



PROSPECTS FOR THE DEVELOPMENT OF NATIONAL LEGISLATION IN THE FIELD OF INVESTMENT ACTIVITIES IN FREE ECONOMIC ZONES

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ABSTRACT

This article analyzes the investment policy of Uzbekistan in recent years, its reforms, and changes in legislation, guarantees and opportunities for investors. It is also discussed to more considerably strengthen the vision as one of the primary means of facilitating investment to free economic zones, as well as plans in this area.

Uzbekistan's economic performance has remained stable for decades. However, with the initiatives of our President in recent years, there have been dramatic economic upheavals. Uzbekistan's performance in international indexes has risen several places.

Because of the liberalization reforms launched by our government in 2016, the total volume of foreign direct investment in Uzbekistan increased from about \$ 1.6 billion in 2018 to \$ 4.2 billion in 2019. He was also named The Economist's Country of the Year 2019. [1]

In the World Bank's Doing Business 2020 annual report, Uzbekistan has risen seven places to become one of the top 20 countries in terms of improving the business environment.

In the World Bank's annual Doing Business 2020 ranking, Uzbekistan ranked 69th out of 190 countries, scoring 69.9 out of 100 points in 2019. Compared to the 2019 rankings, the country has risen from 76th to 7th place.

According to World Bank experts, one of the key reforms to improve the business

environment in Uzbekistan has been to expand the rights and role of shareholders in key corporate decisions, clarify ownership and governance structures, and strengthen the protection of minority investors by increasing corporate transparency. It also ranks 66th out of 190 countries in the Global Sustainable Development Goals ranking. [2]

Reforms in our country are reflected in our national legislation, and a number of changes have been made. In particular, it is worth noting the following:

First, in the framework of investment projects funded by the Fund for Support of Young Entrepreneurs in order to organize the activities of youth industrial and entrepreneurial zones and to support youth entrepreneurship initiatives:

Financial resources are provided by commercial banks for one young business entity for a period not exceeding the equivalent of 100 thousand US dollars at a time for a period of up to 7 years;

Investment projects worth up to the equivalent of 100 thousand US dollars are



financed from the Fund, the excess of which is provided in general through commercial banks, without the benefits provided for in this resolution;

Financial resources for financing investment projects are provided to commercial banks within the existing funds of the Fund at the rate of 10% per annum on loans in national currency and 2% per annum on loans in foreign currency.

Secondly, according to the Law "On Public Procurement" (Law of the Republic of Uzbekistan No. 684, 22.04.2021), projects included in the Investment and other state programs in accordance with the decrees and resolutions of the President on the terms of "commissioning" fast-track "(simultaneous design, procurement and construction).

Third, in accordance with the presidential decree, the main targets for the efficiency of the electrical network for 2021-2022 have been set.

From March 1, 2021 for the implementation of investment projects in the production of electrical and household appliances to the enterprises of the electrical industry at a rate not exceeding 1.5 times the base rate of the Central Bank on the part of loans up to 20 billion sums in excess of the Central Bank. Nevertheless, shall be compensated for up to three years in an amount not exceeding 5 per cent.

In addition, one of the most important changes in our country to improve the investment climate is a change in the system of judicial review of these disputes. As required by applicable law, disputes involving investments, including foreign ones, were settled by inter-district, district, and city-level courts.

This includes civil, economic and administrative courts. Now, new procedures for resolving investment disputes in the courts have been introduced. In the economic courts

alone, 576 disputes related to investment activities were resolved in 2017, 609 in 2018, and 647 in 2019.

Last year, more than 3,000 disputes involving foreign investors and enterprises with foreign investment were resolved in economic courts. Almost half of these economic cases were heard in the Tashkent City Economic Court.

The role of investment in the economy is important. Nevertheless, it is no secret that in the settlement of investment disputes in our country there are cases of various approaches and bureaucracies that negatively affect the formation of a favorable investment climate.

The Decree of the President of the Republic of Uzbekistan dated July 24, 2020 "On additional measures to further improve the work of the courts and increase the efficiency of justice" addresses current issues related to the practical implementation of the right of citizens to justice. It is not in vain that special attention has been paid. In this regard, in particular, the issue of timely and effective protection of the rights and legitimate interests of investors in the courts.

To this end, on January 12, 2021, the law "On amendments and additions to the Code of Economic Procedure of the Republic of Uzbekistan in connection with the improvement of the institution of review of court decisions" was adopted.

The law introduced into the Code of Economic Procedure the norms on the relevance and relevance of cases on disputes arising from investment agreements between investors and government agencies in the field of economics and competition.

In particular, at the request of a large investor and the parties to the competition, this category of cases should be considered by the Supreme Court's investment disputes and competition courts, the remaining investment disputes are at the discretion of investors. The



Republic of Karakalpakstan, regional and Tashkent city courts have decided to consider it as a court of first instance.

At the same time, a new Article 301 was added to the Code of Economic Procedure. According to him, a clear scope of work on investment disputes has been defined.

In addition, Article 302 supplemented this code. This new article contains provisions on the inclusion of disputes between legal entities, including foreign legal entities, economic management bodies, individual entrepreneurs and antitrust authorities in the field of competition in the commodity and financial markets.

The Address of the President to the Oliy Majlis of December 29, 2020 is of historical significance and will serve to further deepen the reforms in this area. An important innovation in this regard was the establishment of a special court in the Supreme Court to consider investment disputes and competition in order to properly protect the rights of investors.

The establishment of a special court on investment disputes in the Supreme Court, the establishment of separate rules of jurisdiction in this category of cases will prevent investors from wandering between different courts to

resolve disputes. It ensures that their problems are resolved in a single court. In short, the essence of the ongoing radical reforms in the industry is to further increase the attractiveness of the investment climate, develop the economy and thereby achieve the welfare of the people.

Improving the mechanism of judicial protection of the rights and legitimate interests of investors, including foreign investors, will help to resolve investment disputes quickly and efficiently, to ensure a unified judicial practice.[3]

From the process of analyzing changes in the field of investment, one of the main problems in the legislation for investors is the fragmented nature of investment legislation.

It is well known that in the romano-germanic legal system the systematization of legal norms through codes was accepted as the most optimal way. Therefore, the establishment of an investment code in Uzbekistan will prevent many problems in this area and will further increase the flow of investors in Uzbekistan. At the same time, it is expedient to establish in this Code special procedures and guarantees for investment activities in free economic zones.

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