NORTON ROSE FULBRIGHT

Mining in Uzbekistan

Ten things to know

Norton Rose Fulbright LLP – April 2026



Mining in Uzbekistan

As Uzbekistan accelerates its economic transformation, mining is emerging as a central engine of growth. Increasing the exploration and extraction of rare minerals and, in particular, key reserves of gold, silver, copper and uranium, is a strategic priority for the government of Uzbekistan. These commodities are pivotal to GDP growth and state revenues and serve as cornerstones of the country's broader industrial policy.

In recent years, Uzbekistan's major mining operators have benefited from a substantial injection of capital, with government investment totalling some $7.4 billion. This financial boost has catalysed substantial output gains as gold production increased by 23 per cent, copper output by 41 per cent and silver by an extraordinary 60 per cent, underscoring the sector's momentum.

Uzbekistan's global standing is likewise growing. According to the World Gold Council, Uzbekistan ranked 10th in the world in terms of gold production (129.1 tonnes) in 2024. This momentum in resource development highlights the country's strong ambitions to be a key player in Central Asia's mining industry. As a response to strong investor appetite, the government has introduced a refreshed, streamlined package of regulatory reforms to support mineral sector development.

This guide highlights 10 key considerations shaping the sector to help investors navigate Uzbekistan's dynamic mining landscape. It offers insight into the sector's core pillars and an overview of the regulatory and operational environment governing project development and investment in the country's mining sector.

01 | State Ownership of Minerals and Metals

In Uzbekistan, the subsoil and all naturally occurring minerals are the exclusive property of the state, regardless of land ownership. Subsoil use rights are generally granted through permits issued primarily by the Centre for Subsoil Use, and, in exceptional circumstances, by the Ministry of Ecology (see Section 3 below). Only Uzbek citizens, residents and companies registered in Uzbekistan are eligible to apply for these permits, which are allocated on a first-come, first-served basis.

The Law of the Republic of Uzbekistan No. ZRU-987 dated 31 October 2024 (the **Subsoil Law**), which replaced Law No. 444-II, recognises various categories of subsoil use, ranging from geological exploration and extraction of solid minerals to hydrocarbon production and artisanal mining. Permits may be transferred, pledged or otherwise assigned with the consent of the authorities, provided that the new holder assumes all obligations under the original terms.

Foreign and private companies can obtain mining rights through auctions or direct negotiations, with no nationality-based restrictions, provided such rights are registered locally. Applications submitted before the enactment of the new Subsoil Law remain governed by the previous regime and existing agreements continue to be honoured under their original terms.

02 | Mining Legalisation

The principal legislation governing mining licences and concessions in Uzbekistan is the Subsoil Law. Developed in collaboration with experts from the European Bank for Reconstruction and Development (**EBRD**) and several key national institutions, the Subsoil Law establishes a modern legal framework for the responsible exploration, use and protection of subsoil resources. It aims to attract both domestic and foreign investment, promote sustainable job creation in remote regions and enhance the competitiveness of Uzbekistan's mineral sector in the region.

The primary regulator of the mining sector in Uzbekistan is the Ministry of Mining Industry and Geology, which is responsible for setting policies and overseeing the overall development of the sector. Additional regulatory bodies include the Ministry of Energy, the Ministry of Ecology, Environmental Protection and Climate Change, the Inspection Body for Control in the Mining Industry and the Subsoil Use Centre under the Ministry of Mining and Geology. The Cabinet of Ministers also has broad oversight over the sector.

03 | Mining Licences

Under the Subsoil Law, permits for the use of subsoil areas are generally issued by the Subsoil Use Centre. An express exception applies to permits relating to the use of subsoil space for the construction and operation of underground facilities for the storage or burial of waste (excluding hydrocarbons), which fall within the competence of the Ministry of Ecology. Each type of subsoil use requires a specific permit, which, as referred to above, is granted through auction, tender or direct bilateral negotiation. The specific conditions for obtaining each such permit are published on the Subsoil Use Centre's official website. Investors should note that, depending on the nature of the subsoil activity, additional obligations may be imposed on mining activity.

Mining licences in Uzbekistan are granted for defined periods based on the nature of the activity. Exploration licences are typically issued for three to five years, with the possibility of extension on application. Extraction (mining licences) are generally granted for terms of up to 25 years, with renewal available subject to the law and license conditions. The definitive term for any licence is set out in the licence instrument or agreement and will reflect the scale, complexity and anticipated duration of the project.

The subsoil title does not itself confer the right to use the surface of the land - a separate lease is required for the use of mining infrastructure on the relevant land plots. Rights to the surface of the land are granted under the Land Code and commonly take the form of a temporary land use right (for example, a lease, easement or other land allotment), issued by the competent local government or other authorised body.

Mining licences are subject to the general rules on reissuance, change of control and notification established by the Unified Regulation on the Licensing of Certain Types of Activities and Issuance of Permits via the Special Electronic System (as approved by Resolution No. 80 of the Cabinet of Ministers). In the event of licensee reorganisation, including by way of merger, acquisition or name change, the licensee or legal successor must apply to reissue the licence via the Electronic System within five working days. The validity of subsoil licences is conditional on continued compliance with these formalities.

The right to use subsoil may be disposed of or transferred in accordance with the Subsoil Law. In practice, this means that the holder may transfer or dispose of the right by assignment, sale or pledge, subject to statute and the terms of the licence.

04 | Rights of Foreign Investors

Uzbekistan's legal framework on foreign investment is designed to promote transparency and competition. The Subsoil Law provides for the equal and non-discriminatory treatment of market participants, including foreign entities, and prohibits anti-competitive practices. The Subsoil Law does not impose restrictions on the nationality of investors or the business structure adopted by the Project Company. However, to discourage speculative licence holding, the law imposes minimum annual spending obligations for exploration and mining activities.

Applications for subsoil use permits may only be submitted by Uzbek citizens and legal entities registered in Uzbekistan. In practice, foreign investors commonly structure participation through locally incorporated subsidiaries or joint ventures, in which case the permits are issued to a single designated entity with all participants and their interests noted in the project documentation. Once granted, government interference in the activities of subsoil users is prohibited.

In addition to baseline legal protections, subsoil users can request commitments from the Subsoil Use Centre in respect of fiscal, tax, customs and currency-related matters. These assurances fix the economic conditions in place at the time of granting. If later changes in legislation increase costs or reduce revenues, the subsoil user may be entitled to compensation.

With structured governance, accessible data and commitment to fair treatment, Uzbekistan endeavours to position itself as an increasingly attractive destination for foreign mining investment.

05 | Government's Interest in the Project

The state plays a central role in regulating and overseeing subsoil use in Uzbekistan, promoting investment, ensuring legal and environmental compliance while enforcing transparency and accountability across the sector. There is no statutory requirement for the government to hold an equity interest or joint-venture stake in mining projects. However, pursuant to Article 21 on Law of Precious Metals and Stones, the government has a right of priority to purchase precious metals and precious stones mined from subsoil plots.

In Uzbekistan, investors typically either: (i) obtain a subsoil use licence issued by Subsoil Use Centre for standard exploration and mining activities; or (ii) conclude a subsoil use agreement with the government where the project is strategic, requires individually negotiated terms or is otherwise granted on an exceptional basis outside of the standard licensing and auction procedures. Both instruments govern the technical, environmental and financial obligations of subsoil users but differ in how they are granted, by whom and the degree of negotiability.

Generally, the right to explore and extract minerals is granted on the basis of a state licence issued by the Ministry of Mining Industry and Geology. Under the Subsoil Law, land is allocated for geological exploration, mining, artisanal mining and related purposes through public auctions or direct negotiations, and the licence sets the boundaries, term and conditions of use. As noted above, production sharing agreements and concessions remain permissible legal instruments in defined cases but, in practice, hard-rock mining projects are typically implemented under the licensing regime. Licences are subject to registration before commercial operations commence.

Key project documentation typically includes the following:

1. subsoil use licence (and, where applicable, the mining allotment decision and state registration extract) covering the relevant type of subsoil use and defining the licensed area, term and work programme;

2. environmental approvals, including a state environmental impact assessment (ESIA) and operational permits for air emissions, wastewater, waste management and other related matters, issued under Uzbek environmental legislation; and

3. land tenure documents for surface access and use, commonly a lease or other land-use title issued by the competent local authority, aligned to the licensed mining allotment and project footprint.

06 | Lending into Uzbekistan

Foreign lending into Uzbekistan is subject to a regulatory framework designed to safeguard financial stability, protect the domestic banking system and manage capital flows. Although Uzbekistan continues to liberalise its foreign exchange regime and financial sector, investors should anticipate robust oversight of cross-border debt, including restrictions on currency conversion and repatriation, documentary requirements for access to foreign currency and a prohibition on transferring funds to secondary bank accounts for currency conversion. While market access for foreign lenders and investors is possible, payments must be cleared through the domestic banking system and remain subject to local foreign exchange controls, anti-money laundering and sanctions screening. Borrowing from non-Uzbek persons and banks is permitted in foreign currency, subject to registration or notification at the Central Bank or the Ministry of Economy and Finance and payments must flow through the local banking system.

In practice, FX purchases and outward remittances are required to be routed through a borrower's primary account with a licensed Uzbek bank and supported by underlying transaction documentation. While day-to-day conversions are generally available, convertibility and transferability risks can increase during periods of market stress and should be addressed expressly in financing terms, conditions precedent and cash management mechanics.

The law does not specifically define the role of security trustees in foreign lending. Trustee or agent or alternative debt structures remain feasible but require further case-by-case analysis in respect of valid creation, perfection, enforceability and distribution of enforcement proceeds. Investors should undertake transaction-specific assessments to determine the applicability, perfection and enforceability of security arrangements under Uzbek law.

Transaction documents frequently combine a foreign governing law for the main credit agreement with Uzbek law for security and corporate authorisations. Lenders should plan for localisation steps such as notarisation and translation where required, and ensure that conditions precedent include all regulatory filings, corporate approvals and bank process confirmations needed to support drawdown, conversion and remittance.

Basic hedging products (forwards and swaps) are available with local banks, while more sophisticated derivatives are generally arranged offshore and remain subject to standard regulatory and documentation requirements.

07 | Fees, Taxes, Duties and Royalties and Tax Incentives

Uzbekistan's Tax Code outlines a range of fiscal obligations for subsoil users, including mining companies. In addition to general taxes such as corporate income tax (15%), VAT (12%) and social tax (12%), subsoil use is subject to mandatory taxes stipulated by law. This tax is revenue-based, calculated as a percentage of the gross value of extracted minerals, rather than net profit. The tax is payable quarterly for small entities, and monthly for all other entities. Investors should note that the applicable subsoil use tax rates depend on the type of mineral.

In addition to the subsoil use tax applied to extracted minerals and the land tax paid in accordance with legislation, subsoil users are required to make specific payments related to licensing. These include a fee for consideration of an application for a permit, payments resulting from successful participation in auctions or tenders, or as determined by acts of the President or Cabinet of Ministers and, finally, an annual licence fee for geological exploration activities.

The annual licence fee will be equal to: (i) 10% of the basic calculation value established by law for one hectare of subsoil area subject to geological study, determined by type of mineral; and (ii) 15% of the basic calculation value established by law for one hectare of geological exploration of non-metallic minerals (i.e. minerals which are not mined for their metal content and are used mainly for their physical/chemical properties in industry, construction, agriculture as well as chemicals, such as limestone).

08 | Environmental and Local Content Obligations

Environmental Considerations

Subsoil use in Uzbekistan is subject to strict environmental and social standards. Activities must comply with environmental legislation from the planning stage through to execution. An environmental assessment is mandatory before any subsoil activity can begin, with additional assessments required for specific types of works.

Subsoil users are also required to provide financial security - such as a bank guarantee, pledged deposit or insurance policy - to ensure the funding of land restoration and environmental remediation. If these obligations are not met, the government may call on any security given or recover the necessary funds from the guarantor, as the case may be. Where a guarantee is used, it must satisfy prescribed minimum creditworthiness standards. Subject to those standards, guarantees may be issued by reputable foreign banks or publicly listed entities.

On completion or early termination of mining activities, users must restore land and natural sites and implement closure or conservation plans. The Subsoil Use Centre or the Ministry of Ecology may restrict, suspend or terminate rights for serious breaches, including failure to commence operations, non-compliance with environmental standards or repeated non-payment of fees.

Local Content Obligations

Subsoil users, together with their contractors, subcontractors and national suppliers, must give preference to employing local labour and all roles for non-qualified professionals may only be filled by Uzbek nationals. Foreign labour may only be engaged in these positions where there is a documented shortage of suitable Uzbek personnel. While foreign specialists and managers may be used, the employment of foreign personnel is subject to a cap of 20% of the total project workforce. Subsoil users must document the use of foreign personnel and produce an annual compliance report.

Further, subsoil users must develop and fund a training programme for Uzbek citizens, submitted for approval prior to commencement and no later than 12 months after commercial operationalisation. This programme should be designed to support scientific learning and practical skills transfer, with a minimum funding requirement of 1% of annual revenue.

In procurement and contracting, subsoil users must give priority to locally produced and manufactured goods and equipment as well as services produced in Uzbekistan, or provided by Uzbek entities, where comparable in quantity, quality, price and delivery time. From the second year of mineral extraction, subsoil users must ensure that not less than 50% of the value of goods and services procured are sourced locally, with the possibility of an agreed lower target where domestic supply is insufficient.

Lastly, and to reinforce the government's commitment to inclusive and sustainable growth, the Subsoil law further promotes the socio-economic development of regions in which extraction and related activities take place, including targeted obligations and programmes for the benefit of local communities. Any such requirements will be stated in the relevant license or agreement entered by investors.

09 | Enforcement Regime

Subsoil users may apply to international arbitration to resolve disputes under the Foreign Investment Law. These provisions will apply if an international treaty of the Republic of Uzbekistan and an agreement concluded between the investor and the Republic of Uzbekistan provides for a valid arbitration clause.

Uzbek courts will have exclusive jurisdiction over disputes under the land lease agreement. To mitigate the risks associated with local court decisions, the land lease agreement typically includes a mechanism that provides for disputes to be referred to an independent expert. This determination process serves as a safeguard, offering a neutral assessment of the issues in dispute.

10 | Foreign Exchange Controls

Uzbekistan has liberalised its currency regime under the Law "On Currency Regulation" (new edition, No. LRU 573, effective 23 October 2019) (the Currency Regulation Law) and permits transactions between an Uzbek person and non Uzbek persons (for example, foreign contractors, suppliers and lenders) to be denominated and settled in foreign currency. However, Uzbek persons may only open offshore accounts and denominate and settle payments in foreign currency with other Uzbek persons if permitted under: (i) the Law "On Investments and Investment Activity" (No. LRU 598; effective 2020) (the Investment Law); or (ii) a Presidential Decree issued for the relevant project.

- permitting denomination of payments in foreign currency, as well as free transfer and repatriation of funds (including dividends, revenues and loan proceeds);

- granting the right to convert Soum proceeds at market rates through licensed banks and to repatriate funds offshore;

- granting the right to make payments from its offshore accounts in foreign currency to contractors, suppliers and lenders, among others; and

- providing an undertaking in respect of convertibility from the government to procure that the competent authorities and state-owned banks facilitate access to FX if market liquidity in the relevant foreign currency (e.g. USD) is not available.

Further, in practice, investors and developers in mining projects (as well as power and infrastructure projects) procured under the Investment Law or otherwise (e.g. projects procured under the public-private partnership regime) typically benefit from exemptions and approvals from applicable restrictions under the Currency Regulation Law under a Presidential Decree granted in respect of the specific project. These approvals and exemptions typically provide the rights referred to above, thereby mitigating legal risks and ensuring the bankability of such projects.

Concluding Remarks

Uzbekistan's mining sector is undergoing a dynamic transformation, marked by increased transparency, regulatory modernisation and a clear commitment to attracting foreign investment. Crucially, private and international actors are now assuming a more prominent role in Uzbekistan's mining development. The Subsoil Law promotes investment by providing a transparent, predictable and investor-centric regulatory framework, aligning the country's governance standards with international best practices.

The joint venture between France's Orano, Japan's ITOCHU and Uzbekistan's state-owned Navoiyuran serves as a good example of this trend. Their collaboration on the South Djengeldi uranium deposit reflects deepening industrial ties and also signals the long-term commitment of foreign partners to mineral extraction in the country. Similarly, the Memorandum of Understanding signed in 2024 with the United States and Germany underscores Uzbekistan's strategic importance in the global critical minerals supply chain. advancing mining and energy projects across Uzbekistan. These agreements and connections aim to catalyse investment and foster cooperation in mining and processing, with Uzbekistan targeting US$1 billion in new investments in 2025 alone.

Investors may also benefit from the support of international institutions such as EBRD which in 2024 entered into agreements with the Uzbek government totalling €938 million. Following the signing of an updated Memorandum of Understanding with the Ministry of Mining Industry and Geology in October 2025, it is anticipated that the EBRD, alongside other global partners, will continue to play a key role in advancing mining and energy projects across Uzbekistan.

Furthermore, Uzbekistan is also deepening its engagement with the United States. In November 2025, Washington hosted the President of Uzbekistan alongside four other Central Asian leaders at the C5+1 Summit, where discussions centred, among other matters, on cooperation in critical minerals. The agreements reached aim to accelerate investment and strengthen collaboration in mining and processing of minerals.

As Uzbekistan continues to position itself as a key player in both the regional and global mining space, the growing involvement of private and international partners will be instrumental to unlocking the full potential of the country's vast mineral reserves. This evolution is aimed not only at enhancing the sector's competitiveness but also reinforcing Uzbekistan's role as a reliable and forward-looking destination for mining investment.



Authors



Dan Metcalfe
Partner
London
+44 20 7444 62551
daniel.metcalfe@nortonrosefulbright.com



Chris Down
Partner
London
+44 20 7444 5642
chris.down@nortonrosefulbright.com



Shaheer Momeni
Counsel
London
+44 20 7444 3988
shaheer.momeni@nortonrosefulbright.com



Joana Goncalves
Associate
London
+44 20 7444 5779
joana.goncalves@nortonrosefulbright.com

Acknowledgements



Jake Lawson
Trainee
London

NORTON ROSE FULBRIGHT

Norton Rose Fulbright provides a full scope of legal services to the world's preeminent corporations and financial institutions. The global law firm has more than 3,000 lawyers advising clients across locations in the United States, Europe, Canada, Latin America, Asia, Australia, Africa and the Middle East.

nortonrosefulbright.com