

The World Health Organization has declared the worldwide outbreak of **COVID-19** virus a pandemic, with more than 118,000 cases in 110+ countries and over 4,200 deaths.

The spread of the virus across Central Asia, particularly in Uzbekistan and Kazakhstan began last week. Despite the low number of infected people, the virus has affected many areas of activity such as production, manufacturing, tourism and entertainment performances.

According to the information provided below, you will be able to understand the extent of liability in force majeure circumstances.

FORCE MAJEURE

At present, it is safe to say that the success of international and national commercial activities depends on the timely fulfillment of the obligations assumed by the parties. However, in some cases, due to circumstances beyond the control of the parties, the performance of such obligations is practically impossible. Such circumstances call – force majeure.

According to the Provision to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “On the order of confirmation of force majeure circumstances”, **Force majeure** are extraordinary, unavoidable and unforeseen circumstances under conditions, caused by natural phenomena (earthquakes, landslides, hurricanes, droughts, etc.) or socio-economic circumstances (a state of war, blockades, bans on imports and exports in the public interest, etc.) that do not depend on the will and actions of the parties, in connection with which they cannot fulfill their obligations.

In order to confirm force majeure circumstances, a party to the agreement, for which the performance of obligations was impossible due to force majeure, may apply to the Ministry of foreign trade of the Republic of Uzbekistan. The Ministry confirm such circumstances by issuing the appropriate certificate on the basis of a written application of the interested party indicating the force majeure circumstances. The application should contain all appropriate information about the contract (certified copies of contracts and specifications for contracts, information about the volume of fulfilled obligations under the agreement, a copy of the payment document confirming payment of the fee for issuing a certificate confirming the force majeure circumstances).

The certificate specifies the name of the parties to the agreement, the number and date of its conclusion, the nature of the force majeure circumstances, the place, time, and period during which they occurred. The certificate is certified with the seal of the Ministry within 30 days totally after all approval's procedures.

UPON THE OCCURRENCE OF A FORCE MAJEURE

The civil code provides for:

- suspension of the limitation period if an extraordinary and



unavoidable event (force majeure) prevented the filing of a claim (Article 156 of the Civil Code of the Republic of Uzbekistan);

- exclusion of liability if it is proved that proper performance was impossible due to force majeure. The absence of guilt is proved by the person who violated the obligation.

Tax legislation also excludes a person's guilt in committing a tax offence if it was committed as a result of a natural disaster or other extraordinary and insurmountable circumstances (Article 110 of the Tax code of the Republic of Uzbekistan). These circumstances must be established by the presence of well-known facts published in the mass media and by other means that do not require special means of proof.

In cases of confirmation of force majeure circumstances, the company is not liable for non-performance of obligations if it proves that the obstacle was beyond the company's control and could not have been foreseen before entering into the contract.

The occurrence of force majeure does not cancel the performance of the contract, but only releases from liability for its untimely performance. For example, declaring a quarantine at a seaport does not release the cargo carrier from the obligation to deliver the goods to the country, but only allows it to avoid paying financial penalties for violating deadlines.

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