

The LAW
of the Republic of Uzbekistan

On Public-Private Partnership

Adopted by the Legislative Chamber on April 26, 2019
Approved by the Senate on May 3, 2019

Chapter 1. General provisions

Article 1. The purpose and scope of the Law

The purpose of this Law is to regulate relations in the area of public-private partnership.

The effect of the present Law shall not apply to production sharing agreements and public procurement.

Article 2. Legislation on public-private partnership

The legislation on public-private partnership consists of the present Law and other legislative acts.

Should an international treaty of the Republic of Uzbekistan establish other rules than those provided by the legislation of the Republic of Uzbekistan on public-private partnership, the rules of the international treaty shall apply.

Article 3. Main definitions

The following main definitions are applied in the present Law:

Public-private partnership – legally binding cooperation between the public partner and a private partner for a specific period, based on pooling of their resources for the implementation of a public-private partnership project;

Public-private partnership project – a set of activities implemented on the basis of attracting private investment and (or) introducing best management practices aimed at addressing economic, social and infrastructure tasks;

Concept of the public private partnership project – a document prepared by a public partner and/or a private initiator, justifying the choice of particular implementation decision, defining the cost and description of a public-private partnership project, containing a justification of its efficiency and relevance, main characteristics and features of its implementation, as well as mechanisms for ensuring the repayment of attracted investments;

Object of a public-private partnership– property, property complexes, public infrastructure; design, construction, creation, supply, financing, reconstruction, upgrading, operation and maintenance of which are carried out as part of the public-private partnership project, as well as works (services) and innovation to be introduced during the implementation of a public-private partnership project;

Availability payment for a public-private partnership object – payments from a public partner to a private partner, made pursuant to a public-private partnership agreement during the period of use (operation) and/or maintenance of a public-private partnership object to ensure its availability;

Public partner – the Republic of Uzbekistan, government bodies acting on behalf of it, local executive authorities, as well as other bodies (organizations) authorized by the Cabinet of Ministers of the Republic of Uzbekistan, or their associations;

User payments– payments collected by a private partner from consumers of goods (works, services) in accordance with a public-private partnership agreement as part of a public-private partnership project;

Private partner – a business entity registered in accordance with the legislation of the Republic of Uzbekistan or a foreign state, an association of such entities with which the public partner has entered into a public-private partnership agreement.

Article 4. Main principles of public-private partnership

The main principles of public-private partnership shall be as follows:

The principle of equality of the public partner and a private partner under the law;
Transparency of rules and procedures in implementing public-private partnerships;
Competitiveness and objectivity in the selection of a private partner; non-discrimination; inadmissibility of corruption.

Article 5. The principle of equality of the public partner and the private partner under the law

The public partner and the private partner shall be considered equal parties.

Article 6. Principle of transparency of the rules and procedures in implementing public-private partnerships

The rules and procedures of public-private partnerships shall be open, transparent, and understandable for stakeholders.

The public partner shall be obliged to provide free access to information on the rules and procedures of public-private partnerships set by the legislation on public-private partnership.

Article 7. The principle of competitiveness and objectivity in the selection of a private partner

Competitiveness and objectivity in selecting a private partner shall be ensured through competitive selection mechanisms, impartiality, and transparency in implementing

the rules and procedures of a public-private partnership and deciding in favor of the optimal option based on objective and reasonable criteria.

Article 8. Principle of inadmissibility of discrimination

The inadmissibility of discrimination shall be guaranteed by ensuring: equal rights to tender participants; objectivity in the selection of a private partner; openness in the selection of a private partner.

Equal rights, provided for by the legislation of the Republic of Uzbekistan, and the legal regime of activity that excludes the use of discriminatory measures shall be guaranteed to private initiators, bidders, private partners, including foreign ones.

Article 9. Principle of inadmissibility of corruption

Requirements to the rules and procedures of public-private partnerships shall prevent corruption offenses and provide measures to prevent corruption and corruption factors.

Chapter 2. State regulation in the area of public-private partnerships

Article 10. The main directions of state policy in the area of public-private partnerships

The main directions of state policy in the area of public-private partnerships shall be as follows:

Encouraging economic growth and ensuring sustainable development of the Republic of Uzbekistan;

Development, approval, and implementation of state programmes in the area of public-private partnerships;

Assistance in the formation, rehabilitation, operation, maintenance of existing public infrastructure;

Improving the quality of operation and maintenance of public infrastructure;

Improving the quality of public services and expanding access to them;

Creation of conditions to ensure attraction of private sector financial resources, including foreign investments;

State support for scientific research, the introduction of modern methods and technologies for the development and improvement of the institutional and legal basis of public-private partnerships.

Article 11. Powers of the Cabinet of Ministers of the Republic of Uzbekistan in the area of public-private partnership

The Cabinet of Ministers of the Republic of Uzbekistan shall:

Ensure implementation of the single state policy in the area of public-private partnerships;

Determine the public partner for public-private partnership projects as advised by the authorized state body in the area of public-private partnership;

Adopt regulatory-legal acts in the area of public-private partnership;

Approve the concept of a public-private partnership project with a total value over ten million USD equivalent;

Establish the procedure for holding the Register of public-private partnership projects.

Article 12. Authorized state body in the area of public-private partnership

The authorized state body in the area of public-private partnership shall be the Agency for the Development of Public-Private Partnerships under the Ministry of Finance of the Republic of Uzbekistan (hereinafter - the authorized state body).

The authorized state body shall:

Implement the single state policy in the area of public-private partnership;

Participate in the development and implementation of state programmes in the area of public-private partnership;

Ensure interagency coordination in the preparation and implementation of public-private partnership projects;

Assist ministries, state committees, agencies, local government bodies in implementing state programmes in the area of public-private partnerships, as well as in developing concepts for public-private partnership projects;

Organize interaction with investors, international financial and donor organizations, scientific and expert community, as well as other actors of the public-private partnership;

Prepare methodological documents, guidelines and instructions in the area of public-private partnership;

Consider and provide comments on technical and economic parameters of public-private partnership projects;

Draft model agreements on public-private partnerships;

Maintain a Register of public-private partnership projects;

Assist in the preparation and implementation of public-private partnership projects;

Approve, reject or return for revision the concept of a public-private partnership project with a total value over one million USD equivalent;

Submit for approval to the Cabinet of Ministers of the Republic of Uzbekistan the concept of a public-private partnership project with a total value over ten million USD equivalent;

Coordinate drafts of tender documents and public-private partnership agreements;

Organize staff training, retraining and advanced training in the area of public-private partnership;

Provide explanations on public-private partnerships;

Monitor the progress of public-private partnership projects;

Engage consultants in the development of public-private partnership projects.

Chapter 3. Parties to a public-private partnership agreement, their rights and responsibilities

Article 13. Parties to a public-private partnership agreement

Parties to a public-private partnership agreement shall be the public partner and a private partner.

Financial and other organizations that provide funding for a public-private partnership project may also be parties to a public-private partnership agreement.

State-owned enterprises and (or) organizations authorized by the public partner may act on the part of the public partner, assuming the commitments of the public partner in accordance with the public-private partnership agreement. Herewith, the public partner shall bear full responsibility for meeting commitments under the public-private partnership agreement.

A private partner may delegate its rights and obligations under a public-private partnership agreement to one or more organizations. Herewith, the private partner shall bear full responsibility for meeting commitments under the public-private partnership agreement.

Article 14. Rights and responsibilities of parties to public-private partnership agreement

The public partner shall have the right to:

Request and receive from a private partner a progress report on the implementation of the terms of a public-private partnership agreement;

Control the implementation of the terms of the public-private partnership agreement and assess the outcomes of the implementation of public-private partnership projects;

Demand the elimination of violations identified during the monitoring of compliance with the legislation and the terms of the public-private partnership agreement;

Claim damages on a public-private partnership project caused by the fault of a private partner;

Engage consultants in the development of public-private partnership projects.

The public partner shall be obliged to:

Meet requirements of the legislation and public-private partnership agreement;

Provide tender documentation to bidders; explain to them the provisions of tender documentation;

Provide bidders with the necessary conditions for studying the location and object, on the basis of which the implementation of a public-private partnership project is envisaged;

Provide to the private partner for possession and (or) use the property intended for the implementation of the activity;

Assist the private partner in obtaining licenses and permits required for the implementation of the public-private partnership agreement;

Provide the authorized state body with copies of the public-private partnership agreements concluded by it, including annexes, amendments or additions thereto, within 20 calendar days from the date of signing the public-private partnership agreement or a relevant amendment or addition;

Not restrict the rights of the private partner to freely manage and dispose their investments and income, or to manage and control assets and activities provided for by a public-private partnership agreement;

Not interfere with the activities carried out by a private partner or third parties engaged by a private partner;

Bear responsibility stipulated by the legislation and the public-private partnership agreement.

The private partner shall have the right to:

Receive from the public partner the necessary and accessible information for the implementation of the public-private partnership project;

Submit proposals on amending the terms of the public-private partnership agreement;

Claim damages on a public-private partnership project caused by the fault of a public partner;

The private partner shall be obliged to:

Meet requirements of the legislation and public-private partnership agreement;

Bear responsibility stipulated by the legislation and the public-private partnership agreement.

The private partner shall not have the right to transfer to other legal entities and individuals a land plot provided to him under a public-private partnership.

Chapter 4. Initiation and development of the public-private partnership project

Article 15. Initiation of the public-private partnership project

A public-private partnership project may be initiated by a public body (organization) (hereinafter – the public initiator) and (or) by an individual entrepreneur or a legal entity (hereinafter – the private initiator).

Initiation of the public-private partnership project shall include:

Development of a concept for the public-private partnership project;

Submission of the concept for the public-private partnership project to the appropriate state body for evaluation, coordination and approval;

Review of the concept of a public-private partnership project by the authorized state body;

Approval, rejection, or return for revision of the concept of a public-private partnership project by the authorized state body;

Approval of the agreed concept of a public-private partnership project by the public partner or the Cabinet of Ministers of the Republic of Uzbekistan;

Inclusion of the concept of a public-private partnership project into the Registry of public-private partnership projects by the authorized state body.

Article 16. Preparation of the public-private partnership project by the public initiator

The public initiator shall develop a concept of the public-private partnership project usually for priority areas of the economy and the social sphere within its powers.

The public-private partnership project shall be prepared based on preliminary financial estimates that ensure identifying the rationality and efficiency of a public-private partnership project and its optimal form for the purpose of its implementation, in particular considering:

Financial and economic efficiency indicators of the public-private partnership project;

Composition and parameters of the public-private partnership object designed, created, financed, reconstructed, operated, or serviced by a private partner in accordance with the public-private partnership agreement;

Expected volume of investments by a private partner and the expected amount of funding from the budgets of the budgetary system of the Republic of Uzbekistan;

Commitments of the public partner and a private partner; types of state support provided to private partner;

Timing for negotiations;

Conditions of access to goods (works, services) provided with the use of the public-private partnership object.

In order to take into account the interests of the population, consumers, users of goods (works, services), the preparation of a public-private partnership project shall be accompanied by public debates.

Article 17. Preparation of the public-private partnership project by the private initiator

The private initiator shall have the right to develop and present the concept of a public-private partnership project to a potential public partner. The concept of a public-private partnership project shall contain an innovative approach towards addressing existing problems and ensure a balanced distribution of benefits acceptable to the parties.

Prior to presenting the concept of a public-private partnership project, the private initiator may hold preliminary discussions, as well as exchange information on public-private partnerships with a potential public partner.

A potential public partner – who has received the concept of a public-private partnership project – shall make a decision on approval or refusal to implement it within 30 calendar days.

Should the concept of a public-private partnership project of the private initiator with a total value over one million USD equivalent be approved, the potential public partner submits the concept of a project to the authorized state body for consideration.

The grounds for refusal to implement a public-private partnership project shall be as follows:

Non-compliance of the private initiator with the requirements set for bidders by this Law;

Potential public partner's lack of economic or operational management rights to a public-private partnership object;

Lack of necessity for designing, constructing, creating, financing, reconstructing, operating, and maintaining of a public-private partnership object;

Lack of economic feasibility and (or) social need for implementing the project.

Should the concept of a public-private partnership project be approved, a potential public partner shall publish within five calendar days on its official website, the official website of the authorized state body, and other specialized websites the concept of a public-private partnership project and a proposal to other bidders to declare their interest in implementing the public-private partnership project.

If, within 45 calendar days from the moment of publication of the concept of a public-private partnership project, no individual entrepreneur nor legal entity declares to a potential public partner their interest in implementing a public-private partnership project, the potential public partner shall decide on the implementation of the public-private partnership project in line with the Article 25 of this Law and proceeds with negotiations with a private initiator, agree on a draft public-private partnership agreement with the authorized state body, and conclude a public-private partnership agreement with a private initiator without holding a tender within 60 days from the date of approval by the authorized state body of the draft public private partnership agreement.

Should any individual entrepreneur or legal entity indicate its interest in the public-private partnership project, the selection of a private partner for the implementation of the public-private partnership project shall be held based on the tender.

The private initiator may be reimbursed for expenses related to the preparation of a public-private partnership project in an amount not exceeding one percent of the total value of a public-private partnership project at the expense of the winner or the reserve winner of the tender.

Article 18. Approval of a concept for the public-private partnership project

Approval of the concept of a public-private partnership project with a total value up to one million USD equivalent shall be carried out by the relevant state body (organization) independently.

Approval of the concept of a public-private partnership project with a total value over one million USD up to ten million USD equivalent shall be agreed with the authorized state body before its implementation by the relevant state body (organization).

Approval of the concept of a public-private partnership project with a total value over ten million USD equivalent shall be carried out by the Cabinet of Ministers of the Republic of Uzbekistan.

Once the concept of a public-private partnership project is approved and included in a Registry of public-private partnership projects, the public partner shall take a decision on the preparation of a public-private partnership project within 30 calendar days.

Article 19. Registry of the public-private partnership projects

The Registry of public-private partnership projects shall be a single information system containing data and information on ongoing public-private partnership projects.

The Registry of public-private partnership projects shall be a publicly available information resource posted on the Internet World Wide Web.

The Registry of public-private partnership projects shall be maintained by the authorized state body.

The procedure for maintaining the Registry of public-private partnership projects shall be established by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 20. Information on public-private partnership projects

Information on public-private partnership projects, including their concepts; on conditions and criteria for the selection of private partners; main provisions of the public-private partnership agreement; and on the processes of preparation and implementation of public-private partnership projects shall be published on official websites of the public partner and the authorized state body.

Chapter 5. Private partner selection

Article 21. Tender for the right to conclude public-private partnership agreement

The public partner enters into a public-private partnership agreement with a private partner, to be selected based on results of a tender or through direct negotiations.

Tenders may be single-stage and two-stage.

A single-stage tender shall be held for the public-private partnership project with a value up to one million USD equivalent inclusive.

Bids (offers), developed based on conceptual solution and conditions specified in the tender documentation, with detailed technical and commercial (financial) proposal and obligatory indication of the price (tariff) shall be considered and evaluated within a single-stage tender. During the tender organization process, negotiations with bidders on tender subject parameters shall be allowed.

The procedure for a single-stage tender shall include:

Publication of the announcement of the tender in the media and on the official websites of the public partner and the authorized state body;

Receipt of official applications from bidders for participation in the tender, as well as bids (offers);

Submission of tender documentation package;

Opening envelopes with bids (offers);

Evaluation of bids (offers);

Determination of the successful bidder and the reserve winner of the tender;

Holding negotiations with the successful bidder;

Conclusion of a public-private partnership agreement with the successful bidder.

The deadline for submission of bidding applications (offers) for participation in the tender may not be less than 30 calendar days from the date of publication of the announcement of the tender.

Two-stage tender shall be held for the public-private partnership project with a total value over one million USD equivalent.

The two-stage tender shall include stages of pre-qualification and selection of the successful bidder.

Two-stage tender shall be held in the following order:

At the first stage, bids and tender proposals – developed based on conceptual and technical solutions specified in the terms of tender documentation – shall be considered and evaluated. Negotiations with bidders on tender subject parameters shall be allowed;

At the second stage, the submitted technical and commercial (financial) proposals shall be considered and evaluated, taking into account the updated parameters of the tender subject, with the obligatory indication of the price (tariff).

The procedure for a two-stage tender shall include:

Publication of the announcement of the tender in the media and on the official websites of the public partner and the authorized state body;

Receipt of official applications from bidders for participation in the tender;

Determination of the group of persons interested in participating in the tender;

Sending pre-qualification documentation by the public partner to applicants for tender participation;

Collection and evaluation of pre-qualification applications confirming the qualifications of applicants;

Generation of the list of pre-qualified applicants;

Submission by the public partner of tender documentation and request for submission of bids (offers) for participation in the tender;

Submission by applicants for participation in the tender of technical and commercial (financial) offers;

Opening envelopes with bids (offers) from bidders;

Evaluation of bids (offers);

Determination of the successful bidder and the reserve winner of the tender;

Holding negotiations with the successful bidder;

Conclusion of a public-private partnership agreement with the successful bidder.

The deadline for collection of applications for participation in pre-qualification may not be less than 30 calendar days from the date of publication of the announcement of the tender.

For pre-qualification to be conducted, at least two applicants shall participate.

At the stage of selection of the successful bidder, the public partner shall send a request for the submission of bids (offers) and a draft agreement on public-private partnership to the applicants who have passed the pre-qualification.

The deadline for submission of bids (offers) shall be indicated in the request for submission of bids (offers) and may not be less than 45 calendar days from the date of sending this request to pre-qualified applicants.

None of the applicants may submit more than one bid (offer). The applicant may change or withdraw the bid (offer) at any time prior to deadline for submission of bids (offers) to the tender commission.

Evaluation of bids (offers) shall be carried out during the period set by the tender commission. Evaluation of bids (offers) shall be carried out for each tender criterion set by the tender commission.

The tender participants or their representatives may not be present during the evaluation of bids (offers). During the evaluation, the tender commission shall have the right to invite applicants to provide explanations, request additional information from them, and confirm the authenticity of the submitted documents. Tender participants and (or) their proxy holders may be present at summarizing the tender findings.

Should the tender commission recognize the bids (offers) of all the applicants inconsistent with the requirements of the call for bids (offers), it shall recognize the tender as failed and shall have the right to announce a retender. Retender shall be held in the manner determined by the procedure for the tender.

The tender commission shall publish information on the successful bidder on the official websites of the public partner and the authorized state body.

Expenses incurred by applicants in connection with participation in the tender shall not be refundable, with the exclusion of cases provided for in Article 17 of this Law.

Article 22. Tender Documentation

The public partner shall prepare, agree upon with the authorized state body, and approve the tender documentation, which regulates holding the tender for the right to conclude the public-private partnership agreement.

The tender documentation shall reflect:

Requirements for documents confirming compliance of the applicants with the qualification requirements;

Location of the object of the public-private partnership;

Technical and economic indicators of the object of public-private partnership;

Deadlines for designing, constructing, financing, reconstructing, operating, and maintaining of the public-private partnership object;

Indicators or minimum requirements with regard to the quality of the public-private partnership object or services provided by the private partner;

Amount of funding, the list of property or property rights granted by the public partner to the private partner for the purpose of implementing the public-private partnership agreement;

Risks assumed by parties to a public-private partnership agreement;

The currency in which the parameters of the public-private partnership project shall be reflected, and the currency rate that will be used in the calculations to bring it into a single currency for the purpose of their comparison and valuation;

Description of tender criteria;

Language requirements for the bid (offer);

Content of the bid (offer), method, location, and deadlines for submission and validity of bids (offers);

Terms of collateral on the bid (offer);

Procedures, location, date, and time of opening the bids (offers).

A draft agreement on a public-private partnership shall be an integral part of the tender documentation.

The public partner shall have the right to make amendments and additions to the tender documentation in agreement with the authorized state body. The public partner

must inform all applicants of the amendments and (or) additions to the tender documentation within five calendar days from the date of the decision to amend and/or edit the tender documentation. Hereby, the deadline for submission of bids (offers) shall be extended by the public partner for a period of not less than 30 calendar days for the applicants to consider these amendments and (or) additions in the bids (offers).

Article 23. Tender Criteria

Tender criteria shall be clear and shall not include discriminatory provisions.

When participating in a tender to declare an interest in a public-private partnership project, the applicant must meet the following criteria:

Have the legal capacity;

Have financial and (or) material, technical and (or) qualified labor resources necessary to fulfill obligations under a public-private partnership agreement;

Have no reason, the presence of which could lead to a conflict of interest.

Applicants who are at the stage of reorganization, liquidation and (or) bankruptcy shall not be allowed to participate in the tender.

The criteria used at the stage of selecting the successful bidder shall include:

Amount of payments made by public partner and private partner;

Marginal prices and tariffs;

Amount of funds of the private partner, raised to implement the public-private partnership agreement;

The scope and types of state support provided to a private partner;

Deadlines for designing and (or) constructing, creating, reconstructing, upgrading, operating, and maintaining of the public-private partnership object;

Validity period of the public-private partnership agreement;

Technical and technological benefits, functional and innovative characteristics of a public-private partnership project.

Article 24. Tender Commission

The public partner – in coordination with the Cabinet of Ministers of the Republic of Uzbekistan – shall form a tender commission to determine the successful bidder for the right to conclude the public-private partnership agreement.

The tender commission must include representatives of the public partner, the Ministry of Finance, the Antimonopoly Committee of the Republic of Uzbekistan, and the authorized state body.

The tender commission shall be chaired by representative of a public partner. The representative of the authorized state body shall participate in the composition of the tender commission without the right to vote.

The tender commission shall consist of an odd number of members.

The tender commission shall have the power to make decisions subject to presence of at least 75 percent of the total number of its members at the meeting, with each member of the tender commission having one vote.

Decisions of the tender commission shall be made by a simple majority of votes of the total number of voted members of the tender commission. In case of equality of votes, the vote of the chairperson of the tender commission shall be decisive.

The tender commission shall keep minutes of its meetings, which shall be signed by all its members present at the meetings.

Should a member of the tender commission have a conflict of interest on the issues submitted to the meeting, he/she must recuse himself/herself and not take part in voting on this issue, which shall be noted in the protocol.

Article 25. Direct negotiations

The parties may conclude a public-private partnership agreement without holding a tender on the basis of direct negotiations in accordance with the decision of the public partner in following cases:

To ensure defense capabilities and security of the state;

When exclusive rights to the results of intellectual activity, other exclusive rights, land plot, other real estate and property – which is an indispensable condition for the implementation of a public-private partnership project – shall belong to a certain person;

As set out by decrees and resolutions of the President of the Republic of Uzbekistan.

Chapter 6. Public-private partnership agreement

Article 26. Conclusion of a public-private partnership agreement with the successful bidder

The public partner shall enter into an agreement on public-private partnership with the successful bidder in accordance with the conditions, terms and procedures set forth in the tender documentation.

Should the successful bidder not sign a public-private partnership agreement after the expiration of the term specified in the tender documentation or should the tender commission reveal inconsistencies in the information provided by the successful bidder, the tender commission shall make a decision on its disqualification and shall recognize the reserve winner as the successful bidder and invite it to conclude a public-private partnership agreement under the terms of the winner within ten calendar days from the date of the decision on disqualification of the successful bidder. Should the tender commission not receive a positive response from the reserve winner of the tender within 30 calendar days from the date of sending it a proposal for concluding public-private partnership agreement, the tender commission shall recognize the tender as failed and shall announce a retender.

Article 27. Principal terms of the public-private partnership agreement

The public-private partnership agreement shall be considered a document between the public partner and a private partner, concluded in the manner and on the conditions provided for by this Law.

The public-private partnership agreement shall contain the following information on:

Parties to a public-private partnership agreement;

Subject of a public-private partnership agreement;

Commitments and responsibilities of the parties;

Distribution of risks between the public partner and a private partner;

Technical and economic indicators of a public-private partnership object, including a description of other public-private partnership objects transferred or subject to design, construction, creation, financing, reconstruction, operation and maintenance in accordance with the public-private partnership agreement, objectives and duration of their use;

Timing and procedure for the execution of works (provision of services) related to the public-private partnership project;

Allocation of rights of the parties with respect to the relevant infrastructure and the public-private partnership project, as well as on the procedure for their transfer;

Rules and procedures for the provision of land plots required for the implementation of a public-private partnership project, other conditions relating to land plots;

Conditions for setting and changing prices, tariffs for goods, works, services provided by the private partner;

Methods, scope, and terms of ensuring the meeting of commitments by the parties;

Duration of the public-private partnership agreement and procedure for its definition;

Forms, amounts, terms, conditions, procedure for paying remuneration, availability fees, user fees, fees of a private partner to a public partner, and (or) other payments, including income distribution in connection with the implementation of the public-private partnership project;

Procedure for amending and supplementing the public-private partnership agreement;

Grounds, procedure, and conditions for termination of the public-private partnership agreement, the amount of and procedure for payment for early termination;

Monitoring and control over the implementation of the public-private partnership project;

Insurance liabilities;

Commitments for the development of project documentation;

Liability of the parties for failure to meet commitments under the public-private partnership agreement;

Dispute resolution procedure;

Conditions applicable to the recruitment and use of labor in the Republic of Uzbekistan;

Assurances and guarantees;

Requirements for holding shares of a private partner and other property rights in relation to the property of a private partner and its affiliates;

Confidentiality;

Definitions and their explanations.

Article 28. Duration of a public-private partnership agreement

The duration of a public-private partnership agreement may not be less than three years and shall not exceed forty-nine years.

The parties to a public-private partnership agreement may agree to extend or shorten its duration within the time limits set by the first part of this article, in the cases and on the conditions specified in the public-private partnership agreement.

Article 29. Grounds for amending, modifying, or terminating a public-private partnership agreement

A public-private partnership agreement may be modified, supplemented or terminated by a mutual agreement of the parties or by a court decision, unless otherwise provided for by legislation or by public-private partnership agreement.

At the request of any party, the public-private partnership agreement may be amended or terminated by a court decision only in cases of:

Significant breach of the public-private partnership agreement by the other party;

In other cases stipulated by the legislation or public-private partnership agreement.

A breach of the public-private partnership agreement by any of the parties shall be recognized as significant, if it causes to the other party a damage, which largely deprived it of what it was entitled to expect when concluding the public-private partnership agreement.

The public-private partnership agreement shall be deemed terminated in the event of a unilateral refusal to execute the public-private partnership agreement in whole or in part, when such a refusal is permitted by law or agreement.

Article 30. Property involved in the implementation of the public-private partnership project

The public-private partnership agreement may entail public partner's commitment to transfer the property to a private partner for possession and use as a public-private partnership object and (or) other property necessary for the implementation of a public-private partnership project. This transfer shall take place on the basis of the public-private partnership agreement. Signing of additional contracts or agreements for this transfer shall not be required.

Parties to the public-private partnership agreement with ownership shall be entitled to grant each other such rights, including the right to rent, own, use land plots, other immovable and movable property and intangible assets, along with other property rights in the limits required for the implementation of a public-private partnership project.

Article 31. Provision of land plots

The land plot on which the public-private partnership object is located and (or) which is necessary for the implementation of activities stipulated by the public-private partnership agreement shall be provided to the private partner for the duration of the public-private partnership agreement.

Land plot shall be provided to the private partner without a tender on the basis of an PPP agreement to meet private partner's commitments.

Public partner's failure to meet the commitment to provide the private partner with the land plot or rights to it may serve as the basis for unilateral termination of the public-private partnership agreement by the private partner.

Termination of the public-private partnership agreement shall be the basis for termination of the contractual relationship with respect to the land plot provided for the implementation of the public-private partnership project.

Article 32. Material liability of the parties to public-private partnership agreement

The parties to public-private partnership agreement shall bear material liability for the failure to meet or improper performance of their commitments in accordance with the legislation.

Should any party fail to meet or meets improperly their commitments stipulated by the public-private partnership agreement, the other party shall have the right to compensation for the damage caused.

Article 33. The procedure for the transfer of ownership for the public-private partnership object

The public-private partnership agreement shall establish the procedure for transferring ownership rights of a public-private partnership object designed, created, funded, reconstructed, operated and maintained under the public-private partnership project to the public partner or public asset management body of the Republic of Uzbekistan, as well as to the private partner, in accordance with the decisions of the President of the Republic of Uzbekistan.

The public-private partnership agreement shall indicate the time of transfer of ownership for the public-private partnership object, in particular:

The moment of commissioning of the public-private partnership object;

The moment of expiry of the validity period of the public-private partnership agreement;

Another timepoint set by the public-private partnership agreement.

Chapter 7. Protection of the interests of the private partner and the creditor

Article 34. Guarantees of the rights of the private partner

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In case the subsequent legislation of the Republic of Uzbekistan worsens conditions for investing in the public-private partnership object, the law in force at the date

of its conclusion shall be applied to the private partner for a period of ten years from the date of conclusion of the public-private partnership agreement.

The private partner shall have discretion to apply those provisions of the new legislation of the Republic of Uzbekistan, which improve the conditions for its investing in the public-private partnership object.

Article 35. Protection of creditor's interests

A public-private partnership agreement may provide for provisions that guarantee the creditor's rights, including the amount of compensation paid to creditors in the event of an early termination of a public-private partnership agreement.

Private partner may provide its creditors with any type or form of security, including its rights under a public-private partnership agreement and agreements concluded in pursuance of this agreement; rights, assets that are part of a public-private partnership project; pledge of shares; pledge or assignment of rights, profits and amounts due under this agreement.

The creditor and the public partner shall be entitled to suspend the private partner or its management from the implementation of a public-private partnership project under the conditions stipulated by the public-private partnership agreement and replace it with a new private partner or replace its management in accordance with the conditions specified in the public-private partnership agreement.

The new private partner must meet the requirements necessary to complete the work and (or) to provide services in accordance with the public-private partnership agreement. If the private partner is replaced with a new private partner, the tender shall not be held.

Chapter 8. Monitoring and reporting in the area of the implementation of public-private partnership projects

Article 36. Monitoring the implementation of public-private partnership projects

The agreement on public-private partnership shall provide for the commitments of the parties to the agreement regarding the exchange of information on the implementation of the public-private partnership project.

The authorized state body shall monitor the implementation of public-private partnership projects for compliance with the terms of the public-private partnership agreement. The private partner shall be obliged to provide access to public-private partnership objects and relevant documents for the purposes of monitoring.

Article 37. Reporting on the implementation of public-private partnership project

Every six months, the public partner shall submit to the authorized state body a report on the implementation of the public-private partnership project, signed by the parties to the public-private partnership agreement.

The procedure for submission and the form of the report on the implementation of a public-private partnership project shall be approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Chapter 9. Mechanisms of the financial support for public-private partnerships

Article 38. Types of the financial support for public-private partnerships

The following types of financial support may be provided to private partners under a public-private partnership agreement:

Subsidies, including those aimed at ensuring the guaranteed minimum income of a private partner from the implementation of a public-private partnership project;

Contributions in the form of assets and property necessary for the implementation of a public-private partnership project;

Budgetary funds of the budget system of the Republic of Uzbekistan, directed to pay for the absorption or use of a certain amount or part of goods (works, services) produced or supplied in the process of implementing a public-private partnership project;

Provision of budgetary loans, borrowings, grants, credit lines, and other types of financing;

State guarantees of the Republic of Uzbekistan;

Tax and other benefits;

Other guarantees and (or) compensation.

Article 39. Payments on the public-private partnership agreement

A public-private partnership agreement may provide for user fees, availability fees, and other payments.

Budgetary funds allocated for availability fees, as well as other payments shall be provided annually in the expenditure part of the corresponding budget during the entire duration of the public-private partnership agreement.

In line with a public-private partnership agreement, private partner may make payments to public partner in the form of:

Fixed amount payable on a periodic basis; lump sum payment;

Certain portion of any income owed to private partner from its activities.

Public-private partnership agreement may provide for a combination of different types of payments.

Chapter 10. Final provisions

Article 40. Dispute resolution

Disputes arising in the area of public-private partnership shall be resolved in accordance with the legislation.

Article 41. Liability for the violation of the legislation on public-private partnership

Persons guilty of the violation of the legislation on public-private partnership shall be liable in accordance with the established procedure.

Article 42. Ensuring the execution, communication, explanation of the essence and meaning of this Law

The authorized state body and other interested organizations shall ensure the execution, communication, explanation of the essence and meaning of this Law among the population.

Article 43. Bringing the legislation into compliance with this Law

The Cabinet of Ministers of the Republic of Uzbekistan shall:
Bring Government's decisions in line with this Law;
Ensure the review and abolition by government bodies of their regulations that contradict with this Law.

Article 44. Entry into force of this Law

This Law shall enter into force one month after the date of its official publication.

President of the Republic of Uzbekistan

Shavkat Mirziyoyev

Tashkent city, May 10, 2019, No. ZRU-537