

Comparison of main differences between JSCs and LLCs in Uzbekistan

	Joint-Stock Company (JSC)	Limited Liability Company (LLC)
I. Incorporation		
Brief explanation	Means a company, the charter fund of which is divided to certain number of shares, to be distributed among unlimited number of persons. Shares are measured in pieces.	Means a company, the charter fund of which is composed of the nominal value of contributions, made by participants of the company. Participatory interest is measured in percents or fractions of the charter fund (capital)
Complexity of normative regulation	Governed by 116 articles of the "Law on joint-stock companies and protection of rights of shareholders" (adopted in 1996)	Regulated by 55 articles of the Law "On the companies with limited liability" (adopted on 1 March 2002)
Minimum amount of participants (shareholders)	One (1) or more One or more shareholders: legal entities and/or individuals	From one (1) to fifty (50) Not less than 1, but not more than 50 participants: legal entities and/or individuals Cannot have as the sole participant another business entity held by one participant
Acquisition of rights and obligations by the legal entity	The right and obligation of the company are acquiring through its management bodies	The right and obligation of the company are acquiring through its management bodies
Simplicity of the procedure of registration of the company	Complicated. Requires registration of shares and depositing of shares	Simplified procedure. No registration of participatory shares.
Proposed expenditures of the founder(s) prior registration of legal entity	State stamp duty on notarisation of PoAs from the founder (if applicable)	State stamp duty on notarisation of PoAs from the founder (if applicable)
State registration fee	Around US\$ 35	Around US\$ 35
Duration of legal work required for preparing constitutive (founding) documents of legal entity and internal regulations)	from 50 to 100 hours of legal work	from 10 to 20 hours of legal work
Average duration of the registration	20-40 working days	2-10 working days
Frequency of use of the form of vehicle in practice	Moderately applied. (Currently governing law is in force since 1996). Total quantity of JSCs in Uzbekistan does not exceed 700.	Widely applied. (Currently governing law is in force since 1996). Total amount of LLCs is probably exceeds 300'000.
II. Shareholders (Participants)		
Ownership restrictions	Not Applicable	A company cannot be established by another company with one founder (save for joint-stock companies).
Citizenship or jurisdiction of Shareholders	Not limited. Foreign citizens and legal entities are admitted	Not limited. Foreign citizens and legal entities are admitted
Quota or shareholding thresholds depending on citizenship or jurisdiction of Shareholders	No	No
III. Documents		
Constitutive Documents	Charter	Charter and Shareholders' Agreement

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Status of Shareholders' (Participants) Agreement	a mandatory agreement for the founders of a JSC, if there is more than one founder. The founding agreement of a JSC is not a constituent document of a JSC.	a mandatory agreement for the founders of a LLC, if there is more than one founder. The founding agreement of a JSC is a constituent document of a LLC.
Prescribed Content of Shareholders' (Participants) Agreement	The founding agreement of a JSC contains: 1) the provision(s) on the establishment of a JSC, 2) the procedure for the founders to carry out joint activities to establish a JSC, 3) information on the size of the authorized capital (authorized fund) of the company, 4) information on the types of shares to be placed among the founders, 5) information on the size and procedure for paying for shares, 6) a list of the rights and obligations of the founders to establish a JSC.	The founding agreement of an LLC must contain: 1) provisions on the obligation of the founders to establish the company; 2) the procedure for joint activities to establish it; 3) the composition of the founders (participants) of the company; 4) the size of the authorized capital (authorized fund) of the company and the size of the share of each of the founders (participants) of the company; 5) the procedure, amount, methods and terms for making contributions to the authorized fund (authorized fund) of the company upon its establishment; 6) the liability of the founders (participants) of the company for violating the obligation to make contributions; 7) the conditions and procedure for distributing profits and losses between the founders (participants) of the company; 8) the composition of the company's bodies and the procedure for the withdrawal of the company's participants from the company. The above is a list of the essential terms of the agreement. The list is closed (numerus clausus). The absence in the founding agreement of provisions regulating the above issues may entail its recognition as invalid. The LLC Law does not provide that other issues may be included in the founding agreement.
Permissibility of Corporate Agreement	Yes	Yes
Status of Corporate Agreement	A corporate agreement is not an agreement on the creation of a legal entity, and, therefore, it does not have the nature of a constituent agreement. Participation of all participants or shareholders of the company is not required. That is, a part of the participants or shareholders may participate in a corporate agreement.	
Content of Corporate Agreement	The corporate agreement of shareholders of a JSC or participants of an LLC may regulate the procedure for exercising their membership rights: 1) the procedure for participants to exercise their membership rights; 2) abstinence (refusal) of participants from exercising individual membership rights, including: i) abstinence (refusal) from voting at the general meeting of participants of the company on individual issues; ii) voting in a certain order (for, against or abstain) at the general meeting of participants of the company on individual issues; iii) carry out actions to manage the company in a coordinated manner, iv) acquire shares in the authorized capital (capital) at a certain price; v) alienate shares in the authorized capital (capital) at a certain price;	

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	vi) acquire shares in the authorized capital (capital) upon the occurrence of certain circumstances; vii) alienate shares in the authorized capital (capital) at a certain price upon the occurrence of certain circumstances; viii) refrain from acquiring a share in the authorized capital (capital); ix) to refrain from alienating a share in the authorized capital (capital); x) other membership rights. 3) methods of ensuring the fulfillment of obligations arising from the agreement, and 4) liability for failure to fulfill or improper fulfillment of such obligations.	
The prescribed language of documents that are filed for state registration	Uzbek. Feasible to file bilingual documents in Uzbek and the preferred language with side-by-side text	Uzbek. Feasible to file bilingual documents in Uzbek and the preferred language with side-by-side text
IV. Liability of Shareholders (Participants)		
Presence and degree of liability of shareholders (founders) or participants on obligations of legal entity	Limited to the value of owned shares. But the law permits imposing of additional liability (joint and several liability or subsidiary liability) on the shareholder in certain events. E.g., joint and several liability can be imposed on the participatory shareholder limited to the underpaid amount of the declared value of the participatory share. The responsibility of each shareholder is limited by the value of share(s) belonging to him (her).	Limited by the value of contributions to the company. In certain events, joint and several liability can be imposed on the participatory share. The responsibility of each participant is limited by his (her) contribution to the charter fund.
Expulsion of shareholder	Not allowed	Permitted. The company's participants, whose shares in general comprise not less than ten percent of the company's charter fund (charter capital), are liable to demand in judicial order the exclusion of the company's participant who grossly violates their liabilities or, due to their actions (inactions), makes the company's activity impossible or considerably complicated.
V. Shares (Issue of Securities)		
Possibility to Issue Securities	Yes	Yes (only the corporate bonds).
Form of Shareholding	The share and shares of stock have the form of a capital market security and are subject to registration at a capital market. Shares are issued in pieces, may have different classes and different voting rights attached. The owners could have quantities/pieces of shares (preference or voting shares).	Does not have any form of security, but is close to participatory shareholding in a partnership. The shareholding is a percentage of the shareholding in the charter capital, like in a partnership.
Physical (Paper) Shares	No	Not Applicable
Preferential (non-voting) shares	Yes.	Not Applicable
Nominee Shares	No	Not Applicable

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Bearer Shares	No	Not Applicable
Registration of Shares (Participatory Interest) by a Capital Market intermediary	Yes	Not Applicable
Corporate Bonds in the form of securities	Yes	Yes
Simplicity of Registration	Moderate	Not Applicable (save for corporate bonds issued by LLC)
VI. Formation of Charter Capital (Redemption of Shares)		
Minimum amount of the charter fund (capital)	Not applicable (applied could be certain thresholds for the companies performing licensed types of activities)	Not applicable (applied could be certain thresholds for the companies performing licensed types of activities)
Percents of the charter capital to be filled in prior to registration	N/A	N/A
Contributions to the Charter Fund	any assets (tangible and intangible) including rights	any assets (tangible and intangible) including rights
Mandatory evaluation of contributions to the charter fund (if not in the form of monetary funds)	Yes	Yes
VAT chargeable from the Company on equity contributions to its charter funds if made in the form of assets other than monetary funds	Yes	Yes
VII. Transfer of Shares (Participatory Interests)		
Withdrawal of shareholders or participants	The right to withdraw at any time, regardless of the consent of other shareholders.	The right to withdraw at any time, regardless of the consent of other shareholders.
Procedure of transfer of ownership to a share (security) or a participatory share (interest)	Complicated. Requires fulfilment of a number of formalities. Requires registration of the transfer and the shares.	Simpler than in a JSC. Can be transferred on the basis of a plain agreement in writing. Does not require registrations at Depository.
Information on the shareholders in the charter or other foundation documents of the company	No	Yes.
VIII. Transfer and Registration of Shares (Participatory Interests)		
Competition (antitrust) consent filing threshold at transfer (acquisition) of shares (participatory interests)	25 or more percent of shares (applied if the book value of assets or revenue from the sale of goods for the last calendar year of one of the economic entities participating in the transactions exceeds 250'000 times the base calculation value)	more than 1/3 of participatory interest (applies if the book value of assets or revenue from the sale of goods for the last calendar year of one of the economic entities participating in the transactions exceeds 250'000 times the base calculation value)

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Moment of transfer of title to Shareholding	The rights to the shares are transferred to the purchaser of the shares from the moment the corresponding credit entry is made in the purchaser's depository account. The rights certified by a share are transferred to their acquirer from the moment of transfer of rights to this security.	The rights to the Participatory Interests transfer from the moment of registration of amendments to the Charter of LLC (the clause stating that participant shall enjoy the rights of the shareholder from the moment of notification of the Company, does not expand to the title to shareholding).
Registration of Shareholding by the state	Yes	No
Registration of Shareholding by a market intermediary	Yes	No
If any management body of the company is involved in accomplishment of the change of title to shares	No	Yes. The amendments to the charter reflecting the new composition of shares and shareholders, including names of the shareholders must be approved by the general participants' meeting and delivered by the CEO of the company to the state registration body.
A requirement for any delivery of the charter to any state organ in order to complete transfer of title to shares	No	Yes. The charter must contain a record on new shareholder and such charter must be registered with the state registration body, otherwise the change of title would not enter into force.
If any selling shareholders must sign any documents other than the share sale-purchase agreement	No	Yes. The sellers must not only sign the SPAs, but also participate in the general participants meeting approving amendments to the foundation documents given the change of shareholders, and also must instruct their CEO (the CEO elected by the selling shareholders) to deliver the amended (restated) foundation documents (including the charter) to the state registering body.
IX. Right of Preemption in Purchasing Traded Shares (Participatory Interest)		
Pre-emptive right to purchase shares (right of first refusal)	Yes. If the number of shareholders does not exceed 50, the company's charter may provide for the pre-emptive right of shareholders and the company to purchase shares sold by other shareholders	Yes. The participants of the company enjoy a preferential right over third parties to purchase a share (part of a share) of a participant of the company when it is sold by any of the participants.
Permissibility of contractual waiver of the Pre-emptive right to purchase shares	Yes, if the waiver governed by a Corporate Agreement.	Yes, if the waiver governed by a Corporate Agreement.
X. Mandatory Put and/or Call Options		
Call Option	Yes. The owner of 50 or more percent of shares is obliged to offer minority participants to sell him shares at market value within 30 days if, prior to acquiring this share, such shareholder didn't own or owned less than 50 percent of	Yes. The owner of 50 or more percent of a participatory interest is obliged to offer minority participants to sell him the participatory interest at market value within 30 days if, prior to acquiring this share, such shareholder didn't

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	shares in the authorized capital.	own or owned less than 50 percent of shareholding in the authorized capital.
Put Option	Yes. Owners of voting shares have the right to demand that the company buy out their shares if they voted against or did not participate in the voting for valid reasons when the general meeting of shareholders adopted decisions on: - reorganization of the company; - consolidation of outstanding shares; - execution of a major transaction; - amendments and additions to the company's charter that limit their rights.	Not prescribed
XI. Contractual Put and/or Call Options		
Put Option	Not prescribed, but presumably could be established under a Corporate Agreement	Not prescribed, but presumably could be established under a Corporate Agreement
Call Option	Not prescribed, but presumably could be established under a Corporate Agreement	Not prescribed, but presumably could be established under a Corporate Agreement
XII. Pledge over Share (Participatory Interest)		
Permissibility of Pledge over Shares (Participatory Interests)	Yes	Yes
Legal Nature of Pledge over Shares (Participatory Interests)	Pledge of property	Presumably it has nature of Assignment of a Set of Rights, but this is disputable.
Mandatory registration of pledge	Yes. The pledge over shares must be registered by a capital market intermediary having status of a depository.	No.
Presence of Possessory Pledge over Shares (Participatory Interests)	No. Pledges shares must be sold through a public trade (auction)	No. Pledges shares must be sold through a public trade (auction)
XIII. Dividend		
Payment of Dividend	Yes.	Yes. The term and procedure for payment of dividends are determined by the company's charter or by a decision of the general meeting of participants.
Permissibility of allocation of Dividend non-pro-rata to shareholdings	No	No
Permissibility of allocation of Dividend to only few shareholders	Yes. E.g., to the holders of preferential shares.	No
XIV. Structure of Management Bodies		

	Joint-Stock Company (JSC)	Limited Liability Company (LLC)
Management structure	<p>The law provides for three main management bodies:</p> <ul style="list-style-type: none"> - the shareholders meeting, - the supervisory board, and - the executive body. <p>The management could be three-level or two-level. Supervisory Board (see comments below) is optional in certain events, but in relation to companies with 30 or more shareholders of voting shares, it is mandatory to appoint the Supervisory Board. The supreme management body is the general meeting of shareholders (GSM). If the number of shareholders with voting shares is 30 or more, a Board of Directors (Supervisory Board) is created. The executive body is collegial (management board, directorate) or sole (director, CEO)</p>	<p>The law provides for three main management bodies:</p> <ul style="list-style-type: none"> - the shareholders meeting, - the supervisory board, and - the executive body. <p>The management could be three level or two-level. Supervisory Board (see comments below) is optional.</p> <p>The highest body is the general meeting of participants (GMP). An executive body is also created (it may consist of non-participants)</p>
Complexity of corporate management	Complex. Requires fulfilment of a considerable amount of mandatory provisions	Average. Minimum quantity of mandatory requirements set forth in the law. Moderate amount of gaps granting room for manoeuvre
Requirement for the internal regulations governing formation and functioning of management bodies	Yes	No
XV. General Meeting of Shareholders (Sole Founders' Decision)		
Documents evidencing shareholders' rights to participate at a GMS	Representatives of the company's participants must present a document (power of attorney) confirming their authority. A power of attorney to vote issued on behalf of an individual must be notarized. A power of attorney to vote on behalf of a legal entity is issued with the signature of its CEO and certified by the seal of this legal entity (if available).	Representatives of the company's participants must present a document (power of attorney) confirming their authority. A power of attorney to vote issued on behalf of an individual must be notarized. A power of attorney to vote on behalf of a legal entity is issued with the signature of its CEO and certified by the seal of this legal entity (if available).
Role of the Meeting of Shareholders	The general meeting is the highest management body and has exclusive control over matters such as electing the management bodies, changing the charter or charter capital, reorganisation, redemption, annual report approval, entering into major transactions (see below) and division/consolidation of shares. The charter may refer decisions on the election and dismissal of executive bodies to the board.	The general meeting is the highest management body and has exclusive control over the prescribed list of matters
Quorum for the GSM being quorate (valid)	Yes. A quorum requires the registration of more than 50% of the votes of the company's outstanding voting shares.	Not prescribed.
Number of votes held by voting shareholders at the general meeting of shareholders (participants)	Number of votes held by shareholders (participants) must be proportional to his share in the authorized capital of the company based on the principle of "one	Number of votes held by shareholders (participants) must be proportional to their share in the authorized capital of the company, but can be changed by the charter.

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	voting share of the company granting one vote".	
Admissibility of a participant having a number of votes at a general meeting of participants that is not proportional to his share in the authorized capital (authorized fund) of the company	No	Yes
Role of Shareholders or Participants in the Management	No direct participation in the company's activities is required	No direct participation in the company's activities is required
Permissibility of simplified holding the GMS	Yes. The voting shall be by ballots.	Yes. The voting shall be by ballots.
Complexity of initiating and convening the meeting of shareholders/participants	Yes	No
Mandatory formation of a counting commission for the computation of votes	Yes	No
Mechanisms of protection of minority shareholders	Yes. Well developed. E.g., prescribed is formation of the committee of minority shareholders	Moderate. Not well elaborated
Complexity of holding GSM/GMP	Requires fulfilment of a substantial amount of mandatory provisions	Minimum of mandatory requirements set forth in the law. Moderate amount of gaps granting room for manoeuvre
XVI. Intermediary Management Body		
Supervisory Board as an intermediary body is mandatory (not optional)	No	No
Annual re-election of the intermediary management body (if exists)	Yes	No
XVII. Executive Body		
Structure of executive management body: - individual or collective	Yes	Yes
Annual re-election (limited tenure) of the executive management body (individual or collective)	Yes	Not prescribed
Implied voting of all members of the collective executive organ on the issues of the agenda of the organ	Yes	Yes

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Citizenship of members	Not limited. Foreign citizens are admitted	Not limited. Foreign citizens are admitted
XVIII. Reserve Fund		
Mandatory Reserve Fund	Yes	No
XIX. Substantial or Interested Transactions		
Mechanisms of corporate approval of substantial or interested transactions	Yes	Yes
XX. Annual Reporting		
Annual auditing of the finance	Yes	Yes, If at least two criteria are met at the end of financial year: - the book value of assets exceeds 100 000 basic calculation value ¹ , - revenue from sales of products (works, services) exceeds 200 000 basic calculation value, and - the average annual number of employees exceeds 100 people.
XXI. Public Disclosure of Substantial Facts		
The need for having website with placement of various prescribed documentation	Yes	No
Prescribed forms of reporting of the management of the company before the participants and shareholders	Yes	Not
Prescribed form of public disclosure and publication in mass media of information in relation to substantial facts	Yes. There are predetermined procedures and timelines for such disclosure and public reporting	No
Simplicity of liquidation	Complicated. Governed by number of legislation documents	Simple
XXII. Reorganisations		
Permissibility of reorganisation of JSC to LLC and vice-versa	Yes	Yes
XXIII. Liquidation		
Comparable complexity of liquidation	Yes	No

¹ Basic calculation value (BCV) – the amount of money set by the state, which is used to calculate various financial indicators such as taxes, fines, duties, as well as to determine the cost of government services, patents, licenses, and other payments. As of August 2025, 1 BCV is 412 000 UZS (or roughly 32 USD).