

“APPROVED”

Appendix 1 to the Resolution of the
Supervisory Board of the Joint-Stock
Company “Entrepreneurship Development
Company” No. 06/25 dated 27 August 2025

REGULATIONS
ON THE PROCEDURE FOR GRANTING COMPENSATION BY
THE JOINT-STOCK COMPANY “ENTREPRENEURSHIP
DEVELOPMENT COMPANY”

Tashkent – 2025

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Note:

This document is an unofficial translation of the original document in the Uzbek language and is provided for reference purposes only. In the event of any discrepancies, the original version of the document in the Uzbek language shall prevail.

Chapter 1. General Provisions

1. These Regulations has been developed on the basis of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights", the Decree of the President of the Republic of Uzbekistan dated 10 November 2023 No. UP-193 "On Measures to Improve the System of Financial Support for Small and Medium-Sized Businesses", the Decree of the President of the Republic of Uzbekistan dated 23 August 2025 No. UP-138 "On Measures to Implement the Tasks Identified at the V Open Dialogue of the President of the Republic of Uzbekistan with Entrepreneurs", and the Charter of the Joint-Stock Company "Entrepreneurship Development Company" (hereinafter referred to as the Company).

2. The following basic terms are used in these Regulations:

credit – a commercial bank loan used to finance the borrower's projects;

commercial bank – a commercial organization operating in the territory of the Republic of Uzbekistan and holding an appropriate license of the Central Bank of the Republic of Uzbekistan;

borrower – a business entity registered in the Republic of Uzbekistan and implementing an entrepreneurial initiative;

leasing – a special type of financial lease in which one party (the lessor), upon the instruction of the other party (the lessee), acquires from a third party (the seller) the property (the leasing object) agreed upon in the leasing agreement as ownership and transfers it to the lessee for possession and use for a period exceeding twelve months for a fee under the conditions specified in the agreement;

questionnaire – a request formed by the borrower through the Company's "Tadbirkor" information system (hereinafter referred to as the Information System) for the purpose of using compensation financial assistance, sent to a commercial bank and confirmed with an electronic digital signature (EDS);

application – an application formed by a commercial bank on the basis of the borrower's questionnaire through the Company's Information System, indicating the project and credit parameters for the purpose of using compensation financial assistance, and confirmed with an EDS;

base rate – the interest rate established and in force by the Central Bank of the Republic of Uzbekistan on the date of submission of the application;

compensation – funds allocated on a gratuitous basis from the Fund for Compensation of Credit Interest Expenses, opened at the Ministry of Economy and Finance without establishing a legal entity (hereinafter referred to as the Fund), for the purpose of covering part of interest expenses on commercial bank loans (leasing).

projects – a set of measures and activities implemented for the purpose of obtaining economic, social and other benefits from entrepreneurial activity;

misuse of credit – means the failure to allocate credit funds to the purposes specified in the credit agreement and/or project documentation, as well as the

failure to fully or partially deliver (bring) the goods (services) acquired with credit funds to the territory where the project is being implemented;

efficient use of credit – means an increase in revenue from the sale of products (services) implemented within projects carried out through the provision of compensation;

"Tadbirkor" information system – an information system that enables the submission of applications for the use of financial assistance, the conclusion of electronic contracts, and mutual exchange of information using an electronic digital signature (hereinafter referred to as the Information System).

3. The provision of compensation and the execution of payments through the Fund shall be carried out by the Compensation Provision Department.

Chapter 2. Procedure for Granting Compensation

4. The procedure for granting compensation by the Company shall be carried out in accordance with these Regulations.

5. Compensation shall be granted to borrowers who:

a) are registered and operating in the territory of the Republic of Uzbekistan;

b) are not at the stage of liquidation;

c) are not subject to initiated insolvency (bankruptcy) proceedings;

d) do not have a stability rating indicator of "D";

e) have not misused a loan previously granted with compensation support.

Compensation shall be granted only on the basis of an application submitted through the Information System.

Compensation shall not be granted for loans (leasing) allocated at the expense of the Company's own resources.

6. Compensation shall be granted in accordance with the scheme set out in Appendix 1 to these Regulations.

7. Compensation support shall not be provided for the areas specified in Appendix 2 to these Regulations.

8. The amount and conditions of compensation shall be determined in accordance with Appendix 3.

9. Regardless of the period of establishment of business entities, the projects eligible for compensation shall be determined in accordance with Appendix 4.

10. The questionnaire formed by the borrower and the application of the commercial bank shall serve as the basis for initiating the use of compensation.

If the territorial subdivision of a commercial bank makes a decision to grant a loan (leasing), it shall convert the questionnaire created by the borrower for obtaining compensation into an application and submit it to the commercial bank for review.

During the process of forming the application, the compliance of the information with the requirements of these Regulations shall be selected through

scoring analysis.

The commercial bank shall review the application for compliance with the current regulatory legal acts, the bank's credit policy, and these Regulations, and if errors or inconsistencies are identified, it shall return the application to the territorial subdivision requesting their elimination.

The responsible employee of the territorial subdivision shall make the relevant amendments to the application and resend it to the commercial bank for review.

The commercial bank shall submit the correctly formed application to the Company.

The borrower and the authorized official of the commercial bank who signed it shall be responsible for the completeness and accuracy of the information indicated in the questionnaire and the application.

During the review of the application, the Company shall have the right to request additional information and documents from the commercial bank, if necessary.

Chapter 3. Conditions for Granting Compensation

11. Compensation shall be granted on the basis of a General Agreement concluded between the Company and the commercial bank.

12. The commercial bank shall be the recipient of the compensation.

Chapter 4. Procedure for Suspension, Termination, Cancellation and Reinstatement of Compensation

13. The Company shall **suspend** the granting of compensation in the following cases:

from the date when overdue indebtedness arises on the principal debt and interest payments on the loan (leasing) until such indebtedness is eliminated; in this case, notification of this circumstance shall be carried out automatically through the bank information system;

when incorrect and/or false information is identified in the borrower's questionnaire and/or the commercial bank's application;

when the loan is partially used for purposes other than those specified;

when the commercial bank changes the amount, purpose and/or interest rate of the loan without obtaining the Company's permission.

The calculation of compensation shall be reinstated from the date the Company is notified by the commercial bank that the reasons for suspension have been eliminated. In this case, where the loan has been partially used for other purposes, reinstatement shall be carried out on the basis of information from the commercial bank confirming that the project has been put into operation, the portion of the loan used for other purposes has been eliminated, and the excess compensation amount received has been returned to the Company.

Compensation shall not be granted for the period during which it was suspended.

14. Compensation shall be **terminated** in the following cases:

if the borrower fully repays the loan (leasing) under the loan (leasing) agreement;

if the validity period of the loan (leasing) and/or compensation agreement expires;

if the loan (leasing) funds are not used for the purposes specified in the loan (leasing) and compensation agreements;

if compensation was received for loans granted prior to the conclusion of the compensation agreement;

in other cases provided for by legislative acts.

15. Compensation shall be considered as excessively calculated and received by the Bank in the following cases:

if it has been obtained by submitting false information in violation of the requirements of these Regulations;

if excessive compensation has been received on loans linked to a variable interest rate;

if it has been received after the date specified in the compensation agreement for suspension of compensation due to overdue indebtedness;

if it has been received after the date on which the court satisfied a claim filed for recovery of indebtedness under the loan agreement;

if compensation has been received during the period when the borrower was not carrying out activities;

if it has been received in the cases specified in the fourth and fifth paragraphs of clause 14 of these Regulations.

16. In order to identify circumstances providing for suspension or termination of compensation, the commercial bank shall conduct monitoring of the borrower's activities at least once a year, and based on the results of such monitoring, if circumstances are identified that constitute grounds for suspension and/or termination of compensation, and as a result it is determined that compensation has been excessively received, the bank shall notify the Company thereof within 5 (five) working days.

17. Excessively received compensation funds shall be returned by the commercial bank to the Fund within 5 (five) working days.

If the funds are not returned within the established period, they shall be deducted from the total payment amount of the commercial bank's next compensation register.

The deducted funds shall be reinstated to the bank's transit account at the expense of the borrowers who are deemed to have received excessive compensation and shall be paid in full to the borrowers indicated in the register.

The amount to be deducted shall not exceed 20 percent of the submitted register. In this case, funds voluntarily returned by the commercial bank after the last paid register shall be taken into account.

This rule shall also apply to relations arising from agreements previously concluded with the Company (the former State Fund for Support of Entrepreneurial Activity).

18. Upon receipt of a notification from a commercial bank or another organization regarding the identification of circumstances constituting grounds for suspension or termination of compensation, the Company shall, within 5 (five) working days, take measures to suspend or terminate the granting of compensation.

19. The commercial bank shall create conditions for supervisory authorities controlling the targeted and efficient use of compensation funds to conduct monitoring on a selective basis of loans (leasing) for which compensation has been granted and to obtain the relevant documents.

20. Ten percent of the funds to be returned based on the circumstances identified during monitoring shall be transferred to the Company.

21. The Company shall not be liable for the submission of incorrect and/or false information, the receipt of compensation on the basis of such information, as well as for the failure by the commercial bank and the borrower to fulfill their obligations in a timely manner, or for the misuse and inefficient use of the loan.

22. In the event of changes in loan (leasing) interest rates, terms, and other parameters, the compensation rate and amount may be adjusted, provided that they do not exceed the level fixed on the date of the decision to grant compensation.

23. In cases where the granting of compensation is suspended, terminated, or the compensation agreement is terminated early:

if this occurred as a result of the action or inaction of the borrower, the borrower shall pay the interest on the loan (leasing) in full;

if this occurred as a result of the action or inaction of the commercial bank, the bank shall pay the compensation at its own expense.

Chapter 5. Procedure for Calculation and Payment of Compensation

24. On the basis of the register submitted by the commercial bank, compensation payments shall be made:

for each month up to the period during which project efficiency is studied (the initial period);

for the subsequent period based on the project efficiency.

25. The commercial bank shall compile a compensation register based on the interest accrued on the outstanding balances of each loan (leasing) for which the compensation agreement is in force.

In doing so, the commercial bank shall:

ensure integration of the credit (leasing) data of project initiators into the Information System;

generate the register electronically within the requirements of the Company and confirm it with the signature of an authorized person;

submit the register signed with an electronic digital signature through the

Information System.

The commercial bank must have software that provides the ability to submit all calculations of the generated register to the Company online at any time.

26. Compensation shall be paid on the basis of the compensation register submitted by the commercial bank.

The commercial bank shall be responsible for the accuracy and completeness of the compensation register.

27. The responsible division of the Company shall make payments on the basis of the compensation register approved by the commercial bank.

28. The commercial bank shall keep records of the interest accrued and subject to compensation in accordance with the compensation agreements, in the prescribed manner.

Chapter 6. Source of Funds Required for Making Compensation Payments

29. The funds of the Fund shall be formed from the following sources:

a) funds within the annual allocations approved from the State Budget of the Republic of Uzbekistan for these purposes;

b) loans (borrowings) and grants of international financial institutions, foreign government organizations and other donors attracted for the implementation of the tasks assigned to the Company, aimed at providing compensation support.

30. The remaining balances of the Fund's funds at the end of the year shall not be withdrawn and shall be taken into account in the parameters of the subsequent year.

Chapter 7. Final Provisions

31. These Regulations shall enter into force as of 1 October 2025.

32. Amendments and/or additions to these Regulations may be made due to changes in legislation, amendments and/or additions to the Company's Charter and the Company's internal documents, as well as in other cases.

33. If certain provisions of these Regulations contradict the current legislation of the Republic of Uzbekistan and/or the Company's Charter, the provisions of the legislation of the Republic of Uzbekistan and/or the Company's Charter shall apply.

34. Disputes arising in the implementation of these Regulations shall be resolved in accordance with the procedure established by legislation, including through judicial proceedings.

Appendix 1 to the Regulations on the procedure for granting compensation by the Joint-Stock Company "Entrepreneurship Development Company"

SCHEME
for granting compensation by the Joint-Stock Company "Entrepreneurship Development Company"

Stages	Subjects	Measures	Timeframe
1-stage	Borrower	Submission of a questionnaire to the commercial bank through the Information System for obtaining compensation for the loan to be granted.	As required
2-stage	Territorial subdivision of the commercial bank Commercial bank	converting the questionnaire created by the borrower for obtaining compensation into an application; submitting the application to the commercial bank for review; reviewing the application for compliance with the current regulatory legal acts, the bank's credit policy and these Regulations, and submitting the correctly formed application to the Company.	Based on the requirements of the credit policy
3-stage	Company	Review of the application and adoption of a decision on granting compensation or refusing to grant compensation.	Within 3 working days
4-stage	Company	Notification of the commercial bank and the borrower of the adopted decision through the Information System.	Within 1 working day
5-stage	Borrower Borrower, Territorial subdivision of the commercial bank and the Company	After receiving the notification on granting compensation: payment of a one-time service fee for the costs of reviewing and processing the application; signing of the compensation agreement with an electronic digital signature (EDS).	Within 5 working days
6-stage	Commercial bank Company Commercial bank	submission of the compensation register; transfer of compensation funds for the initial year simultaneously for several loan (leasing) agreements to the commercial bank's transit account No. 29801.	After the end of the reporting month Within 30 days after receipt of the register

		<p>payment for the subsequent period based on the register submitted depending on project efficiency;</p> <p>transfer of funds credited to the transit account to account No. 16325 opened separately for each borrower;</p> <p>return of the remaining funds not transferred to the relevant account to the Fund.</p>	<p>Within 10 working days</p> <p>Within 1 working day</p>
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Appendix 2 to the Regulations on the procedure for granting compensation by the Joint-Stock Company "Entrepreneurship Development Company"

AREAS
for which compensation is not granted by the Joint-Stock Company
"Entrepreneurship Development Company"

1. Production of alcoholic and tobacco products and/or organization of their trade;
2. Repayment of previously obtained loans (leasing) or any other debts;
3. Establishment and operation of non-bank credit organizations, leasing and insurance companies;
4. Establishment and operation of trade, public catering, and motor fuel filling stations (except for pre-export financing and the purchase and installation of "green" technologies);
5. Formation of working capital (except for pre-export financing, tourism, and the creation of reserves of primary agricultural products);
6. Purchase and repair of light-duty and previously used freight motor vehicles (except for freight motor vehicles imported from abroad);
7. Purchase of buildings and structures (except for establishing the activities of non-state general secondary education institutions).

Appendix 3 to the Regulations on the procedure for granting compensation by the Joint-Stock Company "Entrepreneurship Development Company"

**AMOUNT AND CONDITIONS
of compensation provided by the Joint-Stock Company "Entrepreneurship Development Company"***

No.	Type of support	Participants	Utilization period	Special conditions
1.	Coverage of interest expenses on loans granted up to 3 billion UZS	Small business entities with an operating period of up to three years.	For a period not exceeding 3 years, compensation shall be provided based on the "1+2" principle, whereby it is first granted for the initial year of the loan (leasing), and then continued for the subsequent 2 years based on the following:	Compensation shall be provided for loans in the national currency at an interest rate exceeding the annual Central Bank base rate by 4 percentage points and not exceeding 1.75 times the base rate.
2.	Coverage of interest expenses on loans allocated in an amount of up to 5 billion soums.	Small business entities regardless of the period since their establishment.	<p>fulfillment of the plan for creating new jobs; an increase of at least 15 percent in annual revenue from the sale of products (services).</p> <p>If the established baseline indicators are not met, the compensation payment for the previous period shall be carried over to the next year (period).</p> <p>In this case, depending on the fulfillment of the indicators, compensation shall be paid to the borrower's account either separately for each year or, if the total indicators are fulfilled, cumulatively for two years.</p> <p>If the initially specified plan for the number of new jobs to be created is reduced, compensation payments for subsequent years shall not be made.</p>	<p>The areas for which compensation is provided to small business entities, regardless of the period of their establishment, shall be determined by the Company's Supervisory Board.</p> <p>Depending on the territorial category, compensation shall be provided during 2024–2026 in the amount of 30 percent of the Central Bank base rate to entrepreneurs registered in districts of categories 1–3, and in the amount of 40 percent of the base rate to entrepreneurs registered in districts of categories 4 and 5.</p> <p>For the initial period, accounting of compensable interest expenses shall be maintained in balance account No. 16325.</p>
3.	For hotels being constructed in regional centers, the cities of Tashkent and Nukus, and	For all categories of business entities that use loans granted by commercial banks for hotel	Compensation payments shall be provided based on the "2+3" principle, whereby they are first granted for the initial two years of the loan, and during the subsequent three years they shall be made to	For loans granted in the national currency at an interest rate not exceeding two times the Central Bank base rate, the portion exceeding the base rate by 4 percentage points, but up to 8

	districts (cities) specialized in tourism, for loans granted up to 30 billion UZS.	construction during 2026–2028.	the commercial bank's transit account No. 29801 on the basis of the register submitted monthly by the commercial bank, provided that the annual revenue from hotel services increases by 15 percent or more.	percentage points, shall be compensated.
	For hotels being constructed in other regions, for loans granted up to 10 billion UZS.			For loans granted in the national currency at an interest rate not exceeding two times the Central Bank base rate, the portion exceeding the base rate by 4 percentage points, but up to 10 percentage points, shall be compensated.

**If different terms and conditions are provided for in the acts of the President of the Republic of Uzbekistan and the Cabinet of Ministers, the amounts and conditions specified in those acts shall apply. In this case, the parameters established by these Regulations that are not excluded by such amounts and conditions shall remain in force.*

Appendix 4 to the Regulations on the procedure for granting compensation by the Joint-Stock Company "Entrepreneurship Development Company"

PROJECTS
for which compensation is provided by the Joint-Stock Company
"Entrepreneurship Development Company" to small business entities regardless
of the period of their establishment

No.	Areas	Projects within projects
1	Waste processing and prevention of environmental pollution	Projects related to the recycling of solid household waste; projects related to the collection and storage of waste.
2	Production of renewable and environmentally clean energy sources	Solar energy projects; wind energy projects; projects for generating electricity from biomass; projects related to intelligent electric grids; other projects.
3	Improvement of water supply in residential areas	Engineering projects related to drinking water safety; projects related to water saving.
4	Energy efficiency or construction of green buildings in construction works	Projects for carrying out "green" transformation of construction works in existing buildings; projects for carrying out, operating and maintaining green ecological construction works.
5	Implementation of environmentally clean transport systems	Public eco-transport projects; special transport for environmental protection.
6	Provision of services for projects on energy saving and environmental protection	Provision of services for renewable energy technologies; environmental protection services; water management services.
7	Support of green investments	Projects to support private investors in the introduction of "green" innovations.
8	Digitalization and training for the implementation of energy-saving and environmentally clean activities	Projects for providing green infrastructure; projects related to the digitalization of services; projects for training and consulting services aimed at transition to a green economy.
9	Establishment and development of private education institutions	Projects for establishing private schools and preschool education organizations; projects for establishing private institutes.

No.	Areas	Projects within projects
10	Establishment and development of private medical institutions	Projects for establishing private medical institutions; projects for introducing technologies for diagnostics, treatment and surgical operations in private medical institutions.
11	Ensuring food safety	Projects for growing food products; projects for producing food products; projects for storing food products; projects for purchasing vehicles intended for transportation of food products.
12	Providing the population with housing	Projects for construction of multi-apartment high-rise residential buildings.
13	Support of exports	Projects for replenishment of working capital for the purpose of exporting products (services) produced in the Republic of Uzbekistan.
14	Development of handicrafts and crafts	Projects related to the purchase of equipment.