

# BUDGET CODE OF THE REPUBLIC OF UZBEKISTAN

## General part

### Section I. General provisions

#### Chapter 1. Main provisions

##### Article 1. Relations regulated by this Code

This Code shall regulate relations in the field of formation, preparation, reviewing, adoption, approval, execution of budgets of the budget system of the Republic of Uzbekistan (hereinafter referred to as budgets of the budget system), government borrowing and controlling the implementation of budgetary legislation.

##### Article 2. Budgetary legislation

Budgetary legislation consists of this Code and other regulatory legal acts.

The norms of budgetary legislation contained in other regulatory legal acts must comply with this Code.

If the international treaty ratified by the Republic of Uzbekistan establishes other rules than those contained in the budgetary legislation of the Republic of Uzbekistan, the rules of the international treaty shall apply.

##### Article 3. The basic definitions used in this Code

The following basic definitions are used in this Code:

**circulating cash balances** — the minimum allowable amount of budget funds held in the treasury accounts of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of the city of Tashkent, budgets of districts and cities for a certain financial year;

**the first level spending unit** — legal entity that allocates budgetary funds of the republican budget of the Republic of Uzbekistan in the amount established by law;

**budget process** — process of formation, preparation, reviewing, adoption, approval and execution of budgets of the budget system, monitoring their formation, preparation and execution, preparation and approval of reports on execution of budgets of the budget system, as well as relations between them;

**participants of budget process** — bodies of public authority and management, state financial control authorities, budget organizations and budget fund recipients;

**spending unit** — legal entity with its subject organizations that are recipients of funds of the republican budget funds of the Republic of Uzbekistan, as well as budget organizations or recipients of budget funds financed by the republican budget of the Republic of Uzbekistan;

**budget authorities** — authorities of the budget process participants in the sphere of budget relations;

**budget loan** — cash granted on a repayable basis from a higher-level budget to a lower-level budget, as well as state trust funds, resident entities;

**budget request** — document providing a justification for the need to receive budgetary allocations on a mid-term basis;

**extra-budgetary funds of budget organization** — funds received at the disposal of a budget organization from sources provided by law;

**budgets of the budget system** — state budget of the Republic of Uzbekistan, budgets of state trust funds and extra-budgetary funds of budget organizations;

**inter-budget transfers** — funds transferred from the republican budget of the Republic of Uzbekistan to the budget of the Republic of Karakalpakstan, local budgets of regions and the city of Tashkent, state trust funds and vice versa, as well as from the republican budget of the Republic of

Karakalpakstan, regional budgets of regions and the city budget of Tashkent to the budgets of districts and cities and vice versa;

**temporary cash gaps** — temporary excess of expenditures over revenues of budgets of the budget system in a certain period of the current financial year;

**temporary estimate of expenditures** — document valid until the approval and registration of estimate of expenditures of a budget organization or recipient of budget funds, which reflects budgetary allocations provided for it for each month, taking into account changes in legislation;

**state budget surplus** — excess of revenues of the state budget of the Republic of Uzbekistan over its expenditures for a certain period;

**state budget deficit** — excess of expenditures of the state budget of the Republic of Uzbekistan over its revenues for a certain period;

**state financial control** — study, analysis and comparison of accounting, financial, statistical, banking and other documents of objects of state financial control in order to monitor the implementation of budget legislation;

**objects of state financial control** — republican budget of the Republic of Uzbekistan, budget of the Republic of Karakalpakstan, local budgets of regions and the city of Tashkent, spending units, budget organizations and recipients of budget funds, state trust funds, other funds established in accordance with the established procedure, and extra-budgetary funds of budget organizations;

**public borrowing** — attraction of assets for which obligations of the Republic of Uzbekistan as a borrower or guarantor of repayment of credits (loans) of resident borrowers arise;

**public procurement** — procurement of goods (works, services) carried out at the expense of funds of budgets of the budget system;

**public debt** — obligations of the Republic of Uzbekistan arising from internal and external borrowing;

**revenue and expenditure estimate** — document that reflects the expected revenue and expenditures of extra-budgetary funds of budget organizations for the corresponding quarter or financial year;

**donors** — states, governments of states, international and foreign governmental organizations, foreign citizens, as well as international and foreign non-governmental organizations included in the list established by the Cabinet of Ministers of the Republic of Uzbekistan, allocating funds on a gratuitous basis to the Republic of Uzbekistan, the Government of the Republic of Uzbekistan, self-government bodies of citizens, legal entities and individuals, which activities are not contrary to the legislation of the Republic of Uzbekistan;

**grants** — cash allocated on a gratuitous basis to budgets of the budget system to cover the difference between revenue and expenditures in case of insufficiency of their own revenue;

**consolidated expenditures estimate** — expenditures estimate prepared by spending unit based on expenditures estimates of subordinate budget organizations and recipients of budget funds;

**the second level spending unit** — legal entity assigned by the Cabinet of Ministers of the Republic of Uzbekistan to first level spending unit and distributing budget funds allocated to it;

**overall fiscal balance** — aggregate balance, which includes the Consolidated budget of the Republic of Uzbekistan and expenditures executed through external borrowings, attracted for the implementation of state programs and repaid from the state budget of the Republic of Uzbekistan;

**fiscal risks** — assessment of losses of financial resources in the formation and spending of funds of budgets of the budget system of participants in the budget process;

**financial year** — the period beginning from January 1 through December 31;

**financial obligation** — obligations of budget organizations and recipients of budget funds arising on the basis of documents, including executive documents, obliging them to transfer funds;

**subvention** — cash granted on a gratuitous basis from higher-level budget to a lower-level budget for the accomplishment of definite expenditures;

**subsidy** — cash funds provided to legal entities and individuals at the expense of budgets of the budget system to finance or co-finance the production of goods, performance of work, provision of services and their implementation or partial reimbursement of targeted expenditures;

**control revenues** — national taxes and other compulsory payments, as well as non-tax payments, for which the norms of assignments between budgets of the budget system are established. Non-tax payments include payments that are not taxes and other compulsory payments that go to budgets of the budget system;

**expenditure item** — part of budget classification that determines the expenditures of budgets of the budget system by economic purpose and specific types of payments;

**estimate of expenditures** — document drawn up and approved by a budget organization or recipient of budget funds for a financial year, which reflects the budgetary allocations provided to it by expenditure items;

**staffing table** — document containing a list of job titles of permanent workers and vacancies with indication of their number and size of official salaries drawn up by a budget organization;

**separate treasury accounts** — analytical accounting registers opened in the information system of the Ministry of Finance of the Republic of Uzbekistan designed to reflect transactions related to execution of budgets of the budget system;

**legal obligations** — obligations arising for budget organizations and recipients of budget funds on the basis of concluded agreements, as well as decisions of the relevant bodies of state authority and management;

**transferred revenue** — revenue generated in a certain administrative-territorial unit and credited to the higher budget with subsequent transfer to the budget of this administrative-territorial unit where they are generated;

**State budget of the Republic of Uzbekistan** (State budget) — centralized monetary fund of the state, intended for the financial provision of the tasks and functions of the state;

**treasury units** — Treasury of the Ministry of Finance of the Republic of Uzbekistan, treasury departments for the Republic of Karakalpakstan, regions and the city of Tashkent, treasury units for districts and cities;

**treasury transaction memo** — payment document used to transfer funds from one separate treasury account to another separate treasury account;

**territorial spending unit** — legal entity that has subordinate organizations receiving funds from the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of the city of Tashkent and budgets of districts and cities, as well as a budget organization or recipient of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of the city of Tashkent and budgets of districts and cities;

**territorial financial authorities** — Ministry of Finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, financial units of district and city hokimiyats;

**mid-term fiscal strategy** — document on the main directions of tax and budgetary policy for the medium term.

#### **Article 4. Budget organization**

Budget organization is a non-profit organization created by decision of a body of state authority in accordance with the established procedure for the implementation of state functions and supported by State budget.

The terms of financing and the procedure for maintaining budgetary accounting of budget organizations are determined by budgetary legislation.

#### **Article 5. Recipient of budget funds**

Recipient of budget funds is a legal entity or individual receiving funds from State budget and budgets of state trust funds.

Recipient of budget funds cannot have the status of a budget organization.

Terms of financing a recipient of budget funds from State budget and budgets of state trust funds are determined by budgetary legislation.

## **Chapter 2. Concept and principles of budget system**

## **Article 6. Concept of budget system**

Budget system is a set of budgets of all levels, budgets of state trust funds and extra-budgetary funds of budget organizations, principles of building and organizing budgets of the budget system, relationships between them that arise during the budget process. Formation, preparation, review, adoption, approval and execution of budgets of the budget system for a certain financial year are carried out in the national currency of the Republic of Uzbekistan — soums.

## **Article 7. Principles of budget system**

Budget system is based on the following principles:

- budget system unity;
- compliance of the budget system with the administrative-territorial structure of the Republic of Uzbekistan;
- equilibrium and interconnection of budgets of the budget system;
- forecasting revenues and planning expenditures of budgets of the budget system;
- specification and targeted use of budget funds of the budget system;
- independence of budgets of the budget system;
- effectiveness of the use of funds of budgets of the budget system;
- unity of cash;
- responsibility of the participants of the budget process;
- openness.

## **Article 8. Principle of budget system unity**

Forms of budget documentation and budgetary reporting and budget classification should be unified and provide for a single procedure for the formation and execution of revenues and expenditures, budgetary accounting and budgetary reporting for budgets of the budget system.

## **Article 9. Principle of compliance of the budget system with the administrative-territorial structure of the Republic of Uzbekistan**

Budget system should correspond to the administrative-territorial structure of the Republic of Uzbekistan.

## **Article 10. Principle of equilibrium and interconnection of budgets of the budget system**

Volume of envisaged expenditures of budgets of the budget system should correspond to the total volume of their revenues and sources of deficit coverage.

When drawing up and executing budgets of the budget system, budget funds can be redistributed between them to ensure their equilibrium.

## **Article 11. Principle of forecasting revenues and planning expenditures of budgets of the budget system**

When drawing up budgets of the budget system, revenues are projected by their specific sources, and expenditures are planned by areas in accordance with budget classification.

## **Article 12. Principle of specification and targeted use of budget funds of the budget system**

Funds of budgets of the budget system are allocated to specific budget organizations and recipients of budget funds to be used for financing specified purposes.

## **Article 13. Principle of independence of budgets of the budget system**

Budget system budgets are independent.

## **Article 14. Principle of effectiveness of the use of funds of budgets of the budget system**

When drawing up and executing budgets of the budget system, participants of the budget process, within the framework of the powers granted to them, proceed based on the requirement of achieving a result using the amount of funds specified by budgets of the budget system.

### **Article 15. Principle of unity of cash**

All revenues of budgets of the budget system are credited to the Single treasury account, and their expenditure payments are carried out from this account.

### **Article 16. Principle of responsibility of participants of the budget process**

Principle of responsibility of participants in the budget process means that each participant of the budget process is responsible for its actions at each stage of the budget process.

### **Article 17. Principle of openness**

Principle of openness means:

openness of procedures for review and adoption of State budget and budgets of state trust funds to society and the media, as well as the possibility of active participation of citizens in the budget process;

disclosure (publication) of information on the approved State budget and budgets of state trust funds in the media and on the official website of Ministry of finance of the Republic of Uzbekistan;

publication in the media, as well as posting and updating on the official website of Ministry of finance of the Republic of Uzbekistan of the information on the execution of State budget and budgets of state trust funds.

## **Chapter 3. Budget classification**

### **Article 18. Concept of budget classification**

Budget classification is a grouping of revenues and expenditures of budgets of the budget system, as well as sources of covering State budget deficit and is used to systematize the formation, preparation and execution of budgets of the budget system.

Budget classification is developed in accordance with international classification systems and approved by Ministry of finance of the Republic of Uzbekistan.

### **Article 19. Components of budget classification**

Budget classification has the following components:

classification of revenues of budgets of the budget system;

classification of expenditures of budgets of the budget system;

classification of sources of covering State budget deficit.

### **Article 20. Main principles of budget classification**

The main principles of budget classification are completeness, unity and consistency.

Principle of completeness of the budget classification provides for the coverage of all participants of the budget process.

Principle of unity of budget classification means that all participants of the budget process apply a single budget classification.

Principle of consistency of budget classification means that budget classification codes are not applied simultaneously to account for different types of transactions in the budget process.

### **Article 21. Classification of revenues of budgets of the budget system**

Classification of revenues of budgets of the budget system is coding of revenues by their types and sources.

Structure of classification of budget revenues of the budget system consists of:

classification of sources of funds and levels of budgets of the budget system;

types of revenues;

organizational classification;

territorial classification.

Classification of sources of funds and levels of budgets of the budget system is used to attribute incoming revenues to the corresponding sources of funds and the level of budgets.

Type of revenue consists of section, paragraph and kind of revenue.

Revenue section is coding of revenue by source.

Revenue paragraph is coding of taxes and other compulsory payments, as well as non-tax payments by their tax base.

Kind of revenue is a specific kind of revenue of budgets of the budget system.

Organizational classification is used in order to attribute incoming revenues of the relevant body administering these revenues.

Territorial classification is used to attribute incoming revenues to the corresponding administrative-territorial unit in which these revenues are generated or to which they are credited.

#### **Article 22. Classification of expenditures of budgets of the budget system**

Classification of expenditures of budgets of the budget system is coding of expenditures of budgets of the budget system reflecting their areas.

Classification of expenditures of budgets of the budget system consists of:  
classification of sources of funds and levels of budgets of the budget system;  
functional classification;  
program based classification;  
organizational classification;  
economic classification;  
territorial classification.

Functional classification of expenditures is grouping of expenditures reflecting the direction of funds for performance of state functions.

Organizational classification of expenditures is coding by spending units of budgets of the budget system.

Economic classification of expenditures is coding of expenditures by economic purpose.

Territorial classification is used in order to attribute budget organizations and recipients of budget funds to the corresponding administrative-territorial unit.

#### **Article 23. Expenditures of budgets of the budget system by economic attributes**

Expenditures of budgets of the budget system by economic attributes include the following groups of expenditures:

first group — salaries, pensions, benefits, scholarships, compensation payments and material assistance to low-income families;

second group — allocations for social requirements;

third group — capital investments (in accordance with target lists on state development programs);

fourth group — other expenditures.

Specific items by groups of expenditures are determined in accordance with the budget classification.

#### **Article 24. Classification of sources of covering State budget deficit**

Classification of sources for covering State budget deficit is their grouping by internal and external sources.

### **Chapter 4. Budget authorities**

#### **Article 25. Budget authorities of the Cabinet of Ministers of the Republic of Uzbekistan**

Cabinet of Ministers of the Republic of Uzbekistan:

organizes and coordinates the process of developing a draft law on State budget of the Republic of Uzbekistan for the next year (hereinafter - draft law on State budget) and a budget message;

approves the list of spending units of the first and second levels;

submits to the Chamber of accounts of the Republic of Uzbekistan a draft law on State budget and a budget message for consideration and opinion;

submits budget message to the Chambers of the Oliy Majlis of the Republic of Uzbekistan;

submits draft law on State budget to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan;

coordinates and supervises the activities of bodies of state administration on the execution of State budget and budgets of state trust funds;

reviews reports on the execution of State budget and budgets of state trust funds on a quarterly basis;

submits to the Chamber of accounts of the Republic of Uzbekistan reports on the execution of State budget and budgets of state trust funds for the past financial year for external audit and evaluation;

submits to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan reports on the execution of State budget and budgets of state trust funds for the related period for approval;

considers proposals on amendments to the allocations from the republican budget of the Republic of Uzbekistan and budgets of state trust funds during the specific financial year in the cases provided for by [Articles 145](#) and [149](#) of this Code;

submits to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan draft law on amendments and additions to the Law of the Republic of Uzbekistan on State budget for consideration;

makes decisions on the use of additional sources of the republican budget of the Republic of Uzbekistan;

makes decisions on the use of reserve fund of the Cabinet of Ministers of the Republic of Uzbekistan;

approves the maximum amount of budget allocations for second level spending units within the limits of allocations from the republican budget of the Republic of Uzbekistan for first level spending units.

Cabinet of Ministers of the Republic of Uzbekistan may also have other budget authorities in accordance with the legislation.

## **Article 26. Budget authorities of the Chamber of accounts of the Republic of Uzbekistan**

Chamber of accounts of the Republic of Uzbekistan:

submits to the Cabinet of Ministers of the Republic of Uzbekistan opinion on draft law on State budget and mid-term fiscal strategy;

has access to information systems and resources of ministries, state committees, departments and banks, allowing, based on primary data, to control the targeted execution of revenue and expenditure items of budgets of the budget system;

monitors the legality of the formation, targeted and efficient spending of resources of the Cabinet of Ministers and Ministry of finance of the Republic of Uzbekistan held in bank accounts;

monitors the formation and use of funds of the Fund for Reconstruction and Development of the Republic of Uzbekistan, as well as other funds created in accordance with the established procedure;

monitors the execution of revenues of State budget and budgets of state trust funds;

monitors the targeted use of funds of budgets of the budget system;

conducts an external audit and evaluation of annual reports on the execution of State budget and budgets of state trust funds and submits an opinion on them to the Cabinet of Ministers of the Republic of Uzbekistan;

adopts normative legal acts on issues within its mandate.

Chamber of accounts of the Republic of Uzbekistan may have other budget authorities in accordance with the legislation.

## **Article 27. Budget authorities of Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities**

Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities:

review and adopt the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, budgets of districts and cities proposed by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities, respectively;

review and approve reports on the execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, budgets of districts and cities for relevant period submitted by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities, respectively, on a quarterly basis;

establish rates of local taxes and other compulsory payments within the limits established by law.

Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities may have other budget authorities in accordance with the legislation.

## **Article 28. Budget authorities of the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities**

Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities:

organize and coordinate the process of developing a draft of the respective budget and its implementation;

make decisions on drafting relevant budgets, establish the procedure and terms for their preparation based on received budget requests;

submit for consideration and adoption to the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities draft budget of the Republic of Karakalpakstan, drafts of local budgets of regions and city of Tashkent, budgets of districts and cities, respectively;

consider proposals on amendments to parameters of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, budgets of districts and cities during the financial year in the manner prescribed by [Articles 146 — 148](#) of this Code;

submit for approval to the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities reports on the execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, budgets of districts and cities for the relevant period;

organize monitoring of the completeness and timeliness of revenues to State budget and budgets of state trust funds;

organize monitoring of the targeted spending of budget funds;

make decisions on the use of additional sources of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities;

make decisions on the introduction of decreasing and increasing coefficients to the established rates for individual taxes determined by legislation, taking into account the specifics of the regions and places of business.

Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities, along with the authorities specified in [first part](#) of this article, also make decisions on the use of resources of the reserve funds of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities, respectively.

Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities, along with the authorities specified in [first](#) and [second parts](#) of this article, also provide for media coverage of the process of reviewing and approving by the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities of the parameters of local budgets and reports on their implementation.

Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities may have other budget authorities in accordance with the legislation.



## **Article 29. Budget authorities of Ministry of finance of the Republic of Uzbekistan**

Ministry of finance of the Republic of Uzbekistan:

develops a draft law on State budget and a budget message;

reviews draft budgets of state trust funds, as well as revenues and expenditures of the Fund for Reconstruction and Development of the Republic of Uzbekistan;

submits for consideration by the Cabinet of Ministers of the Republic of Uzbekistan a draft law on State budget and a budget message;

informs, on a quarterly basis, the State Tax Committee and the State Customs Committee of the Republic of Uzbekistan on State budget revenues forecast;

provides to first and second level spending units methodological instructions on the allocation of budgetary appropriations provided to them, as well as on preparation of estimates of expenditures for the following year;

registers estimates of expenditures and consolidated estimates of expenditures and staffing tables of first and second level spending units, as well as changes made to them;

introduces changes to the list of expenditures of the republican budget of the Republic of Uzbekistan during the financial year as prescribed by [article 145](#) of this Code;

submits to the Cabinet of Ministers of the Republic of Uzbekistan proposals on amendments to allocations from the republican budget of the Republic of Uzbekistan and the budgets of state trust funds as prescribed by [articles 145](#) and [149](#) of this Code;

monitors the completeness and timeliness of receipts of taxes and other compulsory payments across their sources;

monitors the targeted use of funds of budgets of the budget system;

approves forms and procedure for submitting reports on the execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, as well as financial statements of budget organizations and recipients of budget funds;

submits to the Cabinet of Ministers of the Republic of Uzbekistan a report on the execution of State budget and budgets of state trust funds for the relevant period;

establishes reserves on special extra-budgetary accounts;

identifies additional reserves to increase revenues to State budget in the process of its execution;

optimizes expenditures of budget organizations and recipients of budget funds;

provides budget loans;

registers contracts and state guarantees of the Republic of Uzbekistan on public borrowings;

keeps record of and monitors public debt;

conducts cash execution of budgets of the budget system;

manages the funds of budgets of the budget system on the Single treasury account and other bank accounts;

registers contracts of budget organizations and recipients of budget funds concluded with suppliers of goods (works, services);

makes payments on behalf and by order of legal entities or individuals, for which funds are provided in budgets of the budget system;

conducts budgetary accounting of the execution of budgets of the budget system and receives budget reporting;

services the public debt, fulfills the state guarantees of the Republic of Uzbekistan;

keeps records of humanitarian aid and technical assistance funds provided to the Republic of Uzbekistan;

ensures public consultations on drafts of State budget and budgets of state trust funds for forecasted year and budget guidelines for the next two years, as well as reports on the execution of State budget and budgets of state trust funds before they are sent to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan;

conducts financial and economic examination of normative-legal acts impacting the equilibrium of revenues and expenditures of budgets of the budget system;

adopts normative-legal acts on issues within its competence.

Ministry of finance of the Republic of Uzbekistan may have other budget authorities in accordance with the legislation.

### **Article 30. Budget authorities of territorial financial authorities**

Territorial financial authorities:

draw up drafts of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, budgets of districts and cities and submit them for consideration, respectively, to the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, districts and cities;

monitor the completeness and timeliness of receipts of taxes and other compulsory payments across their sources;

identify additional reserves to increase revenues to relevant budgets in the course of their execution;

inform budget organizations and recipients of budget funds on the amounts of budget allocations provided for them;

register estimates of expenditures and staffing tables of budget organizations and estimates of expenditures of recipients of budget funds, as well as changes made to them;

make changes to the parameters of the respective budgets during the financial year, as prescribed by [articles 146 — 148](#) of this Code;

monitor the targeted use of funds of the respective budgets;

submit quarterly reports on the implementation of the corresponding budgets to the higher financial authorities and the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, districts and cities;

optimize expenditures of budget organizations and recipients of budget funds;

conduct budgetary accounting of the execution of the respective budgets and receive budget reporting;

carry out financial and economic examination of normative-legal acts of local government bodies that affect the equilibrium of revenues and expenditures of the respective budgets.

Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, along with authorities, specified in [first part](#) of this article, also:

inform, on a quarterly basis, the state tax and customs authorities on the forecast of state budget revenues for the corresponding administrative-territorial units;

provide budget loans.

Territorial financial authorities may also have other budget authorities in accordance with the legislation.

### **Article 31. Budget authorities of spending units**

Spending units:

submit to Ministry of finance of the Republic of Uzbekistan budget requests for budgetary appropriations;

inform subordinate organizations on indicators and materials required for drawing up budget requests;

inform subordinate organizations on the volumes of their budgetary allocations for the corresponding financial year to draw up estimates of expenditures and staffing tables;

register estimates of expenditures and staffing tables of subordinate organizations, as well as changes made to them;

submit to Ministry of finance of the Republic of Uzbekistan approved estimates of expenditures and consolidated estimates of expenditures and staffing tables, as well as changes made to them, for registration;

notify subordinate organizations about changes in estimates of expenditures and staffing tables;

provide organization and control over budgetary accounting in subordinate organizations;

receive financial statements from subordinate organizations;  
submit to Ministry of finance of the Republic of Uzbekistan consolidated financial statements for relevant periods.

Spending units may have other budget authorities in accordance with the legislation.

### **Article 32. Budget authorities of budget organizations and recipients of budget funds**

Budget authorities of budget organizations and recipients of budget funds:

submit a budget request to a spending unit, and in the absence of the spending unit — to the corresponding territorial financial authority in accordance with the procedure established by [article 89](#) of this Code;

approve estimates of expenditures and submit them to a spending unit, and in the absence of the spending unit — to the corresponding territorial financial authority for registration within the limits of budgetary appropriations;

manage the budgetary allocations provided in accordance with estimates of expenditures in compliance to their intended purpose;

conclude contracts with suppliers of goods (works, services) within the limits of budgetary allocations;

make changes to the estimates of expenditures in the manner prescribed by [article 150](#) of this Code;

submit financial statements for the relevant period to a spending unit, and in the absence of the spending unit — to the corresponding territorial financial authority.

Budget organizations, along with authorities specified in [first part](#) of this article, also:

approve staffing tables and submit them to a spending unit, and in the absence of the spending unit — to the corresponding territorial financial authority for registration within the limits of budgetary allocations;

make changes to the staffing tables in the manner prescribed by [article 150](#) of this Code;

in order to prevent overdue receivables and payables, submit, on a timely manner, relevant documents to the courts and treasury departments, and also ensure the fulfillment of contractual obligations;

conduct budgetary accounting and prepare financial statements;

form and use extra-budgetary funds of budget organizations.

Budget organizations and recipients of budget funds may have other budget authorities in accordance with the legislation.

### **Article 33. Budget authorities of spending units of state trust funds**

Spending units of state trust funds:

prepare and submit to Ministry of finance of the Republic of Uzbekistan draft budgets of state trust funds;

register estimates of expenditures on funds of state trust funds, as well as changes made to them;

inform, on a quarterly basis, the state tax and customs authorities on the forecast of budget revenues of state trust funds;

prepare and submit to the Cabinet of Ministers of the Republic of Uzbekistan proposals on amendments to budgets of state trust funds in the manner prescribed by [article 149](#) of this Code;

monitor the completeness and timeliness of receipts to state trust funds of compulsory payments and other receipts;

submit to Ministry of finance of the Republic of Uzbekistan reports on the execution of budgets of state trust funds for the relevant period;

monitor the targeted use of state trust funds;

identify additional reserves for increasing revenues in the process of executing budgets of state trust funds;

optimize the expenditures of state trust funds;

manage resources of state trust funds on the Single treasury account and other bank accounts;

conduct budgetary accounting of the execution of budgets of state trust funds;  
carry out financial and economic examination of normative-legal acts impacting the equilibrium of revenues and expenditures of budgets of state trust funds.

Spending units of state trust funds may also have other budget authorities in accordance with the legislation.

## **Section II. Budgets of the budget system**

### **Chapter 5. State budget**

#### **Article 34. Structure of State budget**

State budget consists of budgets of the following levels:

republican budget of the Republic of Uzbekistan;

budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

#### **Article 35. Structure of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent**

Structure of the budget of the Republic of Karakalpakstan includes the republican budget of the Republic of Karakalpakstan, budgets of districts and cities of the Republic of Karakalpakstan.

Structure of local budgets of regions includes regional budgets and budgets of districts and cities of the relevant regions.

Structure of local budget of city of Tashkent includes the city budget and budgets of the districts that make up the city.

### **Chapter 6. State trust funds and extra-budgetary funds of budget organizations**

#### **Article 36. State trust funds**

State trust funds are created for the implementation of state functions, their funds are formed from deductions from taxes, compulsory payments and fines, as well as budget subsidies.

State trust funds are created by decisions of the President of the Republic of Uzbekistan.

State trust funds can be created in the form of a legal entity or without the formation of a legal entity.

#### **Article 44. Extra-budgetary funds of budget organizations**

Extra-budgetary funds of budget organizations are:

Development funds of budget organizations;

Fund for material incentives and development of healthcare organizations;

extra-budgetary funds of ministries, state committees and departments;

extra-budgetary funds of budget organizations generated from charged fees.

## **Section III.**

### **Consolidated budget of the Republic of Uzbekistan. Fund for Reconstruction and Development of the Republic of Uzbekistan**

#### **Chapter 7. Consolidated budget of the Republic of Uzbekistan**

#### **Article 45. Objectives of preparing Consolidated budget of the Republic of Uzbekistan**

Consolidated budget of the Republic of Uzbekistan is drawn up by Ministry of finance of the Republic of Uzbekistan based on the results of the financial year for analytical purposes and accounting for all receipts and expenditures of budgets of the budget system (with the exception of extra-budgetary funds of budget organizations) and funds of the Fund for Reconstruction and Development of the Republic of Uzbekistan, without including transfers between them.

#### **Article 46. Components of Consolidated budget of the Republic of Uzbekistan**

Components of Consolidated budget of the Republic of Uzbekistan include:

State budget;

budgets of state trust funds;

funds of the Fund for Reconstruction and Development of the Republic of Uzbekistan.

List of state trust funds included in consolidated budget of the Republic of Uzbekistan is approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan.

## **Chapter 8. Fund for Reconstruction and Development of the Republic of Uzbekistan**

### **Article 47. General provisions**

Fund for Reconstruction and Development of the Republic of Uzbekistan is a financial institution under the Cabinet of Ministers of the Republic of Uzbekistan that accumulates funds specified by this Code to finance priority investment projects and projects for modernization and technical re-equipment of the basic sectors of the economy in order to ensure a dynamic, sustainable and balanced socio-economic development of the country, as well as the implementation of effective structural and investment policies.

Highest governing body of the Fund for Reconstruction and Development of the Republic of Uzbekistan is the Management council of the Fund for Reconstruction and Development of the Republic of Uzbekistan, the composition of which is determined by the decision of the President of the Republic of Uzbekistan.

Executive body and administrator of the resources of the Fund for Reconstruction and Development of the Republic of Uzbekistan is the Executive directorate of the Fund for Reconstruction and Development of the Republic of Uzbekistan.

Executive directorate of the Fund for Reconstruction and Development of the Republic of Uzbekistan submits to the Chamber of accounts and Ministry of finance of the Republic of Uzbekistan:

annually, by July 1, draft of revenues and expenditures of the Fund for Reconstruction and Development of the Republic of Uzbekistan for the upcoming year;

quarterly, by the 25th day of the month following the reporting quarter, a report on the execution of revenues and expenditures of the Fund for Reconstruction and Development of the Republic of Uzbekistan.

### **Article 48. Revenues of the Fund for Reconstruction and Development of the Republic of Uzbekistan**

Revenues of the Fund for Reconstruction and Development of the Republic of Uzbekistan are generated from:

proceeds from the excess of world prices for strategic resources over the cut-off prices established by the decisions of the President of the Republic of Uzbekistan in the framework of approving the forecast of key macroeconomic indicators and parameters of State budget;

income from management of assets of the Fund for Reconstruction and Development of the Republic of Uzbekistan, including from investment of clear balances of funds of the Fund for Reconstruction and Development of the Republic of Uzbekistan;

other sources in accordance with the legislation.

Resources of the Fund for Reconstruction and Development of the Republic of Uzbekistan are formed in foreign currency on its accounts opened in Central Bank of the Republic of Uzbekistan.

Central Bank of the Republic of Uzbekistan converts funds in national currency received on the accounts of the Fund for Reconstruction and Development of the Republic of Uzbekistan into foreign currency at the current rate of Central Bank of the Republic of Uzbekistan as of the date of receipt of funds with their subsequent crediting to its foreign currency account.

### **Article 49. Use of resources of the Fund for Reconstruction and Development of the Republic of Uzbekistan**

Resources of the Fund for Reconstruction and Development of the Republic of Uzbekistan are used for:

financing investment projects included in state development programs;

provision of concessional loans to finance projects on the development and reconstruction of industrial infrastructure for the subsequent development of new industrial production;

investing in the authorized capital of newly created financial institutions and strategic enterprises with foreign investments in the main sectors of the economy;

advanced repayment of obligations to international financial institutions and foreign creditors on public external borrowings;

within the framework of programs approved by the President of the Republic of Uzbekistan or the Cabinet of Ministers of the Republic of Uzbekistan, modernization, technical and technological re-equipment, accelerated financing and implementation of investment projects through credit lines in foreign currency opened for commercial banks;

financing the development of preliminary or final feasibility studies of individual projects on a grant basis or through the provision of interest-free loans;

provision, in accordance with approved state programs, of concessional loans for the procurement of new modern foreign technologies, machinery and equipment and other strategic goods;

grant financing of national socially important state programs and projects aimed at formation of production and non-production infrastructure;

co-financing, jointly with commercial banks, of investment programs (business plans) of borrowing enterprises, including those aimed at technically re-equipping production, increasing the utilization of production capacity, increasing the rate of production of competitive products and their export, ensuring the growth of value addition;

covering expenses related to operations of the executive office and management of the Fund for Reconstruction and Development of the Republic of Uzbekistan.

## **Section IV.**

### **Revenues of budgets of the budget system**

#### **Chapter 9. Revenues of State budget**

##### **Article 50. Formation of revenues of State budget**

Revenues of State budget are formed from:

taxes and other compulsory payments;

proceeds from allocation, provision for use and sale of state assets;

funds transferred to the state by inheritance, donation;

gratuitous cash receipts from legal entities and individuals, as well as foreign states;

payments in repayment of budget loans granted to legal entities - residents and loans issued to foreign countries;

other revenues in accordance with the law.

##### **Article 51. Formation of revenues of the republican budget of the Republic of Uzbekistan**

Revenues of the republican budget of the Republic of Uzbekistan are formed from:

1) national taxes, including:

corporate income tax;

single tax payment;

personal income tax;

value added tax;

excise tax;

subsoil use tax;

2) customs duties;

3) excess profit tax;

4) other revenues. Other revenues include proceeds from payments of signature bonus and commercial discovery bonus, government duties, fees, refunds, compensation payments, penalties and receipts from the sale of property transferred into government revenue, sent to the republican

budget of the Republic of Uzbekistan in accordance with the legislation; proceeds from allocation, provision for use and sale of state assets in accordance with specified standards, funds that have transferred to the state upon succession and donation, gratuitous cash receipts from legal entities and individuals, as well as foreign states, payments in repayment of budget loans issued to legal entities - residents and loans granted to foreign countries, dividends (income) on the state share of stocks (share), excluding dividends (income) on the share of local government bodies, fees for using a subscriber number by legal entities providing mobile communication services (cellular companies), share of the state in profitable products under production sharing agreements, profit of Central Bank of the Republic of Uzbekistan and other revenues in accordance with legislation.

## **Article 52. Formation of revenues of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent**

Revenues of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent are formed from:

1) national taxes, in accordance with specified standards, including:

corporate income tax;

single tax payment;

personal income tax;

flat tax for certain types of entrepreneurial activity;

value added tax;

excise tax;

subsoil use tax;

water use tax;

2) local taxes and other compulsory payments, including:

property tax;

land tax;

single land tax;

fee for the right to retail trade in certain types of goods and provision of certain types of services;

3) gratuitous cash receipts from legal entities and individuals, as well as foreign states;

4) revenues from markets;

5) other revenues. Other revenues include proceeds from the sale of property transferred into government revenue, proceeds from allocation, provision for use and sale of state assets in accordance with specified standards, state duties, fees, refunds and penalties sent to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent in accordance with legislation; proceeds from the sale of ownerless property, property transferred to the state upon succession, treasures, legally to be transferred into state revenue, dividends (income) on the share of local government bodies, and other revenues in accordance with legislation.

Subventions, transferred revenues, grants and targeted social transfers allocated from the republican budget of the Republic of Uzbekistan are considered revenues of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent.

Taxes for the use of water resources, flat taxes on certain types of entrepreneurial activity, excise taxes on beer produced in the Republic of Uzbekistan are credited to revenues of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Local taxes and other compulsory payments, in accordance with the specified standards, can be reallocated between the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent and budgets of districts and cities.

## **Chapter 11. Revenues of extra-budgetary funds of budget organizations**

### **Article 60. Formation of revenues of Development funds of budget organizations**

Revenues of Development funds of budget organizations are formed from:

saved-up funds of estimate of expenditures as of the last business day of the reporting quarter, with the exception of funds provided for financing capital investments;

income from the sale of goods (works, services) by activity profile;  
part of the funds received from the lease of property recorded on the balance sheet of a budget organization;  
funds left in the prescribed manner at the disposal of budget organizations;  
funds received from charity.

Revenues to Development funds of budget organizations from the sale of goods (works, services) by budget organizations are defined as a positive difference between the proceeds from sales and the costs of producing goods (works, services).

#### **Article 61. Formation of revenues of Fund for material incentives and development of healthcare organizations**

Revenues of Fund for material incentives and development of healthcare organizations are formed from:

budget allocations in the amount of up to 5 percent of the total amount allocated to a healthcare organization;

income from the sale of goods (works, services) by activity profile;

saved-up funds of estimate of expenditures as of the last business day of the reporting quarter, with the exception of funds provided for financing capital investments;

part of the funds received from the lease of property recorded on the balance sheet of a healthcare organization;

funds left in the prescribed manner at the disposal of budget organizations;

funds received from charity.

Revenues to Fund for material incentives and development of healthcare organizations from the sale of goods (works, services) by healthcare organizations are defined as a positive difference between the proceeds from sales and the cost of producing goods (works, services).

#### **Article 62. Formation of revenues of extra-budgetary funds of ministries, state committees and departments**

Revenues of extra-budgetary funds of ministries, state committees and departments are generated in the prescribed manner from deductions from state duties, fees and non-tax payments, administrative fines and financial sanctions.

#### **Article 63. Formation of extra-budgetary funds of budget organizations from charged fees**

Budget organizations generate extra-budgetary funds from fees charged:

for caring for students and pupils in public preschool educational institutions, day-care groups in general education schools, residential schools, specialized residential schools of the Olympic reserve and other educational institutions;

for teaching pupils in children's music and art schools and out-of-school education institutions;

for training in higher and secondary specialized professional educational institutions;

for meals provided to patients being treated in inpatient medical and prophylactic institutions;

other fees in accordance with the legislation.

Amounts, procedure for payment and use of charged fees, as well as reduced payments on charged fees are established by law.

### **Chapter 12. Non-repayable aid**

#### **Article 64. Types of non-repayable aid**

Non-repayable aid is provided in the form of humanitarian aid and technical assistance funds.

Humanitarian aid is granted in order to provide medical and social assistance to socially vulnerable groups of the population, support social institutions, prevent and eliminate the



consequences of natural disasters, accidents and catastrophes, epidemics, epizootics and other emergencies in the form of medicines and medical products, food, consumer goods, other goods, including equipment, means of transport and machinery, as well as voluntary donations, performed works and rendered services, including transportation, escort and storage of humanitarian aid. Tobacco products, alcoholic beverages, military goods, as well as goods prohibited for import cannot be classified as humanitarian aid.

Technical assistance funds are provided in the form of grants in kind and in cash for the purchase of equipment and technologies, for carrying out research and development work, scientific or other research, treatment, training, advanced training and retraining of personnel, for provision of consulting services and other purposes in accordance with legislation.

Recipients of humanitarian aid and technical assistance funds can be the Republic of Uzbekistan, the Government of the Republic of Uzbekistan, non-state non-profit organizations, self-government bodies of citizens, as well as legal entities and individuals whose activities are not aimed at generating profit.

Use for commercial purposes of goods received in the Republic of Uzbekistan under non-repayable aid is prohibited.

Whether funds, goods, works and services constitute non-repayable aid is determined by the procedure prescribed by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 65. Attracting humanitarian aid**

Annually, by July 1, territorial and sectoral commissions for humanitarian aid send proposals on attracting humanitarian aid to Ministry of finance of the Republic of Uzbekistan.

Ministry of finance of the Republic of Uzbekistan, on the basis of proposals from territorial and sectoral commissions on humanitarian aid, no later than July 31, submits a consolidated request for humanitarian aid for the following year for approval by the Cabinet of Ministers of the Republic of Uzbekistan.

Attraction of humanitarian aid is carried out on the basis of a consolidated request for humanitarian aid approved by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 66. Attracting technical assistance funds**

List of priority technical assistance projects for the following year is drawn up by Ministry of economy of the Republic of Uzbekistan by May 31 of the current year based on proposals from ministries, state committees and departments, the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent (project initiators) and is submitted for approval to the Cabinet of Ministers of the Republic Uzbekistan.

Technical assistance for the following year is worked out with donors on the basis of the list of priority technical assistance projects approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Implementation of the list of priority technical assistance projects worked out with donors is approved by the Cabinet of Ministers of the Republic of Uzbekistan by February 10 of the following year.

#### **Article 67. Responsibilities of recipients of non-repayable aid**

Recipients of non-repayable aid are responsible for:

- coordinating with the Cabinet of Ministers of the Republic of Uzbekistan and the relevant ministries, state committees and departments agreements on non-repayable aid projects with donors and timely fulfillment of the obligations assumed under them;
- ensuring targeted and efficient use of the received non-repayable aid;
- ensuring that received non-repayable aid is reflected in the accounting and reporting;
- timely customs clearance of goods received under non-repayable aid;
- submitting report on the receipt and use of non-repayable aid.

Recipients of technical assistance funds, along with the responsibilities specified in [first part](#) of this article, are also responsible for:

submitting for approval by the Cabinet of Ministers of the Republic of Uzbekistan of an action plan for implementation of a technical assistance project and a schedule for its development;  
opening special accounts in authorized banks for receiving technical assistance funds;  
submitting to Ministry of finance of the Republic of Uzbekistan the final report on the implementation of the technical assistance project.

#### **Article 68. Non-repayable aid provided by the Republic of Uzbekistan**

Decision on the provision of non-repayable aid by the Republic of Uzbekistan is made by the President of the Republic of Uzbekistan.

Authorized body that provided non-repayable aid on behalf of the Republic of Uzbekistan, by March 1 of the year following the reporting year, submits financial statements to Ministry of finance of the Republic of Uzbekistan.

### **Section V. Expenditures of budgets of the budget system**

#### **Chapter 13. Expenditures of State budget**

#### **Article 69. Structure of expenditures of State budget**

Expenditure side of State budget consists of:

expenditures on social sphere and social support of the population;  
expenditures for state support of non-governmental non-profit organizations and other civil society institutions;  
expenditures on the economy;  
expenditures on financing centralized investments;  
expenditures for maintenance of bodies of state authority and management, justice and procuracy authorities;  
expenditures for maintenance of courts;  
expenditures for maintenance of citizens' self-government bodies;  
other expenditures.

Expenditure side of State budget takes into account reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities.

#### **Article 70. Expenditures of the republican budget of the Republic of Uzbekistan**

The following expenditures are carried out from the republican budget of the Republic of Uzbekistan:

1) on social sphere and social support of the population, including expenditures on:  
maintenance of institutions of preschool education, general secondary education, secondary specialized and vocational education, higher education, postgraduate education, out-of-school education, advanced training and retraining of personnel, orphanages, institutions for information and methodological support of educational institutions, educational institutions subordinated to ministries and departments, other support institutions, as well as activities in the education sector, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Uzbekistan;

maintenance of the republican center for emergency medical care, the republican AIDS center, State sanitary and epidemiological surveillance, prevention of quarantined and especially dangerous infections, clinics of research institutes and higher educational institutions, republican institutions of blood banking and forensic medical examination, other medical and prophylactic institutions and support institutions subordinated to republican ministries and departments, as well as payment for services, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Uzbekistan;

reimbursement of costs (subsidies) of republican specialized centers for medical services rendered by them in accordance with the legislation to certain categories of citizens;

implementation of measures aimed at protecting health of citizens — in accordance with the adopted state programs;

maintenance of cultural, physical training and sports institutions subordinated to republican ministries and departments, maintenance and payment for services on creation and distribution of television and radio programs, maintenance of mass media on certain government decisions, creation of films and video products, restoration work at cultural heritage sites, targeted activities aimed at developing culture and sports in accordance with the approved calendar plans, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Uzbekistan;

scientific and technical projects implemented under grants within the framework of state scientific and technical programs of fundamental and applied research and innovative work, maintenance of unique scientific objects and institutions serving science, examination of scientific projects and certain scientific activities, carried out, in accordance with the legislation, at the expense of the republican budget of the Republic of Uzbekistan;

maintenance of state archives;

maintenance of care houses and sanatoriums for war and labor veterans, institutions of social protection of the population subordinated to republican ministries and departments, as well as targeted measures for social protection of the population, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Uzbekistan;

payment of one-off state monetary awards and prizes in connection with the awarded state decorations and prizes;

allocation of funds to authorized bodies for payment of benefits to people with disabilities from childhood and maternity grants, compensations established by law for certain categories of persons;

social support of persons who participated in the liquidation of the consequences of the Chernobyl NPP accident, and persons of retirement age who served in radiation-nuclear facilities, payment of benefits and compensations established by law for certain categories of persons, financing of public works;

2) on state support of the activities of non-state non-profit organizations and other institutions of civil society in the form of state grants, subsidies and social service procurement;

3) on the economy, including:

expenditures of republican control bodies in the field of agro-industrial complex and food security, water and forestry, costs of payment for services and maintenance of institutions for combating pests of agricultural crops;

expenditures on financial support to farms producing agricultural products for state needs on low-yielding lands;

budget appropriations corresponding to receipts from single land tax paid by agricultural producers, and targeted budget appropriations within the limits of the annually approved main parameters of the Irrigated land reclamation fund under the Cabinet of Ministers of the Republic of Uzbekistan;

expenditures on standardization and certification, topographic, geodetic, cartographic, cadastral, and geological surveys, maintaining the state urban planning cadastre, payment for use of land for a fee in neighboring states, maintaining institutions of the hydrometeorological service, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Uzbekistan;

expenditures related to ensuring the protection of the environment and landscapes, protection of biodiversity;

expenditures on the development of drinking water supply systems through the fund for Development of water supply and sewerage systems.

4) on financing centralized investments, the employers of which are republican ministries, state committees and departments;

5) on maintenance of bodies of state authority and management, justice and procuracy authorities, including:

Chambers of the Oliy Majlis of the Republic of Uzbekistan;  
Administration of the President of the Republic of Uzbekistan;  
Cabinet of Ministers of the Republic of Uzbekistan;  
Constitutional Court of the Republic of Uzbekistan;  
Central Election Committee of the Republic of Uzbekistan;  
secretariat of the Commissioner of the Oliy Majlis of the Republic of Uzbekistan for Human Rights (Ombudsman);

bodies of state administration, which are financed, as prescribed by legislation, from the republican budget of the Republic of Uzbekistan;

institutions of the Republic of Uzbekistan abroad;

justice and procuracy authorities.

6) on maintaining the courts;

7) on formation of the reserve fund of the Cabinet of Ministers of the Republic of Uzbekistan;

8) other expenditures:

funds allocated to political parties to finance their charter activities;

refunding of value added tax as prescribed by law;

expenditures on payment of membership fees and participation in financing of international organizations, of which the Republic of Uzbekistan is a member;

expenditures related to servicing the public debt and fulfillment of the guarantee obligations of the Republic of Uzbekistan;

payment for state ordered statistical work;

expenditures of the Central election committee of the Republic of Uzbekistan on preparation and conduct of elections and referendums, including financing of district and territorial election committees, political parties;

expenditures related to formation, maintenance and renewal of state and strategic reserves;

funds allocated for defense, ensuring public order and security, customs authorities, including the cost of pensions and benefits to persons who served in the military, internal affairs bodies, customs authorities, and their families, as well as institutions, organizations and departments whose activities financed from the republican budget of the Republic of Uzbekistan in accordance with the legislation;

other expenditures in accordance with the legislation.

Republican budget of the Republic of Uzbekistan can allocate, according to the established procedure:

subventions, transferred revenues, subsidies and targeted social transfers to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent;

budget loans and subsidies to state trust funds;

budget loans and credit lines to legal entities and loans to foreign countries.

#### **Article 71. Expenditures of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent**

The following expenditures are carried out from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent:

1) on social sphere and social support of the population, including expenditures on:

maintenance of institutions of general secondary education, out-of-school education, advanced training and retraining of teaching staff, other support and methodological educational institutions;

maintenance of orphanages, state children's communities, support services and targeted activities in the education sector, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

maintenance of a branch of the Republican center for emergency medical aid, multidisciplinary and specialized medical centers, specialized hospitals and dispensaries, maternity hospitals and obstetrics complexes, centers for medical diagnosis and state sanitary and

epidemiological surveillance, blood banking institutions and forensic medical examination, a branch of the Institute of health and medical statistics, other medical institutions and support organizations of medical and labor expert commissions subordinated to the territorial health management bodies, as well as payment for services, financing of which, as prescribed by legislation, is provided from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

implementation of measures aimed at protecting the health of citizens - in accordance with the adopted state programs;

maintenance of cultural, physical training and sports institutions subordinated to the territorial authorities of culture, physical training and sports, as well as targeted measures for the development of culture and sports;

maintenance of archives of the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent;

maintenance of care facilities, care homes and sanatoriums for the elderly and disabled and rehabilitation centers for disabled people subordinated to the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, other institutions, as well as targeted measures for social protection of the population;

compensation for losses to urban passenger transport in connection with the provision of services for the carriage of passengers and baggage at cap rates, as well as reduced transportation tariffs for certain categories of citizens;

social benefits and material assistance to low-income families and material assistance to families affected by natural disasters.

2) on the economy, including expenditures on:

maintenance of agricultural organizations, including payment for services of institutions on the fight against animal diseases, work on land reclamation, as well as maintenance of water management organizations;

repair work carried out by housing and utilities infrastructure facilities;

maintenance of specified technical sections of waterways;

improvement of settlements;

maintenance of forestry plant quarantine as prescribed by law;

3) on financing centralized investments, the employers of which are the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent;

4) on maintenance of bodies of local state authority and management, including:

Jokargy Kenes of the Republic of Karakalpakstan;

Council of Ministers of the Republic of Karakalpakstan, ministries, state committees and departments of the Republic of Karakalpakstan, hokimiyats, administrations and departments of hokimiyats of regions and city of Tashkent and other territorial subdivisions of bodies of state authority, financing of which is provided from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of the city Tashkent;

5) on formation of reserve funds of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

6) on compensation for losses caused to legal entities and individuals in connection with the withdrawal of land plots for state or public needs;

6<sup>1</sup>) on implementation of measures and addressing the tasks assigned to the military-administrative sector;

7) on organizations and activities that are financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent.

Budgetary loans, subsidies, subventions, revenues transfers and targeted social transfers from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent may be allocated to budgets of districts and cities.

## **Article 72. Expenditures of budgets of districts and cities**

The following expenditures are carried out from budgets of districts and cities:

- 1) on social sphere and social support of the population, including expenditures on:
  - maintenance of district (city) departments of public education and departments of preschool education, as well as their subordinate institutions of preschool education, general secondary education, out-of-school education and activities in the education sector, financing of which, as prescribed by legislation, is provided from budgets of districts and cities;
  - maintenance of district medical associations, district central polyclinics and dispensaries without beds, treatment and prevention facilities subordinated to medical associations of districts (cities), family polyclinics, rural medical centers;
  - implementation of measures aimed at protecting the health of citizens - in accordance with the adopted state programs;
  - maintenance of cultural institutions subordinated to district (city) departments of culture, physical training and sports institutions subordinated to district (city) departments of physical training and sports, as well as targeted activities for the development of culture, physical training and sports, children's schools of music and art;
  - home based social assistance, social support for persons who participated in the liquidation of the consequences of the accident at the Chernobyl NPP, and persons of retirement age who served at radiation-nuclear facilities;
- 2) on the economy, including expenditures on:
  - maintenance of veterinary and live-stock development departments, laboratories of districts and cities, irrigation departments of districts (Kuvassay city) under basin administrations of irrigation systems;
  - repair of streets in cities and other settlements, as well as inter-farm rural highways;
  - repair work carried out by housing and utilities infrastructure facilities;
  - improvement of settlements;
- 3) on maintenance of hokimiyats and departments of hokimiyats of districts and cities, as well as other territorial subdivisions of bodies of state authority, financing of which is provided from budgets of districts and cities;
- 4) on maintenance of citizens' self-government bodies;
- 5) on formation of reserve funds of budgets of districts and cities;
- 6) others, including expenses of individual organizations and activities, financing of which, as prescribed by legislation, is provided from budgets of districts and cities.

**Article 73. Reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of cities and districts**

Reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are established in order to ensure timely and uninterrupted financing during respective current year of additional and unforeseen expenditures in the economic, socio-cultural and other spheres.

Reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are formed from revenues received, respectively, by republican budget of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities.

Sizes of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent are determined during approval of the forecast on key macroeconomic indicators and main parameters of the state budget.

Sizes of reserve funds of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are determined during approval of parameters of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Spending units of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are, respectively, the Cabinet of Ministers of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities.

Proposals on the use of resources of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities, preliminarily agreed with the financial authorities, are submitted in the prescribed manner by the initiators, respectively, to the Cabinet of Ministers of the Republic of Uzbekistan, the Council of Ministers Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities.

Resources of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are used in accordance with the decisions, respectively, of the President of the Republic of Uzbekistan, the Cabinet of Ministers of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, districts and cities for specified purposes and in the indicated amounts.

If State budget provides funds for the same purposes, for which it is proposed to allocate additional resources from reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities, then proposals for the use of resources of the relevant reserve funds are submitted only after the amounts previously provided from the relevant budget have been spent.

If the activities, for which resources of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities were allocated, have certain periods, then the funds remaining unused after end of these respective periods are restored within ten working days to the appropriate reserve fund.

Budget funds allocated from reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities and unused during the relevant financial year, are restored to the corresponding budgets at the end of the financial year.

Recipients of resources of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities, on a quarterly basis, submit to Ministry of finance of the Republic of Uzbekistan and the relevant territorial financial authorities reports on the use of funds allocated from the corresponding reserve funds.

## **Chapter 15. Expenditures of extra-budgetary funds of budget organizations**

### **Article 81. Expenditures of Development funds of budget organizations and Fund for material incentives and development of healthcare organizations**

Resources of Development funds of budget organizations and Fund for material incentives and development of healthcare organizations are used for:

- payment of temporary disability benefits and repayment of existing accounts payable;
- measures to strengthen the material and technical base of budget organizations
- material incentivizing of employees of budget organizations.

If a budget organization has unpaid temporary disability benefits and overdue accounts payable, resources of Development fund of a budget organization are spent primarily on paying off these debts.

Share of funds directed to areas specified in paragraphs three and four of first part of this article is determined by the decision of the Cabinet of Ministers of the Republic of Uzbekistan.

Entire amount of charity funds provided by legal entities and individuals to budget organizations, unless otherwise agreed by the benefactor, is spent on strengthening the material and technical base of budgetary organizations.

## **Article 82. Expenditures of extra-budgetary funds of ministries, state committees and departments**

Resources of extra-budgetary funds of ministries, state committees and departments are used for:

- strengthening the material and technical base;
- material incentives for employees;
- covering other expenses.

It is prohibited to maintain additional staff at the expense of extra-budgetary funds of ministries, state committees and departments, except for cases specified by the Cabinet of Ministers of the Republic of Uzbekistan.

Procedure for the formation and use of resources of extra-budgetary funds of ministries, state committees and departments is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

### **Special part**

## **Section VI. Drawing up, review, adoption and approval of State budget and budgets of state trust funds**

### **Chapter 16. Procedure for drawing up drafts of State budget and budgets of state trust funds**

#### **Article 83. Development of draft Law on State budget**

Draft Law on State budget and budget guidelines for the next two years are developed on the basis of the priorities of socio-economic development and mid-term forecast of macroeconomic indicators.

Development of draft Law on State budget includes:

- submission of the procedure for drawing up a budget request;
- preparation and submission of budget requests and forecasts on key macroeconomic indicators;
- review and summary of budget requests;
- development of a budget message.

#### **Article 84. Bodies responsible for drawing up drafts of State budget and budgets of state trust funds**

Bodies responsible for drawing up a draft of State budget are:

- Ministry of finance of the Republic of Uzbekistan;
- ministries, state committees and departments, local bodies of state authority responsible for drawing up drafts of budgets and providing information and data requested by Ministry of finance of the Republic of Uzbekistan.

Bodies responsible for drawing up drafts of budgets of state trust funds are spending units of state trust funds.

#### **Article 85. Budget request**

Budget request includes:

- analytical report on the results achieved during previous year and the expected results for the current year, including quantitative and qualitative indicators of the activities of a budget organization, recipient of budget funds and spending unit related to the use of funds from budgets of the budget system;

- register of expenditure obligations with indicated normative-legal acts, contracts and (or) their specific provisions serving as a basis for their introduction (execution) and specifying sources of funding and validity periods;

- development program of a spending unit;



budget fund request for the upcoming period, drawn up in conjunction with a development program of a spending unit.

Together with a budget request, the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, spending units of state trust funds submit revenue forecasts for respective budgets and state trust funds for the upcoming period.

Procedure for drawing up a budget request is determined:

for State budget — by Ministry of finance of the Republic of Uzbekistan;

for state trust funds — by their spending units.

### **Article 86. Analytical report on results achieved during previous year and expected results for current year**

Analytical report on the results achieved during previous year and the expected results for the current year is drawn up by a budget organization, recipient of budget funds and spending unit and is used to evaluate the activities of a budget organization, recipient of budget funds and spending unit and prepare proposals on the advisability of their further financing from budgets of the budget system.

Analytical report on the results achieved during previous year and the expected results for the current year includes information on key quantitative and qualitative indicators of results by each type of activity of a budget organization, recipient of budget funds and spending unit achieved during previous year and the expected results for the current year.

Analytical report on the results achieved during previous year and the expected results for the current year should be presented in a concise and clear form and should not contain special terms that may complicate its understanding by persons who do not have professional knowledge in the relevant field.

### **Article 87. Register of expenditure obligations**

Register of expenditure obligations is a list of types of activities and measures implemented by a budget organization, recipient of budget funds and spending unit with indicated relevant act of legislation that constitute grounds for their financing from budgets of the budget system.

Register of expenditure obligations is drawn up by a budget organization, recipient of budget funds and spending unit for the analysis of the expenditures carried out by them regarding the expenditures' reasonability as per the budget classification.

### **Article 88. Development program of a spending unit**

Development program of a spending unit is drawn up by a spending unit for a period of at least three years and includes:

key directions of development, goals and objectives across the entire field of activities of a spending unit;

a set of interrelated legal, economic, social, organizational and technical measures aimed at achieving goals and objectives;

system of indicators of expected results with agreed deadlines and types that ensure the achievement of goals and objectives.

Development program of a spending unit is based on the goals and objectives determined by the laws of the Republic of Uzbekistan, decisions of the President of the Republic of Uzbekistan, Chambers of the Oliy Majlis of the Republic of Uzbekistan and the Cabinet of Ministers of the Republic of Uzbekistan.

Development program of a spending unit is approved by respective spending unit by agreement with the higher authority.

### **Article 89. Budget fund request**

Budget fund request is drawn up by a budget organization, recipient of budget funds and spending unit.

Budget fund request drawn up by a budget organization or a recipient of budget funds is submitted to the relevant spending unit within the time period established by the spending unit, but

no later than the date of submission of budget request to the relevant financial authority and the spending unit of the state trust fund.

Budget fund request reflects the expenditures at the expense of budgets of the budget system for the previous and current years and for the next three years in accordance with the budget classification.

Spending unit, based on budget fund requests of its subordinated budget organizations and recipients of budget funds, draws up a consolidated budget fund request.

Consolidated budget fund request of a spending unit is drawn up in conjunction with development program of respective spending unit.

Increase in the volume of expenditures in a budget fund request compared to previous years is allowed only if it is supported by legislative authority and if this increase is provided for in the development program of respective spending unit.

#### **Article 90. Submission of a procedure for drawing up a budget request**

Ministry of finance of the Republic of Uzbekistan, annually, by April 15, submits a procedure for drawing up a budget request for the upcoming period:

to spending units — for preparation of a draft of the republican budget of the Republic of Uzbekistan;

to the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent — for preparation of drafts of budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent;

Ministry of finance of the Republic of Uzbekistan requests from the State Tax Committee of the Republic of Uzbekistan, the State Customs Committee of the Republic of Uzbekistan and other ministries, state committees and departments proposals on the revenue side of the draft State budget within timeframes established by part one of this article.

Spending units, the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, spending units of state trust funds, within three working days after receiving the procedure for drawing up a budget request for the upcoming period, make decisions on the preparation of relevant budget requests with specified preparation deadlines.

Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, within three working days after the adoption of the decisions specified in [part three](#) of this article, submit the procedure for drawing up a budget request for the upcoming period:

to hokims of districts and cities — to prepare drafts of relevant budgets;

to budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent — to draw up budget requests.

Hokims of districts and cities, within three working days after receiving the procedure for drawing up a budget request for the upcoming period, make decisions on the preparation of drafts of relevant budgets with specified preparation deadlines.

Financial departments of district and city hokimiyats, within three working days after the adoption of the decisions specified in [part five](#) of this article, submit the procedure for drawing up a budget request for the upcoming period to budget organizations and recipients of budget funds financed from budgets of districts and cities to draw up budget requests.

#### **Article 91. Procedure for considering budget requests**

Consideration of budget requests is carried out:

for budget organizations and recipients of budget funds financed from budgets of districts and cities — by financial departments of district and city hokimiyats;

for budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, as well as on draft budgets of districts and cities — by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent;

for subordinate budget organizations and recipients of budget funds financed from the republican budget of the Republic of Uzbekistan — by spending units;

for spending units, on drafts of budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, as well as on draft budgets of state trust funds — by Ministry of finance of the Republic of Uzbekistan.

Consideration of proposals of State Tax Committee of the Republic of Uzbekistan, State Customs Committee of the Republic of Uzbekistan and other ministries, state committees and departments on the revenue side of the draft State budget is carried out by Ministry of finance of the Republic of Uzbekistan.

When considering budget requests, Ministry of finance of the Republic of Uzbekistan has the right to send written notifications within ten working days after receiving budget requests:

to spending units and spending units of state trust funds — about reducing expenditures due to the absence of grounds for their implementation, low socio-economic efficiency, lack of adequate growth in budget revenues, as well as about optimizing expenditures in cases of decrease in the performance indicators of budget organizations and recipients of budget funds;

to Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent and spending units of state trust funds — about adjusting the forecast on revenues and expenditures of the relevant budgets and budgets of state trust funds in cases of unreasonable understatement or overstatement of these forecasts.

In cases specified in part three of this article, spending units, Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent and spending units of state trust funds, within three working days after receiving written notifications from Ministry of finance of the Republic of Uzbekistan, are to submit updated budget requests taking into account the comments specified in these written notifications.

#### **Article 92. Deadlines for submitting budget requests**

Budget requests for upcoming period are submitted:

by budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities to the relevant financial authorities, as well as by subordinate budget organizations and recipients of budget funds financed from the republican budget of the Republic of Uzbekistan to spending units — by June 1 of current year;

by spending units to Ministry of finance of the Republic of Uzbekistan — by July 1 of current year;

by spending units of state trust funds to Ministry of finance of the Republic of Uzbekistan — by July 1 of current year.

State Tax Committee of the Republic of Uzbekistan, State Customs Committee of the Republic of Uzbekistan and other ministries, state committees and departments submit to Ministry of finance of the Republic of Uzbekistan and spending units of state trust funds proposals on forecasts of revenues of State budget and state trust funds — by June 15 of current year.

#### **Article 93. Timing for preparation of drafts of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent and budgets of state trust funds**

Drafts of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent and budgets of state trust funds for next financial year are submitted:

by financial departments of district and city hokimiyats to Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent within the time frames established by the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, but no later than June 25 of current year;

by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, spending units of state trust funds to Ministry of finance of the Republic of Uzbekistan no later than July 1 of current year.

Procedure for preparing draft budgets of state trust funds is determined by legislation.

#### **Article 94. Development of drafts of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent**

Drafts of budgets of districts and cities are developed by financial departments of district and city hokimiyats:

on revenues — based on proposals on forecasts of revenues credited to State budget and other information provided by state tax authorities, hokimiyat departments and other regional and city subdivisions of bodies of state management in accordance with the forecast on macroeconomic indicators of economic development of relevant administrative-territorial units;

on expenditures — based on budget requests from budget organizations and recipients of budget funds financed from budgets of districts and cities.

Drafts of budgets of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent are developed by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent:

on revenues — based on proposals on forecasts of revenues credited to State budget and other information provided by state tax departments and departments of hokimiyats, subdivisions of bodies of state management of the Republic of Karakalpakstan, regions and city of Tashkent in accordance with the forecast on macroeconomic indicators of economic development of the relevant administrative-territorial units;

on expenditures — based on budget requests of budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, and draft budgets of the respective districts and cities, as well as the planned amount of expenditures on certain activities financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent.

Development of drafts of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent with a deficit is not allowed.

#### **Article 95. Development of drafts of State budget and budgets of state trust funds**

Development of draft State budget is carried out by Ministry of finance of the Republic of Uzbekistan based on:

forecast on macroeconomic indicators;

forecast on State budget revenues by sources of their formation;

budget requests of spending units and planned amount of expenditures on specific activities at the expense of the republican budget of the Republic of Uzbekistan;

drafts of budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

In draft State budget, expenditures are provided based on the forecasted amount of revenues, taking into account the maximum size of State budget deficit with indicated sources of its coverage.

Draft State budget consists of:

forecast on revenues by sources of revenues and expenditures by areas of State budget in accordance with [articles 50](#) and [69](#) of this Code;

maximum size of State budget deficit and sources of its coverage.

Drafts of budgets of state trust funds, developed by spending units of state trust funds, consist of forecast on revenues by sources of revenue and expenditures by areas.

It is not allowed to develop drafts of budgets of state trust funds with a deficit if the deficit is not covered by the remaining balances of state trust funds at the beginning of the year.

#### **Article 96. Budget message**

Budget message — a document that takes into account the achieved results and provides main directions of the country's socio-economic development for the upcoming period, based on which a draft Law on State budget is developed.

Budget message includes:

the main results of the country's socio-economic development over the past year and a forecast on the country's socio-economic development for the current year, as well as the main directions of the country's socio-economic development for mid-term period;

mid-term forecast on key macroeconomic indicators used in the development of the draft State budget;

forecast assessment of the execution of State budget and budgets of state trust funds for the current year;

mid-term fiscal strategy based on the analysis of fiscal risks;

drafts of State budget and budgets of state trust funds, revenues and expenditures of the Fund for Reconstruction and Development of the Republic of Uzbekistan for the forecasted year and budget guidelines for the next two years;

information on the state of the public debt, as well as the annual limit on loans attracted by the Republic of Uzbekistan or under its guarantee.

## **Chapter 17. Procedure for the adoption of the Law on State budget**

### **Article 97. Procedure for submitting a draft Law on State budget and budget message**

Draft Law on State budget and budget message are submitted:

by Ministry of finance of the Republic of Uzbekistan to the Cabinet of Ministers of the Republic of Uzbekistan — by September 15 of current year;

by the Cabinet of Ministers of the Republic of Uzbekistan to the Administration of the President of the Republic of Uzbekistan — by September 20 of current year;

by the Cabinet of Ministers of the Republic of Uzbekistan for review and opinion to the Chamber of accounts of the Republic of Uzbekistan - by September 20 of current year. Chamber of accounts of the Republic of Uzbekistan submits the opinion on the draft Law on State budget and mid-term fiscal strategy to the Cabinet of Ministers of the Republic of Uzbekistan no later than October 5 of current year;

by the Cabinet of Ministers of the Republic of Uzbekistan to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan — as a rule, no later than October 15 of current year together with the opinion of the Chamber of accounts of the Republic of Uzbekistan.

Budget message is also submitted by the Cabinet of Ministers of the Republic of Uzbekistan to the Senate of the Oliy Majlis of the Republic of Uzbekistan, as a rule, no later than October 15 of current year.

The draft Law on State budget, mid-term fiscal strategy, reports on the execution of State budget and budgets of state trust funds are subject to mandatory public consultations prior to their submission to the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan; and in parallel, an information edition of "Citizens' budget" developed by Ministry of finance of the Republic of Uzbekistan shall be published for public consultations.

### **Article 98. Adoption of the Law on State budget**

The draft Law on State budget must be reviewed by the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan, as a rule, by November 15 of current year.

Law on State budget adopted by the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan shall be sent within five days from the date of its adoption to the Senate of the Oliy Majlis of the Republic of Uzbekistan for approval.

Law on State budget is approved by the Senate, as a rule, no later than December 15 of current year.

### **Article 99. Approval of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent**

Drafts of budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent for the next year are submitted, respectively, to the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent by the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent within one

week after the entry into force of the Law on State budget by bringing them in line with the Law on State budget.

Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent within three days make decisions, respectively, on the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Draft budgets of districts and cities for the next year are submitted, respectively, to the Kengashes of people's deputies of districts and cities by the hokimiyats within three days after the adoption of the decisions on local budgets of the Republic of Karakalpakstan, regions and city of Tashkent.

Kengashes of people's deputies of districts and cities within three days make decisions on the budgets of districts and cities.

#### **Article 100. Bringing to the notice the State budget and budgets of state trust funds**

Ministry of finance of the Republic of Uzbekistan, after the approval of the main parameters of State budget and budgets of state trust funds, brings to the notice of:

Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent the volumes of revenues and expenditures of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, as well as the volumes of subventions, subsidies and targeted social transfers provided to them from the republican budget of the Republic of Uzbekistan — within three working days;

spending units and spending units of state trust funds the volumes of revenues and expenditures specified for them — within ten working days.

After the approval of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent bring to the notice of:

hokimiyats of districts and cities the volume of revenues and expenditures of budgets of districts and cities, as well as the volumes of subventions, transferred revenue, subsidies and targeted social transfers provided to them, respectively, from the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent — within three working days;

budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent the amount of budget allocations provided for them — within a week.

After the approval of budgets of districts and cities, the financial departments of district and city hokimiyats, within a week, inform budget organizations and recipients of budget funds financed from the budgets of districts and cities on the amounts of budget allocations provided for them.

#### **Article 101. Emergency state budget of the Republic of Uzbekistan**

Emergency state budget of the Republic of Uzbekistan — a budget adopted by the decision of the President of the Republic of Uzbekistan in a state of emergency.

Executive authorities in a state of emergency exercise budgetary authorities by decision of the President of the Republic of Uzbekistan.

For the duration of the Emergency state budget of the Republic of Uzbekistan, the decisions of the Chambers of the Oliy Majlis of the Republic of Uzbekistan on State budget of the Republic of Uzbekistan, as well as decisions of the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent on the volume of revenues and expenditures of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent are suspended.

With the termination of Emergency state budget of the Republic of Uzbekistan, the parameters of State budget and budgets of state trust funds shall be clarified.

### **Chapter 18. Drawing up and approval of estimates of expenditures and staffing tables and procedure for their registration**

## **Article 102. Drawing up of estimates of expenditures of budget organizations and recipients of budget funds**

Estimates of expenditures are drawn up by budget organizations and recipients of budget funds with distribution by months of the year:

for first — third expenditure groups with a breakdown by expenditure items;

for fourth expenditure group without a breakdown by expenditure items.

Estimate of expenditures is accompanied by a breakdown of the fourth expenditure group by expenditure items, as well as by expenditures on the list of groups of goods (works, services) for state needs, which are to be procured mainly from small businesses.

Estimates of expenditures for each diplomatic mission and consular institution of the Republic of Uzbekistan abroad are drawn up in foreign and national currency based on the annual consolidated estimate of expenditures for diplomatic missions and consular institutions of the Republic of Uzbekistan abroad agreed with Ministry of finance of the Republic of Uzbekistan.

Estimates of expenditures of budget organizations and recipients of budget funds are drawn up in two copies, of budget organizations and recipients of budget funds subordinate to spending units — in three copies.

Financial authorities and spending units have the right to request the provision of calculations supporting the estimates of expenditures of budget organizations and recipients of budget funds.

Spending unit reviews the estimates of expenditures received from its subordinate organizations within the limits of the budget allocations to the spending unit for the financial year and draws up a consolidated estimate of expenditures of the spending unit and submits it to Ministry of finance of the Republic of Uzbekistan.

Forms of estimate of expenditures, consolidated estimate of expenditures and annexes to them, as well as the procedure for their preparation, are approved by Ministry of finance of the Republic of Uzbekistan.

## **Article 103. Approval of estimates of expenditures of budget organizations and recipients of budget funds**

Estimate of expenditures of a budget organization and recipient of budget funds is signed by the chief accountant of the organization (deputy chief accountant) and the head of the financial and economic unit (financial and economic specialist as per the staffing table) and approved by the head of the organization or a person authorized by the head.

Consolidated estimate of expenditures of a spending unit is signed by the chief accountant of the spending unit (deputy chief accountant) and the head of the financial and economic unit (financial and economic specialist as per the staffing table) and approved by the head of the spending unit or a person authorized by the head.

Annual consolidated estimate of expenditures of a diplomatic missions and consular institution of the Republic of Uzbekistan abroad is approved by Minister of foreign affairs of the Republic of Uzbekistan in agreement with Ministry of finance of the Republic of Uzbekistan by February 1 of current year.

Estimates of expenditures of diplomatic missions and consular institutions of the Republic of Uzbekistan abroad are approved by Minister of foreign affairs of the Republic of Uzbekistan by February 15 of current year.

Estimates of expenditures on capital construction projects are drawn up based on target lists of construction projects and itemized lists of objects approved by the employers.

Estimates of expenditures of budget organizations and recipients of budget funds, consolidated estimates of expenditures of spending units are approved no later than March 10 of current financial year.

## **Article 104. Drawing up, approval and registration of temporary estimates of expenditures of budget organizations and recipients of budget funds**

Temporary estimates of expenditures of budget organizations and recipients of budget funds for the first quarter of the next financial year are drawn up, approved and registered by December 25 of current financial year.

Budget allocations provided for in a temporary estimate of expenditures shall not exceed the budget allocations for the last quarter of the previous financial year. The budget allocations provided for in a temporary estimate of expenditures may be adjusted for the amount of expenditures for the implementation of measures specified by law.

In an estimate of expenditures submitted for registration, budget allocation for the first quarter must not be less than the budget allocation provided for in the temporary estimate of expenditures.

Drawing up, approval and registration of temporary estimates of expenditures are carried out in accordance with the requirements for the drawing up, approval and registration of estimates of expenditures as defined in [articles 102, 103 and 107](#) of this Code.

In the absence of a registered estimate of expenditures, from April 1 of the current financial year, expenditures of budget organizations and the recipients of budget funds from budget allocations are suspended until the relevant estimate of expenditures has been registered.

### **Article 105. Drawing up, approval and registration of estimates of revenues and expenditures for extra-budgetary funds of budget organizations**

Drawing up and approval of estimates of revenues and expenditures for extra-budgetary funds of budget organizations are carried out in the same way as for estimates of expenditures of budget organizations.

Consolidated estimates of revenues and expenditures for extra-budgetary funds of ministries, state committees and departments are subject to registration with Ministry of finance of the Republic of Uzbekistan within the time limit and according to the procedure prescribed for estimates of expenditures in [article 107](#) of this Code.

Revenue side of estimates of revenues and expenditures for extra-budgetary funds of budget organizations consists of the remaining balance at the beginning of the financial year and the forecast on revenues across sources.

In case of maintaining a number of employees in accordance with the legislation at the expense of extra-budgetary funds of budget organizations, the staffing table for the indicated number of employees is attached to the estimate of revenues and expenditures of extra-budgetary funds, which is subject to registration.

### **Article 106. Drawing up and approval of staffing table of a budget organization**

Staffing table of a budget organization is drawn up as of January 1 for each budget organization in accordance with pay terms established for this organization in the form approved by Ministry of finance of the Republic of Uzbekistan.

Staffing table of a newly established budget organization is drawn up and comes into force two months prior to the start of the functioning of that budget organization, unless otherwise provided by law.

Titles of positions and the number of employees, categories and base pay rates must correspond:

to positions provided for in the Classifier of key positions of employees and occupations of workers, staff standards and salary grades and base pay rates approved by law;

to the number of employees provided for in the approved staff standards;

to the approved maximum allowable total number of employees, including management personnel, financed by budget funds and extra-budgetary funds of budget organizations;

to standard ratios of the number of management, service and technical personnel of bodies of state authority, approved in accordance with the established procedure.

Positions, for which salaries are calculated in accordance with the rate-setting list, are included in a staffing table with an indication of the number of rates and monthly payroll for each group of positions, with a rate-setting list attached to the staffing table.



In the absence of approved staffing standards and grades and base pay rates for employment and labor relations for certain budget organizations, the titles of positions and the number of employees entered in their staffing tables, and their grades and base pay rates for employment and labor relations are determined by these organizations based on the specifics of the relevant organization in agreement with Ministry of employment and labor relations and Ministry of finance of the Republic of Uzbekistan.

In a staffing table of a budget organization, a separate line indicates the payroll budget allocated for the payment of bonus and extra payments and material incentives to employees, calculated on an annual basis, provided for by the current pay terms.

Staffing tables of recipients of budget funds - employer agencies for capital construction are drawn in accordance with this article.

Staffing table of a budget organization is signed by the chief accountant of the organization (deputy chief accountant) and the head of the financial and economic unit (financial and economic specialist as per the staffing table) and approved by the head of the organization or a person authorized by the head.

Staffing table of a budget organization is approved no later than March 10 of current financial year.

#### **Article 107. Procedure for registration of estimates of expenditures and staffing tables**

Estimates of expenditures and staffing tables of organizations approved in accordance with the procedure established by this Code are put into force after their registration with financial authorities.

Registration is required by April 1 of current year:

with Ministry of finance of the Republic of Uzbekistan - for approved consolidated estimates of expenditures and consolidated staffing tables, as well as estimates of expenditures and staffing tables of spending units;

with Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent — for approved estimates of expenditures and staffing tables of organizations funded from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

with financial departments of district and city hokimiyats — for approved estimates of expenditures and staffing tables of organizations financed from budgets of districts and cities.

Expenditures of organizations at the expense of the reserve fund of the Cabinet of Ministers of the Republic of Uzbekistan, reserve funds of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities, as well as additional sources of respective budgets are carried out based on the estimates of expenditures registered by the relevant financial authority.

Prior to the registration of estimates of expenditures and staffing tables, the financial authorities check:

correspondence of the amounts approved according to estimates of expenditures for salaries of employees of budget organizations to the salaries specified according to staffing tables;

correspondence of the position titles and the number of employees, grades, base salaries provided for in the staffing tables to the established standards;

correctness of the formation of Special funds for material incentives for employees of budget organizations;

correctness of the formation of Director's funds of general, secondary specialized and professional educational institutions;

correspondence of the expenditure amounts for scholarships approved in the estimates of expenditures to estimate of expenditure calculations;

correspondence of the expenditure amount in the itemized breakdown for the fourth group to the amount approved in the estimate of expenditures.

## **Article 108. Drawing up, approval and registration of estimates of expenditures for state trust funds**

Estimates of expenditures for state trust funds are drawn up and approved by the recipients of resources of state trust funds with a monthly breakdown within their approved annual parameters.

Forms of estimates of expenditures on resources of state trust funds and annexes to them, as well as the procedure for their drawing up are approved by spending units of state trust funds.

Estimates of expenditures on resources of state trust funds are approved no later than March 10 of current year.

Approved estimates of expenditures on resources of state trust funds are registered by spending units of state trust funds no later than April 1 of current year.

## **Section VII. Execution of budgets of the budget system**

### **Chapter 19. Procedure for execution of budgets of the budget system**

#### **Article 109. General provisions**

Execution of budgets of the budget system requires ensuring the established by legislation revenues and implementation of expenditures of budgets of the budget system, as well as accounting of transactions related to their execution.

Execution of the republican budget of the Republic of Uzbekistan and budgets of state trust funds is provided by the Cabinet of Ministers of the Republic of Uzbekistan.

Execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent is provided by the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, districts and cities.

Execution of extra-budgetary funds of budget organizations is provided by budget organizations.

Execution of budgets of the budget system is carried out by Ministry of finance of the Republic of Uzbekistan through treasury-based execution. Treasury-based execution does not apply to budget organizations and recipients of budget funds operating abroad.

Separate treasury accounts are opened in the information system of Ministry of finance of the Republic of Uzbekistan for budgets of the budget system, budget organizations and recipients of budget funds.

Budget organizations and recipients of budget funds have the right to spend budget allocations provided for in their estimates of expenditures until the end of the financial year.

Expenditures related to ensuring defense and security and maintaining internal order in the country are carried out in the manner established by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 110. Term of execution of budgets of the budget system**

Execution of budgets of the budget system is carried out during a financial year and additional period of time.

Additional period of time to the financial year, during which the previous year's budgets of the budget system are carried out, is January of the next year. Ministry of finance of the Republic of Uzbekistan establishes the procedure and deadlines for transactions to execute the budgets of the budget system in an additional period of time.

#### **Article 111. Bank accounts of Ministry of finance of the Republic of Uzbekistan**

Single treasury account is a special bank account managed by Ministry of finance of the Republic of Uzbekistan, to which revenues and other receipts are credited and from which the expenditures of budgets of the budget system are paid. Ministry of finance of the Republic of Uzbekistan has the right to open other bank accounts with Central Bank of the Republic of Uzbekistan and other banks.

Single treasury account is opened with Central Bank of the Republic of Uzbekistan.

Direct debiting from bank accounts of Ministry of finance of the Republic of Uzbekistan is not allowed.

No fee is charged for servicing bank accounts of Ministry of finance of the Republic of Uzbekistan.

### **Article 112. Breakdown of revenues and expenditures of State budget and budgets of state trust funds**

Breakdown of revenues and expenditures of State budget and budgets of state trust funds (hereinafter — breakdown of revenues and expenditures) is drawn up in order to ensure:

correspondence of revenues and expenditures forecast, prepared in accordance with budget classification, to their approved parameters;

monitoring the fulfillment of parameters of revenues and expenditures.

Revenue side of breakdown of revenues and expenditures consists of the annual volumes of revenues of the relevant budget with a monthly breakdown in accordance with budget classification.

Expenditure side of breakdown of revenues and expenditures consists of annual volumes of expenditures of the relevant budget with monthly breakdown based on approved consolidated estimate of expenditures for a financial year in accordance with budget classification.

Final data of breakdown of revenues and expenditures, with the exception of inter-budget transfers, must correspond to the amounts specified in the approved annual budget.

Breakdown of revenues and expenditures is drawn up:

by Ministry of finance of the Republic of Uzbekistan — for the republican budget of the Republic of Uzbekistan;

by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent — for the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

by financial departments of district and city hokimiyats — for budgets of districts and cities;

by spending units of state trust funds — for state trust funds.

Expenditure side of breakdown of revenues and expenditures includes the following budget allocations that do not require the preparation of estimates of expenditures:

released in the process of registration and implementation of estimates of expenditures of budget organizations and recipients of budget funds;

credited against surplus inventory holdings;

provided for payment for legal aid rendered by lawyers at the expense of the state;

provided for refunding the amount of value added tax to taxpayers;

provided for compensation for harm caused to individuals or legal entities as a result of illegal actions (inaction) of state bodies or their officials;

provided for the payment of maternity benefits to women working in budget organizations, except for cases of changes to estimates of expenditures of budget organizations in the manner prescribed by law;

provided for the payment of one-off government monetary awards and bonuses;

provided for the payment of compensations to persons who participated in the liquidation of the consequences of the Chernobyl NPP accident;

provided for reimbursement of special reduced transport fares;

provided for repayment and servicing of the public debt, payment of membership fees and participation in the financing of international organizations, of which the Republic of Uzbekistan is a member;

provided for the provision of financial support to agricultural enterprises that grow agricultural products for state needs;

provided for holding elections and referenda;

provided for allocation of inter-budget transfers;

provided for the formation and increase of the authorized capital of commercial banks and other financial institutions;

provided for the allocation of budget loans and opening credit lines of Ministry of finance of the Republic of Uzbekistan to legal entities-residents;

for activities specified in key areas of tax and budget policy, and other activities planned for implementation during the financial year and that require an increase in the expenditures of State budget;

transferred to state trust funds;

for the formation of reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent and budgets of districts and cities.

Temporary breakdown of expenditures of budgets for the first quarter of the financial year will be drawn up based on the approved and registered temporary estimates of expenditures of respective budget organizations and recipients of budget funds.

### **Article 113. Types of separate treasury accounts**

The following types of separate treasury accounts are opened:

separate treasury accounts for different levels of budgets of the budget system;

separate treasury accounts for revenues of State budget and state trust funds;

separate treasury accounts of budget organizations and recipients of budget funds.

Procedure for maintaining separate treasury accounts is established by Ministry of finance of the Republic of Uzbekistan.

### **Article 114. Separate treasury accounts for different levels of budgets of the budget system**

Separate treasury accounts for different levels of budgets of the budget system are opened:

for the republican budget of the Republic of Uzbekistan — by Ministry of finance of the Republic of Uzbekistan;

for the republican budget of the Republic of Karakalpakstan, regional budgets of regions and the budget of city of Tashkent — by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent;

for budgets of districts and cities — by financial departments of district and city hokimiyats;

for budgets of state trust funds — by spending units of state trust funds.

### **Article 115. Separate treasury accounts for revenues of State budget and state trust funds**

Separate treasury accounts for revenues of State budget and state trust funds are opened by Ministry of finance of the Republic of Uzbekistan.

### **Article 116. Separate treasury accounts of budget organizations and recipients of budget funds**

Separate treasury accounts of budget organizations and recipients of budget funds are opened:

for organizations financed from the republican budget of the Republic of Uzbekistan — by Ministry of finance of the Republic of Uzbekistan;

for organizations financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent — by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent;

for organizations financed from budgets of districts and cities — by financial departments of district and city hokimiyats;

for organizations financed from budgets of state trust funds — by spending units of state trust funds.

### **Article 117. Execution of revenue side of budgets of the budget system**

Execution of revenue side of budgets of the budget system includes:

crediting revenues to single treasury account and other bank accounts;

distribution of revenues between budgets of the budget system;  
refund of excessively or erroneously paid amounts of revenues or their offset against debt repayment;  
accounting and reporting;  
control over execution.

Bodies and organizations, except for bodies of state tax service and customs authorities, authorized to collect revenues to State budget and budgets of state trust funds, shall monitor the correct calculation, completeness and timely payment of revenues, as well as submit reports to state tax service, unless otherwise provided for by law.

#### **Article 118. Distribution of revenues between budgets of the budget system**

Proceeds from control revenues are distributed between budgets of the budget system.

The rates of transfers from control revenues between budgets of the budget system are established by the President of the Republic of Uzbekistan or body authorized by him.

Rates of transfers from control revenues to the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent and budgets of districts and cities are approved, respectively, by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent.

Distribution of control revenues between budgets of the budget system is carried out by Ministry of finance of the Republic of Uzbekistan.

Revenues, specified in [article 51](#) of this Code, for which rates of transfers from control revenues have not been established, are subject to crediting in full to the republican budget of the Republic of Uzbekistan, except for the cases provided for in [article 52](#) of this Code.

Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent, upon the proposal of the relevant financial authorities, determine the level of budget to which local taxes are credited in full.

#### **Article 119. Additional sources of State budget and budgets of state trust funds**

Additional sources of State budget are formed separately at each level of budgets of State budget and consist of:

clear balance of funds of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of districts and cities determined at the beginning of each year;

overfulfillment of the forecast on revenues of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of districts and cities determined based on the results of the first — third reporting quarters;

proceeds from the sale of property transferred into state revenue;

funds released as a result of decrease in budgetary allocations in accordance with part four of [article 120](#) of this Code.

Clear balance of funds of the republican budget of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of districts and cities is defined as the exceeding amount of remaining balance of budget funds on their separate treasury accounts over the amount of circulating cash balance approved for these budgets (with the exception of the amount of balance at the beginning of the year of funds received from the privatization of state assets) for current financial year.

Overfulfillment of the forecast on revenues of the republican budget of the Republic of Uzbekistan, republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of districts and cities is defined as excess amount of actual receipts for the first — third reporting quarters over the revised forecast on revenues from taxes and other compulsory payments for the respective reporting quarters, in the manner prescribed by law.

Centralization of the amount in excess of the revenue forecast of lower-level budgets in a higher-level budget is not allowed.

Additional sources of budgets of state trust funds are:

balances on separate treasury accounts of state trust funds at the beginning of the year, exceeding their approved amount for the beginning of the year;

overfulfillment of the forecast on revenues for the current year in the process of executing budgets of state trust funds based on the results of the first — third reporting quarters, determined in the manner prescribed by [part three](#) of this article;

funds freed up as a result of savings on expenditures of budgets of state trust funds in the process of their execution.

### **Article 120. Execution of expenditure side of budgets of the budget system**

Execution of expenditure side of budgets of the budget system includes:

receiving, registration and accounting of legal and financial obligations;

implementation of cash expenditures, including inter-budget transfers;

accounting and reporting;

control over execution.

Expenditures of budgets of the budget system are carried out within the limits of budgetary appropriations provided for in breakdown of revenues and expenditures and within time frame ensuring the functioning of budget organizations and recipients of budget funds, with account taken of flow of revenues.

Transfer of budgetary allocations to budget organizations and recipients of budget funds from budgets of different levels is not allowed, except for cases specified by the Cabinet of Ministers of the Republic of Uzbekistan.

In the process of executing budgets of the budget system, budgetary allocations are reduced by amounts of:

1) underutilized budgetary allocations due to:

non-fulfillment of plans on networks, staffs and workforce of budget organizations;

incompleteness of staffing positions that were approved per staffing tables of budget organizations;

suspension of activities of a budget organization and recipient of budget funds - for the period of suspension;

2) excessive and illegal budgetary allocations provided for in the approved estimates of expenditures of budget organizations and recipients of budget funds identified in the course of state financial control;

3) decrease in budgetary allocations related to the adoption of legislative acts;

4) excess inventories at the beginning of the financial year;

5) intended for the payment of grants and subsidies, which are no longer required.

Procedure for reducing budgetary allocations in accordance with [part four](#) of this article is established by Ministry of finance of the Republic of Uzbekistan.

### **Article 121. Public procurement**

Public procurement is implemented based on competition between suppliers of goods (works, services) and transparency.

Announcements on the implementation of public procurement and its results must be posted on a special information portal of the operator in the prescribed manner.

Posting of announcements on the implementation of public procurement on a special information portal is carried out no later than December 10 of current financial year.

Public procurement with restriction of competition and transparency may be implemented in cases provided for by law.

### **Article 122. Accepting, registration and accounting of legal obligations by budget organizations and recipients of budget funds**

Legal obligations are accepted by budget organizations and recipients of budget funds and registered by treasury units as per the limits of budgetary allocations based on economic classification codes.

Legal obligations subject to execution at the expense of extra-budgetary funds of budget organizations are received into accounting records by treasury units.

Contracts under budgetary allocations of budget organizations and recipients of budget funds with suppliers of goods (works, services) and modifications thereof enter into force after their registration with treasury units.

Budget organizations and recipients of budget funds submit documents confirming the creation of legal obligations for registration with treasury units no later than December 25 of current financial year.

Contracts of budget organizations and recipients of budget funds concluded for the supply of goods (works, services) provide for an advance payment of 15 percent, except for cases specified by the Cabinet of Ministers of the Republic of Uzbekistan.

Contracts of budget organizations and recipients of budget funds on import of goods (works, services) and modifications thereof are registered by treasury units after appropriate examination and registration of these contracts with authorized bodies in the manner prescribed by law. Whereby, amounts specified in the contracts are accounted for by treasury units in the national currency of the Republic of Uzbekistan.

Legal obligations under first and second groups of expenditures of budget organizations and recipients of budget funds are registered by treasury units in the form of requests.

Contracts of budget organizations and recipients of budget funds with suppliers of goods (works, services) must be concluded with validity periods within the current financial year, with the exception of capital investment contracts and cases provided for by legislation, the validity period of which may be several years. Upon expiry of a contract, legal obligations for the supply of goods (work, services) by the supplier (contractor) are terminated, unless an additional agreement on its extension has been concluded.

Legal commitment limit deriving from budget allocations is primarily encumbered by the amount due at the beginning of the financial year under the relevant items, payable from the budget allocations and arising from contracts registered with treasury units.

A concluded contract is not required for transfer of the following funds:

saved up budget allocations of a budget organization to its development fund of the budget organization, as well as targeted budget allocations provided for in the estimate of expenditures of a healthcare organization to its fund for material incentives and development of healthcare organizations;

for the maintenance of employer agencies for capital investments within the amounts provided for these purposes in the agreed lists of objects and itemized lists and separate treasury accounts for each object;

for payment of taxes and other compulsory payments and fees for services of bodies of state authority and management;

for covering expenses incurred based on other documents confirming the existence of legal obligations.

### **Article 123. Accepting and registration of financial obligations**

Financial obligations are accepted and registered by treasury units within the bounds of accepted legal obligations and authorizations for payment based on invoices and documents confirming the existence of financial obligations.

Financial obligations under the first and second groups of expenditures, as well as the expenditures specified in [part ten](#) of article 122 of this Code, are registered by treasury units based on requests on acceptance of legal obligations, and under compulsory employer's civil liability insurance — based on compulsory employer's civil liability insurance contracts.

Registration of financial obligations on payment for goods supplied (services rendered, work performed) under contracts with expired periods within current financial year and in the cases

specified in [part eight](#) of article 122 of this Code, is carried out based on an invoice and a reconciliation statement on mutual obligations.

#### **Article 124. Execution of cash expenditures**

Treasury units make payments at the request of budget organizations and recipients of budget funds if they have budget allocations, legal and financial obligations, as well as within the remaining balances of extra-budgetary funds of budget organizations.

Budget organizations and recipients of budget funds submit payment documents to treasury units for expenditure payments no later than one business day before the date of payment.

Payments between budget organizations (recipients of budget funds) serviced by treasury units, between different levels of budgets of the budget system, as well as between budgets of state trust funds are made based on treasury transaction memos.

Payments and money transfers of budget organizations and recipients of budget funds in foreign currency to non-residents of the Republic of Uzbekistan are made in the manner prescribed by law.

Amount of receivables of the past financial year, formed at the expense of State budget and state trust funds, returned by the supplier of goods (works, services) to separate treasury account in the current or subsequent year, except for cases of the return in a period additional to the relevant financial year, is transferred to the revenue of the corresponding budget.

#### **Article 125. Management of funds on Single treasury account**

Ministry of finance of the Republic of Uzbekistan manages the funds on Single treasury account by drawing up short-term forecasts on revenues and expenditures of State budget.

In case of a lack of funds on Single treasury account for the fulfillment of the assumed financial obligations, Ministry of finance of the Republic of Uzbekistan sets State budget expenditure ceiling and, based on it, issues permits to budget organizations and recipients of budget funds to make payments of expenditures.

Procedure for issuing permits to make payments of expenditures is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

Ministry of finance of the Republic of Uzbekistan manages temporary free funds of budgets of the budget system on Single treasury account and other bank accounts.

In case of availability of temporary free funds on Single treasury account, Ministry of Finance of the Republic of Uzbekistan determines the amount of funds that can be placed on deposits in commercial banks.

Procedure for placing temporary free funds of Single treasury account and using the income received from their placement on deposits in commercial banks is specified by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 126. Use of additional sources of State budget, state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan**

Additional sources of the republican budget of the Republic of Uzbekistan are directed to cover the deficit of the republican budget of the Republic of Uzbekistan, to replenish the established amount of circulating cash balances for the current financial year, and the remainder - to finance activities specified by resolutions of the Cabinet of Ministers of the Republic of Uzbekistan.

Additional sources of the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, as well as budgets of districts and cities are directed primarily to replenish the established amount of circulating cash balances for current financial year.

Additional sources of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, as well as budgets of districts and cities cannot be directed to the maintenance of organizations, financing of which is not authorized from respective budgets.



Decisions on the use of additional sources of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, budgets of districts and cities are taken, respectively, by the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, districts and cities based on proposals of the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions, city of Tashkent, districts and cities, primarily in order to strengthen the material and technical base of social institutions.

Hokimiyats of districts and cities allocate at least 10 percent of additional sources of district and city budgets for financing activities proposed by public opinion.

Chair of the Council of Ministers of the Republic of Karakalpakstan, hokims of regions, city of Tashkent, districts and cities make decisions on the use of additional sources in emergency situations and other similar cases that require urgent measures under the condition of the subsequent submission of report on the use of funds to the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions, city of Tashkent, districts and cities.

### **Article 127. Management of revenues and expenditures of State budget**

In case of exceeding the approved maximum size of State budget deficit for the current financial year, the Cabinet of Ministers of the Republic of Uzbekistan, upon the recommendation of Ministry of finance of the Republic of Uzbekistan, submits proposals to the Chambers of the Oliy Majlis of the Republic of Uzbekistan on reducing the expenditures of State budget.

When reducing expenditures of State budget, the priority and social orientation of expenditures is assessed taking into account the assumed legal and financial obligations of budget organizations and recipients of budget funds.

Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities are not authorized to make any decisions aimed at reducing revenues or increasing expenditures of respective budgets leading to disequilibrium of their budgets and exceeding the approved maximum size of State budget deficit.

During the financial year, after the adoption of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, decisions of the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities, leading to a reduction in the revenues of respective budgets, can be adopted only in case of reduction of expenditures of respective budgets.

If, during the financial year, after the adoption of State budget, decisions are made to increase or decrease the parameters of revenues and expenditures of respective budgets, Ministry of finance of the Republic of Uzbekistan, financial authorities of the Republic of Karakalpakstan, regions and city of Tashkent shall make changes to the size of budgets of the corresponding levels. Increase or decrease in expenditures is carried out through mutual settlements between the budgets of all levels.

### **Article 128. Recovery proceedings against funds of State budget and state trust funds by execution orders**

Execution of execution orders on the recovery proceedings against funds of State budget is carried out by financial authorities at the expense of the respective budget.

To receive funds from the relevant budget on the execution order, persons in whose favor the execution order demands the transfer of budget funds, or their representatives (hereinafter referred to as the claimants), submit to the relevant financial authority a request with attached original copy of the execution order. The request must indicate the bank account of the claimant to which the transfer of budget funds is to be made.

Execution writ or court order can be submitted in electronic form, confirmed by e-signature of the judge, through the information system.

Financial authority ensures the execution in the prescribed manner of the execution order from the date of its receipt.

Execution of execution orders on recovery proceedings against state trust funds is carried out by spending units of state trust funds in the manner prescribed by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 129. Fulfillment of financial obligations of budget organizations per execution orders**

Execution of execution orders providing for the recovery of funds under financial obligations of budget organizations is carried out by state enforcement officers in accordance with the legislation on the execution of court rulings and rulings of other bodies, taking into account the specifics provided for by this article. Collection of enforcement fees from budget organizations is not allowed.

Execution of execution orders providing for the recovery of funds under financial obligations of budget organizations is carried out:

primarily at the expense of extra-budgetary fund of a budget organization;

if the debt payable corresponds to the item of expenditure in the estimate of expenditures of a budget organization — within the limits of the allocated budget.

#### **Article 130. Procedure for budget execution in the absence of adopted State budget and budgets of state trust funds**

If State budget and budgets of state trust funds for the next financial year are not adopted prior to its beginning, State budget and budgets of state trust funds are executed in compliance with the following conditions:

norms for the distribution of taxes and other compulsory payments that were in force during the previous financial year remain;

expenditures in the beginning financial year are executed in accordance with the approved temporary estimates of expenditures.

If State budget and budgets of state trust funds are adopted after the beginning of the financial year, the total amount of expenditures during the financial year must be brought in line with the adopted State budget and budgets of state trust funds.

#### **Article 131. Close of financial year**

All transactions of the current financial year related to the crediting of revenues to budgets of the budget system shall be completed on the last business day of the current financial year.

Revenues credited to State budget and budgets of state trust funds in the next year are considered the revenues of the new year.

Revenues credited to transit accounts of revenues of State budget and budgets of state trust funds before the end of the last business day of the current year and transferred within three business days in the new year to Single treasury account are considered revenues of the past year.

All current year payments from State budget and budgets of state trust funds shall be completed after expiry of the additional period to the financial year.

During additional period, transactions on execution of State budget and budgets of state trust funds for the current financial year are carried out, including:

settlement of inter-budget relations;

repayment of accounts payable of budget organizations and recipients of budget funds;

transfer of amounts saved by budget organizations to development funds of budget organizations (funds for material incentives and development of healthcare organizations);

other authorized payments from State budget and budgets of state trust funds.

Settlement of inter-budget relations stipulates repayment of the entire amount of mutual debt between the higher and lower budgets, as well as the budgets of state trust funds.

The procedure for and terms of specific payments of the past year to be made during additional period are established by Ministry of finance of the Republic of Uzbekistan.

### **Chapter 20. Inter-budget relations**

#### **Article 132. Concept of inter-budget relations**

Inter-budget relations are relations between the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of districts, cities, as well as budgets of state trust funds aimed at providing the relevant budgets with financial resources necessary for the implementation of the expenditures assigned by this Code to the relevant budgets.

The following relations are not allowed in the budget process:

between the republican budget of the Republic of Uzbekistan and budgets of districts and cities;

between budgets of state trust funds and budgets of districts and cities;

between the republican budget of the Republic of Karakalpakstan, regional budget of a region and city budget of city of Tashkent, as well as with budgets of districts and cities of another administrative-territorial unit;

between budgets of districts and cities.

### **Article 133. Transfer of revenues and expenditures between levels of budgets**

Compensation of revenues or coverage of expenditures is made on a compulsory manner through the allocation or withdrawal of funds by mutual settlements in the process of execution of State budget in the cases provided for in Article 138 of this Code, entailing a decrease or increase in revenues and (or) expenditures of lower-level budgets.

### **Article 134. Forms of inter-budget transfers**

Inter-budget transfers are carried out in the form of subventions, transferred revenues, subsidies, budget loans of funds under mutual settlements and targeted social transfers.

Sizes of inter-budget transfers are specified:

when legislative acts adopted in the current financial year entail changes in revenues and expenditures of budgets of different levels;

based on the degree of completeness of receipts of all taxes due and other compulsory payments and budget disbursement.

At the initiative of a higher financial authority, the obligations of the higher budget to the lower budget under one form of inter-budget transfer may be set off against reducing the obligations of the lower budget to the higher budget under another form of inter-budget transfer.

### **Article 135. Subventions**

Subventions are provided for the implementation of expenditures specified during approval of forecast on key macroeconomic indicators and main parameters of State budget.

Amount of subventions from the republican budget of the Republic of Uzbekistan to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent are specified during approval of forecast on key macroeconomic indicators and main parameters of State budget.

Amount of subventions from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent to budgets of districts and cities are specified by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent.

Unused subventions at the end of the current financial year are subject to return to the relevant higher budget.

### **Article 136. Transferred revenues**

Revenues formed in the territories of the relevant administrative-territorial units and credited to the higher budget may be transferred to the budget of the administrative-territorial unit in which they are formed.

Total amount of transferred revenue is approved from:

republican budget of the Republic of Uzbekistan to the lower budgets - during approval of forecast on key macroeconomic indicators and main parameters of State budget;

republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent to budgets of districts and cities - by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent.

List of economic entities and paid by them types of taxes and other compulsory payments, receipts from which are transferred from the republican budget of the Republic of Uzbekistan to lower budgets, is approved by Ministry of finance of the Republic of Uzbekistan together with the State Tax Committee of the Republic of Uzbekistan.

List of economic entities and paid by them types of taxes and other compulsory payments, receipts from which are transferred from the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent to budgets of districts and cities, is approved by Ministry of finance of the Republic of Karakalpakstan, financial departments of regions and city of Tashkent together with state tax departments of the Republic of Karakalpakstan, regions and city of Tashkent.

Amount of revenues transferred from the higher budget to the lower budget is determined based on revenues to be credited to the relevant lower budget.

Transfer of transferred revenues is carried out within the limits of the actual receipts on them, but not in excess of their approved size.

### **Article 137. Grant**

A grant from a higher budget to a lower budget is allocated in case of a forecast on expenditures of the lower budget exceeding a forecast on its revenues, given subventions and transferred revenues.

A grant from the republican budget of the Republic of Uzbekistan to budgets of state trust funds may be provided if a forecast on expenditures of state trust funds exceeds a forecasted on revenues, given balances at the beginning of the year.

Size of a grant provided from:

the republican budget of the Republic of Uzbekistan to the lower budgets and budgets of state trust funds is established with approval of the forecast on key macroeconomic indicators and main parameters of State budget;

the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent to budgets of districts and cities is established by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent.

### **Article 138. Inter-budget mutual settlements**

Inter-budget mutual settlements are monetary relationships arising between higher and lower budgets when the parameters of budgets change during the financial year.

Inter-budget mutual settlements arise in connection with:

adoption of legislative acts;

update of forecast on budget revenues of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent;

transfer of expenditures from one budget to another budget due to change in subordination of budget organizations and recipients of budget funds;

redistribution of capital investment limits between budget levels.

Amount subjected to inter-budget mutual settlements is determined by the higher financial authority.

### **Article 138<sup>1</sup>. Targeted social transfers**

Targeted social transfers are allocated from the higher budget to the lower budget to cover expenditures on wages and unified social security payment of educational and healthcare institutions.

Sizes of targeted social transfers are set:

for transfers from the republican budget of the Republic of Uzbekistan to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent with approval of forecast on key macroeconomic indicators and main parameters of State budget;

for transfers from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent to budgets of districts and cities by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent with approval of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Unused targeted social transfers at the end of current fiscal year are subject to refund to the respective higher budget.

#### **Article 139. Procedure for transferring inter-budget transfers**

Inter-budget transfers from the republican budget of the Republic of Uzbekistan are transferred from the separate treasury account of the republican budget of the Republic of Uzbekistan to the separate treasury accounts of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, as well as budgets of state trust funds.

Inter-budget transfers from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent are transferred from their separate treasury accounts to separate treasury accounts of budgets of districts, cities, as well as to separate treasury accounts of budgets of state trust funds.

Inter-budget transfers from budgets of state trust funds are transferred from their separate treasury accounts to separate treasury accounts of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent.

Transfer of inter-budget transfers is carried out by treasury transaction memos.

Settlements on inter-budget transfers must be completed in the current financial year, including additional period.

#### **Article 140. Inter-budget transfer in the form of a budget loan**

Inter-budget transfer in the form of a budget loan (budget loan) is provided on a repayable and flat basis provided that the maximum mobilization of budget sources does not cover the expenditures of the respective budget.

Budget loan is provided to cover:

planned temporary cash gap between forecasted revenues and planned expenditures - for the period of up to nine months;

expected temporary cash gap between revenues and expenditures - for the period of up to six months.

Planned budget loan is provided in cases when forecasted revenues, earmarked subvention, amount of transferred revenues and targeted social transfers, temporary borrowing from circulating cash balances and clear balances at the beginning of the year, and grants do not cover the expenditures provided for by the relevant approved budgets in given quarters.

Budget loan is provided from the funds of:

the republican budget of the Republic of Uzbekistan — to the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, budgets of state trust funds;

the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent — to budgets of districts and cities to cover the planned or expected temporary cash gap between their revenues and expenditures.

Prerequisite for the provision of budget loans is their use for their intended purpose, as well as timely repayment during current financial year.

Budget loan is provided based on a written request from the Council of Ministers of the Republic of Karakalpakstan and the relevant hokimiyats, head of a spending unit of a state trust fund with attached calculations justifying the need for a budget loan. When considering a written request for a budget loan, the financial authority has the right to request information and calculations necessary for making a decision.

Based on the results of consideration of a written request of the Council of Ministers of the Republic of Karakalpakstan, relevant hokimiyats, head of a spending unit of a state trust fund, within five business days, a decision is made on the provision of a budget loan:

from the republican budget of the Republic of Uzbekistan — by Minister of finance of the Republic of Uzbekistan;

from the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent — respectively by Minister of finance of the Republic of Karakalpakstan, heads of financial departments of regions and city of Tashkent.

Allocation of a budget loan is formalized by an agreement on the provision of a budget loan between the financial authority providing the budget loan and the financial authority (spending unit of state trust funds) receiving the budget loan.

Extension of the term of repayment of a budget loan is carried out in cases where the recipient of the budget loan has financial difficulties that exclude the possibility of its timely repayment within the established time frame.

Extension of the term of repayment of a budget loan is carried out in the manner and under the conditions established by this article for the provision of a budget loan.

The recipient of the budget loan applies to the appropriate financial authority with a written request to extend the maturity of the budget loan no later than five working days before the maturity date.

Repayment of a budget loan is made within the timeframes determined by the agreement on the provision of the budget loan, through:

transfer of funds;

setting-off against subventions, transferred revenues, inter-budget mutual settlements and grants subject to transfer to subordinate budgets and state trust funds;

recovery of funds by an incontestable procedure from separate treasury accounts of lower budgets and budgets of state trust funds after covering the expenditures on wages, deductions for social needs, payment of scholarships, pensions, material assistance to low-income families, compensation payments and benefits.

#### **Article 141. Circulating cash balances**

Circulating cash balances of the republican budget of the Republic of Uzbekistan, the republican budget of the Republic of Karakalpakstan, regional budgets of regions, city budget of city of Tashkent, as well as the budgets of districts and cities are formed in order to cover the temporary cash gaps between their revenues and expenditures.

Amount of circulating cash balances are set for:

the republican budget of the Republic of Uzbekistan, the budget of the Republic of Karakalpakstan, local budgets of regions and the city of Tashkent — with approval of forecast of key macroeconomic indicators and main parameters of State budget;

budgets of districts and cities — by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent.

Amounts borrowed during the year from circulating cash balances must be recovered by the end of that year. Amount of circulating cash balances at the end of the year must correspond to the specified amount.

Circulating cash balances set for the next financial year are replenished by:

balances on separate treasury accounts of the relevant budgets at the beginning of the year;

amount of overfulfillment of revenue forecast during the first — third quarters of the current year.

In case of insufficient sources of budgets of districts and cities specified in [part four](#) of this article, the Council of Ministers of the Republic of Karakalpakstan, hokims of regions and city of Tashkent may decide to replenish the circulating cash balances of budgets of districts and cities.

#### **Article 142. Restrictions applied to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent**

The budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent must have balanced revenues and expenditures. Deficit of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent is not allowed.

When adopting and executing the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent it is not allowed to:

- borrow, except for obtaining budget loans from higher budgets;
- implement expenditures in excess of the approved budget allocations, except for cases provided for in part two of [article 143](#) of this Code;
- issue financial guarantees and securities covered by funds of relevant budgets in favor of other legal entities and individuals;
- provide budget loans and credit lines to legal entities and individuals.

## **Chapter 21. Amending budgets of the budget system**

### **Article 143. The procedure for amending budgets of the budget system**

Amendments to budgets of the budget system during the financial year are implemented in cases:

- of changes in legislation providing for a decrease or increase in revenues and (or) expenditures of budgets of the budget system;
- of decreasing budget allocations for one budget organization and recipient of budget funds with a corresponding increase in budget allocations for another budget organization and recipient of budget funds;
- of a need for budget organization and recipients of budget funds to redirect budget allocations from one item of expenditure to another;
- of directing clear balances of State budget at the beginning of the financial year for financing the expenditures in the manner prescribed by [article 126](#) of this Code;
- of changes to the budget classification;
- provided for in [part four](#) of [article 120](#) of this Code.

Expenditures covered by funds from overfulfillment of the forecast of State budget revenues and funds received in the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of the city of Tashkent from the privatization of state assets and the sale of property transferred into the state revenue are carried out without amending State budget.

Changes made to revenues and expenditures of budgets of the budget system in executing budgets of the budget system are reflected in the information system of Ministry of finance of the Republic of Uzbekistan.

Changes during the financial year to expenditures of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, within their approved parameters, that provide for an increase or decrease in budget allocations for first and second group expenditures, as well as for purchase of food and medicine are made only after agreement with Ministry of finance of the Republic of Uzbekistan.

Changes on the basis of legislative acts to revenues and expenditures of State budget, within the approved budgets, in the process of its execution are introduced respectively by Ministry of finance of the Republic of Uzbekistan and territorial financial authorities, and are also reflected in the information system of Ministry of finance of the Republic of Uzbekistan.

### **Article 145. The procedure for changing breakdown of expenditures of the republican budget of the Republic of Uzbekistan**

Redistribution of allocations provided from the republican budget of the Republic of Uzbekistan for one first level spending unit in favor of another first level spending unit is carried out in the amount of (except for cases specified in part two of this article):

- 10 percent and more — by the Chambers of the Oliy Majlis of the Republic of Uzbekistan;
- less than 10 percent — by the Cabinet of Ministers of the Republic of Uzbekistan on proposal of Ministry of finance of the Republic of Uzbekistan.

Earmarked funds provided in accordance with the Law on State budget, as part of the allocations provided from the republican budget of the Republic of Uzbekistan to Ministry of finance of the Republic of Uzbekistan, are redistributed by Ministry of finance of the Republic of Uzbekistan by increasing the amount of allocations provided from the republican budget of the Republic of Uzbekistan to first level spending units and inter-budget transfers to the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Redistribution of budget allocations provided for one second level spending unit in favor of another second level spending unit is carried out within the limits of budget allocations provided for distribution of first level budget funds in the amount of:

10 percent and more — by the Cabinet of Ministers of the Republic of Uzbekistan on proposal of the Ministry of finance of the Republic of Uzbekistan;

less than 10 percent — by Ministry of finance of the Republic of Uzbekistan on proposal of the relevant first level spending unit.

Use of funds, provided for capital investments in design, construction (reconstruction) and equipping facilities, to cover current costs is not allowed.

#### **Article 147. Procedure for changing breakdown of expenditures of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent**

Redistribution of allocations provided for one territorial spending unit in favor of another territorial spending unit is carried out within the allocated budget in the amount of:

10 percent and more — by the Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent;

less than 10 percent — by the Council of Ministers of the Republic of Karakalpakstan, hokimiyats of regions and city of Tashkent, except for cases specified in part two of article 145 of this Code.

Redistribution of allocations provided for one budget organization or recipient of budget funds in favor of another budget organization or recipient of budget funds that are subordinated to a territorial spending unit is carried out by the relevant territorial financial authorities at the request of a territorial spending units.

#### **Article 148. Procedure for changing breakdown of expenditures of budgets of districts and cities**

Redistribution of allocations provided for one territorial spending unit in favor of another territorial spending unit is carried out within the allocated budgets in the amount of:

10 percent and more — by Kengashes of people's deputies of districts and cities;

less than 10 percent — by hokimiyats of districts and cities, with the exceptions specified in [part two](#) of article 145 of this Code.

Redistribution of allocations provided for one budget organization or recipient of budget funds in favor of another budget organization or recipient of budget funds that are subordinated to a territorial spending unit and financed from budgets of districts and cities is carried out by financial departments of district and city hokimiyats on the request of the territorial spending unit.

#### **Article 149. Procedure for changing expenditures of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan**

Changes to expenditures of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan, providing for an increase or decrease of their approved volumes by 3 or more percent, is carried out by the Chambers of the Oliy Majlis of the Republic of Uzbekistan on proposal of the Cabinet of Ministers of the Republic of Uzbekistan.

Changes to expenditures of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan, providing for an increase or decrease of their approved volumes by less than 3 percent, is carried out by the Cabinet of Ministers of the Republic of



Uzbekistan on proposal of spending units of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan.

Increase in expenditures of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan over their approved volumes is carried out subject to availability of sources of their coverage.

Changes to expenditures of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan without increasing or decreasing their total approved volumes are carried out by spending units of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan in agreement with Ministry of finance of the Republic of Uzbekistan.

#### **Article 150. Procedure for changing estimate of expenditures and staffing table**

At the request of a budget organization or recipient of budget funds, the amounts of budget allocations for the financial year provided to it on individual expenditure items may be increased by reducing the budget allocations on other expenditure items by an equal amount and maintaining the approved total budget allocations provided to this budget organization or recipient of budget funds. These changes are entered in estimate of expenditures by budget organizations and recipients of budget funds no more than four times a year and are registered:

by spending units — for budget organizations and recipients of budget funds financed from the republican budget of the Republic of Uzbekistan;

by Ministry of finance of the Republic of Uzbekistan — for spending units;

by Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent - for budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent;

by financial departments of district and city hokimiyats — for budget organizations and recipients of budget funds financed from the budgets of districts and cities;

by spending units of state trust funds — for recipients of budget funds financed from the budgets of state trust funds.

When accounting for the number of changes made to estimate of expenditures of budget organization, changes that provide for an increase or decrease in budget allocations from one item to another within the approved estimate of expenditures of a budget organization in order to implement maternity benefit payments to women employed in budget organizations, are not taken into account.

Expenditure items, for which it is not allowed to make decreasing changes at the request of a budget organization and a recipient of budget funds, are determined by Ministry of finance of the Republic of Uzbekistan.

Changes to staffing table of a budget organization, introduced in connection with a prescribed by law increase in wages, are not subject to registration by a financial authority.

Changes made to staffing table of a budget organization, except for cases specified in part three of this article, are subject to registration with the appropriate financial authority in the form established by Ministry of finance of the Republic of Uzbekistan.

### **Chapter 22. Deficit and surplus of State budget. Public borrowing**

#### **Article 151. Financing State budget deficit. State budget surplus**

State budget deficit is financed by:

remaining balances of the republican budget of the Republic of Uzbekistan at the beginning of the financial year;

public borrowing;

other sources as established by law.

Attraction of loans from Central Bank of the Republic of Uzbekistan as a source of covering the state budget deficit is not allowed.

Excess of state budget revenues over its expenditures is a State budget surplus.

State budget surplus is determined exclusively from State budget.

## **Article 152. Public borrowings**

Public borrowing consists of internal and external borrowings.

Public internal borrowing is the attraction of financial resources from residents of the Republic of Uzbekistan, under which obligations of the Republic of Uzbekistan arise as a borrower or guarantor of repayment of credits (loans) by borrowers-residents.

Public external borrowing is the attraction of financial resources from foreign sources (foreign states, international organizations, international financial and economic institutions, foreign government financial institutions and other non-residents of the Republic of Uzbekistan), under which obligations of the Republic of Uzbekistan arise as a borrower or guarantor of repayment of credits (loans) by borrowers-residents.

Decisions on public borrowings are made in accordance with the established procedure.

Public borrowing is carried out for:

financing priority areas of economic development, including government development programs;

refinancing public debt;

covering State budget deficit.

The maximum amount of public debt is determined annually by the Chambers of the Oliy Majlis of the Republic of Uzbekistan during adoption of State budget and budgets of state trust funds for the next year.

## **Article 153. Types of public borrowing**

Public borrowings can be carried out in the form of debt obligations on:

credits (loans) attracted by the Republic of Uzbekistan as a borrower from foreign states, international organizations, international financial and economic institutions, foreign government financial institutions and other residents and non-residents of the Republic of Uzbekistan;

state guarantees of the Republic of Uzbekistan;

government securities issued on behalf of the Republic of Uzbekistan.

Debt obligations can be short-term (for up to one year), medium-term (for a period from one to five years) and long-term (for a period of five or more years).

Public debt servicing is carried out by Ministry of finance of the Republic of Uzbekistan.

## **Article 154. Credits (loans) attracted by the Republic of Uzbekistan**

Credits (loans) attracted by the Republic of Uzbekistan from foreign banks, states, and international financial and economic institutions, foreign government financial institutions are classified as public external borrowings.

Credits (loans), attracted by the Republic of Uzbekistan in the prescribed manner, are directed to:

financing or co-financing of government development programs;

on-lending of credits (loans) to finance measures for the implementation of programs for the development of industries and sectors of the economy and regions.

When on-lending credits (loans) attracted on behalf of the Republic of Uzbekistan, the margin of the Republic of Uzbekistan can be established, the amount of which cannot exceed 50 percent of the interest rate at which a credit (loan) is attracted, and which is used to cover possible credit (loan) servicing risks. In case of full repayment of the credit (loan) debt, the unused amount of the margin of the Republic of Uzbekistan on the credit (loan) is credited to revenue of the republican budget of the Republic of Uzbekistan.

## **Article 155. State guarantees of the Republic of Uzbekistan**

State guarantee of the Republic of Uzbekistan is the obligation of the Republic of Uzbekistan to the lender to fully or partially repay the debt in case of non-payment by the borrower-resident of the amount due from it within the period established by the loan (credit) agreement.

State guarantees of the Republic of Uzbekistan are provided to lenders as security for the fulfillment by borrower-residents of obligations on credits (loans) received by them. On the obligations of individuals, state guarantees of the Republic of Uzbekistan are not provided.

State guarantees of the Republic of Uzbekistan are provided by decision of the President of the Republic of Uzbekistan or the Cabinet of Ministers of the Republic of Uzbekistan.

Authorized body for processing state guarantees of the Republic of Uzbekistan is Ministry of finance of the Republic of Uzbekistan.

Ministry of finance of the Republic of Uzbekistan, having made payments due to the provided state guarantees of the Republic of Uzbekistan, has the right to uncontested recovery from the borrower-resident of the amount of payments made and the costs associated with them.

Procedure for processing, issuing and registering state guarantees of the Republic of Uzbekistan and fulfilling obligations under them is established by the Cabinet of Ministers of the Republic of Uzbekistan.

#### **Article 156. Government securities issued on behalf of the Republic of Uzbekistan**

Ministry of Finance of the Republic of Uzbekistan issues government securities on behalf of the Republic of Uzbekistan. The decision on the issue of government securities and their maximum volume is made in the prescribed manner.

Central Bank of the Republic of Uzbekistan can act as a fiscal agent for:

placement of government securities issued by Ministry of Finance of the Republic of Uzbekistan;

payment of value, interest and other payments on government securities;

carrying out other transactions with government securities.

Proceeds from the issue of government securities are directed to:

covering State budget deficit;

implementation of measures for socio-economic development of the country, large investment projects and other activities specified by decisions of the President of the Republic of Uzbekistan.

### **Chapter 23. Budget loans, credit lines and credits**

#### **Article 157. Provision of budget loans, credit lines and credits**

Budget loans, credit lines and credits can be provided from the republican budget of the Republic of Uzbekistan and other sources in accordance with the legislation.

Provision of budget loans, credit lines and credits is based on the terms of maturity, repayment, intended use and other conditions determined by law and agreements.

#### **Article 158. Budget loans and credit lines provided (opened) to legal entities-residents**

Budget loans and credit lines can be provided (opened) to legal entities-residents based on decisions of the Cabinet of Ministers of the Republic of Uzbekistan.

Budget loans to budget organizations are provided directly by Ministry of finance of the Republic of Uzbekistan.

Credit lines by Ministry of finance of the Republic of Uzbekistan are opened to legal entities-residents through commercial banks servicing them, as well as directly to commercial banks.

#### **Article 159. Late repayment of budget loan and credit line**

In case of delay of repayment of budget loan or credit line, including interest, within the time frame and in the amounts specified in the budget loan or credit line agreement, Ministry of finance of the Republic of Uzbekistan:

collects debt by uncontested procedure from the borrower;

imposes a fine in the amount of 0.033 percent of the amount of overdue debt for each day overdue.

Article 160. Credits provided to foreign countries

Credits to foreign countries are provided in the prescribed manner.

## **Section VIII. Budgetary accounting and reporting**

### **Chapter 24. Procedure for budgetary accounting and reporting**

#### **Article 161. General provisions**

Budgetary accounting is an orderly system for collecting, registering and summarizing information on the state of assets and liabilities in monetary terms that is taken into account in the execution of budgets of the budget system, as well as transactions that cause changes in these assets and liabilities.

Budgetary reporting is a generalized system of data on the state of assets and liabilities, compiled on the basis of budget accounting data in accordance with established forms.

Unified methodology for budgetary accounting and budgetary reporting is established by Ministry of finance of the Republic of Uzbekistan in accordance with this Code, budgetary accounting standards, and other legislative acts. Budgetary accounting standards are approved by Ministry of finance of the Republic of Uzbekistan.

Budget organizations can apply intradepartmental acts that provide detailed budgetary accounting in compliance with a unified methodology for budgetary accounting and budgetary reporting.

Budgetary accounting of the execution of budgets of the budget system is carried out by:

- financial authorities;
- treasury units;
- state tax authorities and customs authorities;
- budget organizations;
- spending units of state trust funds.

Budgetary accounting of the execution of State budget and budgets of state trust funds is carried out on a cash basis method.

#### **Article 162. Types of budgetary reporting**

Budgetary reporting includes the following types of reports:

- financial statements of budget organizations and recipients of budget funds;
- report on revenue receipts to State budget and budgets of state trust funds;
- report on the execution of State budget;
- report on the execution of budgets of state trust funds.

#### **Article 163. Financial statements of budget organizations and recipients of budget funds**

Quarterly financial statements of budget organizations and recipients of budget funds are prepared as of April 1, July 1 and October 1 of the reporting year, and annual financial statements - as of January 1 of the next reporting year.

Financial statements of budget organizations and recipients of budget funds are signed by heads and chief accountants of these organizations.

Quarterly and annual financial statements are submitted:

- from spending units — to Ministry of finance of the Republic of Uzbekistan;
- from budget organizations and recipients of budget funds financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent — to Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent;
- from budget organizations and recipients of budget funds financed from the budgets of districts and cities — to financial departments of district and city hokimiyats.

Spending units prepare and submit to Ministry of finance of the Republic of Uzbekistan quarterly and annual consolidated financial statements based on the financial statements of their subordinate organizations financed from the republican budget of the Republic of Uzbekistan.

Deadlines for submitting financial statements for subordinate organizations are specified by spending units based on the deadlines for submitting consolidated financial statements to Ministry of finance of the Republic of Uzbekistan.

Consolidated financial statements of spending units are signed by heads of spending units or persons authorized by them and chief accountants.

Recipients of budget funds from the budgets of state trust funds prepare and submit to spending units of state trust funds quarterly and annual financial statements in the manner established by the spending units of state trust funds.

Budget organizations and recipients of budget funds, financed from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, submit financial statements to the relevant financial authorities, specified in [part three](#) of this article, within the time frame established by them, but no later than the time frame established by Ministry of finance of the Republic of Uzbekistan.

Budget organizations and recipients of budget funds, financed from budgets of districts and cities, submit financial statements to the relevant financial authorities specified in [part three](#) of this article, within the time frame established by them, but no later than the time frame established by the higher financial authority.

Financial statements, submitted in the form of an electronic document, are confirmed by e-signatures of heads or persons authorized by them and chief accountants of budget organizations and recipients of budget funds.

The procedure for preparation, approval and submission of quarterly and annual financial statements by budget organizations and recipients of budget funds is established by Ministry of finance of the Republic of Uzbekistan.

Ministries, departments, state trust funds and other spending units post on their official websites relevant information on the use of budgetary allocations, funds from extra-budgetary funds of budget organizations, biddings (tenders) held and delivery of purchased goods.

#### **Article 164. Report on revenues to State budget and budgets of state trust funds**

State tax inspectorates of districts and cities submit to the relevant financial departments of district and city hokimiyats reports on the charges and receipt of taxes and other compulsory payments for the reporting period.

State tax departments of the Republic of Karakalpakstan, regions and city of Tashkent and departments of the State Customs Committee of the Republic of Karakalpakstan, regions, city of Tashkent, including their specialized divisions, submit to Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent reports on the charges and receipts of taxes and other compulsory payments for the reporting period.

State Tax Committee and the State Customs Committee of the Republic of Uzbekistan submit to Ministry of finance of the Republic of Uzbekistan reports on the charges and receipts of taxes and other compulsory payments for the reporting period.

Forms of reports on the charges and receipts of taxes and other compulsory payments and deadlines for their submission are established by Ministry of finance of the Republic of Uzbekistan.

Central Bank of the Republic of Uzbekistan submits a report on receipts of revenues of State budget and budgets of state trust funds to Ministry of finance of the Republic of Uzbekistan and spending units of state trust funds according to forms and within the timeframes established by Ministry of finance of the Republic of Uzbekistan.

#### **Article 165. Report on execution of State budget**

Report on execution of the State budget represents the results of execution of revenues and expenditures of State budget for a certain period in accordance with the budget classification.

Report on execution of State budget includes the following forms of report:

balance of execution of State budget;

report on execution of State budget revenues;

report on execution of State budget expenditures;

certificate of receivables and payables of budget organizations;  
report on implementation of plans on networks, staffs and workforce of budget organizations financed from State budget.

Treasury units of districts and cities submit reports on cash execution of budgets of districts and cities to corresponding financial departments of district and city hokimiyats.

Financial departments of district and city hokimiyats submit reports on execution of budgets of districts and cities for the reporting period according to the form established by Ministry of finance of the Republic of Uzbekistan:

to the higher financial authorities within the time frame set by them;

to the relevant hokimiyats within three working days after submission to the higher financial authorities of the reports on execution of budgets of districts and cities.

Treasury departments of the Republic of Karakalpakstan, regions and city of Tashkent submit reports on cash execution of the republican budget of the Republic of Karakalpakstan, regional budgets of regions and city budget of city of Tashkent, respectively, to Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent.

Procedure for submission by treasury units of reports on cash execution of the relevant budgets to financial authorities is determined by Ministry of finance of the Republic of Uzbekistan.

Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent submit reports on execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent for the reporting period according to the forms established by Ministry of finance of the Republic of Uzbekistan:

to Ministry of finance of the Republic of Uzbekistan within the time frame established by it;

to the Council of Ministers of the Republic of Karakalpakstan and the relevant hokimiyats within three working days after the submission to Ministry of finance of the Republic of Uzbekistan of reports on execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

Ministry of finance of the Republic of Uzbekistan prepares an annual report on execution of State budget according to the forms specified in [part two](#) of this article.

Ministry of finance of the Republic of Uzbekistan submits to the Cabinet of Ministers of the Republic of Uzbekistan:

quarterly report on the progress in executing State budget within the time frame specified by the Cabinet of Ministers of the Republic of Uzbekistan;

annual report on the execution of State budget by April 1 of the year following the reporting year.

#### **Article 166. Report on execution of budgets of state trust funds**

Spending units of state trust funds submit, on a monthly basis, for analytical purposes, reports on execution of budgets of state trust funds to Ministry of finance of the Republic of Uzbekistan.

Forms, procedure and timeframes for submitting reports on execution of budgets of state trust funds are established by Ministry of finance of the Republic of Uzbekistan.

Spending units of state trust funds submit to the Cabinet of Ministers of the Republic of Uzbekistan:

quarterly reports on execution of budgets of state trust funds within the timeframes specified by the Cabinet of Ministers of the Republic of Uzbekistan;

annual report on execution of budgets of state trust funds by April 1 of the year following the reporting year.

### **Chapter 25. Approval of reports on execution of State budget and budgets of state trust funds**

**Article 167. External audit and evaluation of annuals report on execution of State budget and budgets of state trust funds**

Cabinet of Ministers of the Republic of Uzbekistan, before April 5 of the year following the reporting year, sends to the Chamber of accounts of the Republic of Uzbekistan an annual report on execution of State budget and budgets of state trust funds for external audit and evaluation.

Chamber of accounts of the Republic of Uzbekistan, no later than May 10 of the year following the reporting year, sends to the Cabinet of Ministers of the Republic of Uzbekistan an opinion on the annual report on execution of State budget and budgets of state trust funds..

Cabinet of Ministers of the Republic of Uzbekistan, no later than May 15 of the year following the reporting year, submits to the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan the annual report on execution of State budget and budgets of state trust funds together with the opinion of Chamber of accounts of the Republic of Uzbekistan.

Opinions of Chamber of accounts of the Republic of Uzbekistan based on the results of external audits and evaluations of annual reports on execution of State budget and budgets of state trust funds are subject to mandatory publication.

### **Article 168. Review and approval of reports on execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, as well as districts and cities**

Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities review the reports on execution of the respective budgets for the reporting period presented by the Council of Ministers of the Republic of Karakalpakstan, hokims of regions, city of Tashkent, districts and cities following their preliminary discussions in their party groups and standing committees (committees).

Council of Ministers of the Republic of Karakalpakstan, hokims of regions, city of Tashkent, districts and cities, after May 10 of the year following the reporting year, submit annual reports on execution of the relevant budgets to, respectively, Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities.

Deadlines for submitting reports on execution of the relevant budgets are established, respectively, by Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities.

Reports on execution of the relevant budgets are approved, respectively, by resolutions of Jokargy Kenes of the Republic of Karakalpakstan, Kengashes of people's deputies of regions and city of Tashkent, as well as districts and cities.

### **Article 169. Review and approval of reports on execution of State budget and budgets of state trust funds**

Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan reviews a report submitted by the Cabinet of Ministers of the Republic of Uzbekistan on execution of State budget and budgets of state trust funds for the relevant reporting period following discussions by fractions of political parties and committees of the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan.

After deliberations in factions of political parties and committees of the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan, the report on execution of State budget of the Republic of Uzbekistan and budgets of state trust funds for the relevant reporting period is reviewed at a session of the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan and approved by a resolution of the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan.

Notice on the execution of State budget and budgets of state trust funds for the reporting year, after the approval of the annual report on execution of State budget and budgets of state trust funds by the Legislative chamber of the Oliy Majlis of the Republic of Uzbekistan, is posted on the official website of Ministry of finance of the Republic of Uzbekistan.

## **Section IX. Control over execution of budgets of the budget system**

### **Chapter 26. State financial control**

#### **Article 170. General provisions**

State financial control is exercised by state financial control authorities in order to identify, eliminate and prevent violations by the objects of state financial control of budgetary legislation, as well as to prevent corruption offenses in the budgetary sphere.

State financial control is exercised:

at the republican level — over the formation and execution of the republican budget of the Republic of Uzbekistan, budgets of state trust funds and extra-budgetary funds of budget organizations financed from the republican budget of the Republic of Uzbekistan;

at the local level — over the formation and execution of the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, extra-budgetary funds of budget organizations financed from the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent.

State financial control authorities exercise state financial control in accordance with the annual control plans approved by the state financial control authorities or the authorized body.

In some cases, unscheduled state financial control is allowed on the basis of decisions:

of the President of the Republic of Uzbekistan or the Cabinet of Ministers of the Republic of Uzbekistan;

of heads of state financial control authorities in cases when information on violation of budget legislation has been received by a state financial control authority.

#### **Article 171. State financial control authorities**

State financial control authorities are Chamber of accounts of the Republic of Uzbekistan, Ministry of finance of the Republic of Uzbekistan and its authorized subordinate bodies.

State financial control related to revenues of State budget and budgets of state trust funds is implemented by the bodies of the state tax service, within powers delegated to them.

#### **Article 172. Principles of state financial control**

Principles of state financial control are the legality and independence of the state financial control, as well as the reliability and objectivity of the results of state financial control.

#### **Article 173. Forms, types and methods of state financial control**

State financial control is exercised in the form of revision, audit (including an audit in order to monitor the elimination of violations of budgetary legislation identified by a previous revision or audit) and examination.

Types of state financial control are:

preliminary control — carried out by treasury units, financial authorities and Chamber of accounts of the Republic of Uzbekistan prior to financial transactions;

current control — carried out by treasury units, financial authorities and bodies of the state tax service in the course of financial transactions;

follow-up control — carried out by the state financial control authorities specified in [article 171](#) of this Code after completion of financial transactions.

Methods of state financial control are:

depending on scope of document examination:

complete — control of all accounting, financial, statistical, banking and other documents for the audited period;

selective — control of a separate part of accounting, financial, statistical, banking and other documents for a certain period;

depending on target and subject of control:

comprehensive — control of all areas of financial and economic activities of an object of state financial control for a certain period;

thematic — control of activities of an object of state financial control pertaining to certain issues for a certain period;



cross-control — verification, which consists of comparing documents of various objects of state financial control related to each other by the unity of transactions, with the exception of business entities.

#### **Article 174. State financial control exercised by Chamber of accounts of the Republic of Uzbekistan**

Chamber of accounts of the Republic of Uzbekistan carries out:

systematic analysis of formation of draft State budget of the Republic of Uzbekistan and its compliance with the priorities of the country's socio-economic development;

audit of the provision of approved state and territorial programs with funding sources;

examination and control of the completeness of receipts of funds to budgets of the budget system and other funds created in accordance with the established procedure;

identification and mobilization of reserves for increasing revenues of budgets of the budget system and other funds created in accordance with the established procedure through the use of modern information and communication technologies;

audit of the efficiency and legality of the expenditures of budgets of the budget system and other funds created in accordance with the established procedure, identification of opportunities for their reduction at all levels;

assessment of the viability and feasibility of investment projects implemented at the expense of budgets of the budget system and public borrowings;

development of proposals for improving tax, customs and budget legislation, introduction of modern methods of budget planning through summarizing and studying the causes of systemic violations, as well as international experience;

assessment of optimality of relation between the republican budget of the Republic of Uzbekistan and the budget of the Republic of Karakalpakstan, local budgets of regions and city of Tashkent, of correctness of delineation of revenue authorities and expenditure obligations of bodies of local authority, development of proposals on ensuring their financial self-sufficiency;

control over the targeted use of budget loans and credit lines of Ministry of finance of the Republic of Uzbekistan;

control over the appropriate and targeted use of funds in foreign currency by diplomatic missions of the Republic of Uzbekistan abroad;

control over the appropriate application of the requirements of the legislation on public procurement;

external audit of the monetary and foreign exchange policy of the Republic of Uzbekistan, assets and liabilities of the Republic of Uzbekistan, management of gold and foreign currency reserves, as well as operations carried out with precious metals and precious stones.

#### **Article 175. State financial control exercised by Ministry of finance of the Republic of Uzbekistan, Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, financial departments of district and city hokimiyats**

Ministry of finance of the Republic of Uzbekistan, Ministry of finance of the Republic of Karakalpakstan, financial departments of hokimiyats of regions and city of Tashkent, financial departments of district and city hokimiyats, within their authorities, exercise state financial control over:

ensuring the execution of budgetary legislation by lower financial authorities;

granting and timeliness of payment of social benefits and material assistance to low-income families;

ensuring compliance of budget organizations and recipients of budget funds with staffing-estimate discipline;

correct calculation and timeliness of payment of excise tax;

completeness of marking with excise stamps of certain types of excisable goods and the correspondence of the number of purchased excise stamps to the volume of products;

correctness of budget accounting and preparation of financial statements by budget organizations, as well as preparation of budget reporting by lower territorial financial authorities.

#### **Article 176. State financial control exercised by treasury units**

Treasury units exercise state financial control through:

mandatory registration of contracts of budget organizations and recipients of budget funds for supply of goods (works, services) at the expense of State budget and budgets of state trust funds in order to monitor their conclusion within the amounts and in accordance with the purposes specified in the estimates of expenditures;

ensuring compliance with payment discipline by making sure that payments on behalf and instruction of budget organizations and recipients of budget funds are made directly to the accounts of suppliers of goods (works, services) within the amounts provided for in the estimates of expenditures and registered contracts.

#### **Article 177. State financial control exercised by Main department of state financial control of Ministry of finance of the Republic of Uzbekistan and its territorial departments**

Main department of state financial control of Ministry of finance of the Republic of Uzbekistan and its territorial departments exercise state financial control over:

compliance with budgetary and staffing-estimate discipline;

execution of expenditures of budgets of the budget system;

order of priority, timeliness and completeness of payments from budgets of the budget system;

targeted use of funds from centralized sources allocated for implementation of state development programs;

appropriate and targeted use of funds in foreign currency by diplomatic institutions of the Republic of Uzbekistan abroad;

correctness of award, accounting and timely payment of pensions and benefits;

activities of medical-labor expert commissions;

targeted use of budget loans and credit lines;

targeted use of credits (loans) attracted by the Republic of Uzbekistan or under its guarantee;

targeted use of humanitarian aid and technical assistance funds;

correctness of biddings (tenders) for public procurement.

#### **Article 178. State financial control exercised by bodies of the state tax service**

Bodies of the state tax service exercise state financial control in accordance with tax legislation.

#### **Article 179. Cooperation of state financial control authorities**

Plans of control of budget organizations are approved by state financial control authorities.

State financial control authorities, when detecting offenses that have elements of crime, including elements of corruption, in the actions of officials of the objects of state financial control, transfer control materials to law enforcement agencies.

Materials on administrative offenses by officials of the objects of state financial control are transferred to the courts or the relevant authorized state bodies.

### **Chapter 27. Organization of state financial control**

#### **Article 180. State financial control in form of follow-up control**

State financial control in the form of follow-up control is carried out in accordance with the control plan and is launched by the decision of state financial control authority.

An official, exercising state financial control in the form of follow-up control, must have a copy of the relevant decision of the state financial control authority and an official identification.

Requirements to officials of state financial control authorities exercising state financial control in the form of follow-up control are determined by the authorized body.

### **Article 181. Engagement of experts and specialists by state financial control authorities**

**State financial control authorities have the right to engage experts and specialists of government bodies and other organizations in addressing issues requiring special professional knowledge.**

### **Article 182. Frequency and duration of state financial control**

State financial control in the form of follow-up control is carried out in accordance with the plan of control of objects of state financial control approved in accordance with [article 170](#) of this Code not more frequently than once a year.

Duration of state financial control carried out in the form of follow-up control should not exceed thirty calendar days. If necessary, duration of state financial control carried out in the form of follow-up control may be extended by head of the relevant state financial control authority that ordered the subject state financial control, or by a person authorized by him.

### **Article 183. Documents presented based on results of state financial control**

Results of state financial control carried out in the form of follow-up control are presented by an official of the state financial control authority in the form of:

- report — a document drawn up based on the results of verification and revision;
- consolidated report — a document summarizing the results of state financial control;
- information statement or conclusion — a document drawn up based on the results of study and verification conducted by way of control.

### **Article 184. Presenting results of state financial control**

Documents on the results of state financial control carried out in the form of follow-up control are presented with indication of:

- type of document;
- place where control has been carried out, date when document has been drawn up;
- grounds for state financial control;
- type of state financial control and its duration;
- surnames, first names and patronymics of officials who conducted state financial control;
- full name of the object of state financial control, positions, surnames, names and patronymics of officials responsible for the period covered by the control, with the obligatory indication of the period of employment in their respective positions;
- location (postal address), bank details of the object of state financial control;
- information on the measures taken based on the results of the previous control (checks);
- the period covered by state financial control, and general information about the documents submitted by the object of state financial control for its implementation;
- violations revealed during the control (checks), indicating the acts of legislation, the norms of which were violated.

The document drawn up as a results of state financial control carried out in the form of follow-up control must be accompanied by copies of documents that served as ground for conducting state financial control, protocols of actions performed under the state financial control, inventory reports, conclusions of engaged experts and specialists, materials obtained during the control at the request of officials conducting state financial control, as well as other documents confirming the performance of actions under the control.

Inclusion in the document drawn up as a result of the conducted state financial control of various conclusions, assumptions and facts that are not confirmed by legislative acts, documents or the results of procedures carried out in the course of the state financial control of the activities of an object of state financial control, information from investigation materials and references to the testimony of officials of the object of state financial control, given by them to the investigating authorities, is not allowed.

Document drawn up as a result of the conducted state financial control should not provide a legal assessment of the actions of officials and financially liable persons of the object of state financial control, as well as qualification of their actions, intentions and goals.

Information provided for in **part one** of this article is not required when issuing an information statement (conclusion).

Documents drawn up as a result of the conducted state financial control are signed by officials who conducted state financial control, as well as officials and responsible persons of the object of state financial control.

In case of disagreement with the results of the conducted state financial control, officials and responsible persons of the object of state financial control sign a document with comments and, within ten days, submit objections to the state financial control authority in writing.

In case of failure to submit objections in writing on the part of the object of state financial control within a ten-day period, the document drawn up as a result of the conducted state financial control is considered as accepted by the object of state financial control, and the state financial control authority takes measures on its implementation.

When applying to the court, the object of state financial control must, within ten days, submit to the state financial control authority a document confirming its appeal to the court. Until the court makes a decision regarding the appeal of the object of state financial control, the state financial control authority suspends the implementation of the document drawn up as a result of the conducted state financial control as it pertains to the disputed points.

Truthfulness, objectivity and completeness of the information provided in documents drawn up as a result of conducted state financial controls are ensured by officials of state financial control authorities.

#### **Article 185. Rights and responsibilities of officials of objects of state financial control**

Officials of an object of state financial control have the rights:

to know the purpose, start date and duration of state financial control;

to require from officials of the state financial control authorities to present the decision of the head of this authority and a one-time authorization certificate giving them the right to carry out state financial control in the form of follow-up control, as well as an official identification;

not to admit to state financial control persons, who have no lawful basis for its implementation;

to appeal the results of state financial control.

Officials of an object of state financial control are responsible for:

creating the necessary conditions to officials of the state financial control authority for conducting state financial control;

complying with lawful requirements of the state financial control authority and their officials, as well as not interfering with the lawful activities of officials of the state financial control authority;

providing to officials of the state financial control authority, during the conduct of state financial control, documents and information necessary for conducting this control, bearing personal responsibility for their truthfulness, objectivity and completeness;

ensuring the refunding of funds used in violation of budgetary legislation, as well as the fulfillment of contractual obligations by suppliers of goods (works, services).

Officials of objects of state financial control may have other rights and bear other responsibilities in accordance with the legislation.

#### **Article 186. Restrictions applied during exercise of state financial control**

State financial control may not be conducted by officials of state financial control authorities: who are close relatives, relatives of the spouse of an official of the object of state financial control;

who have personal property interests in the object of state financial control;

who worked in the object of state financial control during the period covered by the control.

In the event of circumstances specified in [part one](#) of this article, the officials of the state financial control authorities must notify about such circumstances the head of the body that ordered the state financial control in writing.

## **Chapter 28. Violations of budgetary legislation**

### **Article 187. Violation of budgetary discipline**

A violation of budgetary discipline is:

direction, during financial year, of funds of State budget, budgets of state trust funds and extra-budgetary funds of budget organizations for purposes not in compliance with the conditions of their receipt (use);

carrying out, during financial year, of payments without compliance to the established pay grades, position salary sizes, salary increments, additional payments and other salary related allowances;

undue delay by heads and other officials of banks in releasing to institutions and organizations financed from the budget of funds for payment of salaries, pensions, benefits, scholarships and other similar expenses, as well as to institutions that deliver pensions.

### **Article 188. Violation of estimate-staffing discipline**

Violation of estimate-staffing discipline is spending funds from State budget, budgets of state trust funds and extra-budgetary funds of budget organizations during financial year as a result of:

inclusion in the estimate of expenditures of budget allocations based on inaccurate and overstated, in comparison with the standard norms, information;

non-compliance with the established maximum total number of personnel, standards for the ratio between categories of employees, standard staffing norms;

non-compliance with the procedure for formation and use of extra-budgetary funds of budget organizations;

non-compliance with the established procedure and standards for job evaluation lists.

### **Article 189. Violation of procedure for budgetary accounting and financial reporting**

Violation of the procedure for maintaining budgetary accounting and financial reporting is the absence of accounting source documents, inconsistency between the data of budget accounting and financial statements and data of accounting source documents, incomplete reflection of transactions and property in budgetary accounting and financial statements.

### **Article 190. Violation of procedure for submitting budget requests, estimates of expenditures and staffing tables for registration, as well as financial statements**

Violation of the procedure for submitting budget requests, estimates of expenditures and staffing tables for registration, as well as financial statements is a failure to submit to the financial authorities a budget request, estimate of expenditures and a staffing table for registration, as well as financial statements within the established time frame.

### **Article 191. Violation of procedure for use of goods received in the Republic of Uzbekistan under non-repayable aid**

Violation of the procedure for the use of goods received in the Republic of Uzbekistan under non-repayable aid is their sale, lease or use for other commercial purposes.

### **Article 192. Liability for violation of budgetary legislation**

Persons guilty of violating budgetary legislation are duly liable.