

OVERVIEW¹

Procedure for Collecting Charitable Donations in the Republic of Uzbekistan²

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Introduction

On August 21, 2025, the President of the Republic of Uzbekistan signed an important law, which, among other changes, amended the Law of the Republic of Uzbekistan (RUz) on Charity. The Law entered into force in November 2025. These amendments establish a procedure for charitable organizations (COs) and other legal entities engaged in or receiving charitable assistance to collect charitable donations by transfer of funds to their bank accounts, as well as in the form of cash or property (the procedure for collecting charitable donations). In addition, the law introduced new administrative liability for violations of charity legislation and amended the regulation of COs.

The International Center for Not-for-Profit Law (ICNL) prepared this Overview of the procedure for collecting charitable donations and the main changes to the regulation of COs at the request of non-governmental non-commercial organizations (NNOs) in the RUz.

This Overview addresses:

1. A new legal term, “donation box.”
2. Procedure for collecting charitable donations:
 - by COs and legal entities;
 - by individuals.

¹ This Overview was prepared on the basis of an unofficial Russian translation of the Law available on LEX.UZ; accordingly, some terms may be used imprecisely. This English translation was prepared using artificial intelligence.

² This document is partially translated from Russian into English. The full text with all attachments is available in Russian at https://www.icnl.org/wp-content/uploads/Overview_Procedure-for-Collecting-Charitable-Donations-in-Rus.pdf.

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3. Installation and use of donation boxes.
4. Increase in the limit on funds that a CO may use for its own operating expenses.
5. Administrative liability for violations of charity legislation.

ICNL also provides examples of internal documents that a CO may adopt to help implement the procedure for collecting charitable donations in practice.

We hope that this Overview will help inform³ a wide range of organizations and individuals about this procedure and expand implementation of this important law. Broader application of the law may help strengthen the financial sustainability and transparency of COs, increase public trust in them, and promote the development of charitable giving more broadly.

1. The term “donation box.”

The term “donation box” is defined as “a container intended for collecting charitable donations in cash, the right to use which belongs to charitable organizations, as well as legal entities engaged in or receiving charitable assistance.”

2. Procedure for collecting charitable donations.⁴

Charitable donations may be collected by COs and legal entities engaged in or receiving charitable assistance (hereinafter, “legal entities”) through:

- transfer of funds to their bank accounts;
- cash donations using a donation box, except in cases where charitable donations in cash are deposited into their bank accounts;
- property, with an act drawn up specifying the type and quantity (volume) of the property received, as well as its value for entry on the balance sheet.
 - **Important:** to record property on the balance sheet, the accounting department must have a monetary (appraised or market) value for the property. Without this amount, the accounting department will be unable to record the property in the accounts for tangible assets or fixed assets.

Timeframes and announcement of fundraising:

- At least one day before the start of the charitable donation collection process, COs and legal entities engaged in or receiving charitable assistance

³ The information in this Overview does not constitute legal advice, and we recommend consulting Uzbek lawyers before taking action based on the information presented.

⁴ Article 5(2) of the Law of the RUz on Charity.

must, depending on the form of collection, publish in the mass media, on their official website, or on their social media pages information on the bank accounts to which donations will be collected; the addresses where donation boxes will be placed and where property will be collected; the purpose and timeframe of the charitable donation collection; the required amount of funds (property); and the contact information of the charitable organizations and legal entities engaged in or receiving charitable assistance.

Reporting on the amount and use of collected funds

- Within one day after the end of the charitable donation collection process, COs and legal entities engaged in charitable activities must publish, in the mass media, on their official website, or on their social media pages, information on the amount of charitable donations collected.
- COs and legal entities engaged in or receiving charitable assistance must report detailed information on the use of collected charitable donations for charitable purposes in the relevant tax reporting.

Rules for fundraising by individuals

- An individual may collect charitable donations in the form of funds transferred to their bank account or personal bank card, as well as in cash or property, only for themselves or their close relatives (parents, full and half siblings, spouse, children, including adopted children, grandparents, grandchildren, as well as the spouse's parents and full and half siblings).
- Volunteers⁵ may assist in collecting charitable donations on behalf of charity recipients only by publicizing the collection, except when an individual is collecting funds for themselves or their close relatives⁶. In such cases, charitable donations are collected by transferring funds to bank accounts or personal bank cards opened in the names of the individual charity recipients or their close relatives; by directly transferring cash (property) to them; or by transferring funds to bank accounts or transferring property to legal entities that are charity recipients.
- Individuals receiving charitable assistance must, upon request by persons who made the donations, provide information on the amount of charitable donations and their designated use.⁷

⁵ Part 9 of Article 5¹.

⁶ Part 8 of Article 5¹ of the Law of the RUz on Charity.

⁷ Part 2 of Article 5¹ of the Law of the RUz on Charity.

- Individuals may not collect charitable donations on behalf of charity recipients, or publicize the numbers of their own bank accounts and bank cards for collecting funds, except when an individual is collecting funds for themselves or their close relatives.

3. Installation and use of donation boxes.⁸

Donation boxes may be used only by COs and legal entities engaged in or receiving charitable assistance, not by individuals. In practice, it may be useful for the head of the CO or legal entity to issue an order on installing such a box (*see Appendix 1: Order on the Installation of Boxes for Collecting Charitable Donations*).

A donation box must be transparent, and its opening must be sealed with a paper seal bearing the signature of the head or a person authorized by the head and the seal of the CO or legal entity, or with a numbered seal.

COs and legal entities must display on the donation box information on the purpose of the charitable donation collection, their official name and legal address, contact information, and details of their official website or social media pages.

Installation of a donation box is carried out pursuant to an agreement (*see Appendix 2, "Agreement on the Installation and Use of a Box for Collecting Charitable Donations"*), concluded in writing between the owner of the immovable property or a person authorized by the owner and the CO or legal entity (except where the immovable property is owned or used by the CO or legal entity, or where a donation box is installed at the place and during an event organized by the CO or legal entity). The conditions for storing the donation box on the premises are specified in the agreement. If the box is not installed by the head of the CO or legal entity personally, in practice it may be useful for the head to issue a power of attorney to a third party to install the box (*see Appendix 3, "Power of Attorney No. __ for the Installation of a Box for Collecting Charitable Donations"*).

Cash collected in the donation box is removed when the donation box is full, when there is a need to use the collected funds, or upon expiration of the charitable donation collection period.

The donation box is opened by an authorized employee of the CO or legal entity at the location where the donation box is installed, in the presence of at least two witnesses, and the funds are counted in their presence. The process of opening the donation box and counting the funds is video-recorded, and an act on opening the box is drawn up

⁸ Article 5³ of the Law of the RUz on Charity. The provisions of this article do not apply to religious organizations that have installed donation boxes or to public foundations established by them.

(see Appendix 4, “Act No. ____ on Opening a Box for Collecting Charitable Cash Donations”).

The amount of money removed from the donation box is recorded in an act signed by the authorized employee of the CO or legal entity and by at least two witnesses.

The act and video recording are retained by the CO or legal entity, and information from the act is published in the mass media, on its official website, or on its social media pages within one day from the date the act is drawn up.

The funds must be deposited by the CO or legal entity into its bank account on the day they are removed from the donation box or on the next business day.

Important: the organization’s accounting department must first record the money as received into the organization’s cash desk using a Cash Receipt Order based on the Act on Opening the Box. A Cash Disbursement Order (CDO) is then prepared for depositing the cash proceeds/donations with the bank, and the money may be taken to the bank together with the CDO.

4. Increase in the limit on funds that a CO may use for its own operating expenses.⁹

COs may use no more than 30 percent (instead of the previous 20 percent) of the financial resources expended by the organization during the financial year for their own operating expenses (including all expenses related to their activities). This restriction does not apply to remuneration of persons involved in implementing charitable programs. Accordingly, a CO must spend at least 70 percent (instead of the previous 80 percent)¹⁰ of income received during the financial year.

Important: the accountant must maintain strictly separate (itemized) analytical accounting of administrative expenses and expenses for designated programs throughout the year. If the 30% limit is exceeded at year-end, the organization faces not only a fine, but also the risk that the excess will be deemed a misuse of funds, with corresponding tax consequences.

5. Administrative liability for violations of charity legislation.¹¹

- Violation of the procedure for collecting charitable donations entails a fine of three to five basic calculation units for individuals and five to seven basic calculation units for officials.

⁹ Part 3 of Article 9 of the Law of the RUz on Charity.

¹⁰ Part 3 of Article 11 of the Law of the RUz on Charity.

¹¹ Article 239² of the Code of the RUz on Administrative Liability.

- Violation of the procedure for installing and using a donation box entails a fine of three to five basic calculation units for individuals and five to seven basic calculation units for officials, with confiscation of the objects of the offense.
- If a charitable organization exceeds the statutory amount of financial resources that may be used for its own operating expenses (including all expenses related to its activities) during the financial year, and the conduct does not constitute a criminal offense, officials are subject to a fine of three to five basic calculation units.

Appendices¹²

1. Order No. ____ on the Installation of Boxes for Collecting Charitable Donations.
2. Agreement on the Installation and Use of a Box for Collecting Charitable Donations.
3. Power of Attorney No. ____ for the Installation of a Box for Collecting Charitable Donations.
4. Act No. ____ on Opening a Box for Collecting Charitable Cash Donations.

¹² Available in Russian at https://www.icnl.org/wp-content/uploads/Overview_Procedure-for-Collecting-Charitable-Donations-in-Rus.pdf