

LAW OF THE REPUBLIC OF UZBEKISTAN

On natural monopolies

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Law of the Republic of Uzbekistan No. 815-I dtd August 19, 1999

On the introduction of amendments and supplements to Law of the Republic of Uzbekistan "On natural monopolies"

Article 1. Purpose addressed by the Law

The present Law aims at regulating the scope of relationships associated with the activity carried out by the subjects of natural monopolies on goods markets of the Republic of Uzbekistan, as well as ensuring a balance of interests of consumers, state and the subjects of natural monopolies.

Article 2. Law on natural monopolies

Law on natural monopolies comprises the present Law and other legislative acts. If a certain international agreement signed by the Republic of Uzbekistan lays down rules and regulations other than those contained in the legislation of the Republic of Uzbekistan on natural monopolies, the rules and regulations specified in international agreement are applicable.

Article 3. Basic terms

The present Law deals with the following basic terms: natural monopoly - means a state of goods market where, because of technological peculiarities, the creation of competitive conditions to satisfy demand for a certain type of goods (work, services) (hereinafter referred to as the goods) is not possible or economically inexpediently.
the subject of natural monopoly - is considered to be an economic establishment (legal entity) involved in production (sale) of goods under conditions of natural monopoly;
the consumer - is considered to be a legal or natural entity purchasing goods manufactured by the subject of natural monopoly.

electric and post communication services accessible to public - used to denote those which rendering can not be refused users and which can not be replaced for consumption with other electric and post communication services.

Article 4. Government regulation of activity carried out by the subjects of natural monopolies

Government regulation of activity carried out by subjects of natural monopolies is established in the following spheres: extraction of oil, gas condensate, natural gas and coal;
oil, petroleum products and gas pipelinig;
production and transmission of electric power and thermal energy;
rail transportation;
electric and post communication services accessible to public;
servicing of water pipeline and sewer systems;
Services of ports and airports are also subject to government regulation;
Agencies of government regulation of activity carried by the subjects of natural monopolies are as follows:
the Cabinet of Ministers of the Republic of Uzbekistan;
Agency authorized by the Cabinet of Ministers of the Republic of Uzbekistan (hereinafter referred to as the agency).

Article 5. Methods designed to regulate activity carried out by the subjects of natural monopolies

Methods used to regulate activity carried out by the subjects of natural monopolies are as follows:
price adjustment executed by determination (fixing) of prices (tariffs) or their upper limit;
determination of consumers liable to obligatory servicing and (or) establishment of minimum levels of their provision with goods if it is not possible to satisfy completely consumers' goods requirements sold by the subjects of natural monopolies.
Other methods can also be applied to regulate activity carried out by the subjects of natural monopolies.

Article 6. Basis for taking decisions on application of methods of regulation by the agency of government regulation of activity carried out by the subjects of natural monopolies

A relevant agency of government regulation of activity carried out by the subjects of natural monopolies takes a decision on application of methods of regulation stipulated by the present Law and other legislative acts conformably to a certain subject of natural monopoly on the basis of analysis of his activity, taking into account motivating role in improvement of sold production quality and satisfaction of demand for such production. At the same time, soundness of expenditure is estimated and the following factors are taken into account:
production (selling) costs, including salary, value of raw materials, overhead charges;
taxes and other compulsory payments;
cost of basic production assets, investment requirement for their reproduction as well as depreciation charges;
predicted profit derived from possible sale of goods at different prices (tariffs);
remoteness of different groups of consumers from the place of goods manufacturing;
conformance of manufactured (sold) goods' quality to consumers' demands;
government subsidy and other measures of government support.
When taking decision on application of methods of regulation of activity carried out by the certain subject of natural monopoly, the agency of government regulation of activity carried out by the subjects of natural monopolies also considers information presented by consumers of goods produced (sold) by the subject of natural monopoly.

Article 7. Price adjustment

Price adjustment of activity carried out by the subjects of natural monopolies is executed by an authorized agency.
For the purpose to set prices (tariffs) for goods, the subjects of natural monopolies should present to an authorized agency price (tariffs) projects and price calculation in accordance with the procedure established by the Cabinet of Ministers of the Republic of Uzbekistan.
Projects of prices (tariffs) for goods produced by the subjects of natural monopolies are considered by an authorized agency in the course of a month, taking into account their influence on prices of consumer's production.
Instruction of authorized agency regarding prices (tariffs) is published by the subjects of natural monopolies in mass media not later than fifteen days before their coming into force.

Article 8. Determination of consumers liable to obligatory service

The Cabinet of Ministers of the Republic of Uzbekistan determines the consumers liable to obligatory servicing by the subjects of natural monopolies.

Article 9. Government control over the activity carried out by the subjects of natural monopolies

The government antimonopoly agency executes control over the activity carried out by the subjects of natural monopolies. The government antimonopoly agency executes control over:

transactions, as a result of which the subject of natural monopoly acquires the right of ownership for fixed assets or the right of use of fixed assets not designed for production (sale) of goods with regards to which government regulation is applied, if book cost of such capital assets exceeds 10 per cent of value of owners' capital of the subject of natural monopoly.

transactions, as a result of which a subject of natural monopoly assigns to other economic establishment the right of ownership or possession and (or) use of part of fixed assets designed for production (selling) of goods with regard to which government regulation is applied in keeping with the present law, if book cost of such capital assets exceeds 10 per cent of value of owners' capital of the subject of natural monopoly.

the observance of agreements concerning volume of goods sold to consumers;

the observance of the procedure for price determination and application of prices (tariffs) for goods;

the creation, reorganization and liquidation of the subjects of natural monopolies.

To execute actions specified in paragraphs two and three of part two of the present Article, the subject of natural monopoly is obliged to present to the government antimonopoly agency the relevant information and application to receive its consent to execute such actions. The procedure for consideration of such application, demands on contents of such information and a form of its presentation are defined under the law.

The Government antimonopoly agency has the right to deny the request stipulated in the application, if actions specified in it can lead to negative consequent effects, as well as in cases where either the applicant has not presented a full package of documents or information specified in them is not complete or not authentic.

The government antimonopoly agency should, in the course of thirty days from the date it received the application, notify the applicant of his decision in writing.

The government antimonopoly agency is entitled to ask addition documents from the applicant and extend a period for consideration of such application on condition that such request with notification for extension of a period of consideration of an application has been forwarded to the applicant not later than fifteen days from the date the application has been received. If, upon expiration of a period of consideration of the application, the answer of the government antimonopoly agency either is not received, or official denial of his request is given, the applicant has the right to apply to court.

Article 10. The government antimonopoly agency's power in the sphere of activity carried out by the subjects of natural monopoly

The government antimonopoly agency fulfills the following:

forms and keeps the State Registry of subjects of natural monopolies with regard to which government regulation and control are executed;

controls the observation of the present law within its competence;

takes decisions concerning facts of violation of the legislation within its competence;

forwards to the subjects of natural monopolies the instructions (orders) binding to be performed;

takes decisions on imposition of fine on the subject of natural monopoly;

forwards to local authorities instructions, binding to be performed, concerning cancellation or alteration of acts adopted by them if they are at variance with the present law.

applies to court with a claim or an application, as well as participates in proceedings associated with application or violation of the present law.

Article 11. Consideration of administrative cases concerning violation of law on natural monopolies

The government antimonopoly agency considers, within its competence, administrative cases concerning violation of law on natural monopolies by legal entities, including foreign ones, as well as by agencies of State administration and local agencies of State power.

Grounds to consider cases associated with violation of law on natural monopolies are considered to be materials received as a result of examinations carried out by the government antimonopoly agency, as well as applications filed by economic establishments, agencies of State administration, local agencies of State power and procuracy.

Cases regarding violation of law on natural monopolies should be considered within a month. Decision on considered cases is taken in the presence of representatives of economic establishments or an agency of administration and concerned persons. Decision (instruction) taken by government antimonopoly agency on results of consideration of case is forwarded to concerned parties not later than five days from the date it has been taken, and is liable to be executed within a term stipulated in it.

Article 12. Right of access to information on activity carried out by the subjects of natural monopoly

With a view to perform functions imposed on government antimonopoly agency, its officials are vested with the right of unimpeded access to information on activity carried out by the subjects of natural monopolies, available at local agencies of State power, as well as at the subjects of natural monopolies.

The subjects of natural monopolies, local agencies of State power are obliged, at the request of the government antimonopoly agency, to present documents, written and oral explanations and other information required to perform functions by the government antimonopoly agency under the Law.

Secret information received by the government antimonopoly agency on the basis of the present Article is not liable to disclosure.

Article 13. Taking of decision on the introduction, change or termination of government regulation of activity carried out by the subjects of natural monopolies

Decisions on matters of the introduction, change or termination of government regulation of activity carried out by the subjects of natural monopolies, as well as of methods of regulation, are taken in accordance with the procedure established by the Cabinet of Ministers of the Republic of Uzbekistan.

Matters associates with the introduction, change or termination of government regulation of activity carried out by the subjects of natural monopolies, may be considered on the grounds of proposals of the government authorities, consumers' public association and economic establishments.

Article 14. Rights of the subjects of natural monopolies

The subjects of natural monopolies are entitled to deny consumers' request for service if they have not paid for sold goods under the procedure established by the law. The subjects of natural monopolies may also have other rights stipulated under the law.

Article 15. Obligations of the subjects of natural monopolies

The subjects of natural monopolies are obliged to fulfil the following:

to present activity report to the government antimonopoly agency in keeping with the procedure established by the legislation.

to grant equal conditions to consumers for purchasing of their goods. To regulate the distribution of goods among consumers according to the decisions taken by the Cabinet of Ministers of the Republic of Uzbekistan if capacity is not sufficient to serve all consumers.

to introduce amendments into agreements according to applications filed by the government antimonopoly agency in keeping with the procedure established by the legislation.

do not limit consumers' rights to receive goods of required volume and goods quality;

to furnish the authorized agency with authentic information required to set prices (tariffs).

The subjects of natural monopolies may also have other obligations stipulated under the law.

Article 16. Limitation of activity carried out by the subjects of natural monopolies

The subjects of natural monopolies are banned to do the following:

to refuse conclusion of agreements with certain consumers for production (sale) of goods if the subject of natural monopoly has possibility to produce (sell) such goods;

to levy a charge for goods exceeding an amount established by an authorized agency;

to trust access conditions to goods produced (sold) by the subjects of natural monopolies on consumers or execute other actions aimed at discrimination of consumers of goods produced (sold) by the subjects of natural monopolies at the expense of levying a charge not included into fixed prices (tariffs) from consumers.

Article 17. Rights enjoyed by consumers of natural monopolies

Consumers of natural monopolies have the following rights:

to buy goods produced (sold) by natural monopolies at prices (tariffs) set by an authorized agency;
to demand complete compensation for material damages and moral harm caused by goods dangerous to life,
health and property, as well as by unlawful actions (idleness) of the subjects of natural monopolies.
Consumers may also have other rights stipulated under the law.

Article 18. Protection of consumers' rights

Agencies of government regulation of activity carried out by the subjects of natural monopolies, government antimonopoly agencies and other specially authorized bodies protect rights of consumers of goods produced (sold) by the subjects of natural monopolies under the law.

Article 19. Responsibility borne for the infringement of the law on natural monopolies

Persons identified as having violated the law on natural monopolies are made answerable to the law according to the established procedure.

Article 20. Appeal of decisions (applications) taken by the government antimonopoly agency

The subjects of natural monopolies, government authorities, consumers and public associations of consumers have the right to file an application to a court on recognition of decisions (applications) taken by the government antimonopoly agency as null and void, partly or completely.

Application to a court does not suspend execution of a decision (instruction) taken by the government antimonopoly agency up to taking court's decision and its coming into legal force.