

# Doing IT Business Guide in Uzbekistan

BS C

BLACK SWAN  
CONSULTING



February 2024

# Foreword



BLACK SWAN  
CONSULTING

This Doing IT Business Guide in Uzbekistan provides comprehensive analysis and guidance for entrepreneurs wishing to explore and take advantage of opportunities in this fast-growing industry. In recent years, Uzbekistan has established itself as a country that actively stimulates the development of the IT industry, creating a favorable climate for innovation, entrepreneurship and education in the field of high technology.

Government initiatives aimed at supporting and stimulating the growth of the IT sector are opening new horizons for the development of talent and the implementation of innovative projects. This Guide details the support measures taken by the government, including the creation of technology parks such as Cyber Park and IT Park, which offer significant benefits to their residents, including tax incentives and infrastructure development support.

In addition, the Guide addresses key legal aspects of running an IT business in Uzbekistan, including issues of e-commerce, intellectual property protection, confidentiality and personal data protection, and cybersecurity. These sections provide valuable information on current legislation and best practices, providing legal clarity and protection for IT businesses and investors.

The purpose of this Guide is not only to provide up-to-date and verified information about the state of the IT sector in Uzbekistan, but also to stimulate interest and attract investment in this promising industry. We strive to highlight the country's potential as a leading IT hub in the region, demonstrating opportunities for local and international entrepreneurs and investors.

## Save our contacts:



[blackswan.law](http://blackswan.law)



[info@blackswan.uz](mailto:info@blackswan.uz)



+99890 925 94 56



# E-commerce

E-commerce in Uzbekistan covers the purchase and sale of goods and services through Internet platforms, within the framework of entrepreneurial activity and plays a key role in the integration of modern information technologies into the entrepreneurial activity of the country. The government supports this sector of the economy in every possible way through stimulating entrepreneurship, attracting investments, developing infrastructure, protecting the rights of participants, creating a competitive environment, providing the necessary information and stimulating scientific research. Sellers (legal entities and individuals, individual entrepreneurs, self-employed) and buyers (legal entities and individuals) are considered participants in e-commerce.

E-commerce operators include legal entities providing services related to electronic documents and communications, such as telecommunications operators, marketplace operators, and payment service providers. The conclusion of contracts takes place through electronic means in compliance with legal requirements. Electronic documents confirming transactions are equivalent to their paper counterparts. The possibility of electronic signature and other confirmation methods, "SMS", "Face-ID" and others, provide documents with legal force. The contract is considered concluded upon receipt of acceptance, and documents can be issued both electronically and in paper form.

Electronic documents and messages in e-commerce have legal force equivalent to paper documents and can serve as evidence of the conclusion of contracts. Their invalidity cannot be due solely to the use of information systems. Acceptance of the offer is carried out electronically or through the fulfillment of the terms of the offer. The period of storage of

electronic documents should not be less than the same for paper media. Payments in e-commerce can be made in cash, by transfers or via electronic money, providing flexibility in making payments.

In general, the development of e-commerce in Uzbekistan reflects global trends in the digitalization of the economy, while taking into account national characteristics and needs. Government support and regulation are aimed at creating a stable and secure environment for the development of e-commerce, which contributes to the economic development and strengthening of Uzbekistan's position in the international arena. This includes not only stimulating domestic entrepreneurship and innovation, but also attracting foreign investors, technology and knowledge, thereby contributing to the country's integration into the global economy and increasing its competitiveness.

## **Online cash registers and virtual cash register systems**

Also, it is worth reading the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 943 dated November 23, 2019, which contains a number of measures aimed at ensuring the use of online cash registers and a virtual cash register system. Its main goal is to implement the decree of the President of the Republic of Uzbekistan on the introduction of modern information technologies into the settlement system in the field of trade and services and strengthen public control in this area. The Resolution prescribes the use of online cash registers with a fiscal module for enterprises engaged in retail trade and services in order to improve control over cash and non-cash payments. The concept of a virtual cash

register is introduced, which is a software that allows you to make payments in electronic form without using traditional cash registers. It is pointed out that there is a need for a fiscal module, which is an obligatory part of online cash registers and a virtual cash register system, to ensure the recording and transmission of transaction data to tax authorities in real time.

The resolution defines the technical requirements for online sales registers, virtual sales registers and fiscal modules, including data protection standards and interfaces for data transmission. The Resolution also establishes the procedure for registering online cash registers, virtual cash registers and fiscal modules in specialized registries, as well as mechanisms for monitoring their use. A transitional period is established for the phased implementation of the requirements of the resolution, during which business entities are required to adapt to new requirements.

**Taxation features and the “Google tax”**

In recent years, the government of Uzbekistan has intensified efforts to integrate the digital economy into the national tax system. This has led to the introduction of new tax regulations, particularly for foreign legal entities providing services in electronic form to individuals within the territory of the Republic of Uzbekistan. The tax legislation defines electronic services as automated services provided via the Internet, where the process of their provision is carried out automatically using information technologies. This definition encompasses 14 types of services, namely:

1. Provision of rights to use software (including games delivered over the Internet), as well as databases, their updates, and additional functionalities through the Internet, including by providing remote access to them;

- use electronic books (publications) and other electronic publications, informational, educational materials, graphic images, musical works with or without text, audiovisual works, including by providing remote access to them for viewing or listening over the Internet;
3. Provision of advertising services on the Internet, including using software for electronic computing machines and databases operating on the Internet, as well as providing advertising space (area) and time for advertising on the Internet;
4. Provision of services for placing offers for the acquisition (sale) of goods (services) and property rights on the Internet;
5. Provision through the Internet of services for providing technical, organizational, informational, and other capabilities, carried out using information technologies and systems, to establish contacts and conclude deals between sellers and buyers. In particular, such services include providing a trading platform operating on the Internet in real-time, where potential buyers offer their price through an automated procedure, and parties are notified of the sale by an automatically generated message;
6. Providing and (or) maintaining an Internet presence for personal purposes or for conducting economic activities, supporting users' electronic resources (sites and (or) web pages on the Internet), providing access to them by other Internet users, offering users the ability to modify them;
7. Automatic maintenance of program operations remotely and online, providing services for the administration of information systems, websites, and (or) web pages on the Internet;
8. Storage and processing of information, provided that the person who provided this information has access to it via the Internet;

9. Provision of real-time computing power for posting information in the information system;
10. Provision of domain names, provision of hosting services;
11. Supply of information generated automatically when the buyer enters data via the Internet, provision of automated services for searching data, selecting and sorting them according to requests, providing the specified data to users through information and telecommunication networks. In particular, such information supplies include real-time stock exchange reports, real-time automated translation of texts;
12. Provision of services for searching and (or) providing the customer with information about potential buyers;
13. Providing access to search engines on the Internet;
14. Maintaining statistics on websites on the Internet.

However, the following are not considered as electronic services:

- The sale of goods (services) if, when ordered through the Internet, the delivery of goods (provision of services) is actually carried out without using the Internet;
- The sale (transfer of rights to use) of software for electronic computing machines (including computer games) and databases on physical media;
- Provision of consulting services via email;
- Provision of services for access to the Internet.

Such a foreign legal entity is required to register with the tax authority of the Republic of Uzbekistan, just as a foreign legal

intermediary in such services, recognized as a tax agent in such cases. The object of taxation is the turnover from the provision of services in electronic form, provided to individuals. The tax base is determined as the cost of these services including the tax amount, calculated based on the actual prices of these services, and the tax period is a quarter.

The determination of the tax base for each quarter is based on the time of receiving full or partial payment for the provided services. In this context, the cost of services provided in electronic form and expressed in foreign currency is converted into the national currency at the rate set by the Central Bank of the Republic of Uzbekistan at the end of the month when payment for these services was received. The tax is calculated independently by foreign legal entities if the tax agent is not obliged to calculate the tax in connection with the provision of such services.

The regulations detail the registration process, tax calculation, deadlines, and procedure for its payment, as well as reporting requirements. The introduction of tax regulations for foreign legal entities providing electronic services is an important step in adapting Uzbekistan's tax system to the requirements of the digital economy. These changes require careful understanding and swift adaptation from foreign companies to comply with new requirements and minimize tax risks.

To date, many global companies such as Google, Microsoft, Xsolla, Netflix, Apple, Huawei, Samsung, Booking.com, Facebook, Spotify, LinkedIn, Yandex, and others have registered as VAT payers in Uzbekistan.



# Intellectual property protection

The importance of intellectual property for the development of the global economy is undeniable, and this trend also covers Uzbekistan. In the context of increasing globalization and the country's desire to integrate into international economic structures, ensuring the protection of intellectual rights is becoming key to boosting innovation activity and investment inflows. Uzbekistan takes intellectual property issues seriously, which is reflected in the country's legislation, including the Constitution, as well as in participation in various international agreements. The country prioritizes the development of innovations, attracting foreign investment and supporting local producers through intellectual property rights protection mechanisms, which contributes to economic growth and sustainability.

**Legislative protection of intellectual property** Various types of intellectual property fall under protection in the Republic of Uzbekistan, including:

- Copyright and related rights;
- Programs for electronic computers and databases;
- Inventions, utility models, industrial designs;
- Undisclosed information, including production secrets (know-how);
- Brand names;
- Trademarks;
- Names of the places of origin of goods and so on.

The Intellectual Property Department, which is part of the Ministry of Justice of Uzbekistan, is responsible for regulation in the field of

intellectual property, where patent attorneys represent the interests of legal entities and individuals.

## Features of copyright

In Uzbekistan, copyright protection applies to works in the field of literature, art and science that are the result of creativity and expressed in any form. This right arises automatically and does not require registration (at the same time, it is important to note that in some cases one or another state body requires registration. For example, the Tax Committee during integration) , covering:

- Text and music works;
- Audio-visual materials;
- Works of fine art and design;
- Computer programs of all kinds, including application programs and operating systems, which can be expressed in any programming language and in any form, including source text and object code;
- Other forms of the work.

Copyright protects the interests of authors throughout their lives and continues to operate 70 years after their death, while the right of authorship and to protect the reputation of the author has no time limits.

## About trademarks

Designations in the form of images, words, three-dimensional shapes and their combinations in various colors can be registered as trademarks. The owners receive exclusive rights to their use and disposal after official registration, which gives them legal protection.

Such registration can be carried out for both individuals and legal entities. The registration of a trademark lasts for 10 years with the possibility of extension for a similar period. Products using a trademark without authorization or using a similar designation are considered counterfeit.

There are a number of designations that cannot be registered as a trademark in the Republic of Uzbekistan, for example, images of state symbols that have come into general use as designations of goods of a certain type that do not have distinctive ability, and many others.

### **Protection of computer programs and databases**

Copyrights protect computer programs and databases created as a result of the author's creative activity, including their source text and object code, regardless of their purpose and value. This protection applies to software in any language and databases formed as a result of creative selection and organization of data. At the same time, copyrights do not cover ideas, working methods, interface organization,

algorithms and programming languages. The term of protection is identical to the term of copyright. Property rights to the program and databases may be transferred in whole or in part to other individuals or legal entities under an agreement.

### **Participation in international agreements**

Uzbekistan actively cooperates with international organizations and participates in global intellectual property treaties, including:

- World Intellectual Property Organization (WIPO);
- The Paris Convention for the Protection of Industrial Property;
- Berne Convention for the Protection of Literary and Artistic Works;
- The Madrid Trademark Registration System.

As well as many bilateral agreements with various States. This cooperation ensures the protection of intellectual property rights at the international level and in Uzbekistan.



# Privacy and data protection

The key normative legal acts regulating the protection of personal data in Uzbekistan are the Law of the Republic of Uzbekistan "On Personal Data" No. ZRU-547 dated 07/02/2019 and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On approval of certain normative legal acts in the field of personal data processing" No. 570 dated 10/5/2022. The State Center for Personalization under the Cabinet of Ministers of the Republic of Uzbekistan performs the functions of the authorized body on personal data issues.

## Conditions for the processing of personal data

The processing of personal data must be carried out in accordance with the principles established by law. Processing of personal data is allowed in the following cases:

- obtaining permission from the person to whom the data relates;
- the need to fulfill the terms of the contract in which the person who provided the data participates, or at his request before the conclusion of the contract;
- the need to fulfill the obligations of the

data owner or operator, as defined by the laws;

- protection of the legitimate interests of the data subject or other persons;
- exercising the rights and interests of the data owner or operator, or third parties, subject to the rights and interests of data subjects;
- statistical research or other purposes involving the anonymization of data;
- availability of data in open sources.

## Data processing purposes

The tasks within which the processing of personal data is carried out must be clearly defined by the relevant regulatory documents regulating the activities of the owner and operator, and be in full compliance with the law. These tasks must coincide with the goals initially announced during data collection, and also take into account the rights and obligations of both the owner and the operator. Changing the goals requires repeated consent from the data subject for their processing under the new conditions.

## Data transfer abroad

The transfer of personal data outside Uzbekistan is called a cross-border transfer. This operation is possible only on the territory of States that guarantee a sufficient level of protection of the rights of data subjects. However, at the moment, Uzbekistan has not formed a list of countries with the mentioned adequate level of data protection. The transfer of data to countries that do not provide an adequate level of protection is permissible under the following conditions:

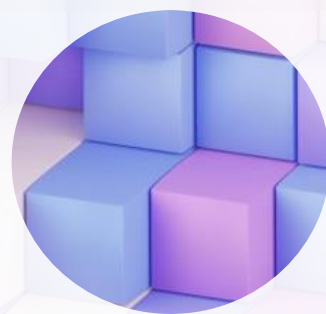
- Consent from the subject to such transfer;
- Protection of the foundations of the constitutional order, public order, the rights and freedoms of citizens, as well as the health and morals of the population of Uzbekistan;
- Availability of relevant provisions in international treaties signed by Uzbekistan.

## Registration of the personal data database

All personal data databases must be registered in the State Register of Personal Data Databases. To register, you must submit an application in the form of a notification to the authorized state body. The owner or operator of the database is obliged to inform this authority of any changes in the data required for registration of the relevant database within 10 days from the date of such change.

## Requirements for the processing of personal data of citizens of the Republic of Uzbekistan

When processing personal data of citizens of Uzbekistan using information technologies, including the Internet, it is necessary to ensure the collection, systematization and storage of this data in personal data databases on technical means that are physically located on the territory of Uzbekistan. These databases must be officially registered in accordance with the requirements of the State Register of Personal Data Databases.





# Cybersecurity

In the era of accelerated globalization and the development of the digital economy, ensuring cybersecurity is of key importance for Uzbekistan. The country is actively working to expand its information and communication infrastructure in order to achieve economic growth, increase access to educational and public services, and strengthen international relations. However, these actions increase the risk of cyber-attacks, emphasizing the need to strengthen the protection of cyberspace. In response to these challenges, Uzbekistan adopted the Law "On Cybersecurity" in April 2022, which became the regulatory framework in this area.

## The Law “On Cybersecurity”

The Law introduces a number of definitions that were not previously established by law. Key terms include:

- “Critical information infrastructure”, defined as a complex of automated control systems, information systems and network resources and technological processes of important strategic and socio-economic importance;
- “Critical information infrastructure facilities”, informatization systems used in the field of public administration and public services, defense, state security, law and order, fuel and energy complex (nuclear energy), chemical, petrochemical industries, metallurgy, water use and water supply, agriculture, healthcare, housing and communal services, banking-financial system, transport, information and communication technologies, ecology and

environmental protection, extraction and processing of minerals of strategic importance, the production sector, as well as in other sectors of the economy and the social sphere;

- “Subjects of critical information infrastructure” — government agencies and organizations, as well as legal entities that own critical information infrastructure facilities on the basis of ownership, lease or other legal grounds, including legal entities and (or) individual entrepreneurs who ensure the operation and interaction of critical information infrastructure facilities.

## Authorized body in the field of cybersecurity

The President of the Republic of Uzbekistan establishes a unified state policy in the field of cybersecurity, and the State Security Service acts as the main executive body. This body has broad powers, including:

- Free use of necessary technical means and services for rapid response to cyber threats;
- Conducting inspections in public and private institutions, access to documents and information related to cybersecurity incidents, including the right to identify and use them in investigations;
- Issuing mandatory regulations to eliminate violations that pose threats in the field of cybersecurity;
- The right to enter the premises of individuals and legal entities to suppress or investigate crimes related to information technology, with subsequent notification to the prosecutor's office and mandatory compensation for damage.

## Responsibilities of cybersecurity subjects

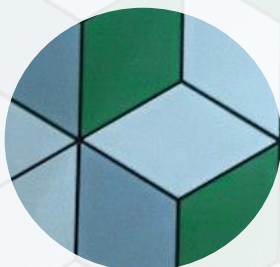
Cybersecurity organizations have the following obligations:

- Immediately inform the authorized state body of any incidents or crimes in the field of cybersecurity, take all possible measures to preserve data critical for a comprehensive analysis of such events, and ensure long-term storage of information necessary for the analysis and investigation of cybercrimes;
- Maintain an active exchange of information with the government authority on the protection and monitoring of the safe operation of cybersecurity-related systems;
- Strictly comply with cybersecurity norms and standards established by a government agency to protect information systems and data;
- Provide access to monitoring systems and relevant cybersecurity facilities to perform monitoring and other cybersecurity activities conducted by the authorized body.

## Government support in the field of cybersecurity

The State supports participants in the field of cybersecurity with the following measures:

- Improvement of the legislative framework related to cybersecurity;
- Offering tax and customs benefits, as well as other preferences for cybersecurity entities;
- Creating conditions for attracting investments from business entities in the field of cybersecurity;
- Implementation of public procurement in the field of cybersecurity in order to introduce the latest products and technologies developed on the basis of the latest scientific achievements;
- Assistance in training, advanced training and retraining of specialists in the field of cybersecurity.





# Cyber Park

Cyber Park in Uzbekistan is an innovative IT cluster created to stimulate the development of research activities and the production of high-tech products in the field of information technology and cybersecurity. Based on the principle of extraterritoriality, Cyber Park offers residents the opportunity to accommodate throughout the republic. It integrates with scientific and educational organizations to launch and market IT products and services, including the development of software and hardware complexes, automated information security systems, and the promotion of innovative startups.

## Main features and objectives

Cyber Park aims to create favorable conditions for:

- Development of research activities in the field of cybersecurity;
- Development of software and hardware complexes and products for government agencies and commercial structures;
- Production of automated information resource protection systems;
- Implementation of innovative startup projects in IT and the digital economy.

This cluster brings together IT companies, scientific and educational institutions to work together on advanced technologies and products.

## Benefits and preferences

Cyber Park residents enjoy a number of significant benefits until January 1, 2028, including:

- Full exemption from payment of all types of taxes, mandatory deductions and a single social payment;
- Exemption from customs duties for imported technological equipment and components;
- Application of a fixed personal income tax rate of 7.5% for resident employees.

## Who can become a resident and the selection criteria

Legal entities registered in Uzbekistan and engaged in activities in the field of IT and cybersecurity, including software development, computer programming and other related services, can obtain resident status, provided that income from these activities amounts to at least 50% of the total sales of goods (works, services).

Cyber Park creates a unique ecosystem for IT companies in Uzbekistan, offering a powerful platform for innovation, research and development in the field of cybersecurity. The benefits and preferences provided make it attractive for investments and startups, contributing to the development of the national IT industry and improving cybersecurity at the state level. The creation of such a cluster reflects Uzbekistan's strategic efforts to draw attention to the high-tech sector of the economy, ensure the protection of cyberspace and stimulate innovation in the country. By ensuring the integration of science, education and business, Cyber Park creates the basis for accelerated technological development and provides new opportunities for companies and researchers in the field of information technology and cybersecurity.



# IT Park

IT Park is an ambitious project created to stimulate and support the development of promising start-ups in Uzbekistan, functioning as an extraterritorial free economy zone for enterprises working in the field of information technology. The project includes a wide range of facilities and services aimed at integration with academic and scientific circles, and provides unique opportunities for IT specialists to transform innovative ideas into successful business models with full support at all stages of development.

## **Main features and objectives**

The park involves the creation of a multifunctional complex, including academic institutions, office spaces, coworking centers, sports and entertainment areas, as well as infrastructure for comfortable work and recreation. All facilities will be built in accordance with BREEAM environmental standards, which underlines the commitment to sustainable development. The main goal of the IT Park is to create world—class conditions for the development of innovation and entrepreneurship among young people, to ensure the growth of innovative culture and technological entrepreneurship in Uzbekistan.

## **Legal regulation and opportunities**

IT Park operates within the framework of the legislation of the Republic of Uzbekistan, providing residents with access to a unique economic zone with a special legal status. This creates favorable conditions for the development of IT companies, including opportunities for intensive interaction with research and educational institutions, access to

qualified personnel, as well as support in the commercialization of innovative products and services.

## **Benefits and preferences**

IT Park residents enjoy a number of economic advantages, including significant tax benefits, exemption from customs duties on equipment imports, as well as access to financing through public and private investment programs. These measures are aimed at reducing barriers to entry of new players into the market and stimulating the growth of the high-tech sector of the economy.

## **Main activities and requirements for residents**

IT Park focuses on supporting information technology projects, including software development, IT consulting, scientific research in the field of natural sciences and engineering, as well as educational projects in the field of IT and cybersecurity. To obtain resident status, companies must meet the established criteria, including registration in the territory of the Republic of Uzbekistan and carrying out activities corresponding to the List of priority areas. This implies the development and production of products and services in the IT sector, which make up 100% of the total volume of their sales.

This List contains 22 different types of activities:

1. Design, development, implementation (including granting permission to use the software, assignment (transfer) of the exclusive right to the software) of software, including cross platforming computer games.

2. Provision of services for the implementation or execution of particular stages of implementation, support, maintenance of software, including training (advanced training) with this software.
3. Revision and modification of the software.
4. Creating databases in the process of developing information systems and software, preparing records for these databases in a given format, providing access to them, supporting them, and maintaining them.
5. Activity on data processing using the software.
6. Providing advertising space in your software or otherwise making a profit from additional software features.
7. Development and implementation of automated control systems.
8. Analysis of information needs of legal entities (system analysis, business analysis), consulting on the use of information technologies for innovation (reengineering) of business procedures with the development of technical requirements for information systems and software.
9. Audit of information systems and software in the process of their development, implementation, and operation for compliance with technical requirements and (or) information needs of users.
10. Provision of automated services, through software developed by a resident of the Technopark, for searching, selecting, processing, and sorting data at the request of third parties, and providing them with information.
11. Providing services to non-residents of the Republic of Uzbekistan for the development, management (implementation) of administrative and business processes (outsourcing of business processes) using software (software and hardware).
12. Implementation of materials, technologies, devices, and systems of micro-, opto - and nanoelectronics, microelectromechanical, and

compatible embedded software developed by the Technopark resident.

13. Development (research, design (construction), testing, technical testing) of equipment for data transmission systems, technologies, devices and systems of radar, radio navigation, radio communication, radio control, radio frequency identification and implementation of the results of such developments with or without the provision of services for their development in production.
14. Development or different stages of development (research, design, construction, prototyping, testing), production (non-industrial) of high-tech systems and devices, software and hardware and software compatible with them, as well as the sale of manufactured products and (or) development results with or without the provision of services for their development in production.
15. Activities for technical and (or) cryptographic protection of information, including the use of an electronic digital signature.
16. Activities connected to the development, implementation, and execution of the concept of a computing and communication network of physical objects equipped with built-in technologies for interacting with each other and with the external atmosphere (Internet of things);
17. Educational activities in the field of information and communication technologies, including through the Internet, according to programs approved by the Technopark Directorate.
18. Exporting information services via the Internet.
19. Services in the field of multimedia and design (web design, graphic design, computer game design, vector graphics, 3D graphics, visual design, interface design, technical design, motion design).

- 20. Development of animated products using software.
- 21. Venture financing and implementation of acceleration programs in the field of information technology.
- 22. Providing services in the field of cybersports.

**Documents required to obtain resident status in the IT Park**

To obtain the status of a resident in the IT Park, the following documents are required:

- A document confirming the registration of a legal entity;
- A detailed business plan, including a description of activities for the implementation of certain types of activities corresponding to the approved List, the volume and types of services offered, the justification for their need, the profitability model of the project, as well as projected financial results. The format and requirements for the business plan are set by the IT-Park Directorate.

**Advantages of residency in the IT Park**

IT-Park residents enjoy a wide range of benefits and preferences provided for by the current legislation of Uzbekistan, including:

- Full exemption from taxes, mandatory contributions to state funds and social taxes;
- Exemption from customs duties (except customs duties) for equipment, components and software imported for own needs that are not manufactured in Uzbekistan, according to approved lists;
- The possibility of paying dividends and salaries to foreign founders and specialists in foreign currency through international payment cards;
- Using the virtual office service;

- Simplified process of attracting foreign specialists without the need to confirm the right to work in Uzbekistan;
- The ability to export through online stores without an export contract and convenient payment terms for exported services;
- Reduction of monthly contributions to the IT-Park Directorate by 25% when exceeding exports of services worth more than 10 million US dollars per year and by 50% when exceeding 20 million US dollars.
- The income of employees of IT-Park residents is taxed on personal income at the rate of 7.5% and is not taken into account when calculating the annual tax liability.

On February 1, 2024, Uzbekistan adopted Presidential Decree No. 25 "On the Creation of the International Center for Digital Technologies," aimed at developing the information technology sector and attracting major foreign companies. The center will be located within the IT Park and will offer special conditions for the development and provision of digital products and services. The main goals of the center include increasing IT service exports to \$5 billion, creating 100,000 jobs, and providing more attractive conditions for foreign resident companies of the IT Park, with the aim of increasing their number to 1,000. The center will offer a regulatory sandbox, intellectual property protection, and services related to labor relations regulation, government and banking services, assistance in customs and tax matters, and resolution of commercial and civil disputes. The International Center for Digital Technologies will begin its operations on June 1, 2024, in a pilot mode, which will last for 5 years. During this period, an experimental special legal regime will be introduced.

# Practical tips and advice

## 1. Intellectual property protection

**1.1.** It is crucial to ensure the proper registration of the transfer of intellectual property rights and licensing agreements with the designated government bodies, as non-compliance with registration requirements may result in the invalidity of such a transaction.

**1.2.** Authors of works made for hire retain their personal non-property rights, even if the work is performed at the employer's request. The exclusive rights for the commercial use of the work belong to the employer unless otherwise stipulated by the contract.

**1.3.** The author holds exclusive rights to use his work in any form. Property rights can be inherited, while the right of authorship is inalienable and cannot be transferred to another. Personal non-property rights related to intellectual property objects are valid indefinitely.

**1.4.** When applying for trademark registration in Uzbekistan, it is important to consider the International Classification of Goods and

Services (ICGS). Each product or service must be precisely specified and correlated with the corresponding ICGS classes. If the trademark is already registered in the selected class, consider the possibility of registering it in a different ICGS class more suitable for your product or service. It is recommended to analyze existing registered trademarks in the selected ICGS classes before submitting an application.

**1.5.** Software protected by copyright, according to the legislation of the Republic of Uzbekistan, does not require a patent for protection. However, when integrating this software with the tax system, the government body may require the corresponding patent. Therefore, it is recommended to consider this fact in advance and take the necessary measures to avoid potential problems in the future.



## 2. Personal data and cybersecurity

**2.1.** When collecting, storing, and processing personal data, it is necessary to register the personal data database and appoint a person responsible for its control and processing. Furthermore, as mentioned earlier in the "Confidentiality and Data Protection" section, when transferring personal data outside the Republic of Uzbekistan (cross-border data transfer), we recommend obtaining separate consent from the data subject. It is essential to ensure that the server is located within the territory of the Republic of Uzbekistan. This is particularly important for ensuring smooth operations in the future.

**2.2.** It is recommended to establish a cybersecurity department (staff unit) within the company. According to Uzbekistan's legislation, a cybersecurity entity must provide mechanisms for incident response and the operation of cybersecurity units. If such units are absent, the enterprise may use outsourcing services only after obtaining permission from

the relevant government body. Creating an in-house department avoids the need for permission for outsourcing.

## 3. Cyber Park and IT Park

**3.1.** In Cyber Park, residents can also engage in other types of business besides those declared in the business plan. A mandatory condition is that at least 51% of activities conform to the business plan, while the remaining 49% can be dedicated to other directions. In the case of IT Park, although it has a broader scope, all 100% of the company's activities must match the original business plan. Another difference between the two platforms is that the Cyber Park business plan represents a more detailed and comprehensive document compared to IT Park, including various reports and information about the company and its activities.



# Black Swan Consulting

Black Swan Consulting is a law firm that provides high-quality legal services and offers solutions considering all circumstances and risks. Over more than 5 years of operation, we have established ourselves in working with numerous local and international companies. We are chosen for our flexibility, responsiveness, and the quality of our services, which inherently include risk analysis, a feature not typical for other law firms or that requires additional expenses. We offer various services from business registration to support for major transactions.

Black Swan Consulting is a multi-specialty law firm, providing highly qualified services in sectors such as commerce and retail, finance and fintech, education, IT, immigration, investments and venture capital, industry, healthcare, tourism, real estate, and others.

Some of our clients:



We are in:



