive Industrial Performance Index 2024.

As of 31 December 2024, the Republic of Uzbekistan maintained trade relations with more than 198 countries globally. The largest volume of foreign trade turnover was recorded with the People's Republic of China (18.9%), the Russian Federation (17.6%), Kazakhstan (6.5%), Türkiye (4.5%), the Republic of Korea (3.0%), Germany (1.8%) and Turkmenistan (1.7%).

The Republic of Uzbekistan has achieved significant results in the structure of exports because of an increase in the production of products that replaced imported goods and the diversification of industrial production. In particular, in recent years there have been significant changes in the financial transaction tax with neighbouring states, such as Kazakhstan and Kyrgyzstan. The trade deficit in the year ended 31 December 2024 amounted to US\$12.0 billion, marking a decrease of 12.7% compared to the year ended 31 December 2023.

Amongst the 20 large partner countries in foreign economic activity for the year ended 31 December 2024, the Republic of Uzbekistan also has an active foreign trade balance with three other countries, in particular with Afghanistan (US\$1,134.3 million), France (US\$1,131.3 million), and Kyrgyzstan (US\$846.4 million). The remaining 17 countries maintain a passive balance of foreign trade turnover.

In 2023, Uzbekistan's foreign trade turnover amounted to US\$63.5 billion, a 25.8% increase as compared to US\$50.5 billion for 2022. The volume of exports amounted to US\$24.9 billion and that of imports to US\$38.7 billion in 2023, resulting in a balance of foreign trade of a deficit of US\$13.8 billion in 2023.

For the year ended 31 December 2024, Uzbekistan's foreign trade turnover amounted to US\$65.9 billion, an increase of 3.8% compared to the year ended 31 December 2023, of which exports amounted to US\$26.9 billion, an increase of 8.4% compared to the same period in 2023, and imports amounted to US\$39.0 billion, an increase of 0.8% compared to the same period in 2023. The balance of trade deficit for the year ended 31 December 2024 amounted to US\$12.0 billion.

The table below sets out a breakdown in external trade turnover for the periods indicated:

	As of 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Foreign trade turnover of goods and services .	36,256.1	42,170.5	50,500.3	63,528.6	65,934.0
Exports of Goods and Services, commodity-wise	15,102.3	16,662.8	19,732.6	24,869.5	26,948.2
Imports of Goods and Services.....	21,153.8	25,507.7	30,767.8	38,659.1	38,985.8
Balance of Foreign Trade in Goods and Services	(6,051.5)	(8,844.9)	(11,035.2)	(13,789.6)	(12,037.6)
Balance of Foreign Trade in Goods.....	(6,835.1)	(9,659.3)	(12,944.4)	(16,345.7)	(15,494.1)
Balance of Foreign Trade in Services.....	783.6	814.4	1,909.2	2,556.2	3,456.5

Source: Statistics Agency under the President of the Republic of Uzbekistan

(1) Preliminary estimates.

Composition of Trade

The table below sets out a breakdown of exports by industry sector for the periods indicated:

	As of 31 December									
	2020		2021		2022		2023		2024 ⁽¹⁾	
	US\$ milli on	(% of Total)	US\$ millio n	(% of Total)	US\$ million	(% of Total)	US\$ milli on	(% of Total)	US\$ million	(% of Total)
Exports of Goods and Services, commodity-wise.....	15,102.3	100.0	16,662.8	100.0	19,732.6	100.0	24,869.5	100.0	26,948.2	100.0
Export of Goods (in FOB Prices) ..	13,097.3	86.7	14,081.1	84.5	15,275.9	77.4	19,229.1	77.3	19,743.8	73.3
Cotton.....	1,46.9	1.0	136.6	0.8	3.5	0.0	0.1	0.0	0.1	0.0
Chemical Products and articles thereof.....	873.2	5.8	1,225.3	7.4	1,426.2	7.2	1,427.7	5.7	1,857.3	6.9
Ferrous Metals	317.5	2.1	184.6	1.1	215.1	1.1	221.4	0.9	218.9	0.8
Non-ferrous Metals	924.4	6.1	1,467.0	8.8	1,442.9	7.3	1,349.5	5.4	1,419.1	5.3
Energy and Oil products.....	659.0	4.4	914.8	5.5	1,215.2	6.2	940.6	3.8	1,315.0	4.9
Machines and equipment.....	442.0	2.9	702.5	4.2	989.3	5.0	1,328.2	5.3	1,231.6	4.6
Gold	5,804.4	38.4	4,109.8	24.7	4,110.3	20.8	8,153.8	32.8	7,480.6	27.8
Food products	1,443.7	9.6	1,471.8	8.8	1,823.5	9.2	1,962.4	7.9	2,417.4	9.0
Other.....	2,486.2	16.5	3,868.7	23.2	4,049.8	20.5	3,845.2	15.5	3,804.0	14.1
Export of Services	2,005.0	13.3	2,581.7	15.5	4,456.7	22.6	5,640.4	22.7	7,204.4	26.7

Source: Statistics Agency under the President of the Republic of Uzbekistan (the enhanced General Data Dissemination System)

(1) Preliminary estimates.

Gold is one of Uzbekistan's main export trading commodities. According to World Gold Council, Uzbekistan was the world's 10th largest producer of gold in 2023. The share of Uzbekistan's gold exports against total exports amounted to 32.9% in 2023 and decreased to 27.8% in 2024.

In 2024, exports of energy and oil products amounted to US\$1.3 billion, compared to US\$0.9 billion in 2023, exports of food products amounted to US\$2.4 billion, compared to US\$2.0 billion in 2023, and exports of services amounted to US\$7.2 billion, compared to US\$5.6 billion in 2023. Exports of other goods (of which 75.0% were textile products) amounted to approximately US\$3,804.0 million in 2024, compared to US\$3,845.2 million in 2023 (there was a 1.1% decrease in 2024 compared to 2023). The export of food products and live animals in 2024 amounted to US\$3.7 billion, marking an increase of 5.7% compared in 2023. The export of non-monetary gold in the year ended 31 December 2024 amounted to US\$7,480.6 million, marking a decrease of 8.3% when compared to the corresponding period in 2023.

The table below sets out a breakdown of imports by industry sector for the periods indicated:

	As of 31 December									
	2020		2021		2022		2023		2024 ⁽¹⁾	
	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)
Imports of Goods and Services.....	21,153.8	100.0	25,507.7	100.0	30,699.3	100.0	38,141.2	100.0	38,985.8	100.0
Imports of Goods (in CIF prices).....	19,932.4	94.2	23,740.4	93.1	28,172.9	91.8	35,574.8	93.3	35,237.8	90.4
Chemical Products and articles thereof.....	3,436.7	16.2	4,259.6	16.7	5,048.5	16.4	5,716.1	15.0	5,476.7	14.1
Ferrous Metals.....	1,473.6	7.0	1,986.3	7.8	2,342.9	7.6	2,485.7	6.5	2,399.2	6.2
Non-ferrous Metals.....	277.7	1.3	328.4	1.3	476.1	1.6	448.5	1.2	478.3	1.2
Energy and Oil Products.....	1,106.9	5.2	1,556.8	6.1	1,794.1	5.8	2,633.6	6.9	3,953.1	10.1
Machines and Equipment.....	8,904.2	42.1	9,454.0	37.1	10,973.4	35.8	16,512.5	43.3	15,006.3	38.5
Food Products.....	2,159.6	10.2	2,925.8	11.5	3,953.6	12.9	448.5	10.9	4,315.6	11.1
Other.....	2,573.7	12.2	3,229.4	12.7	3,586.0	11.7	2,633.6	6.9	3,608.5	9.2
Import of Services	1,221.4	5.8	1,767.3	6.9	2,526.3	8.3	2,566.4	6.7	3,748.0	9.6

Source: Statistics Agency under the President of the Republic of Uzbekistan

(1) Preliminary estimates.

Import of goods (in CIF prices) constituted the main component of total imports in 2024, accounting for 93.3% of total imports, while chemical products accounted for 15.0%, and machines and equipment accounted for 43.3%, of total imports in 2024. Uzbekistan predominantly imports machinery and equipment from the People's Republic of China.

In the year ended 31 December 2024, goods and services from 172 countries were imported to Uzbekistan and the major partner countries were the People's Republic of China, the Russian Federation, Kazakhstan, the Republic of Korea, Germany, Türkiye and Turkmenistan who together accounted for 69.4% (or US\$27.1 billion) of total imports. In 2024, imports of machinery and equipment amounted to US\$15.0 billion (38.5% of total imports), imports of chemical products and articles thereof amounted to US\$5.7 billion (15.0% of total imports), and imports of ferrous and non-ferrous metals together amounted to US\$2.9 billion (7.7% of total imports).

Direction of Trade

Among the CIS countries, the main export partners of Uzbekistan are the Russian Federation, Kazakhstan, Kyrgyzstan, Tajikistan and Azerbaijan, which collectively accounted for 23.8% of Uzbekistan's total exports in the year ended 31 December 2024. Collectively, China, Türkiye, Afghanistan, France and the USA accounted for 20.1% of Uzbekistan's total exports during 2024.

In 2024, exports to Russia amounted to US\$3.7 billion, an increase of 5.4% compared to 2023, and exports to Kazakhstan amounted to US\$1.5 billion, an increase of 2.5% compared to 2023.

In 2024, exports to Iran decreased by 9.5%, exports to Afghanistan increased by 27.1%, exports to Türkiye decreased by 7.4% and exports to USA increased by 25.4%, in each case compared to 2023.

Among the CIS countries, the main import partners of Uzbekistan are Russia, Kazakhstan and Turkmenistan, which collectively accounted for 30.2% of Uzbekistan's total imports in the year ended 31 December 2024.

In 2024, imports from China amounted to US\$10.4 billion, a decrease of 8% compared to 2023, imports from the Republic of Korea amounted to US\$2.0 billion, a decrease of 15.2% compared to 2023, imports from Türkiye amounted to US\$1.8 billion, a decrease of 6.8% compared to 2023, imports from Germany amounted to US\$1.1 billion, an increase of 13.3% compared to 2023 and imports from Lithuania amounted to US\$0.4 billion, a decrease of 10.7% compared to 2023.

The tables below provide a geographical breakdown for foreign trade for the periods indicated:

	As of 31 December									
	2020		2021		2022		2023		2024 ⁽¹⁾	
	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)	US\$ million	(% of Total)
Total Export	15,102.3	100.0	16,662.8	100.0	19,732.6	100.0	24,869.5	100.0	26,948.2	100.0
CIS countries.....	3,919.0	25.9	5,146.2	30.9	7,944.8	40.2	8,274.5	33.2	9,064.2	33.6
<i>Of which:</i>										
Russian Federation.....	1,485.8	9.8	2,088.2	12.5	3,151.1	16.0	3,495.7	14.1	3,682.9	13.7
Kazakhstan.....	908.4	6.0	1,178.4	7.1	1,407.5	7.1	1,417.1	5.7	1,452.3	5.4
Kyrgyzstan.....	760.5	5.0	792.0	4.8	982.5	5.0	634.4	2.6	513.3	1.9
Tajikistan.....	405.1	2.7	501.9	3.0	522.1	2.6	608.3	2.4	552.2	2.0
Non-CIS countries.....	11,183.3	74.1	11,516.6	69.1	11,787.8	59.7	16,595.0	66.7	17,884.0	66.4
<i>Of which:</i>										
China.....	1,937.1	12.8	2,529.1	15.2	2,632.0	13.3	2,486.6	10.0	2,054.9	7.6
Türkiye.....	1,019.0	6.7	1,692.4	10.2	1,643.5	8.3	1,263.3	5.1	1,169.3	4.3
Afghanistan.....	776.7	5.1	667.5	4.0	756.3	3.8	857.2	3.4	1,089.3	4.0
Iran.....	141.8	0.9	177.1	1.1	139.8	0.7	180.8	0.7	163.6	0.6
France.....	89.7	0.6	21.3	0.1	72.6	0.4	400.4	1.6	795.1	3.0
UAE.....	102.7	0.7	55.9	0.3	122.9	0.6	298.4	1.2	249.6	0.9
Total Import	21,153.8	100.0	25,507.7	100.0	30,767.8	100.0	38,659.1	100.0	38,985.8	100.0
CIS countries.....	7 489.4	35.4	10,024.1	39.3	11,342.9	36.9	12,620.3	32.6	14,056.9	36.1
<i>Of which:</i>										
Russian Federation.....	4,173.8	19.7	5,462.2	21.4	6,230.7	20.3	6,660.6	17.2	7,947.3	20.4
Kazakhstan.....	2,097.3	9.9	2,742.2	10.8	3,243.5	10.5	3,068.5	7.9	2,825.5	7.2
Belarus.....	219.5	1.0	319.2	1.3	411.6	1.3	525.8	1.4	550.8	1.4
Tajikistan.....	88.0	0.4	103.6	0.4	154.5	0.5	152.6	0.4	150.5	0.4
Non-CIS countries.....	13,664.4	64.6	15,483.6	60.7	19,424.9	63.1	26,038.8	67.4	24,928.9	63.9
<i>Of which:</i>										
China.....	4,501.2	21.3	4,923.4	19.3	6,427.7	20.9	11,339.1	29.3	10,431.8	26.8
The Republic of Korea ..	2,099.4	9.9	1,841.1	17.2	2,299.8	7.5	2,313.5	6.0	1,960.8	5.0
Türkiye.....	1,087.3	5.1	1,717.6	6.7	1,738.5	5.6	1,897.7	4.9	1,768.0	4.5
Germany.....	759.4	3.6	693.5	2.7	1,071.3	3.5	985.5	2.5	1,116.5	2.9
Latvia.....	335.1	1.6	177.5	0.7	175.7	0.6	295.1	0.8	167.9	0.4

Source: Statistics Agency under the President of the Republic of Uzbekistan, Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

There is a difference in the direction of export of goods and services between the CIS countries and other foreign countries. During the year ended 31 December 2024, Uzbekistan's foreign trade turnover with the CIS countries reached US\$23,121.1 million, of which the volume of exports amounted to US\$9,064.2 million and the volume of imports amounted to US\$14,056.9 million.

During the year ended 31 December 2024, exports of chemicals and similar products, mineral fuels, and lubricating oils and similar materials, food products and live animals and beverages and tobacco increased by 29.1%, 39.8%, 22.4% and 12.6% respectively compared to the same period in 2023. However, the exports of non-food raw materials (except fuel), machinery and transport equipment and various finished products have declined by 27%, 21%, and 71% respectively. The export of animal and vegetable oils, fats and wax tripled, increasing from US\$14.2 million to US\$43.5 million during 2024.

Imports to Uzbekistan mainly include machinery and transport equipment, industrial goods, chemicals and similar products, food and live animals, various finished goods, mineral fuels and non-food raw materials.

MONETARY AND FINANCIAL SYSTEM

The Central Bank of the Republic of Uzbekistan

The CBU regulates the banking system for the Republic of Uzbekistan under Article 151 of the Constitution. The Constitution of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan “On the Central Bank of the Republic of Uzbekistan” dated 11 November 2019, and other legislative acts, determine the legal status, powers, principles of organisation and activities of the CBU.

The CBU is a legal entity and is the exclusive property of the state, but carries out financial activities and makes decisions within its authority, independently. The CBU issues banknotes in circulation, acts as a bank, advisor as well as a fiscal agent of the Government of the Republic of Uzbekistan, and stores and manages official foreign exchange reserves for the Republic of Uzbekistan. The CBU is responsible for most of the supervisory and regulatory functions in Uzbekistan’s financial sector. The banking sector makes up 97% of the total financial sector assets. Therefore, it licenses, regulates and supervises banking activities, microcredit organisations and pawn shops, mortgage refinance companies of Uzbekistan and credit bureaus. Additionally, the CBU can buy and sell government securities on the open market, as well as debt obligations issued by the CBU itself.

The primary goals of the CBU are to ensure price stability and the stability of the banking and payment systems. To accomplish these goals, the CBU (i) implements monetary policy by managing liquidity in the interbank money market through interventions in the foreign currency market, short-term monetary instruments, open market operations and setting reserve requirements, (ii) conducts intermarket communication policy, (iii) ensures the stability and development of the banking and payment systems and (iv) sets foreign currency regulation.

The CBU is prohibited from providing financial assistance and carrying out commercial activities.

Monetary and Exchange Rate Policy

Starting from 2020, the CBU initiated a transition to an inflation-targeting monetary policy framework, aiming for an inflation target of 5% by 2026. The CBU’s optimistic scenario projects reaching the 5% inflation target by the second half of 2026, while less favourable scenarios suggest this may be achieved in 2027. Currently, the monetary policy regime can be characterised to be in an advanced stage of transition toward a fully operational inflation-targeting framework.

The CBU employs the short-term rate, referred to as the policy rate, as its primary monetary policy instrument, and it is the key rate. This policy rate serves as the key lever for influencing monetary conditions and guiding inflation expectations. The operational target of the CBU’s monetary policy is to align the UZONIA rate (Uzbekistan Over Night Index Average) with the policy rate, ensuring its positioning within the designated interest rate corridor.

To manage liquidity in the banking system, the CBU primarily relies on a 1-week deposit auction as its main liquidity management tool.

In the second half of 2024, the CBU implemented relatively tight monetary conditions by maintaining the policy rate at 13.5%. This decision was driven by strong aggregate demand fuelled by income growth, pro-inflationary pressures such as secondary effects from energy price liberalisation, and the goal of reducing inflation to the 5% target by 2026.

Calculating based on the inflation forecast for the next six months, the real policy rate of the CBU stood at 4.8% in December 2024. This real rate ensured the maintenance of relatively tight monetary conditions, supporting the overarching goal of reducing inflation to the targeted level. Monetary policy implementation on the short end of the yield curve is accomplished through interbank money markets.

The interbank money markets experienced significant growth in 2024, with both deposit and REPO market volumes increasing substantially. The total volume of money market operations rose by 31%, reaching UZS 507 trillion, compared to UZS 387 trillion in 2023. Notably, REPO operations constituted 54% of the money market’s activity in 2024, reflecting the growing reliance on this instrument for liquidity management. The

benchmark UZONIA rate—a key indicator for the money market—remained stable within the interest rate corridor and aligned closely with the CBU’s policy rate throughout the year.

The CBU introduced certain measures to enhance the efficiency and accessibility of financial markets. The operating hours of money markets have been extended by 30 minutes beyond the close of customer trading in the Real-Time Gross Settlement (RTGS) system. This extension ensures that financial institutions have additional time to complete interbank transactions, manage liquidity and settle obligations, reducing the risk of last-minute disruptions and improving overall market efficiency. Additionally, the operating hours for standing facilities have also been extended by 30 minutes after the close of the markets. This change enhances access to central bank liquidity support mechanisms, allowing banks to better manage short-term funding needs outside regular trading hours. By providing additional time for banks to access these facilities, the CBU aims to support financial stability and ensure that liquidity constraints do not disrupt market operations.

To advance its transition toward an inflation-targeting regime, the CBU has implemented substantial modernisation efforts in the interbank foreign exchange market. Beginning February 2021, several critical changes were introduced to improve market efficiency. These include the shift from the previous “fixing” method to the “call auction” and continuous auction “matching” methods, the expansion of foreign currency trading hours from 10:00 AM to 3:00 PM, and the adjustment of settlement operations from T+0 to T+1. Additionally, banks have been granted the flexibility to purchase foreign currency for their own accounts within open position limits and to conduct direct foreign currency transactions with their clients.

Exchange Rate

Uzbekistan operates a floating exchange rate regime, where the exchange rate is determined by supply and demand dynamics on the national currency exchange. The CBU acts as a direct buyer of domestically produced precious metals, including gold and silver, which it purchases under the neutrality principle. Foreign exchange sales by the CBU are exclusively conducted to sterilise additional liquidity resulting from these purchases, ensuring that the exchange rate is not artificially influenced.

	For the year ended 31 December				
	2020	2021	2022	2023	2024
soum per U.S. Dollar, End of Period	10,477	10,838	11,225	12,339	12,920
soum per U.S. Dollar, Period Average	10,056	10,610	11,051	11,737	12,653

Source: Central Bank of Uzbekistan

UZS depreciated against U.S. dollar by 9.9% in 2023 from UZS 11.225 per U.S. Dollar to UZS 12.339 per U.S. Dollar in 2023 and further by 4.7% in 2024 to UZS 12,920 per U.S. Dollar in line with market conditions.

The CBU continues to adhere to the “foreign exchange reserves neutrality principle,” introduced in 2018. Under this framework, the CBU intervenes in the foreign exchange market solely to sterilise liquidity resulting from its purchases of domestically produced monetary gold. These interventions are not aimed at maintaining the exchange rate at a predetermined level or influencing its underlying trends. This policy underscores the CBU’s commitment to maintaining a transparent and market-driven approach to exchange rate management, consistent with its broader monetary policy objectives. The “foreign exchange reserves neutrality principle” relies on the sterilisation of additional liquidity within the financial system, preventing excess liquidity from distorting exchange rate dynamics or inflationary pressures. Through the use of open market operations and other monetary policy tools, the CBU absorbs surplus liquidity while maintaining market stability and allowing the UZS to reflect underlying economic fundamentals.

Despite the nominal exchange rate depreciation, the real effective exchange rate appreciated by approximately 5.9% in 2024. This was largely attributed to high volatility in the exchange rates of Uzbekistan’s trading partners during the final months of the year. The relative stability of the nominal exchange rate contributed to a normalisation of households’ foreign currency demand, with a positive gap observed between currency sales and purchases. Current foreign currency inflows from remittances, exports, and other channels indicate that no significant pressure on the exchange rate is anticipated in the near term.

The CBU has implemented new regulations concerning mandatory reserves for credit institutions, aiming to enhance monetary policy effectiveness and promote financial stability. These regulations establish specified

reserve requirement ratios based on the currency denomination of deposits. As of 1 July 2024, the reserve requirement is set at 4% for deposits in the national currency (UZS) and 14% for deposits in foreign currencies. This differentiation is designed to discourage deposit dollarisation by making foreign currency deposits less attractive, thereby encouraging the use of the national currency. Additionally, the CBU mandates that all required reserves be held exclusively in the national currency, regardless of the original currency of the deposits. This policy ensures that banks maintain a consistent demand for the Uzbek soum, supporting its stability and reinforcing the central bank's control over domestic liquidity conditions.

Liquidity and Money Supply

The liquidity of Uzbekistan's banking system has been in a structural surplus in recent years, with the CBU actively utilising its liquidity management instruments to steer short-term market rates. The volume and direction of the CBU's operations have been closely aligned with the overall liquidity conditions in the banking system. During the structural surplus in 2021 and 2022, the CBU primarily issued CBU notes and employed liquidity-absorbing instruments to manage excess liquidity effectively.

In 2023 and the first half of 2024, the banking system's liquidity normalised to slightly above a neutral level, largely due to increased demand for foreign exchange. This normalisation prompted the CBU to adjust its liquidity management strategy to address intra-month seasonality, where liquidity typically increases during the first half of the month and decreases in the latter half. In February 2024, the CBU reintroduced REPO auctions and established an intraday credit facility to provide liquidity support as needed.

By June 2024, liquidity levels began to rise again, necessitating proactive measures to mitigate the inflationary impact of excess liquidity and maintain money market interest rates within the interest rate corridor. In response, the CBU issued CBU notes totalling UZS 17 trillion. These measures were instrumental in containing inflationary pressures and stabilising money market dynamics.

The policy rate remained significantly high during this period, slightly decrease to 13.5% in July 2024. This tight monetary policy stance contributed to a decline in inflation, which fell from 11.7% in March 2023 to 8.0% in March 2024. The resulting real interest rates were significantly positive, fostering high saving behaviour within the economy. These monetary conditions directly influenced the growth of money supply, which expanded by 91% between 2021 and 2024, reaching UZS 277.1 trillion by the end of 2024.

National currency deposits also experienced robust growth, totalling UZS 166.8 trillion as of 31 December 2024. This represents an increase of approximately 40.4% compared to the same period in 2023, reflecting strengthened confidence in the banking sector and a shift toward greater use of domestic currency in savings and transactions.

According to Fitch Ratings (2023), Uzbekistan's external liquidity ratio was projected to average around 400% over the period from 2023 to 2025, which is significantly higher than the 'BB' median of 144%. This external liquidity ratio measures the country's liquid external assets relative to its liquid external liabilities, indicating a strong capacity to meet short-term external obligations. According to Fitch Ratings, Uzbekistan's external liquidity ratio was expected to be 269.9% in 2024.

The following table sets forth certain information regarding Uzbekistan's money supply as of each of the dates indicated:

	As of 31 December			
	2021	2022	2023	2024
	<i>(billion soums)</i>			
Net foreign assets ⁽¹⁾	275,805.8	276,352.9	274,439.7	361,650.2
Domestic claims	119,055.2	177,065.8	277,658.9	356,967.1
Net claims on central government ⁽²⁾	(212,879.4)	(226,030.4)	(219,127.4)	(209,205.7)
Claims on other sectors	331,934.6	403,096.2	496,786.3	566,172.8
Broad money liabilities	145,254.6	189,085.1	212,086.1	277,064.6
Currency outside depository corporations	28,656.9	42,206.2	45,607.7	53,328.5
Total deposits	116,597.7	146,878.9	166,478.4	223,736.1
National currency deposits	71,232.9	96,625.9	118,820.7	166,787.2
Foreign currency deposits	45,364.8	50,253.0	47,657.7	56,948.9
Other items (net) ⁽³⁾	249,606.4	264,333.6	340,012.5	441,552.8
Monetary base	60,132.6	78,985.5	82,875.5	90,739.6
Money multiplier	2.4	2.4	2.6	3.1
Velocity of M2	5.7	5.4	6.0	5.9

Source: Central Bank of Uzbekistan

- (1) Data on net foreign assets included in the depository corporations survey differ from that of respective sectors in international investment position due to differences in accounting for government sector liabilities which are accrued in state owned commercial banks' balance sheets. Therefore, in the international investment position, part of state banks' liabilities is attributed to the government sector. Net foreign assets of financial sector accounts for assets and liabilities of the CBU and commercial banks. The net international investment position accounts for assets and liabilities of financial institutions, non-financial institutions and government.
- (2) Net claims on government are derived by subtracting liabilities of depository corporations to Central government from claims of depository corporations on Central government.
- (3) Other items (net) are derived by subtracting unclassified liabilities from unclassified assets.

Interest Rates

The CBU maintained a significantly high policy rate of 14% from March 2023, despite a steady decline in inflation from 11.7% in March 2023 to 8.0% in March 2024, representing a 3.7 percentage point decrease. This was driven by expectations of inflationary pressures stemming from energy tariff reforms. Initial forecasts suggested that inflation could surge to 14–15% due to the reforms; however, the actual impact on inflation was lower than anticipated, and the secondary effects on inflation expectations were minimal.

Considering the reduced inflationary risks and more stable expectations, the CBU lowered the policy rate by 50 basis points in July 2024. However, inflation data for August and September 2024 showed slightly higher-than-expected figures, with annual headline inflation stabilising at 10.5% for three consecutive months. In light of the slower-than-expected decline in inflationary pressures, the CBU decided to keep the policy rate unchanged and adopt a cautious approach before resuming further rate cuts.

Monetary policy implementation at the short end of the curve continued to be conducted through interbank money markets, which experienced significant growth in 2024. The total volume of interbank money market operations, including deposit and REPO markets, increased by 31%, reaching UZS 507 trillion compared to UZS 387 trillion in 2023. REPO operations constituted 54% of total money market activity during 2024. The UZONIA rate, the benchmark for the money market, remained within the interest rate corridor and aligned closely with the policy rate throughout the year.

Despite the tight monetary conditions reflected in interbank market rates, their transmission to deposit and credit markets was relatively low. Interest rates on local currency term deposits rose due to heightened demand for loans and tight external financial conditions. The weighted average interest rate on term deposits for individuals reached 22.1% in November 2024, with a real interest rate (adjusted for household inflation expectations) of 7.4%.

On the lending side, the weighted average interest rate for household loans in local currency rose to 24.3% by November 2024, while loans to legal entities carried an average rate of 22.7%. The volume of bank loans grew by 13% in 2024 compared to the previous year, driven primarily by a 19% increase in loans to individuals. The growth in household lending was concentrated in mortgages and microloans, making these categories significant drivers of loan portfolio expansion.

The table below shows the average policy rate, the average interbank market annual rate and the average rate on new deposits as a rate per annum for each of the periods indicated:

	Average of last month (December) of the year				
	2020	2021	2022	2023	2024
	(% per annum)				
Index					
Key rate (end of period)	14.0	14.0	15.0	14.0	13.5
Average interbank market rate	14.4	14.0	14.1	14.8	13.3
Average rate for new term deposits:.....					
in national currency					
time deposits up to one year.....	14.6	15.0	17.6	18.4	17.0
time deposits over one year.....	15.0	18.3	19.6	20.5	20.5
in foreign currency					
time deposits up to one year.....	3.3	2.8	4.4	2.6	3.9
time deposits over one year.....	4.4	2.9	4.2	5.8	5.3

Source: Central Bank of Uzbekistan

Inflation

Since 2018, the CBU has significantly enhanced its monetary policy framework by developing and implementing advanced forecasting and analytical tools to study inflation dynamics. This initiative is a critical component of the CBU's transition towards an inflation-targeting regime. The model-based forecasts are integral to the monetary policy decision-making process, enabling the CBU to anticipate inflationary trends and adjust policy instruments proactively to maintain price stability.

The Consumer Price Index ("CPI") is one of the most important indicators of inflation in Uzbekistan. The Statistics Agency under the President of the Republic of Uzbekistan is responsible for collecting and calculating CPI statistics on a monthly basis, with the data published on its official website. For the year ended 31 December 2024, the annual CPI inflation was recorded at 9.8%, with the following breakdown:

- Inflation for food products: 2.4%;
- Inflation for non-food products: 7.7%; and
- Inflation for services: 26.7%.

In the first half of 2024, energy price increases significantly contributed to the acceleration of overall inflation. However, this impact was mitigated by a substantial decline in fruit and vegetable prices, driven by favourable seasonal factors, which supported a slowdown in inflation by the end of the year. By the fourth quarter, inflation began to decelerate, culminating in an annual rate of 9.8% by December 2024. Excluding the effects of rising energy prices, annual inflation was 6.3% for the same period.

Core inflation, which excludes volatile components such as food and energy prices, remained relatively stable throughout most of the year but experienced a slight increase, reaching 7.2% in December 2024. The seasonally adjusted core inflation rate rose to an annualised rate of 10.2% by the end of the year. The primary contributor to this trend was the acceleration of food-related core inflation, which remained a key driver of price pressures. In the fourth quarter of 2024, core inflation for non-food products increased marginally compared to the previous quarter, reaching an annual rate of 7.2% in December 2024. Core inflation for services, which had been on an upward trajectory since May 2024, reversed this trend in November and stood at an annual rate of 10.3% in December 2024.

Despite the observed decline in core inflation for services, price levels across the economy remain elevated. While inflationary pressures are predominantly driven by supply-side factors, such as rising energy costs, it remains critical to maintain relatively tight monetary conditions to mitigate potential indirect effects and ensure macroeconomic stability. These measures underscore the importance of a prudent and disciplined monetary policy framework to address underlying inflationary trends and support long-term economic growth.

The following table sets out past inflation rates for the periods indicated across specific sectors:

	As of 31 December, year-on-year change				
	2020	2021	2022	2023	2024
			(%)		
Consumer Price Index.....	11.1	10.0	12.3	8.8	9.8
Food products.....	15.3	13.0	15.6	9.7	2.4
Non-food products.....	8.8	7.8	10.7	7.7	7.7
Services.....	7.1	7.7	8.3	8.7	26.7
Industrial producer price inflation.....	7.1	13.0	17.4	14.0	13.4 ⁽¹⁾

Source: The Statistics Agency under the President of the Republic of Uzbekistan

(1) November 2024 information.

Banking Sector

As of 1 January 2025, the banking sector of Uzbekistan consisted of 36 banks, including nine banks with state participation and seven banks with foreign capital.

While the loan portfolio concentration within the banking system remained high until 2017, it has shown a declining trend in recent years. As of 1 January 2025, wholly and partly state-owned banks now hold 65% of the sector's total assets (down from 69% at the end of 2023), 69% of total loans (down from 71% last year), and 50% of total deposits (down from 52%).

A moderately high share of the banking sector's loans consists of state-guaranteed loans to state-owned companies, however this trend has been decreasing since 2019 and currently there are at least two-three private companies among the largest borrowers.

Despite recent geopolitical conflicts, including the Russia-Ukraine war and the Israel-Palestine tensions, as well as economic pressures from the COVID-19 pandemic and its aftermath, the CBU implemented immediate measures to safeguard financial stability. This included the compulsory formation of capital and liquidity reserves (buffers) within banks, enabling Uzbekistan's banking system to maintain adequate financial stability indicators.

The following table sets out certain data relating to the banking sector in Uzbekistan as of the dates indicated:

	As of 1 January				
	2021	2022	2023	2024	2025
Total number of banks.....	32	33	31	35	36
Total equity of banks (soums billion).....	58,351.3	70,917.6	79,565.4	97,079.2	114,792.4
of which:					
in national currency.....	58,016.0	70,570.8	79,206.2	96,684.3	114,378.9
in foreign currency.....	335.3	346.8	359.2	394.8	413.5
Total assets of banks (soums billion).....	366,121.1	444,922.5	556,746.3	652,157.1	769,330.4
of which:					
in national currency.....	182,193.9	229,507.8	292,195.6	360,366.3	452,890.7
in foreign currency.....	183,927.2	215,414.6	264,550.7	291,790.8	316,439.7
Total loans to customers (soums billion).....	276,974.8	326,385.6	390,048.9	471,405.5	533,121.2
of which:					
in national currency.....	138,868.5	163,722.9	204,930.7	259,369.9	304,403.2
in foreign currency.....	138,106.4	162,662.7	185,118.3	212,035.6	228,718.0
Total provisions for impairment, (soums billion).....	3,686.6	7,787.9	6,525.6	6,105.9	9,628.4
Total deposits (soums billion).....	114,746.9	156,189.8	216,737.5	241,686.6	308,692.3
of which:					
in national currency.....	65,318.3	95,578.2	131,794.8	169,515.7	231,234.6
in foreign currency.....	49,428.5	60,611.7	84,942.7	72,170.9	77,457.7
Capital adequacy ratio, %.....	18.4	17.5	17.8	17.5	17.4

The total equity of Uzbekistan's banking sector increased by 18.2% (or UZS 17.7 trillion) in 2024 as compared to 2023 primarily reflecting an increase in the banks' charter capital. The total loans to customers increased by 13.1% (or UZS 61.7 trillion) in 2024 as compared to 2023, which was primarily due to an increase in loans issued to the household sector (individuals). Compared to 1 January 2024, the total assets of the banking system have increased by UZS 117.2 trillion (or 18%) and reached UZS 769,330.4 billion on 1 January 2025.

The following table sets out certain data regarding the loan portfolio of the Uzbek banking sector by the type of borrower as of the dates indicated:

	As of 31 December				
	2020	2021	2022	2023	2024
			(soums billion)		
Total loan portfolio.....	276,975	326,386	390,049	471,406	533,121
loans to public sector.....	72,412	70,692	76,739	78,922	75,467
loans to private sector.....	141,211	179,543	205,960	235,496	266,489
loans to household sector (individuals)	54,888	69,496	100,949	148,621	177,532
loans to non-banking credit and finance institutions.....	8,464	6,655	6,401	8,367	13,632

Source: Central Bank of Uzbekistan

In order to conduct an appropriate fiscal consolidation and simultaneously to achieve monetary policy targets and to avoid the overheating of the economy, it is important to keep the annual growth rate of loan portfolio in line with the nominal GDP growth rate (15-20% per annum). As of 31 December 2024, the total loan portfolio increased by 13.1% as compared to 31 December 2023. In 2024, the main drivers of loan portfolio growth were lending activities to household sector, in particular in terms of loan products such as microloans and other consumer loans. Banks have actively started to issue microloans and consumer loans more actively than mortgage loans and other entrepreneurial loans due to higher profit margins.

The following table sets forth a breakdown of the banking system's liabilities by currency for the periods indicated:

	As of 1 January				
	2021	2022	2023	2024	2025
			(soums billion)		
Total liabilities of the banking system,	307,770	374,004.9	477,180.8	555,077.9	654,538.0
<i>of which:</i>					
in national currency	124,178	158,937	212,989	263,693	338,512
in foreign currency	183,592	215,068	264,191	291,385	316,026

Source: Central Bank of Uzbekistan

As of 1 January 2025, the total liabilities increased by 18% compared to 1 January 2024, while total deposits increased by 28%, which implies that the share of total deposits in total liabilities increased by 4 percentage points in 2024 to UZS 654,538 billion as of 1 January 2025, as compared to UZS 555,078 billion as of 1 January 2024. Deposits accounted for 47.2% of liabilities as of 1 January 2025, marking an increase of 28% as compared to 1 January 2024. Loans accounted for 35.9% of liabilities as of 1 January 2025, as compared to 40.4% as of 1 January 2024. High concentrations of borrowed loans are more prevalent in state-owned banks due to the fact that they engage in state investment projects and other development programmes, as well as other infrastructure projects in order to assist the government in financing the key strategic sectors of the economy. As of 1 January 2025, the ratio of loans to deposits in the banking system was 173% (195% as of 1 January 2024) while for state-owned banks it was 237% (268% as of 1 January 2024) and for privately-owned banks - 108% (118% as of 1 January 2024). Besides lending to Uzbek nationals, state-owned banks primarily attract financial resources for lending from abroad with mostly long-term maturity apart from internal deposits.

The following table sets out information regarding deposits in the Uzbek banking sector by the type of customer as of the dates indicated:

	As of 31 December				
	2020	2021	2022	2023	2024
			(soums billion)		
Deposits by public sector	42,116	54,207	62,087	70,349	88,290.9
Deposits by private sector	39,169	60,241	86,846	78,545	90,486.6
Deposits by individuals	27,404	37,306	63,124	86,345	177,532.1
Deposits by non-banking credit and finance institutions.....	6,058	5,035	4,682	6,448	7,504.3
Total deposits	114,747	156,189	216,738	241,687	308,692.3

Source: Central Bank of Uzbekistan

As of 31 December 2024, the total deposits increased by 27.7% as compared to 2023, primarily as a result of the increase in deposits by individuals deposits, whereas household savings increased by approximately 42% due to attractive interest rates in local market including the popularity of mobile and internet banking.

The following table sets forth the total deposits for the periods indicated:

	As of Period End											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total deposits..	89,751	98,228	103,469	114,747	115,088	126,114	134,406	156,190	153,790	185,062	206,759	216,738
	2023				2024							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total deposits .	206,009	202,894	221,335	241,687	243,128	265,472	286,947	308,692				

Profitability indicators of the banking sector

The following table sets forth a breakdown of the banking system's profit for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024
	(soums billion)				
Interest Income.....	37,067	47,392	61,728	86,679	111,866
Interest Expense	23,019	30796	37566	57,683	77,675
Interest margin	14,048	16,595	24,162	28,996	34,192
Fee and commission income	11,801	17,251	33,182	42,054	55,120
Fee and commission expense	3,516	4,944	11,812	13,273	22,619
Operating expense	8,145	10,998	14,877	19,563	23,715
Non-interest gain (loss)	140	1,309	6,494	9 218	8,785
Provision for impairment of loans and leases to customers	6,354	12,1221	13,863	18 413	25,939
Provision for losses other than loans	873	333	4,213	4,645	7,383
Profit before tax.....	6,961	5351	12,579	15,155	9,655
Income tax expense	1,318	1,465	2,587	2,775	2,690
Return adjustments.....	-	-	1.2	-	1.4
Net profit.....	5,642	3,885	9,993	12,380	6,966

Source: Central Bank of Uzbekistan

In 2024, the interest margin of the banking system increased by 17.9% as compared to 2023, but the net profit decreased by 43.7% during the same period. As of 1 January 2025, return on total assets ("ROA") was 1.4% and return on total equity ("ROE") was 6.6%, as compared to 2.6% and 14.2%, respectively, in 2024. The decline in profitability indicators in 2024 was due to net losses of several banks as a result of the additional provisioning for NPLs to maintain financial stability which is constantly assessed by the CBU.

The following table sets out certain data relating to the Uzbek banking sector as of the dates indicated:

	As of Period End											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Return on total assets, %	2.4	2.3	2.2	2.2	2.0	2.0	2.0	1.3	2.3	2.7	2.6	2.5
Return on total equity, %	10.7	9.9	10.0	10.3	9.9	10.0	10.0	6.1	10.6	13.1	12.9	13.3
Net Profit before tax, (soums billion) ..	1,695	3,314	5,019	6,961	1,829	3,806	5,842	5,351	2,557	6,157	9,298	12,579
Net interest margin, % ⁽¹⁾ ..	46.6	51.4	54.8	54.3	41.7	44.0	48.3	49.0	39.8	38.6	41.5	42.1

Indicator name	As of Period End							
	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Return on total assets, %	2.8	2.7	2.4	2.6	1.8	2.1	2.0	1.4
Return on total equity, %	15.1	14.7	12.7	14.2	9.6	11.0	10.5	6.6
Net Profit before tax, (soums billion).....	3,855	7,629	10,222	15,155	3,029	6,965	10,164	9,655
Net interest margin,% ⁽¹⁾	35.9	40.2	42.9	40.8	37.7	38.8	39.0	38.3

Source: Central Bank of Uzbekistan

(1) Net interest margin as calculated as a ratio of interest rate margin to gross revenue.

Non-Performing Loans

Banking system soundness in terms of asset quality is characterised by the dynamics of non-performing loans (“NPLs” include unsatisfactory loans overdue of 90 days, doubtful loans overdue 120 days and bad(loss) loans overdue 180 days or more).

The following table sets out certain data regarding the loan portfolio of the Uzbek banking sector and NPL ratio as of the dates indicated:

	As of Period End											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total loan portfolio	221,934	244,906	260,712	276,975	408,167	300,459	311,591	326,386	340,259	343,572	362,933	390,049
of which:												
NPLs (soums billion).....	5,021	7,087	6,839	5,785	14,302	14,742	18,126	16,974	16,831	16,795	17,112	13,992
NPLs as a percentage of total loans, %.....	2.3	2.9	2.6	2.1	3.5	4.9	5.8	5.2	4.9	4.9	4.7	3.6

	As of Period End							
	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total loan portfolio	415,301	431,906	460,388	481,158	478,201	493,952	515,641	533,121
of which:								
NPLs (soums billion).....	14,302	14,303	16,828	16,621	21,601	20,000	21,539	21,185
NPLs as a percentage of total loans, %.....	3.4	3.3	3.7	3.5	4.5	4.0	4.2	4.0

Source: Central Bank of Uzbekistan

As of 1 January 2025, NPLs accounted for 4.0% (or UZS 21,185 billion) of total loans, representing an increase from 3.6% (or UZS 13,992 billion) as of 1 January 2023, primarily as a result of an increase in the loan portfolio. In 2024, share of NPLs of banks with state participation was 3.9% (4.0% in 2020) and other banks – 4.1% (2.4% in 2023). As of 1 December 2024, the amount of provisions for NPLs was UZS 8,079 billion, or 36.0% of total NPLs, as compared to UZS 6,106 billion, or 36.7% as of 1 January 2024.

Compliance with prudential requirements of the Central Bank

The capital adequacy ratio of the banking system comprised 17.4% as of 1 January 2025 and 17.5% as of 1 January 2024, whereas the minimum requirement is 13% (10% for Tier I capital). Liquidity indicators of the banking system meet the minimum prudential requirements (minimum requirement of 100% for every single currency) of the CBU. In particular, as of 1 January 2025, the LCR (liquidity coverage ratio) which shows the short-term liquidity indicator of the banking system was 193.8% and the NSFR (net stable financing ratio) was 115.3%, as compared to 111.8% as of 1 January 2024. In 2024, local banks have accumulated sufficient amount of liquidity because several state-owned banks (NBU, SQB) and private bank (Ipoteka bank OTP) issued Eurobonds in international markets which helped banks to attract long-term stable funding to meet their financial obligations properly. The share of HQLA (high quality liquid assets) in total assets reached 17.3% (minimum requirement is 10%), as compared to 14.9% as of 1 January 2024.

As of 1 January 2025, the breakdown in composition of the total loan portfolio to various industries was:

- 29% to the general industry;
- 9% to the agricultural industry;
- 6% to the transportation and communication sectors;
- 7% to trade and public services;
- 2% to construction;
- 0.4% to housing and communal services;
- 33% of loans to the household sector (individuals); and
- 12% to other sectors of the economy.

As of 1 January 2025 and 2024, none of the banks were designated as a ‘problem bank’.

Banking system stability indicators of the Republic of Uzbekistan

The following table sets out certain banking system stability indicators of the Republic of Uzbekistan as of the dates indicated:

	As of Period End											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(soums billion, except percentages)											
Regulatory capital to risk-weighted assets	22.2%	20.5%	19.3%	18.4%	17.2%	17.7%	17.4%	17.5%	17.6%	17.0%	16.5%	17.8%
Total regulatory capital	53,824	55,342	56,582	58,159	87,692	62,909	65,354	70,191	76,142	77,684	81,516	83,413
Risk weighted assets	242,178	270,274	293,660	316,818	509,138	355,767	374,832	401,105	432,016	456,857	495,493	468,000
Regulatory Tier 1 capital to risk-weighted assets	19.7%	17.8%	16.4%	15.2%	14.8%	15.4%	14.8%	14.6%	15.2%	14.4%	13.5%	14.5%
Regulatory tier I capital	47,745	48,130	48,073	48,139	75,223	54,698	55,297	58,624	65,465	65,819	66,825	67,793
Risk weighted assets	242,178	270,274	293,660	316,818	509,138	355,767	374,832	401,105	432,016	456,857	495,493	468,000
NPLs, net of provisions to capital	4.4%	6.6%	5.0%	3.6%	9.4%	13.0%	15.8%	13.0%	14.6%	14.3%	12.9%	9.4%
NPLs net of provisions	2,361	3,607	2,804	2,098	7,769	8,174	10,353	9,186	10,549	10,700	9,940	7,467
Capital at the end of the period	53,329	54,926	56,462	58,351	82,853	62,794	65,608	70,918	72,332	74,782	76,854	79,565
NPLs to total gross loans	2.3%	2.9%	2.6%	2.1%	3.5%	4.9%	5.8%	5.2%	4.9%	4.9%	4.7%	3.6%
NPLs	5,021	7,087	6,839	5,785	14,302	14,742	18,126	16,974	16,831	16,795	17,112	13,992
Total gross loans	221,934	244,906	260,712	276,975	408,167	300,459	311,591	326,386	340,259	343,572	362,933	390,049
Return on assets (ROA)	2.4%	2.5%	2.2%	2.2%	2.8%	2.0%	2.0%	1.3%	2.3%	2.7%	2.6%	2.8%
Net income (before tax)	6,780	6,690	6,693	6,961	15,418	7,612	7,789	5,351	10,227	12,314	12,397	13,723
Total assets (average for the period)	278,754	267,743	302,942	315,773	560,273	377,878	385,528	397,407	447,212	463,360	482,517	496,187
Return on equity (ROE)	10.6%	10.9%	10.0%	10.3%	15.1%	10.0%	10.0%	6.1%	10.6%	13.1%	12.9%	14.6%
Net profit	5,566	5,293	5,370	5,642	12,262	6,070	6,158	3,885	7,588	9,510	9,497	10,902
Aggregate capital (average for the period)	52,441	48,671	53,984	54,914	81,207	60,588	61,843	63,658	71,625	72,677	73,721	74,698
Interest margin to gross income	46.6%	51.4%	54.8%	54.4%	35.9%	44.0%	47.3%	49.0%	39.8%	38.6%	41.5%	42.1%
Interest margin	3,161	6,509	10,176	14,048	6,575	7,986	12,013	16,595	5,545	11,063	17,757	24,162
Gross income	6,783	12,667	18,577	25,850	18,317	18,149	25,385	33,846	13,938	28,671	42,810	57,344
Noninterest expenses to gross income	38.5%	40.5%	42.5%	45.1%	34.0%	39.2%	43.5%	47.1%	35.8%	40.4%	42.9%	46.5%
Noninterest expenses	2,613	5,130	7,897	11,662	6,219	7,118	11,039	15,942	4,984	11,580	18,379	26,688
Gross income	6,783	12,667	18,577	25,850	18,317	18,149	25,385	33,846	13,938	28,671	42,810	57,344
Liquid assets to total assets	14.3%	12.6%	12.3%	15.4%	16.9%	16.0%	15.7%	18.6%	16.2%	21.6%	22.3%	21.5%
Liquid assets	41,139	39,656	41,003	56,264	95,565	63,281	64,090	82,874	73,041	107,226	120,291	119,710
Total assets	288,396	315,976	333,390	366,121	564,548	396,162	408,477	444,922	449,501	495,655	539,990	556,746
Liquid assets to short-term liabilities	39.8%	33.4%	31.4%	39.9%	38.4%	43.9%	41.3%	46.9%	42.4%	50.4%	47.9%	47.3%
Liquid assets	41,139	39,656	41,003	56,264	95,565	63,281	64,090	82,874	73,041	107,226	120,291	119,710
Short-term liabilities	103,341	118,828	130,763	141,169	248,830	144,062	155,364	176,642	172,091	212,588	251,378	253,039
Liquidity coverage ratio	189.8%	211.9%	201.0%	224.5%	152.0%	157.9%	156.3%	189.6%	162.0%	208.7%	211.7%	211.6%
Capital to total assets	18.5%	17.4%	16.9%	15.9%	17.2%	17.7%	17.4%	17.5%	17.6%	17.0%	16.5%	17.8%
Capital at the end of period	53,329	54,926	56,462	58,351	87,692	62,909	65,354	70,191	76,142	77,684	81,516	83,413
Total assets	288,396	315,976	333,390	366,121	509,138	355,767	374,832	401,105	432,016	456,857	495,493	468,000

	As of Period End							
	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(soums billion, except percentages)							
Regulatory capital to risk-weighted assets	17.22%	16.77%	15.88%	17.54%	17.45%	17.10%	17.01%	17.4%
Total regulatory capital	87,692	88,863	91,666	105,914	111,397	113,724	117,994	124,793
Risk weighted assets	509,138	539,846	580,657	603,945	638,251	670,104	704,367	718,557
Regulatory Tier 1 capital to risk-weighted assets	14.82%	14.20%	13.26%	14.06%	14.83%	14.28%	13.78%	14.3%
Regulatory tier I capital	75,223	75,217	76,542	84,911	94,637	94,946	95,620	102,618
Risk weighted assets	509,138	539,846	580,657	603,945	638,251	670,104	704,367	718,557
NPLs net of provisions to regulatory capital	8.9%	8.3%	9.5%	9.9%	12.6%	12.1%	12.1%	10.1%
NPLs net of provisions	7,769	7,378	8,845	10,515	14,040	13,957	14,471	11,557
Regulatory capital at the end of the period	87,692	88,730	93,554	105,914	111,397	115,612	119,605	114,792
NPLs to total gross loans	3.4%	3.3%	3.7%	3.5%	4.5%	4.0%	4.2%	4.0%
NPLs	14,302	14,303	16,828	16,621	21,601	20,000	21,539	21,185
Total gross loans	415,301	431,906	460,388	481,158	478,201	493,952	515,641	533,121

	As of Period End							
	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	<i>(soums billion, except percentages)</i>							
Return on assets (ROA)	2.8%	2.7%	2.4%	2.6%	1.8%	2.1%	2.0%	1.4%
Net income (before tax).....	3,854	7,629	10,222	15,155	3,029	6,965	10,164	9,655
Total assets (average for the period)	560,647	565,988	578,442	593,185	658,907	669,413	686,740	703,258
Return on equity (ROE).....	15.1%	14.7%	12.7%	14.2%	9.6%	11.0%	10.5%	6.6%
Net profit before taxes	3,066	6,078	8,023	12,380	9,524	11,034	10,764	6,966
Aggregate capital (average for the period)	81,209	82,836	84,384	86,923	98,896	100,650	102,780	105,182
Interest margin to gross income	35.9%	40.2%	42.9%	40.8%	37.7%	38.8%	39.0%	38.3%
Interest margin	6,575	13,717	21,114	28,996	7,845	16,002	24,514	34,192
Gross income.....	18,317	34,144	52,176	71,050	20,833	41,289	62,816	89,312
Noninterest expenses to gross income.....	34.0%	40.5%	42.9%	46.2%	40.6%	48.8%	51.4%	51.9%
Noninterest expenses.....	6,219	13,813	22,388	32,836	8,453	20,145	32,274	46,335
Gross income.....	18,317	34,144	52,176	71,050	20,833	41,289	62,816	89,312
Liquid assets to total assets.	16.9%	15.1%	15.8%	16.2%	16.6%	16.5%	18.3%	18.7%
Liquid assets.....	95,565	87,155	102,932	105,421	110,657	114,094	135,237	143,550
Total assets	564,548	576,670	615,802	652,157	665,657	690,424	738,721	769,330
Liquid assets to short-term liabilities	38.4%	35.5%	37.6%	37.1%	39.0%	37.9%	42.9%	42.6%
Liquid assets.....	95,565	87,155	102,932	105,421	110,657	114,094	135,237	143,550
Short-term liabilities.....	248,830	246,175	258,321	283,846	283,565	301,277	315,592	283,565
Liquidity coverage ratio.....	173.3%	148.7%	161.9%	164.8%	159.5%	164.5%	183.4%	193.8%

Loan deferrals

During the COVID-19 pandemic, a two-phase loan repayment deferral programme was implemented to support borrowers facing financial challenges. Currently, there are no supervisory measures in effect that provide pandemic-related relief. However, commercial banks retain the discretion to defer loan repayments on a case-by-case basis, provided clients submit individual requests supported by concrete evidence of deteriorated financial statements and credible recovery forecasts.

As of 1 January 2025, the total outstanding amount of restructured loans stood at US\$4.8 billion, representing 12% of total loans. Of this amount, US\$4.0 billion, or approximately 83% of total restructured loans, was restructured during the second phase of the pandemic-related grace period. Compared to the previous year, the outstanding volume of restructured loans decreased by 13%, reflecting improvements in the economic environment and a reduction in COVID-19-related deferrals as well as standard restructuring measures.

As of 1 January 2025, the outstanding amount of restructured loans specifically related to COVID-19 stands at US\$826 million. This figure continues to decline gradually, driven by the improving business climate and the implementation of state support programs aimed at aiding economic recovery. These developments underscore the ongoing normalisation of credit conditions within Uzbekistan's banking sector and the resilience of borrowers as they adjust to post-pandemic market dynamics.

Impacts from Russia-Ukraine conflict

The total amount of resources obtained from Russian banks by local banks reached US\$1.3 billion (external loans comprise US\$623 million and obtained deposits comprise US\$702 million), of which 2.4% or US\$31 million were obtained from one Russian bank which has been remaining under current strict international sanctions (designated as SDNs by the U.S. Treasury). All transactions with Russian banks which have been designated as SDNs were immediately frozen in order to avoid being impacted by secondary sanctions and other potential negative impacts.

Another impact is that remittances have increased significantly in the wake of the Russia-Ukraine conflict. The following table sets out remittance inflows for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Cross-border money transfers, inflow, US\$ million	6,027.1	8,073.7	16,972.9	11,426.9	14,794.1

Source: Central Bank of the Republic of Uzbekistan

(1) Preliminary estimates.

The CBU has implemented a daily monitoring system to track the dynamics of external resources obtained by the banking sector, including foreign borrowings and deposit inflows. Specific divisions within the CBU, along with risk-management departments in commercial banks, have been tasked with overseeing sanctions compliance and mitigating related risks. These efforts aim to safeguard Uzbekistan's financial system from the potential impact of secondary sanctions.

To further reduce exposure to sanctions risks, commercial banks in Uzbekistan have enhanced their compliance frameworks. Dedicated structural units have been established to oversee activities such as account openings for non-residents, cross-border remittances, and cash and non-cash transactions, ensuring the legitimacy of funds. Additionally, local banks have strengthened their screening processes to identify sanctioned individuals and monitor transactions involving prohibited goods for export and re-export.

As a result of recent regulatory changes, banks are prohibited from opening new accounts for non-resident individuals without conducting interviews to determine the purpose of the accounts, sources of funds, and the intended use of banking services. Processing and verifying non-residents' personal and financial information can take several days, depending on the complexity of the case. A monthly cash withdrawal limit of US\$10,000 for non-residents has been established, with additional documentation required for transactions exceeding this amount.

In line with international standards, banks have introduced monthly and annual withdrawal limits for non-residents and require comprehensive documentation to verify the source of funds for large transactions. Commercial banks are authorised to suspend or block suspicious operations by non-residents if they violate agreement terms. Such cases are promptly reported to the CBU for further investigation.

As part of efforts to mitigate the negative effects of external factors on financial stability, Uzbekistan has implemented targeted measures to address potential vulnerabilities in its banking sector. These measures include:

- a) Instructing local banks to refrain from converting their credit liabilities (external debts) to Russian banks into Russian rubles and prohibiting early repayment of such obligations; and
- b) Conducting regular monitoring of export enterprises to promptly identify and address challenges faced by businesses exporting goods to Russia and Ukraine. These issues are resolved on-site through the intervention of a dedicated working group.

To support export-oriented enterprises affected by external disruptions, local commercial banks deferred loans totalling UZS 4.4 trillion (which have since been repaid in full). This deferral aimed to provide relief to enterprises that have regularly exported local goods and products to Russia and Ukraine, ensuring their operational continuity amidst challenging circumstances.

The exposure of Uzbekistan's banking sector to the Russian currency remains minimal. As of 1 January 2025, the foreign exchange (FX) position of the banking sector in Russian rubles accounted for only 0.2% of the total FX position, underscoring the sector's limited vulnerability to risks associated with the Russian economy.

The CBU continues to closely monitor the evolution of asset quality within the banking sector. Regular stress tests are conducted to assess the resilience of financial institutions and identify potential vulnerabilities. The CBU remains committed to taking all necessary measures to safeguard the stability of local banks, ensuring their ability to withstand risks related to international sanctions against Russia and other external factors.

Measures to reduce dollarisation

The table below shows levels of dollarisation as of the dates indicated:

	As of 1 January				
	2021	2022	2023	2024	2025
Deposit dollarisation	39.6%	38.9%	34.2%	28.6%	25.5%
Households' deposit dollarisation.....	31.9%	28.5%	23.5%	21.6%	18.7%
Loan dollarisation.....	47.7%	47.7%	45.6%	43.6%	41.1%

Source: Central Bank of the Republic of Uzbekistan

The dollarisation level of the banking system is gradually decreasing and as of 1 January 2025, the dollarisation level of loan portfolio decreased to 41.1% from 43.6% as of 1 January 2024 and 45.6% as of 1 January 2023, and the deposit portfolio dollarisation level decreased to 25.5% from 28.6% as of 1 January 2024 and 34.2% as of 1 January 2023. These decreases reflect the results of various measures undertaken by the CBU and commercial banks in line with the Government's strategy to reduce level of dollarisation in the banking sector. In addition, due to the tightening of global financial conditions, foreign credit lines became more expensive from the second half of 2022, which impacted to the gradual decline of loan dollarisation.

To further reduce the level of dollarisation in Uzbekistan's financial system, the development of a hedging instruments market is expected to play a key role. By advancing this market, commercial banks would gain the capability to issue loans in local currency while utilising FX credit line sources and simultaneously hedging associated FX risks. In October 2022, the CBU initiated the establishment of an interbank FX futures market to assist banks in managing FX risk exposure effectively.

On the deposit side, the CBU has implemented differentiated reserve requirement rates to decrease the level of dollarisation. Reserve requirements are set at 4% for deposits in local currency and 14% for deposits in foreign currency. Over the past two to three years, the total volume of FX deposits has remained relatively stable in U.S. dollar terms. This stability reflects the gradual reduction in incentives for holding FX deposits due to a combination of favourable monetary conditions and currency stability.

A low rate of depreciation in the local currency, coupled with higher interest rates for deposits in local currency, has increased the attractiveness of local currency deposits compared to FX deposits. In particular, term and savings deposits denominated in local currency have seen substantial growth. Individual term deposits in local currency increased by 1.5 times in 2023 and by an additional 63.4% in 2024, reflecting a shift in depositor preferences toward higher-yielding local currency instruments.

Other banking system reforms

Uzbekistan has made significant strides in modernising its banking regulation and supervision. The adoption of updated laws on "The Central Bank of the Republic of Uzbekistan" and "Banks and Banking Activities" in 2019 marked a turning point in the sector's development. These laws equipped the CBU with comprehensive tools to oversee the banking system, establishing a robust framework for market entry, supervision, enforcement, and market exit.

Building on this foundation, the CBU conducted a self-assessment against the Basel Committee's Core Principles. This assessment identified gaps and vulnerabilities, leading to the development of a Roadmap to address these shortcomings. As part of the Roadmap's implementation, the CBU has revised its regulatory framework to align prudential requirements, such as capital adequacy and liquidity, with Basel III standards. It has also introduced significant updates to regulations governing corporate governance, risk management, and internal and external audits of banks to ensure alignment with international standards. Regulations relating to large exposures, related-party transactions, asset classification, and reserves have been significantly enhanced. The CBU continues to advance its regulatory framework in line with Basel III standards. A key component of Basel III is Pillar 1, which focuses on minimum capital requirements to cover credit, market and operational risks, and the CBU targets the full implementation of Pillar 1 capital adequacy requirements by the end of 2025.

In 2024, Uzbekistan received a Financial Sector Assessment Program ("FSAP") technical mission, organised jointly with the support of International Monetary Fund and the World Bank. The mission covered several key areas, including the Basel Core Principles, non-performing loan resolution, and the role of the state in the financial sector. Its primary objectives were to assess the alignment of the CBU banking supervision with the

Basel Core Principles, improve risk-based supervision (“**RBS**”), identify existing weaknesses and potential policy shortcomings, and enhance the effectiveness of financial regulation and supervision. The FSAP initiative will continue until mid-2025, expanding into areas such as capital markets and other financial intermediaries.

As part of the programme, the CBU developed RBS guidelines with support from World Bank experts, which were initially applied to assess the risk profiles of four banks (two state-owned and two private). These assessments involved a detailed examination of their resilience to capital, liquidity, operational, and market risks. This methodology was subsequently extended to 14 additional banks to evaluate their business models, development strategies, credit and interest rate risks, liquidity management, capital adequacy, and corporate governance frameworks.

To address systemic vulnerabilities and safeguard financial stability, the CBU has implemented targeted macroprudential measures. In response to rapid credit growth and rising levels of household indebtedness, the CBU extended the debt service-to-income (“**DSTI**”) limit to all loans issued to individuals in July 2024; previously, this limit applied exclusively to microloans. From 1 January 2025, the DSTI threshold was reduced from 60% to 50% to further mitigate risks. Additionally, stricter capital requirements for residential real estate and car loans have been introduced. Risk weights are now calibrated based not only on the loan-to-value ratio but also on the borrower’s DSTI, ensuring a more comprehensive assessment of credit risk.

In terms of bank resolution and deposit insurance, a draft law on bank resolution and liquidation, aligned with international best practices, establishes a Financial Stability Board and designates the CBU as the Resolution Authority. It introduces resolution planning, funding mechanisms, and resolvability assessments for systemically important banks. Complementing this, a new deposit insurance law, based on IADI (International Association for Deposit Insurers) principles, introduces a “Pay-box Plus” system to enhance resolution capabilities.

A new version of the draft Law “On Guarantees for the Protection of Deposits in Banks” was adopted by the Senate on 24 January 2025 in the first reading and has been submitted to the President for approval. This revised version introduces a guaranteed deposit threshold of UZS 200 million. Additionally, a draft law on bank resolution and liquidation is currently under review by the Legislative Chamber of Parliament.

Emerging areas such as Islamic banking, green finance, and microfinance are also key priorities. Regulatory frameworks for Sharia-compliant services are being developed in collaboration with the IsDB, alongside draft amendments to the Civil and Tax Codes to remove barriers to Islamic banking. In microfinance, efforts are underway to enable the establishment of microfinance banks, expanding access to financial resources. Regarding green finance, a Strategy for the Management and Supervision of Financial Risks Related to Climate Change in the Banking Sector is being developed.

Stress-testing

The CBU conducts stress-tests each quarter as part of supervisory measures and assesses risk-profiles of each separate bank. Also, every quarter systemically important banks are evaluated and monitored by supervisors.

Currently, practical stress test models are:

- IMF-developed credit, capital adequacy and liquidity as well as other macro-level stress tests (top-down and bottom-up approaches);
- Stress-testing model based on “GAP” analysis implemented in cooperation with the World Bank; and
- Micro-level model based on cash flow analysis to assess credit risk.

In order to evaluate the expected level of NPLs, the supervision department conducts stress-tests by assessing the financial flows of customers.

While stress-tests are conducted each quarter, the monitoring process of risk appetite and risk profiles are conducted every month.

Foreign Participation in the Banking Sector

The participation of foreign capital in the banking sector is regulated by the Laws of the Republic of Uzbekistan “On the Central Bank of the Republic of Uzbekistan” No. LRU-582 dated 11 November 2020, “On banks and banking activity” No. LRU-580 dated 5 November 2019, “On securities market” No. LRU-387 dated 3 June 2015 as well as regulation of CBU “On procedures and conditions of access to banking activities” (as registered with the Ministry of Justice under No 3252 on 25 May 2020).

Currently, there are seven foreign owned banks operating in Uzbekistan which are TBC bank (Georgia), KDB bank (Korea), Ziraat bank (Turkey), Saderat bank (Iran), Ipoteka bank OTP (Hungary), Tenge bank and Eurasian bank (Kazakhstan). The growing number of foreign banks and their active operations is showing huge interest from investors in local banking system.

Cooperation with International Financial Institutions in the Banking Sector

To further enhance its operations and ensure the stability of the banking sector, the CBU collaborates extensively with international financial institutions (“IFIs”). In 2024, technical assistance was provided by the IMF, World Bank, Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), and IsDB. These initiatives focused on strengthening various areas of the CBU’s activities, including monetary policy, internal audit, financial literacy and inclusion, payment systems, international reserve management, financial stability, monetary operations, Islamic finance, SME finance development, and the collateral register.

Representatives of the CBU actively participate in high-level conferences, meetings, and capacity-building programmes organised by these international institutions. The knowledge and recommendations derived from such engagements have been instrumental in driving improvements across the CBU’s functional areas. Structural units within the CBU have been implementing measures based on recommendations received through technical assistance, resulting in ongoing enhancement of the institution’s capabilities.

Currently, the CBU is a member of eight international organisations, including the Network for Greening the Financial System (NGFS), Alliance for Financial Inclusion (AFI), International Financial Consumer Protection Organisation (FinCoNet), Basel Consultative Group (BCG), International Operational Resilience Working Group (IORWG), Asia Pacific Working Group (APWG), Islamic Financial Services Board (IFSB), and the Banking Commission of the International Chamber of Commerce (BCC).

Membership in these organisations provides the CBU with opportunities to exchange knowledge and best practices with foreign regulators and international bodies. These communities serve as valuable platforms for interaction, fostering collaboration among a broad range of participants. As part of its engagement, experts from the CBU actively contribute to working groups within these organisations, enabling the institution to stay abreast of global developments and adopt leading practices.

Development of remote banking services

In early 2020, the CBU launched the Instant Payment System, enabling organisations and businesses to process real-time payments on a 24/7 basis. In September 2020, a payment method for budget transactions to the Treasury was introduced within the Instant Payment System. By September 2023, through the collaborative efforts of CBU and Treasury specialists, payment transfers from the Treasury to banks in Uzbekistan were established. This allowed for budget expenditure payments to be processed through the Instant Payment System via the CBU, as the Treasury operates as a client of the CBU. However, similar to the Clearing Payment System, file exchanges with the Treasury and the absence of a correspondent account with the CBU limit the full servicing capabilities for budget organisations.

In 2024, the Instant Payment System processed over 47.5 million transactions, amounting to more than UZS 917.9 trillion. During the fourth quarter of 2024, the system handled approximately 12.1 million transactions, totalling UZS 289.9 trillion. This shows the growing adoption and efficiency of the system in facilitating payments across various sectors.

To further modernise the payment infrastructure, significant developments have been made to encourage the use of bank cards. As of 1 January 2025, Uzbekistan had 29,736 ATMs and information kiosks and more than 426,654 POS terminals installed nationwide. Additionally, the “QR-online” system has been launched, enabling

seamless payments via QR codes. By the same date, the number of entities registered in the system exceeded 107,342, as recorded by commercial banks.

Gold and Foreign Exchange Reserves

The following table sets out Uzbekistan's official reserve assets and other foreign currency assets as of the dates indicated.

	As of 31 December				
	2020	2021	2022	2023	2024
			(US\$ million)		
Official reserve assets	34,904.0	35,139.2	35,767.5	34,564.6	41,181.6
Foreign currency reserves (<i>in convertible foreign currencies</i>)	14,303.9	13,077.6	11,645.4	9,369.5	8,597.7
<i>Of which:</i>					
Securities	—	—	—	—	101.7
other national central banks, BIS and IMF	337.0	306.2	1,192.7	566.8	351.0
banks headquartered outside the reporting country	13,967.0	12,771.4	10,452.8	8,802.7	8,145.0
IMF reserve position	0.01	0.01	0.01	0.01	0.01
SDRs	383.3	1,111.9	1,057.3	563.0	547.3
Gold.....	20,216.7	20,949.7	23,064.8	24,632.2	32,036.7
<i>Of which, volume in millions of fine troy ounces</i>	10.7	11.6	12.7	11.9	12.3
Other foreign currency assets	110.7	243.7	67.5	86.3	78.6
<i>Of which:</i>					
deposits not included in official reserve assets	103.4	236.0	62.0	81.3	63.8
gold not included in official reserve assets.....	7.3	7.7	5.5	5.0	14.8

Source: Central Bank of the Republic of Uzbekistan

The calculation of international reserves is conducted in compliance with the standards of the IMF. International reserves of Uzbekistan consist of foreign currency reserves and monetary gold.

As of 31 December 2024, Uzbekistan's total official international reserves, including gold, and the CBU's foreign currency reserves, amounted to US\$41,181.6 million, indicating an increase of 19.1% as compared to 31 December 2023, of which US\$9,145.0 million were foreign currency assets and US\$32,036.7 million was in gold. An increase in international reserves in 2024 resulted largely from an increase of gold holdings and the price of gold which rose from US\$2,062.4 to US\$2,610.85 per ounce.

As of 31 December 2023, Uzbekistan's total official international reserves, including gold and the CBU's foreign currency reserves amounted to US\$34,564.6 million, indicating a decrease of 3.4% as compared to 31 December 2022, of which US\$9,932.5 million were foreign currency assets and US\$24,632.2 million was in gold. A decrease in international reserves in 2023 largely resulted from a decrease in balances held by commercial banks at the CBU and foreign exchange interventions conducted by the CBU.

As of 31 December 2022, Uzbekistan's total official international reserves, including gold and the CBU's foreign currency reserves amounted to US\$35,767.5 million, indicating an increase of 1.8% as compared to 31 December 2021, of which US\$12,702.7 million were foreign currency assets and US\$23,064.8 million was in gold. An increase in international reserves in 2022 resulted largely from an increase of gold holdings and the price of gold which rose from US\$1,799.3 to US\$1,812.4 per ounce.

As of 31 December 2021, Uzbekistan's total official international reserves, including gold and the CBU's foreign currency reserves, amounted to US\$35,139.2 million, an increase of 0.7% as compared to 31 December 2020, of which US\$14,189.5 million were foreign currency assets and US\$20,949.7 million was in gold. An increase in international reserves in 2021 resulted largely from additionally allocated SDR, increase of gold holdings which outweighed negative price effect.

The import coverage ratio was 19.8x, 16.5x, 14.0x, 10.9x, 12.7x for the years ended 31 December 2020, 2021, 2022, 2023 and 2024 respectively.

Anti-Money Laundering Legislation and Measures

Uzbekistan's national system for combating money laundering ("**AML**"), the financing of terrorism ("**CFT**"), and the financing of the proliferation of weapons of mass destruction ("**CFP**") complies with international conventions and standards, including:

- The UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1995);
- The International Convention for the Suppression of the Financing of Terrorism (2001);
- The UN Convention Against Transnational Organised Crime (2003); and
- The UN Convention Against Corruption (2008).

Uzbekistan's core AML/CFT/CFP legislation is the Law of the Republic of Uzbekistan "On Countering Legalisation of Proceeds from Criminal Activity, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction" (No. 660-II), adopted on 26 August 2004 (the "**AML/CFT Law**"). The AML/CFT Law governs relations in the AML/CFT/CFP field and provides for the establishment of internal controls, customer due diligence (CDD) measures, and the identification, assessment, and mitigation of AML/CFT/CFP risks.

The AML/CFT Law also defines the powers of the Financial Intelligence Unit ("**FIU**"), the scope of entities subject to AML/CFT/CFP regulations (financial institutions, designated non-financial businesses and professions ("**DNFBPs**"), and virtual asset service providers ("**VASPs**")), and mechanisms for international cooperation.

Pursuant to Article 13 of the AML/CFT Law, financial institutions, DNFBPs, and VASPs are required to file suspicious transaction reports with the FIU if there is any suspicion of ML, FT, or FP activities based on pre-established criteria. In 2020, entities operating in the field of crypto-assets were included in the scope of financial monitoring.

The Presidential Resolution No. PR-3947, dated 20 September 2018, established the Interdepartmental Commission on AML/CFT/CFP. The Commission comprises deputy heads of law enforcement agencies, ministries, and other relevant entities. Its main tasks include:

- Organising effective risk assessments for AML and CFT activities and proposing measures to strengthen the national AML/CFT/CFP system;
- Developing recommendations to improve state policy in AML/CFT/CFP;
- Ensuring compliance with the Financial Action Task Force ("**FATF**") recommendations and integrating international standards into national legislation; and
- Analysing enforcement practices, identifying causes of ML/FT offences, and proposing corrective measures.

The Commission fosters collaboration between state bodies, self-regulating organisations, and the private sector to strengthen AML/CFT/CFP efforts.

On 6 June 2021, the Presidential Decree No. 6252 approved the Strategy for the Development of the National AML/CFT/CFP System of Uzbekistan. The strategy outlines key objectives, including:

- Mitigating identified risks and strengthening state policy in AML/CFT/CFP;
- Ensuring compliance with international standards and integrating FATF recommendations into national legislation;
- Enhancing the effectiveness of state bodies in preventing ML/FT/FP crimes;
- Strengthening international cooperation and dialogue with foreign partners; and
- Using modern information technologies to improve data collection, analysis, and exchange.

Additionally, on 28 June 2021, the Presidential Decree No. 6255 approved the National Anti-Extremism and Terrorism Strategy for 2021–2026. Complementary measures were introduced by the Cabinet of Ministers' Resolution No. 402 (29 June 2021), which includes regulations on information-sharing, international cooperation, and monitoring compliance in AML/CFT/CFP activities.

Uzbekistan has been a member of the Eurasian Group (“EAG”) on Combating Money Laundering and the Financing of Terrorism since 2005. The first mutual evaluation of Uzbekistan's AML/CFT measures by the EAG took place in 2009. In 2022, the EAG conducted a second mutual evaluation to assess the effectiveness of Uzbekistan's national AML/CFT system and its compliance with FATF recommendations. The Mutual Evaluation Report (“MER”) was approved at the 36th Plenary Meeting in June 2022 and published in August 2022. The MER provided a detailed analysis of Uzbekistan's compliance with FATF standards and recommended measures to strengthen its national AML/CFT framework. On 24 July 2023, the EAG reported significant progress by Uzbekistan in addressing technical compliance deficiencies identified in the MER. As a result, Uzbekistan was moved from enhanced to regular follow-up. Further progress will be reviewed at the 44th Plenary Meeting.

Uzbekistan has been a full member of the Egmont Group of Financial Intelligence Units since 2011 and the Council of Heads of Financial Intelligence Units of the CIS since 2018.

Uzbekistan conducted its first National Risk Assessment (“NRA”) on ML and FT in 2019, with support from the OSCE. The NRA identified and assessed key risks, providing a foundation for strengthening the national AML/CFT system. A second NRA was completed in 2023, with assistance from the World Bank, and the corresponding report was adopted by the Interdepartmental Commission on 18 July 2023.

Additionally, in 2023, Uzbekistan conducted its first NRA focused on the financing of the proliferation of weapons of mass destruction. This assessment formed the basis for further improvements in the national AML/CFT/CFP system.

To ensure continuous improvement, the Government regularly holds meetings and conferences to address AML/CFT risks, enhance electronic payment system regulations, and foster international collaboration. Uzbekistan remains committed to aligning its AML/CFT framework with global standards to safeguard its financial system and investment environment.

Anti-Corruption Legislation and Measures

Uzbekistan has introduced legislation, which, in conjunction with the country's Criminal Code, prohibits corruption in Uzbekistan. The main government bodies tasked with combating corruption are the Anti-Corruption Agency, the Prosecutor General's Office, the Ministry of Internal Affairs, the State Security Service and the Ministry of Justice of the Republic of Uzbekistan.

The Republic of Uzbekistan ratified the UN Convention Against Corruption in 2008 and became a signatory to the Istanbul Anti-Corruption Action Plan in 2010. Since then, Uzbekistan has adopted a series of anti-corruption laws aimed at improving the foreign investment climate and fostering transparency.

To further enhance anti-corruption measures, the Law of the Republic of Uzbekistan “On Public-Private Partnership” was adopted in 2019 to reduce administrative barriers and ensure transparency in accessing public resources. Additionally, the Law of the Republic of Uzbekistan “On Public Procurement” was updated on 22 April 2021 and came into force in July 2021. The updated law aims to make public procurement procedures transparent and efficient through digitalisation.

On 29 June 2020, the President of Uzbekistan established the Anti-Corruption Agency, which is authorised to request, receive, and analyse information related to the expenditure of budget funds, implementation of state assets, public procurement, investment projects, and state programmes. The agency's primary functions include:

- Systematic analysis of corruption, identifying areas most susceptible to corruption risks, and determining the causes and conditions for corruption offences;
- Creating an intolerant attitude towards all forms of corruption by implementing comprehensive public awareness programmes, disseminating information, and organising anti-corruption training;

- Introducing internal anti-corruption control systems (“**compliance control**”) in state and economic management bodies, the SOEs, and banks with state shareholdings, while monitoring their anti-corruption activities using modern technologies and rating their performance;
- Ensuring the effectiveness of anti-corruption expertise of regulatory legal acts and their drafts, proposing legislative improvements, and implementing international standards and best practices in the fight against corruption;
- Implementing integrity standards (“integrity vaccines”) in public service, resolving conflicts of interest, and monitoring compliance with these standards.

To strengthen anti-corruption measures further, the Presidential Resolution No. RP-5177 dated 6 July 2021 introduced internal anti-corruption control units in state bodies and organisations, including state-owned banks. The E-Anticorruption project was fully launched on 1 September 2022. This initiative established a system for mandatory detection and assessment of corruption risks in state bodies, enterprises, and organisations with state ownership exceeding 50%. Citizens can report corruption through the E-antikor.uz electronic platform and associated call centres. The Government has also introduced a system for monitoring and evaluating the effectiveness of anti-corruption activities, including a ranking system for state bodies and an Index of Openness.

The Ministry of Justice adopted an anti-corruption policy aligned with international standards, including ISO 37001:2016 on anti-bribery management systems. Additionally, the Law of the Republic of Uzbekistan “On Anti-Corruption Expertise of Regulatory Legal Acts and Their Drafts” (LRU-860 dated 8 August 2023) was adopted. This law defines the agency’s powers in conducting anti-corruption reviews of legislative acts, monitoring compliance, and identifying factors contributing to corruption in regulations.

As part of the Uzbekistan-2030 Strategy, the Government has set ambitious anti-corruption targets, including:

- Improving the country’s position in the Corruption Perception Index by 50 positions;
- Reducing violations of public procurement laws by 50% and fully implementing public control in procurement processes; and
- Ensuring that 100% of regulatory legal acts are developed based on the principle of “corruption-free legislation.”

On 27 November 2023, Presidential Decree No. DP-200 tasked the Anti-Corruption Agency with developing the National Anti-Corruption Strategy 2030, which outlines future policy priorities. The decree also expanded the list of socially significant information to be disclosed by state bodies to 40 items.

In 2024, Uzbekistan made significant strides in strengthening anti-corruption legislation. The Law of the Republic of Uzbekistan “On Conflict of Interest”, adopted on 5 June 2024, introduced mechanisms for reporting conflicts of interest, filing declarations, and maintaining a register. Administrative liability was also established for non-compliance with conflict-of-interest regulations (Article 1934 of the Administrative Responsibility Code).

Uzbekistan has also launched several initiatives to raise awareness and provide education on anti-corruption. The Virtual Anti-Corruption Academy electronic platform was introduced in June 2024 (Resolution RP-228), requiring advanced anti-corruption training for all civil servants. Additionally, projects such as Corruption-Free Regions, Transparent and Accountable Regions, and Corruption-Free Areas in sectors like capital construction, higher education, healthcare, public procurement, and banking aim to reduce corruption risks.

To increase international visibility, the Tashkent International Anti-Corruption Forum is held annually, and the Uzbekistan Anti-Corruption Digest is published online in Uzbek, Russian, and English. The principle of “integrity vaccines” has also been introduced into the state civil service, with measures to prevent corruption codified in the Law “On State Civil Service.”

Domestic Capital Markets

Uzbekistan has its own stock market, which has been traded via the Republican Stock Exchange “Toshkent” (“**UZSE**”). UZSE provides a trading platform for securities of both listed and non-listed companies. However, before February 2023, the securities of the non-listed companies were traded on Elsis-Savdo, which was a closed

joint stock company that engages electronic over-the-counter securities trading. The company was founded in 2000.

The UZSE is the country's main securities trading platform and the only corporate securities exchange. It was founded on 8 April 1994. It mainly hosts equity and secondary market transactions involving shares of the SOEs, including ensuring free circulation of securities and disclosure of information, as well as market-based pricing. There are 75 investment intermediaries, including management companies operating in all regions of the Republic.

On the basis of the order of the Ministry of Economy and Finance of the Republic of Uzbekistan dated 28 January 2023 No. 07-45-01/03, from 30 January 2023, organised over-the-counter trading began for the purchase and sale of securities not included in the exchange quotation list of the UZSE, UZSE launched the work of the Off-listed trading platform (OTC).

In September 1995, the UZSE joined the Federation of Eurasian Stock Exchanges (based in Istanbul). Over the years of development, UZSE has entered into cooperation and information exchange agreements with the Istanbul, Frankfurt, London, Moscow and other stock *exchanges globally*. On 6 April 2018, a Memorandum of Mutual Cooperation was signed between the UZSE and the Korean Stock Exchange.

The Multilateral Memorandum of Understanding with the International Organisation of Securities Commissions signed in 2002, contributes to development of Uzbekistan's capital markets by establishing an international framework for cross-border cooperation, namely, providing for the procedural terms for consultations, cooperation and information exchange and joint fight against cross-border fraud and financial crimes, such as market manipulation and insider trading.

For the nine months ended 30 September 2024, the total turnover of the stock and corporate bonds market in Uzbekistan amounted to UZS 2.4 trillion, of which UZS 135.1 billion were formed in the Nego board and UZS 217.9 billion in the Main board. UZS 2.1 trillion in the amount of stocks and corporate bonds were traded via Free of Payment board that was launched in the end of November 2023. Within the same period, and according to the results of trading at the RSE "Toshkent", 358,510 transactions were registered with 15.7 billion securities of 99 issuers and worth UZS 2.4 trillion. During nine months ended 30 September 2024, the number and volume of trades increased by 44.0% and 3.5%, respectively, compared to nine months ended 30 September 2023. It is important to note that over the past five years, there has been a positive growth trend in the number of trades.

The Central Securities Depository provides a unified accounting of securities in the depository system of the Republic of Uzbekistan. During the nine months ended 30 September 2024, 38,150 trades worth a total of UZS 1.2 trillion were executed on the non-listed trading platform.

Government Securities

Since 2019, Uzbekistan has seen a significant increase in the number of government securities auctions, reflecting the Government's commitment to developing the domestic debt market. In 2019, there were 15 auctions, which increased to 22 in 2020. In 2021, treasury bills and bonds with a total value of UZS 4,866 billion were issued through 64 auctions. In 2022, treasury bills and bonds with a total value of UZS 13,628 billion were issued through 81 auctions. In 2023, the Government issued UZS 24.8 billion in government securities through 59 auctions. In 2024, the Government issued UZS 34,157 billion in government securities through 163 auctions, bringing the total outstanding amount to UZS 39,240 billion as of 31 December 2024.

The issuance of government securities contributes to the overall development of Uzbekistan's capital markets and to strengthening of market mechanisms for macroeconomic regulation.

On 21 February 2022, the Cabinet of Ministers adopted a resolution establishing a primary dealership system in the government securities market to stimulate its development. The resolution also allowed non-residents to purchase government bonds. Further, the Ministry of Economy and Finance signed primary dealership agreements with ten commercial banks in the Republic of Uzbekistan: NBU, Ipoteka Bank, Xalq Bank, Uzpromstroybank, Business Development Bank, Asaka Bank, Turon Bank, Asia Alliance Bank, Ipak Yuli Bank, and Kapitalbank.

Secondary market trades in government bonds and bills are gradually increasing, driven by fluctuations in the banking system's liquidity. In the long term, the Ministry of Economy and Finance remains committed to

developing the domestic government debt market through the continuous diversification of debt instruments in terms of tenor and tranche size. It also aims to expand the investor base by working in collaboration with the CBU to improve access to government securities and enhance market infrastructure.

Corporate Securities

In 1999, corporate securities were introduced in Uzbekistan. In 2001, International Issue Syndicate (“**IIS**”), a volunteer operation union, was established among 22 Uzbek commercial banks, insurance, investment and consulting companies. IIS facilitated corporate bond issuance and underwriting.

In 2004, 23 companies issued corporate bonds. Since then, the market has significantly decreased, partially due to the defaults of several limited liability companies and a lower refinancing rate, which affected coupon rates on corporate bonds. In order to allow for stable market development, the Government adopted new regulations for the corporate bond market, limiting market access to open joint stock companies complying with specific financial performance ratios over the preceding three years and limiting the maximum placement amount by such companies’ total capital amount. During the nine months ended 30 September 2024, 39 companies issued corporate bonds in the amount of UZS 1.4 trillion. In addition, during the same period, 2,429 trades with 285,423 corporate bonds of four issuers in the total of UZS 115.92 billion were concluded on the Bond Market on the Main Board trading platforms of the UZSE.

Equities Market

As of 30 September 2024, 103 joint-stock companies had a total market capitalisation worth UZS 234.8 trillion, which showed an upward trend with slight deviations and recorded an increase of 37.0% compared to the indicator at the beginning of this period.

Regulation of the securities market

Pursuant to the Presidential Resolution “On measures to further improve the capital market” No. PR-291 dated 2 September 2023, the National Agency for Prospective Projects (the “**NAPP**”) was designated as a regulator of the securities market of Uzbekistan, taking over all the subject-related functions and powers from the Ministry of Economy and Finance.

The NAPP has the following objectives with respect to the development and regulation of the capital markets in Uzbekistan:

- Integrating the local capital market into the international capital markets and allow international and foreign Central Securities Depositories like “Clearstream” and “Euroclear” to operate without any licence and local presence in Uzbekistan, introducing a special legal regime “Regulatory sandbox” in the industry;
- Approving the “Roadmap” for the development of the local capital market and the reform of the market infrastructure in 2023-2025, with the implementation of the following:
 - simplify the procedure for trading in the state securities market for foreign investors;
 - establish a bilateral correspondent relationship with “Clearstream” and other international and foreign Central Securities Depositories by opening foreign nominee accounts locally for their clients, for government and corporate securities;
 - implement “SWIFT” system in depository services;
 - further improve the activities of “Information and Resource Centre of the Stock Market”, “Central Depository of Securities” and UZSE “Toshkent”;
 - improve the single portal of corporate information disclosure;
 - improve the procedure for payment of income on securities, including dividend payments;
 - improve the taxation policy and practices in the local capital market;

- revise and ease the established restrictions on the purchase of shares for investors registered in offshore territories;
- expand the spectrum of financial instruments on the stock exchange as well as allowing local companies to issue foreign currency nominated corporate bonds, introduction of foreign issuers' securities trading on local stock exchanges;
- finalise and submit the draft law "On Capital Market" to the Cabinet of Ministers (as at the date of this Base Offering Circular, the draft has been submitted to the Administration of the President);
- Establishing a single depository services and settlement (clearing) system in Central Bank Money for corporate and Government securities; and
- Encouraging joint stock companies, investors and market participants with a number of incentives to actively invest in the local capital market, in particular to actively participate in public "IPOs".

The primary regulatory mechanisms of the securities market are defined by the Law of the Republic of Uzbekistan "On securities market", "On joint-stock companies and the protection of the rights of stockholders" and "On currency regulation". These mechanisms cover areas of market participant's and minority stockholder's rights, security issuance and exchange, rules for professional participants and securities, information disclosure, professional and institutional standards. Other aspects of the securities market legislation consist of normative acts issued by the President, the Cabinet of Ministers and the Ministry of Economy and Finance (including its predecessors, the CMDA and the Centre for Coordination and Development of the Securities Market under the State Committee of the Republic of Uzbekistan for Assistance to Privatised Enterprises and Development of Competition). Notable regulations are the Decree of the Cabinet of Ministers of the Republic of Uzbekistan "On measures for further improvement of corporate management systems in Joint-stock companies", the regulation "On trusted investment asset managers", the rules for provision and publication of information for the professional participants of the securities market, the regulation "On qualification requirements for securities market specialists", regulation "On organising the security of confidential information by security issuers" and the rules for issuing securities and the government registration of securities issuances.

Professional activity is a regulated activity under the Law of the Republic of Uzbekistan "On securities market" and is licensed, supervised and enforced by the Ministry of Economy and Finance. Professional activity includes organised stock-exchanges, organised over-the-counter exchanges, depositories, clearing-settlement chambers, investment intermediaries, investment advisors, trusted investment asset managers, investment funds, mutual funds and transfer-agents. The UZSE is the organised stock exchange and operates 12 regional branches. The Central Securities Depository operates under the form a Governmental Unitary Enterprise and is the main provider of depository services, with second-tier depository services offered by other professional participants. Clearing and settlement services are offered by the clearing chambers of organised exchanges.

Under the Law of the Republic of Uzbekistan "On securities market", "On the Central Bank of the Republic of Uzbekistan" and the Decree of the Cabinet of Ministers of the Republic of Uzbekistan "On measures for the organisation of the issuance of government treasury obligations and obligations of the Republic of Uzbekistan", the CBU and the Ministry of Economy and Finance of the Republic of Uzbekistan act as the sole issuers of government treasury securities of the Republic of Uzbekistan and the Uzbek Republican Currency Exchange is the sole organised exchange where government treasury securities are realised.

Insurance Market

As of 30 September 2024, 35 insurers operate in the insurance market of the Republic of Uzbekistan. For the nine months ended 30 September 2024, the total volume of insurance premiums on the market amounted to UZS 7.0 trillion, which amounted to 118.6% compared to the same period in 2023. Of these, the volume of insurance premiums on voluntary types of insurance amounted to UZS 6.5 trillion.

As of 30 September 2024, the aggregate amount of authorised capital of all insurers of the country amounted to UZS 2.6 trillion and the total volume of investments of insurers of the country exceeded UZS 6.3 trillion, which is 9% more than the same period in 2023.

Based on the structure of insurance premiums and insurance payments as of 30 September 2024, voluntary insurance (UZS 6.5 trillion) make up the main parts of the collected insurance premiums and insurance premiums generated by the market.

As of 30 September 2024, the total volume of insurance liabilities of insurers under insurance contracts amounted to UZS 2,316,270.1 billion. For the nine months ended 30 September 2024, the total volume of insurance payments made by insurers amounted to UZS 1.63 trillion, including voluntary type of insurance (UZS 1.4 trillion) and mandatory types of insurance (UZS 237.6 billion).

The legal foundations of the industry were strengthened, amendments and additions were made to the Law of the Republic of Uzbekistan “On Insurance Activities”, a number of regulatory legal documents aimed at developing and changing the competitive insurance market accepted.

The number of insurance policies increased by 1.1 times to 10.1 million as of 30 September 2024 as compared to 9.2 million as of 30 September 2023, and contracts were mainly transferred to a user-friendly electronic form. Also, insurance companies in Uzbekistan offer more than 150 types of insurance products in various directions.

PUBLIC FINANCE

Overview

The State Budget of Uzbekistan (the “**State Budget**”) is comprised of the republican budget of Uzbekistan (the “**Republican Budget**”), the budget of the Republic of Karakalpakstan, as well as the local budgets of the regions of Uzbekistan and the city of Tashkent.

The Consolidated Budget of Uzbekistan (the “**Consolidated Budget**”) includes the State Budget and the budgets of state special-purpose funds (state targeted funds), as well as the funds of the UFRD, after elimination of inter-budgetary transfers. Prior to 2022, the extra-budgetary funds of budgetary organisations were not included in the Consolidated Budget, but have been included from 2022.

According to the Budget Law for 2024, the Republic of Uzbekistan projected state budget revenues of UZS 270.7 trillion and expenditures of UZS 312.9 trillion, resulting in an anticipated budget deficit of UZS 42.2 trillion. This deficit was expected to constitute approximately 3.2% of the GDP.

In 2024, Uzbekistan’s State Budget revenue reached UZS 274.4 trillion, reflecting a nominal increase of 18.4% compared to 2023. At the same time, State Budget expenditure totalled UZS 310.9 trillion, marking a 10.6% nominal increase from the previous year. This resulted in a budget deficit of UZS 36.5 trillion or 2.5% of GDP.

The following table sets forth certain summary information regarding Uzbekistan’s State Budget for each of the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(billion soums, except percentages)</i>				
REVENUES					
Direct taxes	45,206.9	58,930.3	64,447.1	73,103.6	90,833.0
<i>of which:</i>					
Corporate profit tax	28,712.2	38,363.3	37,649.9	40,778.9	52,619.7
Turnover tax	1,353.9	1,649.4	2,512.7	2,407.3	2,829.5
Personal income tax	15,140.8	18,917.7	24,284.5	29,917.4	35,383.9
Indirect taxes	46,428.3	56,290.4	71,390.2	83,325.8	88,340.9
<i>of which:</i>					
VAT	31,177.4	38,439.0	52,189.4	57,885.3	59,280.0
Excise tax	11,697.3	13,086.5	13,455.0	15,834.4	19,059.9
Customs duty	3,553.7	4,764.9	5,745.7	9,606.1	10,001.0
Payments for use of resources and property tax	21,257.0	23,036.4	23,912.8	28,079.5	36,362.6
<i>of which:</i>					
Property tax	1,974.3	2,457.3	4,015.4	5,097.7	6,804.7
Land tax	2,386.7	4,082.8	5,305.9	6,890.1	8,215.6
Tax on use of subsoil resources	16,417.1	15,811.9	13,887.4	15,300.3	20,169.6
Tax on use of water resources	478.8	684.4	704.1	791.4	1,172.7
Other revenues	20,045.8	26,542.2	42,113.7	47,211.8	58,886.3
Total revenue	132 938.0	164 799.4	201 863.7	231,720.68	274,422.7
EXPENDITURES (functional classification)					
Social expenditures	74,231.8	92,013.6	117,691.9	137,246.7	152,347.6
<i>of which:</i>					
Expenditures for social services and social protection	63,176.7	80,671.8	105,589.1	122,348.5	134,666.7
<i>including:</i>					
Education	29,961.1	39,640.8	50,271.3	61,220.2	71,240.5
Healthcare	19,397.2	23,316.8	27,288.3	31,066.7	36,036.4
Culture and sports	2,340.7	3,609.5	4,289.6	5,330.1	5,970.8
Science	823.8	1,081.1	1,447.1	1,774.1	1,967.7
Social benefits, welfare, financial assistance and compensatory payments	8,190.9	10,880.3	19,397.1	19,209.7	15,422.7
Other social expenditures	2,463.0	2,143.3	2,895.7	3,748.8	4,028.4
Credit lines for co-financing programmes of accommodation construction in rural areas⁽²⁾	1,938.2	597.5	1,010.8	1,100.7	1,410.4
Transfers from State Budget to Pension Fund	9,117.0	10,744.0	11,092.0	13,797.5	16,270.6

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(billion soums, except percentages)</i>				
Funds and grants for development of NGOs, civil society institutions and self-governing bodies.....	865.1	1,132.7	1,068.9	1,087.8	1,323.3
Expenditures for economy⁽³⁾.....	16,692.8	21,169.7	34,090.9	42,924.3	38,417.0
Expenditures for centralised investments	18,843.7	30,413.5	30,339.4	29,581.6	28,483.5
Expenditures for maintaining governmental authorities administration and courts	7,826.4	9,329.0	12,586.3	15,913.4	17,927.9
Reserve Funds.....	1,506.2	1,401.8	1,811.0	1,720.4	2,170.1
Other expenditures.....	24,176.7	32,796.9	39,103.6	52,622.5	70,256.7
Total expenditures (without targeted funds) ..	144,142.7	188,257.1	236,692.0	281,096.7	310,926.2
Surplus balance (deficit)	(11,204.6)	(23,457.8)	(34,828.3)	(49,376.0)	(36,503.3)
% of GDP	(1.7%)	(2.9%)	(3.5%)	(4.1%)	(2.5%)

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

(2) “Credit lines for co-financing programmes of accommodation construction in rural areas” is included in the calculation for the total “Social expenditures”. Since 2020, “Credit lines for co-financing programmes of accommodation construction in rural areas” also includes pay-outs of compensation and subsidies within the co-financing programmes of accommodation construction in rural areas.

(3) Expenditures for economy include water management; veterinary, plant protection service; improvement of cities, districts and other settlements; geodesy, cadastral works; nature protection and other economic activities.

(4) Expenditures for maintaining governmental authorities, administration, courts and self-governing bodies include the cost of maintaining the courts, prosecutors and other institutions of justice; expenditures for maintaining government departments; maintenance costs of citizens’ self-governing bodies; expenses for elections and referendums.

The following table gives information about Consolidated Budget of the Republic of Uzbekistan for each of the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(billion soums, except percentages)</i>				
Revenues of Consolidated Budget⁽²⁾	161,882.6	204,452.6	286,504.3	321,863.3	385,779.5
<i>of which:</i>					
State budget revenues.....	132,938.0	164,799.4	201,863.7	231,720.7	274,291.9
Revenues of state target funds	23,311.1	32,879.1	37,169.3	46,499.8	54,714.7
Revenues of Uzbekistan Fund of Reconstruction and Development.....	5,633.5	6,774.1	8,615.2	11,262.0	15,960.0
Revenues of special funds of budgetary organisations	-	-	38,328.1	32,380.8	40,812.9
Expenses of Consolidated Budget⁽²⁾	187,971.1	245,223.4	321,732.9	381,023.9	433,610.9
<i>of which:</i>					
State budget expenses.....	144,142.7	188,257.1	236,692.0	281,096.7	310,926.2
Expenses of state target funds	25,508.0	28,667.7	38,263.7	43,294.2	50,227.3
Expenses of Uzbekistan Fund of Reconstruction and Development.....	10,955.3	25,969.4	8,615.2	36,921.6	20,403.5
<i>of which, transfers to the state budget:.....</i>	<i>1,489.1</i>	<i>5,235</i>	<i>672.4</i>	<i>20,730.0</i>	<i>1,866.1</i>
Expenses of special funds of budgetary organisations	-	-	33,645.9	31,154.9	38,945.6
Expenditures on government programmes from external public and publicly guaranteed debt	8,854.3	7,564.6	5,733.0	9,286.5	14,974.4
Transfers between the state budget and state target funds	10,991.8	12,671.4	27,743.5	30,989.2	34,762.0
Consolidated budget balance (overall fiscal balance)	(26,088.5)	(40,770.8)	(35,228.6)	(59,160.6)	(47,831.4)
Percentage of GDP	(3.9%)	(5.0%)	(3.5%)	(5.0%)	(3.3%)

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates

(2) Revenues and expenditures of the consolidated budget do not include transfer payments. For example, revenues of the state budget can be transferred to target funds and these revenues are considered as revenues of both the state budget and target funds. In order to prevent double accounting, inter-budget transfers are not included in the sum of consolidated budget.

State Budget Revenues

In 2024, the State Budget revenue totalled UZS 274,422.7 billion, representing a nominal increase of 18.4% when compared to 2023.

Taxation consistently represents the predominant source of budgetary revenue for Uzbekistan and accounted for 78.5% of the total State Budget revenues for 2024, as compared to 79.6% for 2023.

In 2023, the State Budget revenue totalled UZS 231,720.7 billion, representing a nominal increase of 15.1% when compared to 2022.

In 2022, the State Budget revenue totalled UZS 201,863.7 billion, representing a nominal increase of 22.6% when compared to 2021.

In 2021, the State Budget revenue totalled UZS 164,799.4 billion, representing a nominal increase of 24.0% when compared to 2020.

Personal Income Tax

Uzbekistan's personal income tax system relies to a large degree on final withholding arrangements with a minimal number of exemptions and deductions.

Effective from 1 January 2019, the personal income tax rate has changed to a flat rate of 12%, whereas there was previously a progressive rate which ranged from 0.0% for income comprised of one times of the minimum monthly wage ("MMW"), 7.5% for income equal to one times to five times the MMW, 16.5% for income equal to five times to 10 times the MMW to 22.5% for income in excess of 10 times the MMW.

In 2024, personal income taxes generated UZS 35,383.9 billion (equivalent to 2.4% of the GDP of Uzbekistan), increasing by 18.3% compared to the corresponding period in 2023.

In 2023, personal income taxes generated UZS 29,917.4 billion, increasing by 23.2% compared to 2022 or equivalent to 2.5% of the GDP of Uzbekistan.

Effective from 1 January 2019, capital income, such as dividend and interest, is taxed at a flat rate of 5% for residents through final withholding, while non-residents are taxed at a rate of 10%. Rental income is taxed at the minimum personal income tax rate, currently set at 12%, collected either by withholding or on assessment.

Taxation of Business Income

Corporate profit tax

Corporate profit tax is levied on the worldwide income of all legal entities resident in Uzbekistan and on the Uzbekistan-source income of non-residents operating through a permanent establishment. Taxable income is defined as the revenues from the sale of goods and services and other income sources, interest, royalties, capital gains and rental income, less deductions for expenses incurred from business activities.

From 1 January 2020, the general rate of corporate tax has been changed from 14% to 15%. Banks, producers of polyethylene granules, mobile services providers, and markets/shopping malls are subject to corporate profit tax at the rate of 20%. From 1 January 2025, taxpayers engaged in electronic sales of goods, works or services are subject to a corporate profit tax rate of 10%.

In 2024, corporate profit tax generated 3.6% of GDP, while the turnover tax yielded 0.2% of GDP. As a proportion of GDP in 2023, corporate profit tax generated 3.8% of GDP, while the turnover tax yielded 0.2% of GDP.

Property and land tax

Further, legal entities are required to pay a tax at the rate of 1.5% of the book value of immovable assets and tax at the rate of 3% of the value of overdue construction in progress. In addition, legal entities pay a land tax, levied per a hectare of land. Basic tax rates for non-agricultural land are set in absolute terms per hectare of land depending on the region where such land is located. For example, in Tashkent, the rates per hectare vary from UZS 61.6 million per hectare to UZS 298.1 million per hectare, depending on the zone where the respective legal entity is located. The property tax and land tax are imposed by municipalities and are deductible for corporate profit tax purposes.

Unified social payment

As of 1 January 2021, budget organisations pay social security contributions – the social tax – comprising 25% of the payroll cost. The remaining taxpayers pay social tax at a rate of 12% of the payroll cost. The social tax covers insurance benefits for old age, disability and death, accidents, and unemployment.

From 1 April 2022 until 1 January 2025, the social tax rate of 1% is applied to businesses engaged in retail, catering, hospitality, passengers and freight transportation by vehicle, repair and maintenance of vehicles, computer services, repair of household appliances, agricultural and veterinary services, and services provided in entertainment centres.

Turnover Tax

The turnover tax has been designed for all companies with annual revenues not exceeding UZS 1 billion and individual entrepreneurs with turnover ranging from UZS 100 million to UZS 1 billion. Turnover taxpayers whose revenue exceeds UZS 1 billion during the year become subject to the standard regime from the month in which the annual revenue threshold was exceeded. The general turnover rate is 4% but may vary from 1% to 4% depending on the type of entity and services provided. Certain taxpayers are not eligible for application of turnover tax (e.g. importers, producers of excise-liable goods, legal entities engaged into subsurface extraction, sale of petrol, diesel/gas fuel).

Value Added Tax (“VAT”)

From 1 January 2023, VAT is levied on a range of goods and services at the rate of 12% (down from 15%) Export of goods is generally zero-rated. The revenues from VAT accounted for UZS 52,189.4 billion in 2022, UZS 57,885.3 billion in 2023 and UZS 59,280.0 billion in 2024. On 1 January 2022, the number of VAT payers was 141,526. On 1 January 2023, this number increased by 16.7% to 165,182 and further increased by 5.7% to 201,000 as of 1 January 2025.

In addition, payers of turnover tax are exempt from VAT, regardless of the nature of goods or services and they can pay the VAT on a voluntary basis in the presence of value-added taxable turnovers.

From 1 July 2020, the Republic of Uzbekistan introduced a procedure for all taxpayers for refund of the amount of value-added tax in excess of the amount calculated on the turnover of sales. In 2023, VAT refunds returned for all enterprises amounted to UZS 21,646.0 billion and in 2024 it was about UZS 29,316.3 billion.

Excise

Excises are levied on tobacco products, alcohol products and petroleum products (including gasoline, diesel fuel, jet kerosene and motor oil for carburetor engines), although the excise tax on 73 types of goods was abolished in 2021. Excise tax rates are established either as a percentage of the value of goods or services (ad valorem), as a fixed amount based on the unit of measurement expressed in kind (fixed rate), or at a mixed rate that combines both ad valorem and fixed tax rates. From 2025, the fixed rate of excise tax is applied to the volume of excisable goods expressed in kind.

Excise revenue represented 1.5% of GDP in 2022, 1.5% of GDP in 2023, and 1.3% of GDP in 2024.

The below tables summarise the tax rates in the Republic of Uzbekistan for 2022, 2023 and 2024 years:

State taxes allocated between republican and local budgets	2022	2023	2024
Corporate Income Tax	General rate 15% For commercial banks – 20%	General rate 15% For commercial banks – 20%	General rate 15% For commercial banks – 20%
Turnover tax	4%	4%	4%
Personal Income Tax	Single flat rate 12%	Single flat rate 12%	Single flat rate 12%
VAT (standard rate)	15%	12%	12%
Excise duties	Absolute amount	Absolute amount	Absolute amount
Subsoil use tax	From 2.6% to 10% depending on type of mineral	From 2% to 10% depending on type of mineral	From 2% to 10% depending on type of mineral
State taxes allocated between republican and local budgets	2022	2023	2024
Water resource usage tax	Absolute amount (10% indexed)	Absolute amount (10% indexed)	Absolute amount (10% indexed)

Income tax from individual entrepreneurs (% of minimum wage per unit of physical indicator)	Absolute amount	Absolute amount	Absolute amount
Local taxes – allocated to local budgets	2022	2023	2024
Corporate property tax (houses and apartments, villas, other buildings, premises and facilities)	1.5%	1.5%	1.5%
Corporate land tax	Absolute amount	Absolute amount	Absolute amount
Single land tax	Absolute amount	Absolute amount	Absolute amount

State Budget Expenditure

In 2024, the State Budget expenditure amounted to UZS 310,926.2 billion and increased by 10.6% in nominal terms in comparison to 2023.

In 2024, the Government's largest areas of spending were as follows:

- education (including, among others, expenses relating to the maintenance and capital renovation of preschools and kindergartens; expenses relating to the printing and publication of books, textbooks and study materials; expenses relating to the enhancement of technology used in higher education institutions; expenses relating to the maintenance and renovation of higher education institutions, transfers for educational loans), which accounted for 22.9% of the total State Budget expenditures in 2024. 63.3% of expenditures for education were allocated for general secondary education, 19.3% for preschool education and 17.4% for staff training;
- economic expenses (including, among others, expenses relating to water management and amelioration of lands; the support of farming enterprises growing cotton on low-yielding lands; geological exploration works; the renovation and provision of amenities to towns, districts and settlements; the environmental protection measures; housing and utility works; development of potable water supply systems), which accounted for 12.4% of the total State Budget expenditures in 2024; and
- public healthcare (including, among others, expenses relating to hospitalisation of patients into public medical institutions; the provision of necessary equipment and technology to urgent care divisions and screening centres; expenses relating to public maternal care; expenses relating to the purchase of pharmaceuticals and treatments for public medical institutions), which accounted for 11.6% of the total State Budget expenditures in 2024.

State-Local Fiscal Relationship

As stated in the Budget Code of the Republic of Uzbekistan, the relationship between the state budget and the local/regional budgets in Uzbekistan is based on certain set rules of the inter-budgetary process. Inter-budgetary transfers are made in the form of subventions, transferred incomes, grants, budgetary loans of mutual settlement funds and targeted social transfers.

The following table provides information on the subventions from the state budget to local budgets for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Total expenditure of state budget	144,142.7	188,257.1	236,692.0	281,097.6	310,926.2
<i>Of which:</i>					
subventions and transfers	19,487.8	30,361.5	41,397.2	46,202.0	29,786.9
% of total expenditure	13.5%	16.1%	17.5%	16.4%	9.6%

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

Equalising inter-budgetary transfers are provided on a non-refundable basis to cover the local budget expenditures in the part that exceeds the revenue forecasts of these budgets.

Generally, the compensation of income or expenses for budgets is compulsory through the allocation or withdrawal of funds for mutual settlements in the process of implementation of the State budget, therefore resulting in a decrease or an increase in the revenues and/or expenses of lower budgets.¹ Subventions to local budgets are allocated for the implementation of expenses which are determined during the approval of the forecast of the main macroeconomic indicators and the main parameters of the State budget. The size of subventions from the Republican Budget to the local budgets is established when approving the forecast of basic macroeconomic indicators and basic parameters of the State budget. In addition, targeted social transfers are allocated from the higher budget to the lower budget to cover the costs of wages and a single social payment of educational and medical institutions. Unused targeted social transfers at the end of the current fiscal year are subject to return to the appropriate higher-level budget.

According to the Presidential Decree “On the forecast of the main macroeconomic indicators and parameters of the state budget of the Republic of Uzbekistan for 2018” dated 29 December 2017, local authorities are granted independence when making decisions on the approval of revenues and expenditures of their local budgets. Also, local authorities gained in full the right to dispose of their budget revenues.

The following table sets out the volume of revenues and expenditures of the budget of the Republic of Karakalpakstan, local budgets of the regions of Uzbekistan and the city of Tashkent, and targeted social transfers allocated from the Republican Budget for 2024.

Region	Year ended 31 December 2024		
	Revenues left in the respective budgets	Expenses assigned to the respective budgets	Equalising inter-budgetary transfers
	<i>(billion soums)</i>		
The Republic of Karakalpakstan	2,933.1	5,637.5	2,704.3
Andijan region.....	3,782.0	6,757.4	2,975.3
Bukhara region.....	3,898.8	5,348.1	1,449.3
Jizzakh region.....	2,151.1	3,847.2	1,696.1
Kashkadarya region.....	4,572.5	6,585.8	2,013.4
Navoiy region.....	2,690.3	3,802.6	1,112.4
Namangan region	3,391.4	5,983.4	2,592.0
Samarkand region.....	5,312.6	7,678.6	2,366.0
Surkhandarya region	2,989.1	5,541.5	2,552.3
Syrdarya region	1,528.1	2,752.1	1,224.0
Tashkent region.....	5,448.4	7,041.6	1,593.2
Fergana region.....	5,273.6	8,131.9	2,858.3
Khorezm region.....	2,876.9	4,691.1	1,814.1
Tashkent.....	10,176.9	13,013.0	2,836.2
Total	57,024.7	86,611.6	29,786.9

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

The following table sets out the equalising inter-budgetary transfers allocated from the Republican Budget for 2022, 2023 and 2024.

	2022	2023	2024
State budget revenues, including:	201,863.7	231,720.7	274,422.9
The revenues of Republican Budget.....	154,473.4	176,182.1	217,398.2
The revenues of local budgets.	47,390.3	55,538.6	57,024.7
State budget expenses, including:	236,692.0	281,096.7	310,926.2
The expenses of Republican Budget	147,904.5	179,356.1	224,114.6
The expenses of local budgets.....	88,787.5	101,740.6	86,811.6

Budget Process

The Budget Code of the Republic of Uzbekistan (dated 26 December 2013, as amended) (the “**Budget Code**”) sets out the procedures governing Uzbekistan’s budget system and regulates the preparation, adoption, execution and monitoring of the State Budget. Uzbekistan is aiming to conform to international best practice in its

¹ The lower budget is the budget of the lower administrative-territorial unit in relation to the budget of the higher administrative-territorial unit or the republican budget.

budgetary procedures. According to the Decree of the President of the Republic of Uzbekistan No. 3917 dated 22 August 2018, “On measures for ensuring openness of budgetary data and active participation of citizens in the budgetary process” consistent work is being done to introduce new mechanisms to increase the availability of economic and financial statistics and to enhance the openness of the budget process within the framework of reforming economic sectors.

In order to further increase the openness and transparency of data transmission, strengthen parliamentary and public control over the formation and expenditure of budgetary funds, and in an attempt to act in accordance with the requirements of the Development Strategy for the five priority areas of development of Uzbekistan in 2017-2021, certain procedures were established for the formation and execution of the State budget:

- in 2019, a mechanism for the participation of citizens in the distribution of funds from local budgets was introduced. This mechanism provides for the direction of at least 10% of additional sources of budgets of districts and cities in order to finance activities that are identified on the basis of public opinion. According to the Presidential Decree No. PD-5072 dated 13 April 2021, from May 2021 onwards, in pilot districts, 5% of approved expenditures of the respective budgets have been allocated to finance these activities; and as of 1 July 2021, the minimum amount of additional funds of budgets of cities and districts, which are allocated to finance the identified activities, were increased from 10% to 30%. Starting from 2024, all funds allocated for the construction of internal roads infrastructure shall be funded through Openbudget portal for the initiatives given by citizens;
- the Budget Law (as defined below) is effective from 1 January 2020 through which state budget and the budgets of state trust funds were approved containing a detailed breakdown of information prepared in accordance with advanced technologies;
- projected State budgets and state trust funds, the main directions of tax and budget policy, together with reports on the implementation of the State budget and the budgets of state trust funds shall be subject to mandatory public discussion before they are submitted to the Legislative Chamber;
- in parallel with the publication of draft State budgets, the Ministry of Economy and Finance of the Republic of Uzbekistan shall produce an information publication titled “Citizens’ Budget” that sets out details about the State budget, State trust funds and republic budget executions reports, which will be published for public comment;
- the conclusion of the Accounts Chamber of the Republic of Uzbekistan on projected State budgets and trust funds, the main directions of tax and budget policy, as well as the results of an external audit and evaluations of the annual reports on the execution of the State budget and the budgets of state trust funds shall be subject to mandatory publication;
- in order to ensure openness and transparency of government finance statistics and budget transparency, the Ministry of Economy and Finance introduced “Open Budget Portal” in 2019 that makes budget data available to the public;
- the implementation of reforms focused on improving government finance statistics and ensuring budget transparency;
- ensuring the transparency of the budget process and budget data, as well as their accessibility for foreign investors and other stakeholders, allowing the involvement of citizens in the budget process, as well as publication of the publication Budget for Citizens; and
- informational, methodological, technical support and administration of the Portal.

The draft of the law on state budget for the consecutive year (the “**Budget Law**”) and the budgets of state special-purpose funds are prepared based on priorities in socioeconomic development and the forecast of macroeconomic indicators for the following financial year and the next two consecutive years. Additionally, the Cabinet of Ministers is entitled to bring a proposal to the chambers of the Supreme Assembly on the adoption of the State Budget and the budgets of state special-purpose funds for a period exceeding one year.

The preparation of the draft Budget Law and the budgets of state special-purpose funds consists of the following stages: (i) the circulation of the procedure outline for the preparation of budgetary requests; (ii) the preparation

and presentation of budgetary requests and forecasts of principal macroeconomic indicators; (iii) the review and compilation of budgetary requests; and (iv) the preparation of the Budget Message.

The bodies entrusted with the preparation of the draft Budget Law include the Ministry of Economy and Finance, other ministries, state committees and bodies, local public authorities (in respect of preparing draft budgets, providing information and data requested by the Ministry of Economy and Finance). Budget holders of state special-purpose funds are responsible for preparing the draft budgets of such funds.

By no later than 1 June of each year, the Ministry of Economy and Finance is obligated to submit an updated fiscal strategy for the following year to the Cabinet of Ministers. The Cabinet of Ministers then has to discuss and approve the fiscal strategy by 15 June of that year.

Following such approval, the Ministry of Economy and Finance is obligated to submit the fiscal strategy to, and request feedback from:

- first-level budget administrators, budgetary organisations and recipients of budgetary funds financed from the Republican Budget, as well as second-level budget administrators, the Legislative Chamber and the Cabinet of Ministers regarding the budget ceilings for the next financial year, allocated from the Republican Budget, as well as the ceilings of expenditures on capital investments;
- local authorities regarding the ceilings of inter-budgetary transfers allocated from the Republican Budget to the local budgets, as well as ceilings of expenditures on capital investments; and
- administrators of state targeted funds regarding the ceilings of inter-budgetary transfers allocated to state targeted funds from the Republican Budget.

The aforementioned entities are then obligated to furnish any requests relating to the budgets to the Ministry of Economy and Finance by no later than 1 August of that year.

Separately, the draft budgets of the Republic of Karakalpakstan, local budgets (budgets of regions and the budget of the city of Tashkent) and budgets of state special-purpose funds are submitted to the respective designated regional public authorities no later than 25 July, and to the Ministry of Economy and Finance by no later than 1 August of each year.

The Ministry of Economy and Finance prepares the draft Budget Law on the basis of: a forecast of macroeconomic indicators; a forecast of State Budget revenues (broken down by source); first-level administrators submitted budget requests; by considering the forecasted volume of expenditures for specific projects to be implemented on the account of the Republican Budget; and based on the draft budgets of the Republic of Karakalpakstan, regional budgets and the budget of the city of Tashkent. In the draft State Budget, expenditures are estimated based on the forecasted volume of revenues, taking into account the maximum threshold for State Budget deficit, with specification of sources of deficiency payments.

The Budget Message is a document outlining the key streams of socioeconomic development for Uzbekistan for the upcoming fiscal year. The Budget Message includes a summary of the results of socioeconomic development for the past year and a forecast of such results for 2023, as well as a forecast of key macroeconomic indicators used for preparation of the draft Consolidated Budget. The Budget Message additionally includes forecasts for the execution of the Consolidated Budget for 2023; an updated Fiscal Strategy; a draft of the State Budget; and state targeted funds' budgets, as well as income and expenses of UFRD for the upcoming year and budget targets for the next two years; key indicators of development by industry; and information regarding Uzbekistan's public debt, with relevant clarifications.

The Ministry of Economy and Finance submits the draft of the Budget Law to the Cabinet of Ministers no later than 15 September; the Cabinet of Ministers then forwards the draft of the Budget Law and the Budget Message to the Administration of the President and to the Audit Chamber for preparation of an opinion by 20 September. Finally, the Cabinet of Ministers submits the Budget Message together with the Audit Chamber opinion to the chambers of the Supreme Assembly by no later than 15 October.

The draft of the Budget Law must be considered by the Legislative Chamber by no later than 15 November. The Budget Law must then be approved by the Senate by no later than 15 December.

Following the approval of the Budget Law, the Ministry of Economy and Finance must, within three business days, communicate the relevant financial information and parameters to the Council of Ministers of the Republic of Karakalpakstan, regional khokimiyats, the khokimiyat of the city of Tashkent and to first-level budget administrators, and within 10 days – to the administrators of state targeted funds.

On a yearly basis, the Ministry of Economy and Finance prepares a report on the execution of the State Budget. Furthermore, the Ministry of Economy and Finance submits quarterly reports to the Cabinet of Ministers on the process of execution of the State Budget, as well as a yearly report on the execution of the State Budget prior to 1 April following the respective fiscal year. Prior to the 2018, the Government's State Budget was in surplus for 13 consecutive years. From and since 2019, the Government's State Budget has been in deficit.

2025 Budget

State Budget parameters for 2025 were approved with the Law of the Republic of Uzbekistan No. LRU-1011 dated 24 December 2024 “On the State Budget of the Republic of Uzbekistan for 2024”, which was effective from 1 January 2025 (the “**Budget Law 2025**”). According to the Budget Law 2025:

- the consolidated budget deficit shall be limited to 3% of GDP in 2025, with provisions for additional expenses only if offset by new income sources or reduced expenditures;
- the managers of the first-level budgetary funds have the right to direct up to 10% of the maximum allocations allocated from the Republican Budget on the basis of a resolution of the Cabinet of Ministers to subordinate organisations financed from the budget of the Republic of Karakalpakstan, local budgets of regions and the city of Tashkent;
- the limits for state external borrowing were set at US\$5.5 billion; and
- the maximum project value of all new PPP projects (including those requiring the provision of comfort letter and where the Government undertakes obligations (take or pay)) in 2025 should not exceed US\$6.5 billion.

According to Budget Law 2025, the 2025 consolidated budget has been prepared in accordance with a conservative scenario of economic development, assuming the following macroeconomic indicators: (i) a consumer price index (inflation) of 7-8%, (ii) a GDP growth rate of 6.0%, (iii) industry growth rate of 6.1% and (iv) service growth rate of 14.5%.

To finance the budget deficit in 2025, the Government has outlined a strategy that includes both external and domestic borrowing, privatisation of state assets and other sources.

The following table indicates aggregate parameters of the consolidated budget of the Republic of Uzbekistan for 2025 approved by Budget Law 2025:

No.	Indicators	2025 (Approved) (in billion soums)
I	Revenues of Consolidated Budget	430,989.9
1.	State budget revenues	308,546.9
2.	Revenues of state target funds ⁽¹⁾	66,440.8
3.	Revenues of Uzbekistan Fund of Reconstruction and Development	22,249.4
4.	Revenues of Off-budget accounts of line ministries and agencies	33,752.9
II.	Expenditure of Consolidated Budget	480,496.5
1.	State budget expenditures	344,780.1
2.	Expenditures of state target funds	62,829.4
3.	Expenditures of Uzbekistan Fund of Reconstruction and Development	20,293.7
4.	Expenditures on government programmes at the expense of PPG external debt	18,840.4
5.	Revenues of Off-budget accounts of line ministries and agencies	33,752.9
III.	Transfers to state target funds	54,362.6
IV.	Consolidated budget balance, surplus / (deficit)	(49,506.5)
V.	Repayment of debt	46,083.9

Source: Law of the Republic of Uzbekistan “On State Budget of the Republic of Uzbekistan for 2025” No. LRU-1011 dated 24 December 2024.

(1) Excluding transfers to state target funds (also referred to as state trust funds or state special-purpose funds in this Base Offering

Circular).

The following table shows the approved revenues and expenditures of state budget for 2025:

REVENUES	<i>(billion soums)</i>
Direct taxes	100,261
<i>Of which:</i>	
Corporate profit tax	54,756
Turnover tax	41,992
Personal income tax	104,674
Indirect taxes	
<i>Of which:</i>	
VAT	71,838
Excise tax	21,367
Customs duty	11,469.0
Payments for use of resources and property tax	38,697
<i>Of which:</i>	
Tax on use of subsoil resources	20,653
Other revenues	
Other revenues and non-tax earnings	49,704.8
<i>Of which:</i>	
Dividends	34,580
Total revenues	308,547
EXPENDITURES	
Social expenditures	177,661
<i>Of which:</i>	
Education	84,032
Healthcare	41,292
Culture and sports	7,140
Science	2,260
Social benefits, welfare, financial assistance and compensatory payments	17,288
Credit lines for co-financing programmes of accommodation construction in rural areas	2,505
Funds and grants for development of NGOs, civil society institutions and self-governing bodies	1,360
Expenditures for economy	39,341
Expenditures for centralised investments	16,155
Expenditures for socio-economic development of regions	12,444
Expenditures for maintaining governmental authorities administration and courts	18,655
Other expenditures	77,389
Reserve funds	1,775
Total expenditure	344,780
Surplus/(deficit) of the State Budget	36,233

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

2025 Approved State Budget Revenues

For 2025, the State Budget revenues are projected to comprise UZS 308,547 billion, or 18.9% of GDP. The Government expects to receive UZS 100,261 billion from direct taxes (32.5% of State budget revenues), including UZS 54,756 billion (17.7% of State Budget revenues) for corporate profit tax, UZS 3,513 billion (1.1% of State Budget revenues) for turnover tax, UZS 41,992 billion (13.6% of State Budget revenues) for personal income tax.

In turn, indirect taxes are expected to comprise UZS 104,674 billion (33.9% of the State Budget revenues). In particular, VAT is expected to comprise UZS 71,838 billion (23.3% of State Budget revenues), excise tax is expected to comprise UZS 21,367 billion (6.9% of State Budget revenues) and customs duty is expected to comprise UZS 11,469 billion (3.7% of State Budget revenues).

Resource and property taxes are expected to comprise UZS 38,697 billion or 12.5 % of State Budget revenues. The property tax is expected to bring UZS 7,691 billion (2.5% of State Budget revenues), income from land tax is expected to comprise UZS 9,186 billion (3.0% of State Budget revenues).

Subsoil use tax is projected to comprise UZS 20,653 billion (6.7% of State Budget revenues). Water resources use tax is expected to bring UZS 1,166 billion in revenues to the State Budget (0.4% of State Budget revenues).

2025 Approved State Budget Expenditures

For 2025, the State Budget expenditures are forecasted to comprise UZS 344,780 billion (21.2% of GDP), with 10.8% year-on-year growth in nominal terms. In 2025, 72.2% of state budget expenditures are planned to be allocated to the national SDG programmes, reinforcing the Government's commitment to sustainable development. Gender and green budgeting have been further integrated into the budget process in collaboration with UNDP, UN Women, ADB, AFD, and other organisations (see “*Public Debt*”), reflecting the Government's focus on inclusive and environmentally sustainable fiscal planning.

Expenditures on social sphere are expected to constitute UZS 177,661 billion, or 51.5 % of the total forecasted expenditures.

Education expenditures are forecast to comprise UZS 84,032 billion (24.4% of State Budget expenditures). Public healthcare expenditures are forecast at UZS 41,292 billion (12.0% of State Budget expenditures), which would ensure the financing of all measures and projects aimed at the reforming of the public health system and the provision of high-quality medical services to the population.

Expenditures on payment of social benefits, financial assistance to low-income families and compensatory payments are planned to amount to UZS 17,288 billion (5.0% of State Budget expenditures).

Expenditures on economy are forecast at the level of UZS 39,341 billion (11.4% of State Budget expenditures), which would further contribute to the development of the national economy and growth in the budget revenue base.

The volume of centralised investments is forecasted as UZS 16,155 billion (4.7% of State Budget expenditures or (1.0 % of GDP).

Expenditures on the maintenance of state bodies, courts and public prosecution bodies and local self-governance bodies are expected to comprise UZS 18,655 billion (5.4% of State Budget expenditures, respectively).

UFRD

The UFRD is a financial institution under the authority of the Cabinet of Ministers, designed to funding the implementation of projects for the modernisation and technical re-equipment of leading sectors of the economy, the achievement of a dynamic, sustainable and balanced socio-economic development of the country, as well as the implementation of an effective structural and investment policy.

The UFRD was established in 2006 to finance and co-finance projects of the state public investment program. The UFRD grants loans directly and by opening the credit lines to commercial banks to finance projects approved by the state. The funds of the UFRD can be used for the procurement of modern and advanced technology from foreign companies. The UFRD's loans are granted for a period of between seven and 15 years, including a grace period of three to five years, at a minimum rate of 5%.

In particular, in 2024 the UFRD allocated funds for the implementation of projects in such sectors as oil and gas (7.3%), power and electricity (3.7%), mining industry (4.9%), aviation, railway and infrastructure (4.2%), export support fund (5.0%), agricultural sector (7.9%), chemical industry (1.9%), to Ministry of Economy and Finance for infrastructure, business and social programs (10.7%), credit lines to commercial banks to support entrepreneurship (37.3%) and others (17.2%).

As of 31 December 2024, the UFRD's capital was US\$17.1 billion (on the basis of an exchange rate of UZS12,920.48 soums per U.S. Dollar). As of 31 December 2024, liquid assets of UFRD were US\$5.9 billion. The UFRD's resources come from surplus tax revenues from the subsoil and export taxes, income from the sale of products under production sharing agreements with foreign partners and other revenue streams. Since 2020, the UFRD has not received any transfers from the Government. The UFRD's revenues in 2024 were US\$1,261.4 million. The UFRD's resources are fiscal buffer for the government if necessary.

The following table sets out the UFRD's assets as of the dates indicated:

	As of 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
			(US\$ million)		
Investment portfolio	2,906.9	3,701.0	3,590.9	3,230.0	4,562.4
Loans to investment projects	4,010.0	4,574.8	4,347.4	7,028.9	6,642.5

	As of 31 December				
	2020	2021	2022 (US\$ million)	2023	2024 ⁽¹⁾
Reserves in foreign currencies.....	10,508.7	8,598.7	8,570.5	6,495.7	5,878.7

Source: Uzbekistan Fund of Reconstruction and Development

(1) Preliminary estimates.

As of 31 December 2024, the UFRD's existing loan portfolio is equal to US\$6.64 billion. During the years from 2018 until 2024, the UFRD disbursed US\$9.71 billion to finance different sectors of the economy as oil and gas (2.7%), power and electricity (6.4%), mining industry (5.1%), metallurgy (1.3%), aviation, railway and infrastructure (13.4%), export support fund (2.6%), agricultural sector (1.6%), chemical industry (0.7%), to Ministry of Economy and Finance for infrastructure, business and social programs (26.4%) and others (2.4%).

The UFRD also disburses credit lines to commercial banks to support entrepreneurship. For the above specified period, local commercial banks disbursed US\$3.63 billion from the credit lines or 37.4% of the disbursements.

In 2024, the UFRD made investments in mining sector and investment companies amounting to US\$317.3 million.

There are currently 80 ongoing investment projects, out of which 12 are in need of funding: project in Electric generation, funding for the Ministry of Economy and Finance, Fund for support of farmers, dekhkan farms and owners of household lands, projects in railroad, in chemical industry, mining, agricultural sector and infrastructure projects.

There are currently 43 credit lines to support textile, leather and footwear, food, electrical industries and entrepreneurship among population.

The following table sets forth the UFRD's loans to investment projects for the periods indicated:

Sectors	Year ended 31 December									
	2020		2021		2022		2023		2024 ⁽¹⁾	
	projects	(US\$ millions)	projects	(US\$ millions)	projects	(US\$ millions)	projects	(US\$ millions)	projects	(US\$ millions)
Uzbekneftegaz Ministry of Energy	2	146.2	2	240.7	2	240.7	2	240.7	3	340.7
Uzbekenergo Thermal power plant. Regional electrical networks										
National electrical grids	9	1,253.60	10	1 322.43	9	1,292.90	9	1,293.00	10	1,343.93
Uzkimyosanoat	5	260.70	5	260.70	5	272.90	3	121.35	3	146.85
Mining and Metallurgy	11	832.54	11	832.54	11	832.54	12	882.1	10	906.56
Uzbekistan Airways	5	383.97	5	384.40	5	384.40	3	245.5	3	245.46
Uzbekistan Railways	7	186.75	8	208.60	8	241.20	9	349.54	11	397.11
Ministry of Economy and Finance	1	47.33	6	556.90	7	585.60	13	2,362.58	16	2,409.70
Other	12	320.95	22	622.9	22	608.4	23	813.35	24	1,187.05
Total	52	3,432.04	69	4,429.18	69	4,458.64	74	6,308.2	80	6,977.41

Source: Uzbekistan Fund of Reconstruction and Development

(1) Preliminary estimates.

Tax Reforms

In recent years, the Government of Uzbekistan has designed and implemented a number of reforms aimed at modernising the country's tax system, increasing transparency and accountability, and promoting economic development by lessening the tax burden on individual entrepreneurs and small enterprises.

From 1 January 2024, the statute of limitations period for tax obligations has been reduced from five to three years.

Value-Added Tax (VAT)

- The standard VAT rate was reduced from 15% to 12% in 2024, effective 1 January 2023, to reduce the tax burden on businesses and consumers.
- Effective 1 January 2024, individuals listed in the "Unified Register of Social Protection" receive a monthly refund of the VAT paid on qualifying purchases (e.g., food, medicines, and medical services)

made at retail outlets. This refund is credited to their bank cards through a dedicated mobile app, replacing the previous 1% cash-back scheme. The VAT refund is capped at purchases up to 10 times the basic calculated value per month.

- Since 1 April 2024, all legal entities selling pharmaceutical products or providing medical services have automatically been classified as VAT payers, regardless of their income.

Personal Income Tax (PIT)

- The PIT rate remains unchanged at 12%. However, significant changes have been made to expand tax deductions and incentives, including with respect to income used by employees to purchase shares under an employee stock ownership plans and income contributed to an individual investment account (subject to certain limits).

Social Tax

- Social tax has been extended to certain new categories of taxpayers, including individual entrepreneurs and their employees, members of family enterprises, farming enterprises, artisans.

Excise Taxes

- Excise taxes were increased on tobacco, alcohol and sugary drinks in 2024 to discourage consumption and promote public health. Additionally, to align with the WTO's non-discriminatory principles, the excise tax rates for domestically produced and imported tobacco, alcohol and sugar products are being unified.

Public Finance Management Reforms

The Government has implemented a series of public finance management (“**PFM**”) reforms to enhance fiscal strategy, improve budget transparency, and align financial management with international standards:

- A Fiscal Strategy practice was introduced in 2020 to provide a structured, strategic approach to budgeting, including the adoption of a medium-term budget framework.
- A comprehensive 2020–2024 PFM Reform Strategy was developed to strengthen public financial management, with a new 2025–30 PFM Reform Strategy now in place. This framework focuses on improving budget efficiency, transparency and performance evaluation, while ensuring fiscal discipline. The reform agenda includes broadening the budget process to incorporate off-budget accounts and public-private partnerships, along with the transition towards a Program-Based Budgeting model in collaboration with the IMF, World Bank, ADB, EU and UNICEF.
- As part of the fiscal reforms, gender and green budgeting have been further integrated into the budget process in collaboration with UNDP, UN Women, ADB and AFD.

The Government continues to enhance fiscal transparency by aligning financial reporting with international public sector accounting standards and incorporating PEFA (Public Expenditure and Financial Accountability Framework) criteria to improve oversight. Efforts have been made to consolidate financial data, improve the quality of fiscal statistics and ensure budgetary reliability through compliance with GFSM (IMF's Government Finance Statistics Manual) 2014 principles. Additionally, a renewed emphasis has been placed on reducing duplication within the budgeting process, streamlining administrative procedures and ensuring the efficient allocation of public funds.

Pension System Reform

As of 1 January 2025, the pension system covered more than 4,104,453 citizens, which is 10.9% of the country's population. Among them, 3,400,077 citizens have been assigned an old-age pension, 461,009 citizens have been assigned a disability pension, 243,367 citizens have been assigned a survivor's pension.

The average retirement age in Uzbekistan is 57.5 years (55 for women and 60 for men) while the global average retirement age is 62 years. Uzbekistan has one of the lowest retirement age in the CIS and in the world.

Currently, persons are assigned pension in proportion to their work experience *provided that* they have at least seven years of work experience and paid a minimum contribution to the Pension Fund. The average work experience (that gives the right to receive a pension) among CIS countries is 10-15 years.

Pension provision for citizens of the Republic of Uzbekistan residing outside the territory of the Republic is carried out on the basis of international treaties of the Republic of Uzbekistan. Foreign citizens and persons without citizenship permanently residing in the Republic of Uzbekistan have the right to receive pensions on equal basis with the citizens of the Republic of Uzbekistan, unless otherwise provided by interstate treaties. Citizens without work experience and their families are not entitled to receive state pensions in accordance with this law. The procedure for their social security is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

In recent years, significant reforms have been implemented in Uzbekistan's pension system. Measures and reforms taken for the pension fund system during 2021 - 2024:

- In 2021-2024, the amount of pensions and benefits increased five times: 1 September 2021 by 10%, 1 May 2022 by 12%, 1 April 2023 by 7%, 1 December 2023 by 7% and 1 September 2024 by 15%;
- The amount of minimum pensions were equalised of minimum consumption expenses from August 2023 and February, May and September 2024;
- From 1 January 2023, the upper limit of salary used for calculating pensions was raised from 10 times to 12 times the basic pension calculation amount;
- From 1 January 2023, a new procedure was implemented for recalculating the disability pension amount every two years. This procedure considers the work experience and salary of citizens who have worked after being assigned a disability pension of groups I and II;
- From 1 January 2023, the requirement for documents relating to work experience, salary, higher education studies, and military service duration will be cancelled when determining eligibility for state pensions;
- From 1 January 2024, the procedure for paying the pension calculated to the pensioner, but not received by him/her on time, for the period not exceeding the previous 24 months was introduced;
- From 1 January 2024, in addition to the current procedure, citizens have the right to apply for state pensions through Public Service Centres or through the Unified Interactive Public Service Portal; and
- From 1 March 2025, A procedure will be introduced to proactively assign old-age pensions to citizens upon reaching the specified retirement age, without requiring a separate application.

On 23 September 2024, the Cabinet of Ministers of the Republic of Uzbekistan issued Resolution No. 600, mandating the development of a draft concept for reforming the state pension system. This initiative underscores the Government's commitment to enhancing the sustainability and effectiveness of its pension framework. The draft concept is scheduled for submission to the Presidential Administration by 1 March 2025. In collaboration with the IMF, a seminar was recently conducted to facilitate the development of this concept, reflecting Uzbekistan's dedication to aligning its pension reforms with international best practices.

Off-budget Pension Fund

Off-budget Pension Fund of Uzbekistan (the “**Pension Fund**”) was established on 14 January 1991 as a republican branch of the Pension Fund of the USSR (Resolutions of the Council of Ministers of the USSR and the All-Union Central Council of Trade Unions No 818 “On the organisation of the USSR Pension Fund” dated 15 August 1990). On 4 August 1993, pursuant to a decision of the Cabinet of Ministers and the Federal Council of Trade Unions of Uzbekistan, the former Pension Fund was transformed into the Social Insurance Fund under the Cabinet of Ministers of the Republic of Uzbekistan, consolidating the assets of the Pension Fund and the assets of the Federal Council of Trade Unions in order to facilitate the payment of temporary disability benefits, maternity benefits and funeral benefits.

For the purposes of the further enhancing and developing the system of social protection of the population, increasing the responsibilities of social security bodies and ensuring the full receipt of mandatory payments for timely financing of expenses on payment of pensions and social insurance benefits, the Social Insurance Fund under the Cabinet of Ministers underwent reorganisation. This reorganisation resulted in the formation of the Pension Fund under the Ministry of Social Protection of the Republic of Uzbekistan, with corresponding territorial branches and departments under the Ministry of Social Protection of the Republic of Karakalpakstan and local social security authorities.

Pursuant to Decision No. 444 of the Cabinet of Ministers of the Republic of Uzbekistan dated 15 November 2000, the Pension fund under the Ministry of Social Protection of the Republic of Uzbekistan as of 1 January 2001 was transformed into the off-budget Pension Fund of the Republic of Uzbekistan. All functions relating to the operation of the Pension Fund were assigned to the Ministry of Labour and Social Security of the Republic of Uzbekistan. As of 1 January 2005, the Fund was brought under the purview of the Ministry of Economy and Finance.

The Decree of the President of the Republic of Uzbekistan No. PD-4161 dated 30 December 2009 established an off-budget Pension Fund under the Ministry of Economy and Finance of the Republic of Uzbekistan from 1 January 2010. The corresponding territorial divisions of the Pension Fund are responsible for the assignment, payment, monitoring of the payment of pensions, social benefits and other payments. The territorial branches of the Fund were formed as a result of transfer of functions of the relevant departments of the Ministry of Labour and Social Security, responsible for all matters relating to pension provision and medical labour examination of citizens.

In accordance with the Budget Code, funds received from social taxes and other sources are accumulated in the Pension Fund. These funds are used to finance expenses related to the payment of state pensions and other payments.

Data regarding the revenue and expenditure indicators of the Off-budget Pension fund under the Ministry of Economy and Finance for the years 2020-2024

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(in billions of soums)</i>				
Total funds	34,779.1	40,284.5	47,951.3	56,626.7	66,452.9
Balance at the beginning of the period	5,069.8	2,971.3	3,679.2	3,023.6	3,037.3
Total revenues	29,709.3	37,313.2	44,272.1	53,603.1	63,415.6
<i>Including:</i>					
Social tax (single social payment)	19,841.4	25,642.9	32,338.8	38,575.8	45,465.3
Mandatory insurance contributions of citizens ...	0.0	0.0	0.0	0.0	0.0
Mandatory deductions from the volume of turnover of goods and services	0.0	0.0	0.0	0.0	0.0
Other revenues	574.7	845.5	800.8	1,147.3	1,608.4
Non-tax revenues	176.2	80.5	40.6	82.6	71.4
Total expenditures	31,807.8	36,605.3	44,927.7	53,589.4	64,041.0
Pension and other payments	31,758.6	36,603.8	44,925.6	53,586.7	64,037.7
Payment of pensions to working pensioners	—	—	—	—	—
Social benefits to elderly and disabled persons, funeral benefits and other payments	—	—	—	—	—
Other expenditures	49.2	1.6	2.1	2.7	3.3
Transfers	9,117.0	10,744.2	11,092.0	13,797.5	16,270.6
Balance at the end of the period	2,971.3	3,679.2	3,023.6	3,037.3	2,411.9

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

PUBLIC DEBT

Overview

According to the Public Debt Law, state borrowing in Uzbekistan comprises of internal and external borrowing. State internal borrowing is the attraction of funds from residents of the Republic of Uzbekistan, which leads to emergence of obligations of the Government as a borrower or guarantor of repayment of loans by resident borrowers. State external borrowing is the attraction of funds from foreign sources (foreign states, international organisations, international financial and economic institutions, foreign government financial organisations and other non-residents of the Republic of Uzbekistan), which leads to emergence of obligations of the Government as a borrower or guarantor of repayment of loans by resident borrowers.

The Law defines public debt as obligations of the Republic of Uzbekistan arising as a result of internal and external borrowings. Public debt comprises domestic and external debt.

The Law has also established the powers of the Ministry of Economy and Finance as the authorised body in managing the public debt of Uzbekistan. According to the Law, public debt management consists of the development of a public debt management strategy, borrowing funds on behalf of the State, issuing sovereign guarantees, management of borrowed funds, risk management related to public debt, restructuring of public debt accounting and servicing. The government debt management strategy is approved by the Cabinet of Ministers for a period of three years. According to the Law, the maximum amount of public debt incurred should not exceed 60% in relation to the annual forecast indicator of GDP. When the amount of public debt reaches a threshold of 50% of GDP, the Cabinet of Ministers develops the measures aiming at preventing the public debt reaching 60% of GDP, and submits to the Legislature Chamber.

Uzbek public companies and banks have access to borrowing on international markets without explicit government guarantees. Fiscal risks from contingent liabilities associated with SOE debts are closely monitored by the Ministry of Economy and Finance's main departments dealing with debt policy and management, and actions to mitigate such risks are promptly taken throughout the year. As a result, these risks are low, none of the SOEs are in arrears in servicing their debt payments and the Government has never paid for the obligations of SOEs, explicitly or implicitly.

The Government established policies and takes actions to assess and mitigate risks of contingent liabilities. Risk mitigating measures include:

- the accounting and monthly monitoring requirements of all guarantees by both the CBU and Ministry of Economy and Finance;
- selective approach to SOE investment projects under guarantees (e.g. SOEs need to have at least 50% of their shares owned by the state, be included in the annual state investment programme approved by the Cabinet of Ministers based on sectorial development programmes, stable financial performance over minimum three years, financial analysis of NPV, IRR, risk of non-payment by borrower, and an independent external audit);
- to help prevent the worsening of the financial accounts of the SOE borrower and the risk of non-payment, the Ministry of Economy and Finance takes timely actions to eliminate non-payments;
- the Government has also implemented a robust fiscal risk assessment framework to improve transparency and manage contingent liabilities. Under the Public Debt Law, the state's contingent liabilities include guarantees provided to private partners under PPP agreements and loans taken by SOEs, excluding those raised on behalf of the Republic of Uzbekistan or with state guarantees. Since 2022, 26 SOEs have been monitored quarterly using an IMF-supported framework to assess their financial performance, categorising them as high, medium or low risk. In terms of PPP fiscal management, a US\$6.5 billion cap has been set for projects in 2025, in accordance with the Budget Law 2025. In collaboration with the World Bank, a dashboard has been developed to calculate PPP fiscal commitments and contingent liabilities. As of 1 January 2025, there are 1,129 signed PPP projects with a total value of nearly US\$30 billion, of which 802 projects, worth US\$9.1 billion, have successfully progressed to the operational phase. At the initiative of private partners, 98 projects were cancelled, with no compensation paid for early contract termination. The Government has also conducted a Macro

Fiscal Risks Review 2024 in collaboration with the IMF, ADB and World Bank, covering key risks such as macro fiscal risks, SOE financial performance, PPP project analysis and climate-related fiscal risks. These measures ensure a structured and transparent approach to managing financial risks while supporting long-term economic stability.

The Government's public and publicly guaranteed ("PPG") debt policy over the past decade has led to a low rate of domestic and foreign debt compared to neighbouring and peer countries. The low level of debt is a result of high economic growth, a large current account and fiscal surpluses during the past decade.

As of 31 December 2024, the stock of nominal PPG external debt increased to US\$33.7 billion, compared to US\$29.6 billion at the beginning of the year, mainly due to budget support loans from IFIs and issued Eurobonds.

The following table sets out information on Uzbekistan's PPG debt broken down into external PPG debt and domestic public and publicly guaranteed debt as of the dates indicated.

	As of 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
	<i>(US\$ million, except percentages)</i>				
External PPG debt					
Multilateral loans	10,056.7	10,925.8	13,803.8	16,627.3	19,141.1
ADB.....	4,984.9	5,218.8	6,029.8	6,441.2	7,415.4
World Bank.....	3,733.8	4,326.9	5,527.1	6,569.5	7,639.1
IsDB.....	824.3	885.3	903.7	911.3	944.3
Other	514.0	494.8	1,343.3	2,705.3	3,142.3
Bilateral loans	9,290.6	10,051.2	9,519.3	9,614.3	10,443.7
China.....	4,019.6	4,200.2	3,964.6	3,775.1	3,766.6
Japan.....	2,375.6	2,659.5	2,300.4	2,358.8	2,889.4
South Korea	997.9	1,019.2	965.9	794.0	740.3
Other	1,897.4	2,172.2	2,288.5	2,686.3	3,047.4
Investors.....	1,745.9	2,605.2	2,590.9	3,397.1	4,135.1
External PPG debt, total...	21,093.2	23,582.2	25,914.0	29,638.7	33,719.9
As a percentage of GDP	31.8%	30.5%	28.8%	29.2%	29.3%
As a percentage of foreign currency reserves ⁽²⁾	147.5%	180.3%	222.5%	316.3%	391.9%
As a percentage of official reserve assets	60.4%	67.1%	72.4%	85.7%	81.8%
Domestic PPG debt, total ..	2,273.9	2,741.1	3,317.4	5,288.5	6,479.0
As a percentage of GDP	3.4%	3.5%	3.7%	5.2%	5.6%
Total PPG debt	23,367.1	26,323.3	29,231.4	34,927.2	40,198.9
As a percentage of GDP	35.2%	34.0%	32.4%	34.4%	35.0%

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

(2) In convertible foreign currencies.

As of 31 December 2024, Uzbekistan had a total PPG debt of US\$40.2 billion, comprising of US\$33.7 billion in external PPG debt and US\$6.5 billion in domestic PPG debt. Most of the external PPG debt matures beyond nine years with the bulk of loans to be repaid in 15-40 years.

The following table provides information on the historical currency composition of Uzbekistan's public debt:

	As of 31 December				
	2020	2021	2022 (%)	2023	2024 ⁽¹⁾
External PPG debt	100.0	100.0	100.0	100.0	100.0
US\$	69.9	71.9	75.8	73.6	71.5
JPY	11.3	10.5	8.1	7.3	7.7
SDR	9.4	8.3	7.2	7.9	6.2
EUR	5.2	4.6	4.7	4.7	7.6
Korean won	0.9	0.8	0.7	0.6	0.6
Saudi Real	0.7	0.6	0.6	0.5	0.4
Kuwait Dinar	0.3	0.4	0.4	0.4	0.3
RMB	1.3	1.1	0.8	1.6	2.5
AED	0.0	0.0	0.0	0.2	0.2
UZS	0.9	1.8	1.5	1.8	1.7
Others	0.1	0.1	0.1	0.0	1.2
Domestic public guaranteed debt...	100.0	100.0	100.0	100.0	100.0
US\$	37.6	45.1	35.3	59.2	48.5
EUR	7.3	3.1	2.2	1.5	1.1
UZS	52.2	42.3	55.2	35.2	47.3
RMB	2.8	8.0	6.1	3.7	3.0
Others	0.0	1.5	1.2	0.4	0.2

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

(2) In accordance with the Resolution of the President of the Republic of Uzbekistan No. PR-4487 dated 9 October 2019, certain foreign currency loans were converted to Uzbek soums.

As of 31 December 2024, the U.S. dollar was the primary currency of external PPG debt and reached 71.47% of the total external PPG debt. Other currencies of external PPG debt were Japanese Yen (7.71%), Special Drawing Rights (6.24%), Euro (7.58%), Chinese Renminbi (2.53%), South Korean won (0.64%), Saudi Riyal (0.41%), and Kuwait Dinar (0.32%). The currency breakdown of domestic PPG debt is: U.S. dollar (48.53%), Euro (1.06%), Chinese Renminbi (2.96%) and Soums (47.27%) taking into account treasury bills and treasury bonds of the Republic of Uzbekistan). Domestic PPG debt is mainly comprised of government securities and sovereign guarantees provided to local commercial banks for investment and infrastructure projects that are funded from the UFRD (financial institution) and commercial banks' resources.

The following table provides information on the residual principal maturity profile of Uzbekistan's outstanding public debt:

	As of 31 December 2024 ⁽¹⁾				
	Up to 1 year ⁽²⁾ (2025)	1-5 years (2026-2029)	5-10 years (2030-2034) (US\$ million)	Over 10 years (2035-2061)	Total
External PPG debt	0.0	1,478.1	2,680.5	29,561.4	33,719.9
Domestic PPG debt	392.8	4,203.2	882.1	1,000.8	6,479.0
Domestic debt denominated in foreign currency	0.0	2,106.0	648.5	661.5	3,416.0
Domestic debt denominated in soums	392.8	2,097.2	233.6	339.4	3,063.0
Total	392.8	5,681.3	3,562.6	29,662.2	40,198.9

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

(2) Including one year.

In the State Budget for 2024, the Republic of Uzbekistan set limits on signing external loan agreements on its behalf and under the State Guarantee in the amount of US\$7,300,000,000, of which US\$7,114,234,427 had been incurred for 2024. In the State Budget for 2025, the Republic of Uzbekistan set limits on signing external loan agreements on its behalf and under the State Guarantee in the amount of US\$5.5 billion.

Debt Management

The Ministry of Economy and Finance on behalf of the Government aims to adopt best international practices in debt management in order to ensure the appropriate management of risk exposure, and to minimise debt-

servicing costs while reaching the fund-raising targets. The diversification of the economy through industrial development, especially by the mobilisation of the private sector, has become a priority of the country. To meet the needs for physical infrastructure development and nonphysical institutional strengthening, Uzbekistan is significantly increasing borrowing in concessional terms from the ADB, WBG, IsDB and other international financial institutions. In addition, Uzbekistan is actively attracting in concessional conditions long term loans from partner (donor) countries such as China, France, Germany, Japan, Kuwait, Saudi Arabia and South Korea.

On the basis of the Decree of the President of the Republic of Uzbekistan “On additional measures of diversification external financing resources” No. PD-3877 dated 21 July 2018, the Office of Sovereign, Corporate (Bank) Debt and the Public Debt Management (the “**Debt Management Office**” or “**DMO**”) was established within the Ministry of Economy and Finance to manage public debt as well as the external borrowings of the SOEs. According to a new structure of the Ministry of Economy and Finance, the “Department of cooperation with foreign countries and international organisations, work with international ratings” was created. The CBU, the Committee for Treasury Service and the Department of State Budget of the Ministry of Economy and Finance are key supplementary bodies and departments for debt (external and internal) policy and management in Uzbekistan.

The debt management function is assigned to the DMO in the Ministry of Economy and Finance. It systematically registers and monitors the stock, disbursements, principal and interest payments, interest and exchange rates on public debt and issuance of government guarantees. The DMO believes that its debt recording and monitoring systems are adequate. The DMO regularly generates various reports and calculates various debt ratios (e.g. PPG debt to GDP ratio, PPG debt service to budget revenue/exports/GDP/international reserves) and sensitivities for the short and medium term debt to main economic indicators in accordance with recommendations of IMF and World Bank. The DMO conducts sensitivity or “stress test” analysis of external debt in relation to external factors (e.g. exchange and interest rates changes). The Ministry of Economy and Finance’s analytical capacity has significantly improved since 2018 by recruiting new specialists and by internal reforms.

Since late 2018, the Ministry of Economy and Finance has been implementing a new Debt Management and Financial Analysis System (“**DMFAS**”) software. The DMO is currently using modern “DMFAS-6” software developed by UNCTAD to keep accounting and reporting of public and publicity guaranteed debt at international standards.

Adequate oversight of fiscal risks from contingent liabilities associated with SOE debt and actions taken resulted in small risks and no SOEs are in arrears in the service of their debt payments. The DMO produces detailed and explicit analytical notes and reports for internal government use, including debt sustainability analyses, quarterly analyses on PPG debt composition, risks and debt service by creditors/sectors/repayment periods/interest rates with the CBU. The DMO has direct online access and receives high-frequency information on all projects financed by key IFIs – the World Bank, ADB and IsDB. To strengthen analytical capacity, the DMO staff regularly attended World Bank and IMF training on international standards of debt statistics, management and sustainability analysis in 2018 - 2024.

Information sharing and policy coordination between debt management and macro policies is adequate. On a quarterly basis, the Ministry of Economy and Finance exchanges the data with the CBU to analyse the current debt portfolio with various debt-stresses. The Ministry of Economy and Finance and the CBU’s analytical departments conduct necessary exchanges of related information and have policy coordination at both working and high levels. All data on debt is produced on a monthly/ quarterly basis. Since February 2016, the total quarterly debt indicators are available to the public and are prepared in accordance with the standards of the IMF (“**GDDS**”).

The Government has also introduced a number of measures to strengthen the capacity of the Ministry of Economy and Finance by building a strategic and operational framework for debt management. The role of the public debt department of the Ministry of Economy and Finance in accounting, auditing and fund flow management has expanded, and its accountability as a service provider to line ministries is becoming more clearly defined.

The Ministry of Economy and Finance accomplished the following tasks in 2019-2024 in order to ensure Uzbekistan maintains its path of debt sustainability:

- the Republic of Uzbekistan has maintained its sovereign credit rating of BB-, with a stable outlook since it was first received in December 2018;
- on 13 February 2019, the first sovereign international bonds of the Republic of Uzbekistan equal to US\$1 billion were successfully placed and listed on the London Stock Exchange;
- in 2020, the first sovereign international bonds denominated in the local currency in the amount of UZS 2 trillion were placed on the London Stock Exchange at a coupon rate of 14.50%;
- the draft of Public Debt Management Strategy of the Republic of Uzbekistan was developed in cooperation with the World Bank and the IMF and is updated on a periodic basis. The debt strategy is aimed at maintaining public debt at a safe level, diversifying the debt portfolio, optimising currency and interest rate risks, and is updated annually based on macroeconomic indicators and parameters of the state budget;
- the legal mechanism of maintaining public debt at sustainable levels was introduced. The annual borrowing limits for external PPG was approved by the Law of the Republic of Uzbekistan “On state budget for 2023” No. LRU-813 dated 30 December 2022 (the “**Law on Budget**”) and was set at US\$4.5 billion per annum. The Law on Budget set a PPG debt ceiling at 60% of GDP and maximum net volume of government securities issued on behalf of the Republic of Uzbekistan, in the amount of UZS 17 trillion;
- in order to diversify the public debt portfolio and reduce the risks associated with external debt, measures are being taken to increase the volume of government securities and develop domestic financial markets;
- on 2 September 2023, the President of Uzbekistan signed Resolution No. RP-291 “On additional measures for the development of the Capital market”, to ensure the further development of the domestic capital markets;
- in 2019, the amount of government securities issued was UZS 1.5 trillion, increasing to UZS 5 trillion in 2020. In 2021, the total amount of government securities issued was UZS 4.9 trillion, increasing to UZS 34.2 trillion in 2024;
- in 2021, in order to diversify the PPG debt portfolio, reduce the refinancing risk and form the yield curve, for the first time five-year government securities worth UZS 100 billion were issued, for the first time in 2022, 10-year government securities worth UZS 10 billion were issued;
- in February 2021, the Ministry of Economy and Finance launched the practice of publishing the auction calendar on government securities on the official website of the ministry;
- in 2022, for the first time, UZS 111 billion of inflation-linked government securities with a coupon payment equal to “consumer price index (CPI) + 6%” with a maturity of 2 years were placed, and the first benchmark for inflation-linked government securities was created;
- in 2022, a “Primary Dealership” contract based on international standards was signed among the Ministry of Economy and Finance, the CBU and nine commercial banks;
- from 2021, investment projects of legal entities (except for social facilities and infrastructure projects) with a state share of 50% or more in the charter capital (capital) are transferred to market financing without state guarantees;
- from 2021, the issue of state guarantees on domestic obligations has been suspended;
- public debt accounting, servicing and reports preparation have been automated. The DMFAS-6 was introduced in 2018 in cooperation with UNCTAD and ADB;

- debt sustainability analysis has been conducted jointly with the International Monetary Fund since 2020 and was first reflected in the budget for 2021;
- in 2021, the Republic of Uzbekistan became one of the first countries in the region to issue a Sovereign Sustainable Development Goals (“SDG”) bond, which showed the country’s commitment to the achievement of the SDGs and the vision of Agenda 2030;
- in order to improve the national legislation in debt management, the Law of the Republic of Uzbekistan “On Public Debt” was signed by the President in April 2023 and came into force from August 2023;
- in order to increase the transparency of PPG debt statistics, the relevant department of the Ministry of Economy and Finance is publishing debt statistics, bulletins (in the Uzbek and English) and newsletters (in English) on the website of the Ministry of Economy and Finance of the Republic of Uzbekistan on a regular basis; and
- numerous live and virtual meetings, teleconferences and online forums are being organised to establish and maintain cooperation with international financial institutions, major international banks, export credit agencies and foreign investors.

External Debt Service

The following table sets forth historical long-term external PPG debt service payments for the periods indicated:

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
			(US\$ million)		
Principal repayments	652.0	927.1	1,047.1	1,691.1	2,546.9
Interest payments and charges	358.0	393.5	620.5	1,112.0	1,460.7
Total	1,010.0	1,320.6	1,667.6	2,803.1	4,007.6

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

Uzbekistan’s external debt service obligations have been increasing at a moderate pace in recent years as the country continues to finance large-scale infrastructure and development projects. The Government remains committed to ensuring the sustainability of external borrowing while managing debt repayment obligations effectively. As part of its fiscal strategy, interest expenditure has become an important indicator for assessing the impact of debt service on public finances. Accordingly, interest expenditure as a percentage of fiscal revenues has risen, reflecting the growing cost of servicing external and domestic debt. Interest expenditure (repaid from state budget) on external and domestic debt amounted to 1.0%, 1.1%, 1.2%, 2.5% and 3.8% of consolidated budget revenue for the years ended 31 December 2020, 2021, 2022, 2023 and 2024, respectively.

To mitigate the impact of interest payments on fiscal sustainability, the Government has implemented measures such as optimising debt issuance, extending maturities and maintaining access to concessional financing. These efforts align with broader macroeconomic policies aimed at preserving fiscal stability and ensuring that debt servicing obligations do not compromise essential public spending or economic growth objectives.

Uzbekistan has never defaulted on any payment of principal, premium or interest on, any external PPG debt. Uzbekistan is not currently in default on any of its external PPG debt. External PPG debt has been serviced fully and there are currently no external arrears.

Based on preliminary estimates for the year ended 31 December 2024, expenses of state budget on servicing of external public debt amounted to US\$2,043.4 million or 1.8 % of GDP.

In 2024, Uzbekistan’s servicing of publicly guaranteed external debt amounted to US\$4,007.6 million, with funding sourced from both the state budget and SOEs. Of this total, US\$2,043.4 million was covered by the state budget, comprising US\$1,179.4 million in principal repayments and US\$864.0 million in interest payments. The remaining US\$1,964.2 million was serviced through SOEs’ own resources, including US\$1,367.5 million in principal repayments and US\$596.7 million in interest payments.

In addition to external debt obligations, Uzbekistan also serviced US\$1,731.3 million in domestic debt. The state budget accounted for US\$1,620.1 million, with US\$1,321.7 million allocated to principal repayments and US\$298.4 million to interest payments. Meanwhile, SOEs contributed US\$111.2 million towards domestic debt servicing, consisting of US\$60.5 million in principal and US\$50.7 million in interest payments.

The following table sets forth a projection of the Government's contractual external PPG debt service from 2025 to 2032, including principal and interest payable on all external debt outstanding as of 31 December 2024, based on the exchange rates and interest rates prevailing at that time.

	As of 31 December							
	2025	2026	2027	2028	2029	2030	2031	2032
	(US\$ million)							
Principal repayments	2,038.1	2,538.3	3,234.2	3,317.2	3,453.3	3,331.9	2,931.8	2,797.8
Interest payments and charges	1,673.1	1,688.6	1,572.0	1,450.1	1,269.1	1,123.2	988.6	848.6
Total	3,711.2	4,226.9	4,806.2	4,767.3	4,722.4	4,455.1	3,920.4	3,646.4

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

As of 31 December 2024, the average contractual maturity of external PPG debt was approximately 23 years and the average contractual maturity of domestic publicly guaranteed debt was 4.2 years. As of 31 December 2024, the average weighted interest rate on external public and publicly guaranteed debt was 4.71% and the average weighted maturity of external public and publicly guaranteed debt was 9.5 years. Moreover, the average weighted interest rate on domestic public and publicly guaranteed debt was 4.5% and the average weighted maturity of domestic publicly guaranteed debt was 2.4 years.

Domestic Public and Publicly Guaranteed Debt

In order to diversify the public debt portfolio and reduce the risks associated with external debt, Uzbekistan is continuing to take measures to increase the volume of government securities and develop the domestic financial markets. Domestic public debt is comprised of government securities (T-bills and T-bonds) and guaranteed loans, which are financed from the UFRD and local, state-owned commercial banks. The total domestic publicly guaranteed debt amounted to US\$6,479.3 billion as of 31 December 2024. As of 31 December 2024, the share of long-term domestic debt was 29.1%, the share of short-term and medium-term loans was approximately 70.9% (most of it related to government securities). The share of domestic debt with a fixed interest rate was 79.0%, the share with a floating interest rate was 1.9%, and the remaining domestic debt, which is interest-free, accounted for 19.1%. All such loans have a redemption period of over 10 years.

As of 31 December 2024, the Government's domestic debt portfolio included T-bills and T-bonds with maturities ranging from one to 10 years. The majority of issuances were concentrated in shorter tenors, with one-year and two-year securities accounting for nearly 80 percent of the total outstanding domestic debt. The issuance strategy reflects the Government's approach to balancing short-term liquidity needs with long-term fiscal sustainability while supporting the development of the domestic capital market. The weighted average interest on T-bills and T-bonds was 16.8% in the year ended 31 December 2024. The following table provides a breakdown of T-bills and T-bonds by tenor as at 31 December 2024:

Tenor	Amount (UZS billion)	Share	Weighted Average Interest Rate
1 year	14,926.92	38.0%	16.4%
2 years	16,263.858	41.4%	17.4%
3 years	5,074.625	12.9%	17.3%
5 years	2,642.985	6.7%	18.5%
10 years	331.4	0.8%	18.0%
Total	39,239.79	100%	N/A

In 2023, the total value of local government securities placed through 59 competitive auctions amounted to UZS 24,829.9 billion, while in 2024, government securities worth UZS 34,156.6 billion were placed via 163 electronic auctions.

The results of the auction reflect the high demand for financial instruments in the national currency, which shows that government securities are considered by financial market participants as a highly liquid.

In 2024, the outstanding domestic public debt (government securities) amounted to UZS 39,239.8 billion.

The issuance of government securities is carried out as needed, based on domestic demand in the financial market and the needs of the Republican Budget.

Domestic public debt amounted to 3.4%, 3.5%, 3.7%, 5.2% and 5.6% of GDP for the years ended 31 December 2020, 2021, 2022, 2023 and 2024 respectively.

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽¹⁾
Domestic public debt (US\$ million)	2,273.9	2,741.1	3,317.4	5,288.5	6,479.3
As a percentage of GDP	3.4%	3.5%	3.7%	5.2%	5.6%

Source: Ministry of Economy and Finance of the Republic of Uzbekistan

(1) Preliminary estimates.

Total Private Sector External Debt⁽¹⁾

	Year ended 31 December				
	2020	2021	2022	2023	2024 ⁽²⁾
			(US\$ million)		
Disbursements	5,523.4	8,187.9	7,699.5	10,774.5	14,000.0
Repayments	2,012.5	4,720.1	5,179.6	5,086.8	7,111.5
Interest Payments	370.8	481.2	613.4	1,123.4	1,425.5
Total Debt Service.....	2,383.3	5,201.3	5,793.0	6,210.2	8,537.0
Stock	12,487.42	16,277.6	17,914.7	23,555.5	29,957.0

Source: Central Bank of the Republic of Uzbekistan

(1) The calculated balance of private sector external debt does not include accrued but unpaid interest.

(2) Preliminary estimates.

The total stock of non-guaranteed external private debt as of 31 December 2024 amounted to US\$29.9 billion, of which US\$8.4 billion was attributable to the oil and energy sector, US\$334.6 million was attributable to the telecommunications sector, US\$10.8 billion was attributable to the banking sector, US\$603.5 million was attributable to the textiles sector and US\$9.8 billion was attributable to the other sectors of the economy.

Relations with International Financial Institutions (“IFIs”)

Borrowings from international financial institutions have played a role in fostering economic and structural reforms in Uzbekistan. Such borrowings have for instance provided long-term support for economic growth and for the stability of Uzbekistan’s financial system. Uzbekistan’s relationships with these organisations have factored into reforming certain economic areas, improving the country’s investment environment and increasing the share of foreign investment in the economy.

As of 1 January 2025, financial aid (including budget support) to Uzbekistan from IFIs amounted to US\$10.7 billion. Of the total US\$10.7 billion, Uzbekistan received:

- US\$375 million from the IMF in May 2020;
- US\$295 million from the World Bank in May 2020;
- US\$500 million from the Asian Development Bank in July 2020;
- Agreement for US\$500 million from the World Bank in December 2020;
- Agreement for US\$100 million from Asian Development Bank in December 2020;
- Agreement for US\$100 million from AIIB in December 2020;
- Agreement for JPY 15,000 million (or US\$135.5 million equivalent) and US\$195 million from Japan International Cooperation Agency in March 2021;

- Agreement for US\$200 million (US\$100 million each) from Asian Development Bank in December 2021;
- Agreement for US\$400 million from the World Bank in December 2021;
- Agreement for US\$100 million from OPEC Fund for International Development in April 2022;
- Agreement for €150 million (or US\$152 million equivalent) from the French Development Agency in April 2022;
- Agreement for US\$650 million (US\$500 million and US\$150 million) from Asian Development Bank in November 2022;
- Agreement for US\$100 million from International Islamic Trade Finance Corporation in November 2022;
- Agreement for US\$950 million from the World Bank in December 2022;
- Agreement for US\$530 million from Asia Infrastructure Investment Bank in December 2022;
- Agreement for US\$150 million from Asia Development Bank in February 2023;
- Agreement for US\$497 million from IMF in August 2023;
- Agreement for US\$135 million from the French Development Agency in November 2023.
- Agreement for US\$100 million from Asia Development Bank in December 2023;
- Agreement for US\$800 million from the World Bank in December 2023;
- Agreement for US\$670 million from Asia Infrastructure Investment Bank in December 2023;
- Agreement for JPY 37,000 million (US\$246.2 million) from JICA in February 2024;
- Agreement for US\$100 million from ITFC in February 2024;
- Agreement for €10 million (or US\$10.8 million) from EBRD in March 2024;
- Agreement for €150 million (or US\$162.6 million) from KfW in March 2024;
- Agreement for US\$300 million from Asia Development Bank in August 2024
- Agreement for US\$100 million from Asia Development Bank in August 2024;
- Agreement for JPY 39,000 million (US\$266.9 million) from JICA in August 2024;
- Agreement for US\$200 million from Asia Development Bank in September 2024;
- Agreement for US\$800 million from the World Bank in October 2024;
- Agreement for €150 million (or US\$165.5 million) from KfW in October 2024;
- Agreement for €100 million (US\$106.3 million) from the French Development Agency in November 2024;
- Agreement for US\$250 million from Asia Development Bank in November 2024;
- Agreement for €70 million (US\$73.7 million) from OPEC Fund for International Development in November 2024;
- Agreement for US\$250 million from Asia Infrastructure Investment Bank in December 2024.

The financial aid received from IFIs rendered (outstanding) the total value of debt attributable to IFIs in Uzbekistan to US\$19.1 billion (or 47.6% of the total debt) as of 31 December 2024.

International Bank for Reconstruction and Development (World Bank)

Uzbekistan joined the World Bank Group in 1992. In May 2022, the Country Partnership Framework (“**CPF**”) for Uzbekistan was endorsed by the World Bank’s Board of Executive Directors. The CPF for the fiscal years 2022-2026 supports Uzbekistan as it implements the next phase of reforms in the transition towards an inclusive and sustainable market economy. It selectively supports the aspirations of the Government, as detailed in the national strategy for 2022–2026 and the achievement of the twin goals of upper-middle-income status and poverty reduction by 2030. It builds on the dialogue associated with the previous CPF and the expanded portfolio of initiatives being implemented that is focused on a sustainable transition toward a market economy, the reform of selected state institutions, citizen engagement and investment in people. The CPF also supports the Government’s efforts to close gender gaps, as well as strengthen citizen engagement and accountability in public services. The CPF supports three high-level objectives that will help accelerate the country’s transition to an inclusive and sustainable market economy:

- increasing private sector employment;
- improving human capital; and
- supporting the shift toward a greener growth model for improved livelihoods and resilience.

In June 2018, the World Bank approved the first financing for the Development Policy Operation (“**DPO**”) programme in the amount of US\$500 million, of which US\$360 million is to be provided from IDA resources. Being the first DPO programme from the World Bank since its independence, it supported Uzbekistan’s first steps on its transformation towards a successful market economy. The DPO programme covered financial, industrial, trade and service sectors with social protection and public administration. Since then, six more DPO programmes were provided by the World Bank totalling US\$3.85 billion. The first series of the Programmatic DPO is currently under preparation.

The World Bank’s investment portfolio is focused on infrastructure investments and institutional reforms in the agriculture, water, energy, transport, health and education sectors. As of the date of this Base Offering Circular, the World Bank’s country programme in Uzbekistan is the third largest in the Europe and Central Asia region and the country with the largest IDA allocation in the region. As of 10 January 2025, it consisted of 25 projects with net commitments totalling US\$4.8 billion. These include loans of the International Bank for Reconstruction and Development (“**IBRD**”) for US\$1.3 billion and credits of the IDA for US\$3.5 billion.

There are also four Guarantee operations in the energy sector (Scaling Solar Navoi IPP, Scaling Solar 2 IPP, Scaling Solar 3 Khorezm IPP and Syrdarya CCGT).

The World Bank’s programme of Advisory Services and Analytics (“**ASA**”) comprises 14 activities in different areas.

One of the large operations in the agriculture sector supported by the World Bank in Uzbekistan is the “Agricultural Modernisation Project”. The total project cost is US\$610 million, of which the World Bank’s share is US\$500 million (US\$319 million from IDA and US\$181 million from IBRD). Its objectives are to enhance productivity for supporting agricultural services and promoting market-led, high-value horticulture value chains.

On 24 May 2024 the World Bank’s Board of Executive Directors approved a US\$100 million concessional loan for Uzbekistan to implement the Innovative Social Protection System for Inclusion of Vulnerable People Project. The project aims to improve access to and quality of social services for vulnerable people in Uzbekistan. The project is also co-financed by a US\$2 million grant from the Early Learning Partnership, a multi-donor trust fund housed at the World Bank that aims to support vulnerable children’s development and learning. These funds will be used to evaluate the impact of social services provided at the community (mahalla) level on the well-being of vulnerable children in Uzbekistan and to improve their quality.

The “Electricity Sector Transformation and Resilient Transmission Project” (US\$380 million IDA) is aimed at strengthening the performance of the National Electricity Grid of Uzbekistan (“**NEGU**”), and improve the

capacity and reliability of the power transmission system to integrate large scale renewable energy sources. Its activities are grouped to support the following components: 1) digitalisation of the electricity transmission sector; 2) power grid strengthening and renewable energy integration; 3) NEGU institutional development and project implementation support; and 4) Electricity Market Development.

The World Bank provided a total US\$200 million (including under the additional financing) for the “Medium-Size Cities Integrated Urban Development Project”. This is the first urban project aiming to improve infrastructure, public spaces, and municipal services in medium-size cities, starting with Chartak, Kagan, and Yangiyul towns, which have a combined population of 165,000 people. It is also aimed at strengthening the institutional capacity of central and local governments to manage assets, service delivery, urban mobility, sustainable tourism, and partnership with the private sector.

International Finance Corporation

Uzbekistan became a member of the International Finance Corporation (“**IFC**”) in 1993. Since 1996, IFC has invested about US\$800 million in Uzbekistan to support more than 30 projects in the financial, manufacturing and infrastructure sectors. As of September 2024, the IFC’s current committed portfolio in Uzbekistan stands at US\$730 million across 16 projects with investments in the financial, energy, chemical and agricultural sectors.

IFC’s advisory services are designed to help create an enabling environment for the growth of private investment and the role of private enterprise, strengthening institutional capacity in industries such as the financial sector, power generation (including renewable energy), chemicals, agribusiness, healthcare and others.

In total, with the support of the IFC, 10 PPP projects are being implemented in the fields of energy, healthcare and education. In particular, three projects are being implemented in the energy sector, four in the healthcare sector, one in the education sector, one in the irrigation and one in the road infrastructure. Out of these 10 PPP projects, eight have been signed and two are at the stage of development and preparation of documents.

Multilateral Investment Guarantee Agency

Uzbekistan has been a member of the Multilateral Investment Guarantee Agency (“**MIGA**”) since 1993. The MIGA portfolio in Uzbekistan was comprised of guarantees for a project in the oil and gas sector. The MIGA had issued a political risk insurance guarantee for US\$119.5 million to BNP Paribas (Suisse) SA acting for itself, as well as for Crédit Agricole Corporate and Investment Bank and the Korea Development Bank, to cover a non-shareholder loan to Lukoil Overseas Uzbekistan Ltd. for the development of gas fields in the Khauzak-Shady Block and Kandym Field Group. The guarantee was terminated in July 2016.

On 10 May 2021, MIGA issued a contract of guarantee for US\$638.2 million with Standard Chartered Bank, Société Générale, Natixis and Bank of China for political risk insurance coverage of their non-shareholder loans to finance the design, construction, operation and maintenance of a combined cycle single fuel (gas) power generating facility with the net installed capacity of approximately 1.5GW, developed by ACWA Power of Saudi Arabia in Uzbekistan.

On 13 March 2024, MIGA issued a guarantee for EUR140.9 million with Standard Chartered Bank (United Kingdom), and Landerbank Baden-Wurttemberg (Germany) to the Joint-stock company National Bank for Foreign Economic Activity of the Republic of Uzbekistan (“**NBU**”). MIGA’s guarantee provides cover for a 10-year period of the loan against the risk of Non-Honouring of Financial Obligations by a State-Owned Enterprise (NHFO-SOE). NBU will use the MIGA-covered loan to support the development of small and medium enterprises (SMEs) across various sectors, including agribusiness, wholesale, and manufacturing. The Project is MIGA’s first non-honouring transaction in Uzbekistan and also the first with NBU. The project will support NBU’s efforts to expand servicing the underserved SMEs segment, which plays a pivotal role in Uzbekistan’s growth and job creation.

As of 31 December 2024, MIGA’s gross exposure in Uzbekistan was US\$682.3 million.

Asian Development Bank (“ADB”)

The ADB has been one of the key development partners in supporting Uzbekistan’s efforts to modernise the economy and forge ties with neighbours, through the provision of loans, project grants and technical assistance.

Over the entire period of cooperation (from 1996 to December 2024), the ADB committed US\$13.2 billion in the form of loans, US\$19.8 million in form of grants, US\$30 million in the form of partial credit guarantees and US\$956.6 million to finance projects in the private sector.

Since 1996 and as of December 2024, the ADB has supported 165 technical assistance projects with the aggregate amount of grants of US\$144.5 million, focusing on improving governance, building institutional capacity, supporting policy and institutional reforms, and in rehabilitating basic social and physical infrastructure.

The ADB has directly supported private sector investments in petrochemicals and gas development, renewable energy, finance, agribusiness and health, and an equity investment in a local commercial bank. Currently, the number of shares of the Republic of Uzbekistan in the ADB is 71,502 (0.672%).

In 2024, ADB provided the following loans and grants:

- US\$300 million loan under the Power Sector Reform Programme;
- US\$100 million loan under the Financial Markets Development Programme;
- US\$300 million loans under the Inclusive Finance Sector Development Programme;
- US\$100 million loan under the Integrated Perinatal Care Project;
- US\$250 million loans under the Accelerating the Climate Transition for Green, Inclusive and Resilient Economic Growth Programme;
- US\$3.0 million grant under Precision Agriculture for Resilient Commercial Horticulture Project.

In addition, in 2024, ADB committed to provide technical assistance in the aggregate amount of US\$10.3 million for 16 projects, including US\$5.8 million for six new projects.

IMF

Uzbekistan joined the IMF on 21 September 1992. In accordance with Article IV of the IMF Agreement, representatives of the IMF regularly visit the Republic of Uzbekistan to hold consultations within the Government and the CBU.

In December 1995, the IMF granted Uzbekistan a stand-by arrangement in the amount of SDR124.70 million, out of which SDR65.45 million was drawn. In December 2005, Uzbekistan repaid its debt in full to the IMF. As of 31 December 2024, Uzbekistan has outstanding borrowings from the IMF in the amount of 137.94 million Special Drawing Rights (“**SDR**”) and holdings of the Republic of Uzbekistan consist of SDR419.65 million while quota comprises SDR551.2 million.

In 2017-2018, the IMF visited the CBU several times and held technical cooperation in methodology of balance of payments (“**BOP**”), monetary policy and its instruments, stress-testing of the banking system, joining e-GDDS and updating metadata by category. In this regard, a mission from the IMF Statistics Department (STA) was held in Tashkent from 20 November through 1 December 2017 on technical assistance of external sector statistics (ESS). The main objective of the mission was to assist the CBU to define scope of work, tasks, and priorities for establishing sound ESS compilation programme. Taking into account priority recommendations given by the IMF, Uzbekistan has started declassifying basic statistical data, initiated the production of ESS on the basis of BPM6, and started participation in the IMF’s enhanced General Data Dissemination System (e-GDDS).

As a result, the Statistics Agency under the President of the Republic of Uzbekistan, in conjunction with the Ministries of Economy and Finance, Ministry of Employment and Poverty Reduction, the CBU, and UZSE carried out an inventory of the economic and financial indicators being developed, including the methodology and the timing of their formation, for compliance with IMF Standards. Since 1 May 2018, there is a National Summary page on the Statistics Agency website in accordance with the requirements of the IMF, which is interlinked with the Bulletin of Data Dissemination Standard.

In March to April 2019, the IMF missions updated assessment criteria of fiscal transparency. As a result of the measures taken to increase the transparency of budget data, the indicators of fiscal transparency practice improved according to the eight principles of the IMF Code compared to the assessment conducted in June 2018.

Within the framework of the IMF missions organised in 2019-2020, the Department of Fiscal Affairs of the Ministry of Economy and Finance and the Statistics Agency provided assistance on the following issues:

- implementation of reforms to improve the budget process, which were reflected in the preparation of the Law on Budget;
- development of the strategy for improving the public finance management system of the Republic of Uzbekistan for 2020-2024, which was adopted in August 2020;
- further improvement of government finance statistics in order to increase transparency in the fiscal area and the quality of fiscal reporting in accordance with international standards;
- consulting support on the implementation and development of the functions of macro-fiscal forecasting and analysis by the Ministry of Economy and Finance of the Republic of Uzbekistan. For example, the IMF conducted a remote five-day training seminar on the activities of the macro-fiscal department and the analysis of fiscal risks; and
- in August 2020, the IMF carried out a public investment management diagnostics as part of ongoing reforms to further improve the selection process and improve the efficiency of public investment management.

Medium-term debt management strategy for 2019-2021 was developed with the help of joint mission of the IMF and the World Bank in April 2019. Debt sustainability analysis was conducted with the assistance of IMF experts in May 2020.

In May 2020, IMF provided a US\$375 million loan to the Republic of Uzbekistan under the Rapid Credit Facility and Rapid Financing Instrument to support Uzbekistan's response to the COVID-19 pandemic. Between 24 August and 17 September 2020, the IMF conducted a virtual staff visit to Uzbekistan to discuss economic developments and policies.

In May 2021, the IMF provided a technical report on "Developing a Rules-Based Fiscal Framework". The document provides suggestions to the Government of Uzbekistan on implementing fiscal rules in the budget.

Moreover, the IMF supported the development of a new budget calendar, which includes the preparation of the medium-term budget in two stages (drafting and preparation). The first stage covers the period of Fiscal Strategy document preparation which provides a medium-term outlook of fiscal policy and budget ceilings of line ministries and agencies. The second stage provides the preparation of budget law that prepares line ministries and agencies' budget for a medium-term perspective.

In August 2021, the IMF conducted a mission on assessing the fiscal costs and risks from PPS and SOEs. The mission provided grounded issues and challenges in the sector. In this regard, the IMF provided suggestions and recommendations to the departments of the Ministry of Economy and Finance in resolving these risks in the sector.

The fiscal and legal department of the IMF provided recommendations to the Ministry of Economy and Finance in developing the Law "On Public debt" during 2021.

In November 2021, the IMF conducted a mission for the purpose of forming and distributing public debt statistics based on international methodology (IMF's Public sector debt statistics). With the help of IMF consultants, the public sector debt statistics of the Republic of Uzbekistan for 2020 were formed according to the international methodology.

In April 2022, the joint technical mission of the International Monetary Fund and the World Bank on the development of the government securities market was implemented. In this case, the IMF and the World Bank diagnosed the market of government securities and developed measures for the development of the sector. Based on the recommendations of the IMF and the World Bank, it achieved issuing government securities at

market prices (price taking approach) and increasing its volume, issuing government securities linked to inflation, and introducing primary.

In July–August 2023 and April 2024, a technical assistance (“TA”) mission supported the Statistics Agency under the President of the Republic of Uzbekistan in conducting a comprehensive revision of the national accounts time series. Based on the findings of the 2023 survey on the non-observed economy in sectors such as hotels, restaurants, and other services, the 2024 major revision resulted in an upward adjustment of the nominal GDP for the period 2017–2023, ranging between 10% and 12%.

In October 2023, the IMF and the World Bank conducted a follow-up TA mission focused on designing a medium-term debt management strategy for 2024–2026. Subsequently, in September–October 2024, the IMF conducted another follow-up TA mission on local currency bond market development, providing recommendations to strengthen the role of primary dealers in both the primary and secondary markets.

From July to September 2024, IMF Fiscal Affairs Department experts delivered a TA mission aimed at establishing a Public-Private Partnership (PPP) commitment cap and enhancing frameworks for managing fiscal risks associated with the PPP portfolio.

The most recent IMF Article IV Staff Report on Uzbekistan was published in July 2024, detailing recent economic developments, risks, and the outlook for the country. Additionally, the IMF issued a press release following a staff visit in September 2024, noting that Uzbekistan’s economic performance remains robust, with a positive outlook that balances both risks and opportunities.

EBRD

The Republic of Uzbekistan became a member of the EBRD in 1992. The Republic owns 4,200 shares of the EBRD for a total amount of €44.12 million.

The EBRD operational activities in Uzbekistan include investments, technical assistance and policy dialogue in support of sustainable reform.

The EBRD’s latest Uzbekistan strategy was adopted on 24 January 2024 and identifies the following operational and strategic priorities for the EBRD’s work in Uzbekistan:

- support decarbonisation, green cities, water efficiency, and cleaner energy;
- developing the private sector and fostering employment, skills, inclusion and the digital transition;
- promote better economic governance and business climate and transport connectivity.

The EBRD strategy for Uzbekistan recognises the need to strengthen the country’s path to reform, expand the role of civil society, provide greater freedom to mass media and promote women’s entrepreneurship.

The EBRD continues working on the improvement of the investment climate in Uzbekistan by facilitating the activity of the Foreign Investors’ Council, which is serving as a platform for dialogue between foreign investors and the authorities fostering reforms.

The EBRD also continues to provide support for Uzbekistan’s green transition. Its investment contributes to a long-term decarbonisation plan that the EBRD and the Government of Uzbekistan have jointly developed, and which aims to achieve a carbon neutral power sector by 2050.

Since 2017, cumulative investments comprise 173 signed operations totalling €5.5 billion, covering water supply, power transmission and generation (focused on solar and wind), SME and trade financing via partner financial institutions as well as direct financing to agribusiness, pharmaceutical, metal-processing, and other manufacturing corporates. 2024 was a new historic record year for EBRD investments where EBRD financing reached €938 million with the 67.8 % investment in the private sector.

In 2024, the country became the leading recipient of the EBRD’s funding in Central Asia for the fifth year running and ranked fifth globally as an investment destination. 55% of investments supported green economy projects. Together with €383 million mobilised from co-financiers, EBRD brought over €1.3 billion into the country in 2024.

In 2024, EBRD supported the first renewable hydrogen facility in Central Asia by providing a US\$65 million financing package to a joint venture of ACWA Power and UZKIMYOSANOAT, helping decarbonise the fertiliser production sector.

Further, in 2024 EBRD organised an A/B loan of US\$226 million for the development, design, construction and operation of a 200MW solar photovoltaic power plant and a 501MWh battery energy storage system (BESS) in the Tashkent region, one of the largest EBRD-supported BESS projects.

In 2024, EBRD extended a loan of US\$66.4 million to the National Electric Grid of Uzbekistan to support the construction of a 230km 500kV transmission line between the Navoi and Khorezm regions. This project will help eliminate bottlenecks in the grid and reduce electricity outages, also facilitating the integration of a number of renewable projects.

EBRD sovereign loan of up to US\$238 million will help rehabilitate a key road and build a bridge across the Amu Darya River in the Khorezm region, contributing to the development of sustainable transport connections in Central Asia.

The financial sector attracted over €300 million for the first time, through trade finance limits, loans and risk sharing agreements to 11 financial institutions. Special attention was paid to the development and support of SMEs, including those needing energy efficiency improvements and those owned and managed by youth and women. EBRD increased equity investment in TBC Uzbekistan, the country's first digital bank, and continued strong collaboration with the Government of Uzbekistan by agreeing to work jointly on the successful privatisation of one of the country's largest state-owned lenders, Asakabank.

Advice for Small Business Programme launched 60 advisory projects, increasing its outreach to domestic SMEs. Half of them were with women entrepreneurs and over 40% in rural areas. More than 80,000 entrepreneurs around the country were reached through specialised trainings, networking, online outreach activities and knowledge sharing events.

Throughout 2024 EBRD actively engaged in policy dialogue with the national authorities, which facilitated the approval of several key legal acts such as laws on privatisation, electricity market and subsoil use.

IsDB

Cooperation between Uzbekistan and the IsDB began in 1991, when the IsDB approved grants for the reconstruction of a number of historic buildings. On 2 to 4 September 2003, Uzbekistan became a full member of the IsDB. Currently, Uzbekistan's share in subscribed capital is 14.9 million (0.03% of IsDB's total subscribed capital). The key areas of IsDB activity in Uzbekistan are the financing of major infrastructure and socially significant projects in strategic sectors of the economy.

The IsDB Group's portfolio in Uzbekistan is well diversified across sectors. The IsDB Group has an overall net portfolio of US\$4,157.3 million in Uzbekistan comprising US\$2,575.8 million of the IsDB financing, US\$633 million of ICD financing, US\$905.5 million of ITFC financing and US\$13.1 million of financing from other funds. For the IsDB Group, cumulatively the largest share of operations is in agriculture (29.2%), followed by finance (29.1%), transportation (14.3%), health (9.9%) and energy (9.6%).

Currently, the IsDB has 100 active projects in Uzbekistan with total financing of US\$2,548.9 million, bringing the overall net portfolio to US\$4.16 billion. The portfolio is well balanced across main sectors of the IsDB operations. The level of overall disbursements stands at US\$1,412.1 million (51.5%) of the active portfolio.

In April 2023, the IsDB and the Republic of Uzbekistan signed three financing agreements totalling US\$396.7 million to support critical infrastructure and social services development. These agreements aim to promote sustainable economic growth, rural development and early childhood education enhancement in the country:

- *Integrated Rural Development Project:* IsDB provided US\$260 million under its Food Security Response Programme to empower local communities, improve their access to quality and resilient infrastructure and enhance their knowledge of climate-smart agriculture practices. This initiative aims to reduce rural poverty and increase the resilience of the targeted population.

- *Reconstruction and Upgrading of the M39 Road:* A financing agreement worth US\$106.7 million has been allocated to improve the efficiency of road transport infrastructure and ensure the safe movement of goods and people along the specified section of the M39 road. This project is expected to benefit the local economy and promote regional integration and trade.
- *Enhancing Access to Quality Early Childhood Education Project:* IsDB provided US\$30 million to support Uzbekistan's goal of achieving universal preschool enrolment. The project aims to improve access to quality early childhood education facilities and enhance the quality of early learning environments in the country.

In 2025, Uzbekistan is expected to sign financial agreements for two significant projects:

- *The Joint IsDB/ISFD/GPE Smart-Ed Project for Improving the Quality and Efficiency of Education Services in the Republic of Uzbekistan:* This project involves a financing package totalling US\$160.25 million from the IsDB, the Islamic Solidarity Fund for Development (ISFD), and the Global Partnership for Education (GPE). The initiative aims to construct 58 state-of-the-art schools with 2,431 classrooms, benefiting approximately 620,000 preschoolers and 1.2 million school-age children across the country.
- *Reconstruction and Upgrading of the A373 Road (0-37 km) Project:* The Republic of Uzbekistan has applied for financing amounting to US\$138.8 million from the IsDB for this project. The project aims to reconstruct and upgrade the initial 37 km segment of the A373 road to enhance transportation infrastructure and connectivity.

Agence Française de Développement (“AFD”)

AFD opened a regional office in Tashkent in 2015 and launched its first project in Uzbekistan in 2016. AFD Group allocates loans to the State, public institutions and private sectors. The AFD Group includes AFD, Proparco and Expertise France.

The AFD's action in Uzbekistan is based on achieving the following four aims: economic and political governance, urban development, energy transition and sustainable management of territories. To achieve these targeted actions, AFD provides loans with grants (coming from either the French government or the European Union).

For instance, one of the first projects of the AFD was geared towards improving solid waste management in Samarkand city. In 2018 and 2019, loan agreements were signed in relation to the “Economic management improvement programme”. Phase 1 of this project was for €150 million and Phase 2 was for €50 million. On 21 August 2020, a loan agreement, in relation to the energy sector amounting to €150 million was signed. On 19 April 2022, a loan agreement in relation to the green economy was signed. The first phase of the multiyear programme was to support government reforms and was for an amount of €150 million supported by €2.1 million in AFD grant funds. On 2 November 2023, a loan agreement in relation to the second phase of the multiyear programme was signed for an amount of €125 million supported by €6.1 million in EU grant funds.

As of November 2024, the AFD Group's commitments in Uzbekistan amounted to over €1.4 billion.

In November 2022, President Shavkat Mirziyoyev signed four agreements aimed at strengthening the activities and financing provided by the AFD to support the Republic of Uzbekistan's economic, social and environmental development. The agreements include:

- A partnership agreement for the period 2023-2025 outlining the main priorities for Uzbekistan's future financing;
- The signing of a €30 million loan agreement with the public bank SQB (State Joint-Stock Commercial Bank “O'zbekiston Sanoat – Qurilish Banki”). This non-sovereign loan was intended to finance climate-friendly investments. It was the first loan provided by AFD to an entity other than the Uzbek State. The 2023-2025 partnership agreement anticipates the implementation of similar financing arrangements in the years ahead;

- A Memorandum of Understanding was signed with the local public company Uzsuvtaminot, focusing on improving access to drinking water in various regions of Uzbekistan. AFD's Board of Directors approved a €160.9 million financing package to support the development of drinking water infrastructure in the Tashkent and Fergana regions. Additionally, AFD and Uzsuvtaminot are collaborating on finalising the appraisal of a similar project aimed at the Kashkadarya region; and
- A Memorandum of Understanding on financing irrigation studies, was signed, with AFD providing €1.5 million in grant resources for this purpose. These studies will be directed toward the modernisation of the irrigation system in the Aral Sea region, particularly in Karakalpakstan. This initiative aims to address critical water management challenges and promote sustainability in the region.

In November 2024, during COP29 in Baku, AFD signed two significant agreements with Uzbekistan's Ministry of Economy and Finance:

- *€100 Million Financing for Energy Transition*: This agreement aims to support the restructuring and decarbonisation of Uzbekistan's energy sector, facilitating a shift towards modern, reliable, and environmentally friendly infrastructure.
- *Sustainable Development Goals (SDG) Monitoring Program*: A tripartite agreement between AFD, the Sustainable Development Solutions Network (SDSN), and Uzbekistan's Ministry of Economy and Finance to implement an 18-month programme focused on tracking progress on SDGs across Uzbekistan's regions and major cities.

International Fund for Agricultural Development (“IFAD”)

The Republic of Uzbekistan became a member of IFAD in 2011. IFAD has invested US\$166.54 million through four projects of “Dairy Value Chains Development Project”, “Horticultural Support Project” and “Agriculture Diversification and Modernisation Project 1st and 2nd tranche” which impact more than 100 thousand households.

Agriculture Diversification and Modernisation Project's financial agreements were signed on 9 January 2019 (initial tranche) and 4 August 2020 (second tranche) aim to enhance the income levels and living standards of rural population by enhancing the profitability and effectiveness of chosen value chains by measures on promoting productivity and market access along with accurate natural resource management.

The project ensures investment in network that has the potential to enhance the productivity, profitability and competitiveness of value chain participants, mainly dekhkan farmers. Project focuses on Fergana Valley, including regions of Andijan, Namangan and Fergana. Rural low-income households on dekhkan farmers, small private horticulture and livestock farmers and agribusinesses are targeted units within the scope of the project. Within the project, the involvement of female dekhkan farmers and private farming households along with rural youth is an essential target.

European Investment Bank (“EIB”)

In October 2017, the agreement between the Republic of Uzbekistan and EIB was signed which became the first step towards further cooperation.

EIB has invested €200 million and US\$100 million through three projects in water supply and Uzbekistan's energy efficiency as well as COVID-19 rapid response to SME-MSMES loan projects.

Uzbekistan's energy efficiency loan (€100 million) signed in October 2018, was directed to aid the implementation of energy-efficiency investments of small and medium sized enterprises, companies and private sector entities in the Republic of Uzbekistan with the purpose to take measures on reducing electricity costs.

The second project is Uzbekistan Water Framework Loan (€100 million) signed in October 2018, directed to enhancing water supply that would aid Uzbekistan to deal with high demand for water resource and the scarcity of locally available freshwater resources considering around 80% of the water consumed in Uzbekistan is derived from neighbouring countries.

COVID-19 rapid response to SME-MSMES Loan (US\$100 million) was signed in December 2020 and was directed to assist and support micro, small, and medium-sized enterprises economically affected by the COVID-19 pandemic in the Republic of Uzbekistan.

In April 2023, the EIB, together with the Asian Development Bank, the AIIB and the EBRD, provided a collective US\$396.4 million to finance the construction and operation of three solar photovoltaic plants in the Republic of Uzbekistan with a total output of 897 MWac.

In January 2024, the EIB Global signed a memorandum of understanding with the Republic of Uzbekistan to co-finance sustainable transport projects. This agreement is part of a broader initiative to mobilise approximately €3 billion for connectivity projects in Central Asia, with the EIB contributing nearly €1.5 billion. The collaboration aims to enhance transport infrastructure, thereby improving economic growth and regional integration.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any change in law that may take effect after such date.

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Notes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme (including Notes with a maturity of 30 years or longer) and only applies to Notes held as capital assets for U.S. federal income tax purposes (generally, held for investment). It does not address any aspects of U.S. federal income taxation that may be applicable to U.S. Holders that are subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax exempt entities, retirement plans, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, dealers or traders in securities or currencies, traders in securities that elect to use a mark-to-market method of tax accounting for their securities holdings, persons required to accelerate the recognition of any item of income with respect to the Notes as a result of such income being recognised on applicable financial statements, holders that will hold a Note as part of a position in a straddle, hedging, constructive sale, wash sale, or conversion, integrated or similar transaction for U.S. federal income tax purposes, holders who hold Notes in connection with a trade or business conducted outside of the United States, entities or arrangements treated as partnerships, or pass-through entities for U.S. federal income tax purposes or investors therein, or U.S. Holders that have a functional currency other than the U.S. dollar. Moreover, this summary does not address the effects of any U.S. state and local tax, non-U.S. tax laws, U.S. federal estate and gift tax, Medicare contribution tax or alternative minimum tax consequences of the acquisition, ownership, disposition or retirement of Notes and does not address the U.S. federal income tax treatment of U.S. holders that do not acquire Notes as part of the initial distribution at their initial "issue price," as defined in "*—Original Issue Discount*" below.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended, existing, temporary and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as at the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations, which could affect the tax consequences described herein. Any special U.S. federal income tax considerations relevant to a particular issue of the Notes will be provided in the relevant Final Terms.

For purposes of this description, a "**U.S. Holder**" is a beneficial owner of the Notes who for U.S. federal income tax purposes is (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (1) that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more United States persons have the authority to control.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax adviser as to the consequences of acquiring, owning or disposing of Notes.

Prospective investors should consult their own tax advisers with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of Notes.

Interest

Except as set forth below, interest (including “qualified stated interest” as defined under “—*Original Issue Discount*” below) paid on a Note, whether payable in U.S. dollars or a currency other than U.S. dollars including any additional amounts, will be includible in a U.S. Holder’s gross income as ordinary interest income at the time it is received or accrued in accordance with the U.S. Holder’s usual method of tax accounting. In addition, interest on the Notes will generally be treated as foreign source income for U.S. federal income tax purposes and generally will be treated as “passive category income” for U.S. foreign tax credit purposes. The creditability of non-U.S. income taxes is subject to limitations, including some that vary depending on a U.S. Holder’s circumstances. In addition, certain U.S. Treasury Regulations (the “**Foreign Tax Credit Regulations**”) require non-U.S. income tax laws to meet certain additional requirements in order for taxes imposed under such laws to be eligible for credit. The Issuer has not determined whether these requirements have been met with respect to Uzbekistan withholding taxes. However, recent notices from the Internal Revenue Service (“**IRS**”) provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the Foreign Tax Credit Regulations as they previously existed (i.e., before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Prospective purchasers of Notes should consult their own tax advisers concerning the applicability of foreign tax credit and source of income rules attributable to the Notes.

Foreign Currency Denominated Stated Interest

Any interest paid in a currency, composite currency or basket of currencies other than U.S. dollars (a “**foreign currency**”) will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the foreign currency, including the amount of any applicable withholding tax thereon, regardless of whether the foreign currency is converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or in the case of an accrual period that spans two taxable years of the U.S. Holder, the part of the period within each taxable year), or, at the accrual basis U.S. Holder’s election, at either the spot rate of exchange on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within each taxable year) or the spot rate on the date of receipt, if that date is within five days of the last day of the accrual period. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and will be irrevocable without the consent of the IRS. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognise foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date payment is received differs from the rate applicable to an accrual of that interest.

Original Issue Discount

U.S. Holders of Notes issued with original issue discount (“**OID**”) will be subject to special tax accounting rules, as described in greater detail below. U.S. Holders of Notes issued with OID (including cash basis taxpayers) should be aware that, as described in greater detail below, they generally must include OID in income for U.S. federal income tax purposes on an economic accrual basis, in advance of the receipt of cash attributable to that income. Notes issued with OID will be referred to as “**Original Issue Discount Notes**”. Solely for the purposes of determining for U.S. federal income tax purposes whether a Note has OID and the yield and maturity of a Note, the Issuer may, under certain circumstances, be deemed to exercise any call option that has the effect of decreasing the yield on the Note and the U.S. Holder may, under certain circumstances, be deemed to exercise any put option that has the effect of increasing the yield on the Note. The relevant Final Terms will so state when the Issuer determines that a particular Note will be an Original Issue Discount Note, to the extent relevant. Persons considering the purchase of Original Issue Discount Notes with such features should carefully examine the relevant Final Terms and should consult their own tax advisers with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Notes.

The following discussion does not address the U.S. federal income tax consequences of an investment in contingent payment debt instruments. In the event the Issuer issues contingent payment debt instruments the

relevant Final Terms or a supplement to this Base Offering Circular will describe the material U.S. federal income tax consequences thereof.

Additional rules applicable to Original Issue Discount Notes that are denominated in or determined by reference to a currency other than the U.S. dollar are described in “—*Foreign Currency Discount Notes*” below.

For U.S. federal income tax purposes, a Note, other than a Note with a term of one year or less, will be treated as an Original Issue Discount Note if the excess of the Note’s “stated redemption price at maturity” over its “issue price” equals or exceeds a *de minimis* amount (i.e., 0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Note that provides for payments other than qualified stated interest before maturity, its weighted average maturity)). The “stated redemption price at maturity” of a Note is the sum of all payments required to be made on such Note other than “qualified stated interest” payments. The “issue price” of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold (other than to an underwriter, broker, agent or wholesaler or similar persons or organisations acting in the capacity of an underwriter, broker, agent or wholesaler). The term “qualified stated interest” means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually (with certain exceptions for certain first or final interest payments) at a single fixed rate or, subject to certain conditions, based on one or more interest indices. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. Notice will be given in the relevant Final Terms when it is determined that a particular Note will bear interest that is not qualified stated interest, to the extent relevant.

In the case of a Note issued with *de minimis* OID, the U.S. Holder generally must include such *de minimis* OID in income as stated principal payments on the Notes are made in proportion to the amount relative to the stated principal amount of the Note. Any amount of *de minimis* OID that has been included in income will be treated as capital gain.

U.S. Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income on a constant yield method in advance of the receipt of some or all of the related cash payments. Under this method, the amount of OID includible in income by the initial U.S. Holder of an Original Issue Discount Note is the sum of the “daily portions” of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such Note (“**accrued OID**”). The daily portion is determined by allocating to each day in any “accrual period” a *pro rata* portion of the OID allocable to that accrual period. The “accrual period” for an Original Issue Discount Note may be of any length and may vary in length over the term of the Note, *provided that* each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Note’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The “adjusted issue price” of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortisation of any acquisition or bond premium, as described below) and reduced by any payments made on such Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will have to include in income increasingly greater amounts of OID in successive accrual periods.

In the case of an Original Issue Discount Note that is a Floating Rate Note, both the “yield to maturity” and “qualified stated interest” will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index or if the principal amount of the Note is indexed in any manner. Persons considering the purchase of Floating Rate Notes should carefully examine the relevant Final Terms and should consult their own tax advisers regarding the U.S. federal income tax consequences of the holding and disposition of such Notes.

Election to Treat All Interest as OID

U.S. Holders may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their own tax advisers about this election.

Short-Term Notes

In the case of Notes having a term of one year or less (“**Short-Term Notes**”), all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, U.S. Holders generally will be taxable on the discount in lieu of any stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Note, unless the U.S. Holder elects to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method U.S. Holders of a Short-Term Note are not required to include accrued discount in their income currently unless they elect to do so (but will be required to include any stated interest in income as it is received). U.S. Holders that report income for U.S. federal income tax purposes on the accrual method and certain other U.S. Holders are required to accrue discount on such Short-Term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realised on the sale, exchange or retirement of the Short-Term Note will generally be ordinary income to the extent of the discount accrued through the date of sale, exchange or retirement. In addition, a U.S. Holder that does not elect to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder’s interest expense with respect to any indebtedness incurred or continued to purchase or carry such Notes.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of the sum of all amounts payable on the Note after the purchase date other than qualified stated interest will be considered to have purchased the Note at a “premium.” A U.S. Holder generally may elect to amortise the premium over the remaining term of the Note on a constant yield method as an offset to interest when includible in income under the U.S. Holder’s regular accounting method for U.S. federal income tax purposes. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency and amortisable bond premium will reduce interest income in units of the foreign currency. At the time amortised bond premium offsets interest income, foreign currency gain or loss (taxable as ordinary income or loss) is measured by the difference between exchange rates at that time and at the time of the acquisition of the Notes. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognised on disposition of the Note.

Foreign Currency Discount Notes

OID for any accrual period on an Original Issue Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined for any accrual period in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder as described under “—*Foreign Currency Denominated Stated Interest*” above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognise foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt or on the date of disposition of the Note) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Benchmark Replacement

Following the occurrence of a Benchmark Event, the rate of interest on any Notes which pay a floating rate linked to or referencing a benchmark or screen rate, including EURIBOR and any other IBOR-referencing rate, will be determined on the basis of the applicable Successor Rate or Alternative Reference Rate. It is possible that such replacement of the original reference rate with a Successor Rate or Alternative Reference Rate could be treated as a significant modification of such Notes. In such event, for U.S. federal income tax purposes, such Notes would be treated as having been exchanged for new Notes (a “**deemed exchange**”) and a U.S. Holder could be required to recognise taxable gain with respect to such Notes as result of the “deemed exchange”. In addition, such new Notes may be treated as being issued with OID. Notwithstanding the foregoing, and although this issue is not free from doubt, since any such substitution of a Successor Rate or Alternative Reference Rate for such original reference rate would occur pursuant to the original terms of the Notes, a “deemed exchange” is not expected to occur and a U.S. Holder is not expected to be required to recognise taxable gain with respect to the Notes. U.S. Holders should consult their own tax advisers with regard to the possibility of a deemed exchange following the occurrence of a Benchmark Event with respect to the Notes.

Sale, Exchange or Retirement

A U.S. Holder’s tax basis in a Note generally will be its U.S. dollar cost (as defined herein) increased by the amount of any OID included in the U.S. Holder’s income with respect to the Note and reduced by (i) the amount of any payments on the Note that are not qualified stated interest and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. A U.S. Holder generally will recognise gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realised on the sale, exchange or retirement (less any accrued but unpaid stated interest, which will be taxable as ordinary interest income) and the U.S. Holder’s adjusted tax basis of the Note. The amount realised on a sale, exchange or retirement for an amount in foreign currency will be the U.S. dollar value of such amount on the date of sale, exchange or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale, exchange or retirement. Gain or loss recognised on the sale, exchange or retirement of a Note (other than gain or loss that is attributable to OID, or to changes in exchange rates, which will be treated as ordinary income or loss) will be capital gain or loss and will be long term capital gain or loss if the Note was held for more than one year. The deductibility of capital losses is subject to limitations. Gain or loss recognised by a U.S. Holder on the sale, exchange or retirement of a Note that is attributable to changes in exchange rates will be treated as ordinary income or loss. A U.S. Holder will recognise foreign currency gain or loss on the principal amount of the Note equal to the difference between (i) the U.S. dollar value of the U.S. Holder’s purchase price for such Note determined at the spot rate on the date of sale, exchange or retirement and (ii) the U.S. dollar value of the U.S. Holder’s purchase price for the Note determined at the spot rate on the date the U.S. Holder acquired the Note. However, foreign currency gain or loss is taken into account only to the extent of total gain or loss realised on the transaction. Gain or loss recognised by a U.S. Holder on the sale, exchange or retirement of a Note generally will be U.S.-source income or loss. Prospective investors should consult their tax advisers as to the foreign tax credit implications of such sale, exchange or retirement of Notes.

Sale or Other Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such sale or retirement. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S.-source ordinary income or loss.

Multi-Currency Notes

U.S. Holders of Notes that are denominated in more than one currency or that have one or more non-currency contingencies and are denominated in either one foreign currency or more than one currency will be subject to

special rules applicable to “multi-currency debt securities.” A U.S. Holder generally would be required to apply the “noncontingent bond method” in the multi-currency debt security’s denomination currency, which, for this purpose, would be the multi-currency debt security’s predominant currency as determined by the Issuer. A description of the principal U.S. federal income tax considerations relevant to holders of multi-currency Notes, including specification of the predominant currency, will be set forth, if required, in the relevant Final Terms.

Other Notes

A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of any other type of Note that the Issuer may issue under the Programme will be set forth, if required, in the relevant Final Terms or in a supplement to this Base Offering Circular.

Reportable Transaction Reporting

U.S. Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain threshold amount, such as the receipt or accrual of interest and accruals of OID, and a sale, exchange, redemption, retirement, redemption or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note. U.S. Holders should consult their tax advisers to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Financial Asset Reporting

Individuals and, to the extent provided by the U.S. Secretary of the Treasury in regulations or other guidance, certain domestic entities that hold an interest in a “specified foreign financial asset” are required to attach certain information regarding such assets to their income tax return for any year in which the aggregate value of all such assets exceeds the relevant threshold. A “specified foreign financial asset” includes any debt or equity of a non-U.S. entity, to the extent not held in an account at a financial institution, though accounts at non-U.S. financial institutions may themselves be “specified foreign financial assets.” Penalties may be imposed for the failure to disclose such information regarding specified foreign financial assets. U.S. Holders are advised to consult their tax advisers regarding the potential reporting requirements that may be imposed on them by this legislation with respect to their ownership of the Notes.

U.S. Backup Withholding and Information Reporting

Information reporting requirements apply to certain payments of interest and accrued OID on the Notes and to proceeds of the sale, exchange or retirement of Notes made within the United States or through certain U.S. paying agents, U.S. intermediaries or U.S.-related brokers, to certain holders of Notes (other than an exempt recipient). The payor will be required to backup withhold on such payments (including payments of the accrued OID) to a U.S. Holder of a Note that is a U.S. person, other than an “exempt recipient,” if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability or may entitle the U.S. Holder to a refund, *provided that* the required information is timely furnished to the IRS. The backup withholding rate under current law is 24 per cent. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Uzbekistan Tax

According to the Tax Code of the Republic of Uzbekistan adopted in its new edition on 30 December 2019 by the Law of the Republic of Uzbekistan No. ZRU-599 dated 30 December 2019 “On amendments and additions to the Tax Code of the Republic of Uzbekistan”, which entered into force on 1 January 2020:

- for legal entities, income from international bonds issued by the Republic of Uzbekistan and legal entities of the Republic of Uzbekistan is not accounted for as income (paragraph 19 of Article 304);
- for legal entities and individual entrepreneurs who pay turnover tax, income from international bonds issued by the Republic of Uzbekistan and legal entities of the Republic of Uzbekistan is not included in the taxable base (paragraph 1 of Article 464); and

- for individuals, income from international bonds issued by the Republic of Uzbekistan and legal entities-residents of the Republic of Uzbekistan is not included in the total income (paragraph 10 of Article 369).

Thus under the new edition of the Tax Code, legal entities and individuals, both residents and non-residents, are not subject to taxation in Uzbekistan with respect to any income received from international bonds issued by the Republic of Uzbekistan.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission has published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal is very broad in scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or may be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State, or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

CLEARING AND SETTLEMENT

Book Entry Procedures for the Global Notes

For each Series evidenced by a Restricted Global Note which is held by or on behalf of DTC, custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross market transfers of the Notes associated with secondary market trading. See “*Book Entry Ownership*” and “— *Settlement and Transfer of Notes*”.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders (“**Direct Participants**”) or indirectly (“**Indirect Participants**”) and together with Direct Participants, “**Participants**”) through organisations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in Restricted Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Restricted Global Notes as to which such Participant or Participants has or have given such direction. However, in the circumstances described under “*Exchange for Definitive Note Certificates*”, DTC will surrender the relevant Restricted Global Notes for exchange for individual Restricted Definitive Note Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

An Unrestricted Global Note representing the Unrestricted Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B 1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L 1855 Luxembourg.

DTC

The Restricted Global Note representing Restricted Notes of any Series, unless otherwise agreed, will have a CUSIP number and will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system as the holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be) for its share of each payment made by the Issuer to the holder of the Global Notes, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be).

The Issuer expects that, upon receipt of a payment in respect of Notes evidenced by a Global Note, the Common Depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of the beneficial interests in any Global Note held through such Direct Participant in any clearing system will be governed by standing instructions and customary practices.

Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and such obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note, in respect of each amount so paid. None of the Issuer, the Fiscal Agent or any Paying Agent will have responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within a clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Note Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Note which is held by or on behalf of DTC to

pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading Between Euroclear and Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading Between DTC Participants

Secondary market sales of book entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same Day Funds Settlement system in same day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading Between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Restricted Global Note will instruct the Registrar to decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Note of the relevant class and increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Note. Book entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading Between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Restricted Global Note who will in turn deliver such book entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by an Unrestricted Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Restricted Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their

respective Direct Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Pre Issue Trades Settlement

It is expected that the delivery of Notes will be made against payment therefor on the relevant closing date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the relevant closing date will be required, by virtue of the fact that the Notes initially will settle beyond T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant closing date should consult their own advisers.

TRANSFER RESTRICTIONS

The Notes are being sold in the United States only to qualified institutional buyers within the meaning of and in reliance on Rule 144A. Because of the following restrictions, purchasers of Notes sold in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

The Issuer is a foreign government as defined in Rule 405 under the Securities Act and is eligible to register securities on Schedule B of the Securities Act. Therefore, the Issuer is not subject to the information provision requirements of Rule 144A(d)(4)(i) under the Securities Act.

Each prospective purchaser of Notes in reliance on Rule 144A (a “**144A Offeree**”), by accepting delivery of this Base Offering Circular, will be deemed to have represented, agreed and acknowledged as follows:

- (i) such 144A Offeree acknowledges that this Base Offering Circular is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Base Offering Circular, or disclosure of any of its contents to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.
- (ii) such 144A Offeree agrees to make no photocopies of this Base Offering Circular or any documents referred to herein.

Each purchaser of Restricted Notes within the United States, by accepting delivery of this Base Offering Circular, will be deemed to have represented, agreed and acknowledged as follows (terms used herein that are defined in Rule 144A or in Regulation S are used herein as defined therein, as applicable):

- (a) the purchaser of the Notes (i) is a QIB, (ii) is acquiring the Notes for its own account or for the account of a QIB and (iii) is aware, and each beneficial owner of such Notes has been advised, that the sale of the Notes to it is being made in reliance on Rule 144A. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.;
- (b) the purchaser understands that such Restricted Notes are being offered or sold only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Notes have not been and will not be registered under the Securities Act or any other applicable State securities laws, the purchaser acknowledges that such Restricted Note is a “restricted security” (as defined in Rule 144(a)(3) under the Securities Act) and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Notes, such Restricted Notes may be offered, sold, pledged or otherwise transferred only (A) in the United States to a person that the seller reasonably believes is a QIB purchasing for its own account, or for the account or benefit of a QIB, in a transaction meeting the requirements of Rule 144A whom the seller has notified, in each case, that the offer, resale, pledge or other transfer is being made in reliance on Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (D) to the Issuer or an affiliate of the Issuer (upon redemption thereof or a similar transaction); in each case in accordance with any applicable securities laws of any state of the United States and (ii) no representation can be made as to the availability at any time of the exemption provided by Rule 144 for the resale of the Restricted Notes;
- (c) the purchaser understands that such Restricted Notes, unless the Issuer and the Registrar determine otherwise in compliance with Applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A

UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT;

- (d) the purchaser acknowledges that, prior to any transfer of Definitive Note Certificates or of beneficial interests in the Global Notes, the holder of Definitive Note Certificates or the holder of beneficial interests in Global Notes, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Fiscal Agency Agreement; and
- (e) the Issuer, the Arrangers, the Dealers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in the Dealer Agreement dated 4 February 2019 (the “**Dealer Agreement**”) between the Issuer and the dealers named therein, from time to time the Notes will be offered by the Issuer to the Permanent Dealers and the Permanent Dealers may agree to purchase such Notes. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they made to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Certain of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, the Issuer in the ordinary course of their respective businesses. The Issuer may apply all or part of the proceeds of any Notes issued pursuant to the Programme in repayment of all or part of any such credit facilities.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, and, subject to certain exceptions, may not be offered or sold within the United States.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Dealer Agreement it will offer the Notes for resale in the United States initially only to persons who they reasonably believe to be QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the respective meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States in accordance with Regulation S. The Dealer Agreement provides that Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of the Notes within the United States only to QIBs in reliance on Rule 144A.

An offer or sale of Notes within the United States by a Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A, or another available exemption from registration under the Securities Act.

ICBC Standard Bank Plc is restricted in its U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that are offered or sold in the United States. Accordingly, ICBC Standard Bank Plc shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that may be offered or sold by other underwriters in the United States. ICBC Standard Bank Plc shall offer and sell the Notes constituting part of its allotment solely outside the United States.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than a year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “institutional clients” and “qualified clients” under Article 8(a)(1) of the “Rules on the Offer of Securities and Continuing Obligations” issued by the Board of the Capital Market Authority (the “CMA”) pursuant to its resolution number 3-123-2017 dated 9/4/1439H, corresponding to 27/12/2017G (as amended by the Board of the CMA pursuant to resolution number 3-6-2024 dated 5/7/1445H, corresponding to 17/1/2024G (as amended from time to time, the “**KSA Regulations**”) or by way of a limited offer under Article 9 of the KSA Regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of the Notes made by it to an investor in Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) will be made in compliance with either Article 8(a)(1) or Article 9 and Article 10 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

In relation to each Series, each Dealer has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) (the “SFO”) and any rules made under the SFO.

Switzerland

This Base Offering Circular does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Notes will not be listed on the SIX Swiss Exchange. Therefore, this Base Offering Circular may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Uzbekistan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Uzbekistan except in compliance with the laws of Uzbekistan.

An Uzbekistan resident may purchase and sell the Notes, subject to compliance with the restrictions set forth in this Base Offering Circular, any Final Terms and the laws of Uzbekistan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of this Base Offering Circular or any other offering materials or any final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to agree) that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Offering Circular, any other offering material or any Final Terms (in all cases at its own expense) and neither

the Issuer nor any other Dealer shall have responsibility therefor. Other persons into whose hands this Base Offering Circular or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or form which they purchase, order, sell or deliver Notes or possess, distribute or publish this Base Offering Circular or any Final Terms or any related offering material, in all cases at their own expense.

GENERAL INFORMATION

1. Admission to Trading

Where the Issuer and each relevant Dealer so agree before the Issue Date for the relevant Series, application will be made to admit certain Series of Notes issued under the Programme to the Official List and to trading on the Market. The relevant Final Terms for any Note will indicate whether or not such application has been made.

However, Notes may be issued pursuant to the Programme which will not be admitted to the Official List or admitted to trading on the Market or admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems or which will be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as the Issuer and each relevant Dealer may agree.

2. Clearing of the Notes

It is expected that the Notes will be accepted for clearance through Euroclear and Clearstream, Luxembourg and/or DTC. Where relevant, the appropriate common code and the International Securities Identification Number and/or (where applicable) the CUSIP number in relation to each Series will be specified in the Final Terms relating thereto. The relevant Final Terms will specify any other clearing system as shall have accepted the Notes for clearance together with any further appropriate information.

3. Issuer Legal Entity Identifier

Issuer Legal Entity Identifier is 213800L6VDKUM3TCM927.

4. Authorisations

The establishment of the Programme was authorised and approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 35 dated 16 January 2019. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue and performance of the Notes.

5. Significant/Material Change

Except as disclosed in the “*Overview of the Republic of Uzbekistan*”, “*The Economy of the Republic of Uzbekistan*”, “*Monetary and Financial System*”, “*Public Finance*” and “*Public Debt*” sections of this Base Offering Circular, since 31 December 2024, there has been no significant change in the Issuer’s (a) tax and budgetary systems, (b) gross public debt or the maturity structure or currency of its outstanding debt and debt payment record, (c) foreign trade, (d) foreign exchange reserves including any potential encumbrances to such foreign exchange reserves as forward contracts or derivatives, (e) financial position and resources including liquid deposits available in domestic currency, (f) income and expenditure figures and (g) balance of payments figures.

6. Litigation

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the later of (i) the date of this Base Offering Circular, (ii) any supplement hereto, and (iii) the most recent Final Terms relating to a tranche of Notes, which may have, or have had in the recent past, significant effects on the financial position of the Issuer.

7. Documents on Display

For so long as any of the Notes is outstanding, copies of the following documents may be inspected during normal business hours at the specified offices of the Fiscal Agent and at the offices of the Ministry of Economy and Finance of Uzbekistan at 29, Istiklol str., Tashkent, 100017, Republic of

Uzbekistan and are available on the website of the Ministry of Economy and Finance of Uzbekistan at <https://imv.uz/en>:

- (a) the Fiscal Agency Agreement;
- (b) the Deed of Covenant; and
- (c) this Base Offering Circular and any supplements thereto.

8. **Third Party Information**

The Issuer confirms that where information included in the Base Offering Circular has been sourced from a third party the source is identified, and that information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9. **Arrangers and Dealers Transacting with the Issuer**

Certain of the Arrangers, Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business.

THE ISSUER
The Republic of Uzbekistan,
represented by the Ministry of Economy and Finance of the Republic of Uzbekistan
29, Istiklol str.
Tashkent, 100017
Republic of Uzbekistan

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United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Société Générale

29, boulevard Haussmann
75009 Paris
France

**FISCAL AGENT, PAYING AGENT AND
TRANSFER AGENT**

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