

## Uzbekistan Introduces a New Law on Public Procurement

A new version of the Law “On Public Procurement” No. ZRU-684 has been adopted on April 22<sup>nd</sup> in Uzbekistan. Now the law consists of 85 articles, against the old version, where there were only 79. The innovation defines the basic concepts:

- **beneficial owner** – a physical person who ultimately owns the property rights or actually controls the supplier of goods (works, services);
- **prequalification** - the procedure conducted by the procurement commission for the selection of qualified participants in procurement procedures that are allowed to conduct procurement procedures that meet the technical, economic, organizational and other features set out in the procurement documentation;
- **reserve winner** – a participant in the procurement procedures, whose offer, based on the results of the procurement procedures, in accordance with the decision of the procurement commission, is recognized as the most optimal, following the winner's offer;
- **an affiliate of a participant in procurement procedures** is a natural or legal person who has the right to make a decision and (or) exerts influence, including on the basis of a written agreement, on the decision-making of this participant in procurement procedures, as well as a natural or legal person who has such a right in relation to this participant in procurement procedures.

The authorised body in the field of public procurement is the Ministry of Finance. Previously, the Cabinet of Ministers of Uzbekistan performed this role.

However, the Cabinet of Ministers of Uzbekistan still has certain powers, namely:

- taking measures for the rational use of budget funds of the budget system in the field of public procurement, improving and expanding the use of types of procurement procedures, as well as the broad participation of business entities in them;
- coordinating the work on monitoring the activities of state customers in the field of public procurement;
- approving the composition of the Commission for Consideration of Complaints in the field of Public Procurement, etc.

The document expanded the list of entities classified as budget customers. These are also state institutions, funds organized in budget organizations, as well as a list of corporate customers, which include:

- state-owned enterprises;
- legal entities with a state share in their authorized capital of 50% or more;
- legal entities in whose authorized capital the aggregate share of the organizations specified in paragraphs 1 and 2 is 50% or more;
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- legal entities in which the total share of the organizations specified in clause 3 in the authorized capital is 50% or more.

The procedure for planning public procurement by the state customer has also been approved. Thus, the annual plans and corporate customers post schedules of public procurement for the next year until December 25 of this year on a special information portal. This item will significantly stimulate the tracking of such purchases and the allocation of the budget.

The types of procurement procedures have been revised.

A procurement procedure is introduced in the form of selecting the best offers. Previously, this stage was called a selection competition, and public procurement carried out under direct contracts. It is also determined that the types of procurement procedures may include other competitive types of procurement permitted by decrees and resolutions of the President, resolutions of the Cabinet of Ministers.

1. It is established that the selection of the best offers and the tender are necessarily carried out in electronic form, with the exception of cases provided for by law.
2. The requirement for mandatory electronic procurement procedures for the selection of the best proposals and the tender is put into effect from **01.01.2022**.

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