

"INTRODUCED"
General Director
JSC "Uzbekexpertiza"

_____ **A. Grigoryants**
«__» _____ 2023

"AGREED"
Deputy Minister of Investment,
Industry and Trade of the Republic of
Uzbekistan,
Chairman of the Supervisory Board of
JSC "Uzbekexpertiza"

_____ **B. Abidov**
«__» _____ 2023

CONCEPTION

**of development of JSC "Uzbekexpertiza"
for June-September 2023**

Content

Introduction

1. Current condition of the Company's operations

2. Goal of the Concept realization

3. main directions of activity development. Problems and ways of their solution

3.1. Expand the use of ICT in the Company's activities.

3.2. Further improvement of the Company's production activities;

3.3. Anti-corruption, compliance-control;

3.4 Work on preparation and professional development of personnel;

3.5 Monitoring the condition of financial and economic activity and improvement of organizational structure, including regional subsidiaries of JSC "Uzbekexpertiza".

Conclusion

Introduction

The purpose of this Concept is to increase the achieved indicators and ensure financial, economic and material stabilization of the Joint-Stock Company, to increase financial stability and competitiveness of the company by maintaining and improving the QMS in accordance with ISO 9001 international standard, to develop new types of services, to improve the quality of services rendered and to widely apply modern ICT achievements in the Company's activity.

The general strategy of the Company's development is based on:

- expanding the range of services, further development of non-monopoly services in "Uzbekexpertiza" JSC and its regional Subsidiaries;
- increasing the reputation of the Company by introducing risk management system in the processes and carrying out works on development of quality management system certified by international certification body TUV for compliance with ISO 9001 requirements;
- optimization of business processes, organizational and production structure of the Company;
- cardinal automation and informatization of the Company's activity, creation of the most favorable conditions for applicants by means of functioning of the Internet-portal for acceptance of online applications for all rendered services on the Company's site;
- Improvement of the mechanism for realization of services based on the "one window" principle;
- implementation of the International Standard ISO 37001 "Anti-corruption Management Systems" in the Company in order to form an effective corruption prevention system;
- implementation of achievements in the field of information and communication technologies in the processes of financial and economic activities of the Company, operational provision of services related to the export of products manufactured by the enterprises of the Republic.

Image of JSC "Uzbekexpertiza"

The services of JSC "Uzbekexpertiza" are used by all enterprises, regardless of the form of ownership, established in the territory of the republic, including investors, export-oriented enterprises, participants of small and medium-sized businesses engaged in foreign trade operations, as well as private individuals.

The trademark of Uzbekspertiza JSC, registered by the patent office of the Republic of Uzbekistan, is known in the CIS countries, the European Union, Asia, Africa, Australia and Oceania, North and South America.

Certificates signed by authorized employees of Uzbekexpertiza JSC are recognized in more than 100 countries of the world.

The Company is interested in sustainable profit generation and its maximization, which is achieved through the sale of services provided to consumers. For these purposes, the Company will strive to ensure that consumers in the conditions of competition give preference to the services of JSC "Uzbekexpertiza".

1.Current state of the Company's activity

JSC "Uzbekexpertiza" is a legal entity, has an independent balance sheet and operates on the principles of self-financing and self-sufficiency. It has the right to independently carry out foreign trade operations necessary for its activity in accordance with the legislation of the Republic of Uzbekistan and the Charter.

The structure of JSC "Uzbekexpertiza": the head enterprise in Tashkent city with branches "Airport", "Sergeli", "Ark Bulok", and "Excise Post", "Almalyk", "Angren", "Bekabad", "Nazarbek", "Chirchik" in Tashkent region. The Company also formed 12 subsidiary business entities in the form of limited liability companies in all regions of the Republic of Uzbekistan and the Republic of Karakalpakstan, which are independent legal entities.

The Company provides the following main types of services:

1. Expertise and issuance of certificates of origin of goods;
2. Examination and issuance of certificates for property imported by enterprises with foreign investments for their own production needs;
3. Issuance of expert opinion on the classification of goods in accordance with HS;
4. Issuance of certificates of conformity for food and agricultural products, goods of light, chemical industry, products of the construction industry;
5. Carrying out tests of food and agricultural products, chemical industry products, light industry products and construction industry products for compliance with the requirements of regulatory documents;
6. Examination of quantity and quality;
7. Maintaining the Register of importers of international brands;
8. Consulting services on price expertise of export-import contracts, marketing research.

On the basis of JSC "Uzbekexpertiza" accredited testing laboratory in Tashkent (accreditation certificate №O'ZAK.SL0074 from 20.02.2020 until 19.02.2025), as well as product certification bodies (accreditation certificate O'ZAK.MS.0024 from 06.07.2020, until 05.07.2025);

Key indicators for 2022

For 2022, the Company's sales of services increased significantly and amounted to UZS 29.16 billion, which is 153.9% compared to 2021 (UZS 23.27 billion) and 192.8% compared to the same indicator of the Business Plan.

Net profit of the Company amounted to UZS 3.17 billion, which is 113.6 % compared to 2021 (UZS 2.79 billion) and 146.1 % compared to the similar indicator of the Business Plan.

At the end of 2022, the volume of sales of services of the Company's regional subsidiaries amounted to UZS 36.2 billion, which is 113.5% compared to 2021 (UZS 31.0 billion) and 153.1% compared to the same indicator of the Business Plan.

For 5 months of 2023, the volume of sales of services by the Company has significantly increased and amounted to UZS 11.9 billion, which is 136.3 % compared to 5 months of 2022.

The following activities aimed at solving the strategic tasks of ensuring the economic sustainability of the society have been carried out:

1. In accordance with the Business Plan of the Company for 2022, as well as in fulfillment of the Resolutions of the President of the Republic of Uzbekistan No. PP-4297 dated 23.04.2019 "On measures on further improvement of administrative procedures in carrying out foreign economic activity", No. PP-4525 dated 20.11. 2019 "On measures to further improve the business environment and improve the system of support for entrepreneurship in the country", as well as for the timely implementation of the tasks specified in the Protocol of the Cabinet of Ministers of the Republic of Uzbekistan meeting No. 1 dated 08.01.2021 (reg.No.01-24/1-2840 dated 15.01.2021), The Company has developed and implemented the Unified Information System "Expertize_All", which includes automation of all services provided by the Company and its regional subdivisions, as well as accounting and correspondence.

At present the system is fully functional and it is possible to submit an application from the official website of the Company through the personal cabinet of the applicant, also the application and attached documents can be submitted through the customs system "Single Window".

2. Administrative cooperation with the EU has been established for exports to the EU countries, confirmation of origin of goods by registration in the EU Registered Exporter system (REX) in accordance with the established procedure has been implemented (no certificate is given).

3. In order to increase the competitiveness of products manufactured in the republic in the world market, including when imported into the country with preferential or zero customs duties, together with the Ministry of Investment, Industry and Trade in March

this year, the Rules of origin of goods to the Preferential Trade Agreements with Pakistan and with Turkey, which are an integral part of the agreements, were developed, and negotiations are also underway on the rules of origin to the Agreement on preferential trade with the Republic of Korea.

4. Together with the Ministry of Investment, Industry and Trade, an agreement between the Government of the Republic of Uzbekistan and the Government of the Russian Federation on mutual use of electronic systems of certification of origin of goods (signed on December 2, 2022), as well as a similar draft agreement with the Republic of Belarus, which is at the negotiation stage.

5. At the national seminar on "**Trade Facilitation under the EU Generalized System of Preferences (GSP+)**" organized by the Border Management Programme in Central Asia (BOMCA 10), EU customs experts gave a positive assessment of the practical application of the REX system for obtaining preferences under the GSP+ and highly appreciated the methods and forms of informing exporters.

6. The Company has successfully passed the external audit conducted by the State Unitary Enterprise "Uzbek Center for Accreditation" and works on transition to the new international standard for laboratories O'z DSt ISO/IEC 17025:2019 have been performed.

7. The certification body of the Company's products has successfully passed the expansion of the accreditation area (for meat, confectionery and dairy products and for products of light industry and leather and footwear industry) conducted by the State Unitary Enterprise "Uzbek Center for Accreditation".

8. Accreditation of testing complex for products of textile and footwear industry, as well as for new areas of the current area of accreditation and for expansion and accreditation of the certification body of the Company's products.

9. Modern testing equipment was purchased to check the quality of light industry products in accordance with the requirements of the new technical regulations.

10. Training of personnel at the Institute of Standards, and also at "Cert Academy" LLC in the areas of QMS and laboratory testing in accordance with the new requirements of the standard was carried out.

11. According to the instructions of MIIT, work was carried out on the development of a new version of HS Code of RUz. 2022, and its translation into the state language.

12. Work was carried out to develop a set of measures in the main areas of anti-corruption, including the registration of specific indicators, including the system of anti-corruption "compliance-nazorat".

13. At the same time, in execution of the Decree of the President of the Republic of Uzbekistan No. UP-5582 dated 24.11.2018. "On additional measures to improve customs administration and increase the efficiency of the State Customs Service of the Republic of Uzbekistan", the Company together with the Customs Committee under the Ministry of Economy and Finance of the Republic of Uzbekistan worked out the issue of opening additional service points on the territory of new customs terminals "Yallama" of Tashkent region and "Dustlik" of Andijan region.

14. In order to create favorable conditions for exporters and increase the efficiency of services rendered, the Company organized round-the-clock work at all customs posts, including those in the regions.

2. Goal of the Concept realization

The main directions of the Company's short-term concept (100 days):

1. Expanding the use of information and communication technologies in the Company's activities;
2. Further improvement of the Company's production activities;
3. Anti-corruption in the Company, "compliance-nazorat";
4. Main directions of improvement of financial and economic activities of the Company.

3. Main directions of activity development. Problems and ways of their solution

3.1 Expand the use of ICT in the Company's activities.

In order to comply with the requirements of global and state standards on automation and digitalization, reduce corruption factors, increase the speed of information processing, transparency of business, and increase the technological sophistication is envisaged:

1. introduction of a new document management system based on the UIS platform.
2. Development of a new Company website to improve the performance of the current official Company website.
3. Computerization - equipping workplaces with electronic computer equipment in accordance with the requirements of modifying the functionality of the information system.
4. implementation of a system for monitoring all critical network resources and servers of the society, which will allow prompt response to failures in the infrastructure, also tracking metrics of all systems in real time in the form of graphs and events.
5. Automate the backup of data in electronic format over a consistent period of time to additional redundant arrays of independent media/storage to prevent data loss in the event of failure of major data center equipment.

6. Implementation of an electronic system for maintaining the Register of Importers of International Brands.

3.2 Further improvement of the Company's production activities;

The following activities are planned for this purpose:

1. In accordance with the Action Plan on Harmonization of National Legislation with WTO Agreements, study and analysis of the WTO Agreement on Rules of Origin and, based on the results of the analysis, preparation of proposals for necessary amendments and additions to PCM-994 dated 13.12.2019;

2. taking measures to conduct negotiations at the level of the Ministry regarding the use of electronic certificates in mutual trade in accordance with the Agreement on Free Trade Zone of October 18, 2011 with the CIS countries;

3. discussion of technical aspects of the use of electronic certificates to ensure electronic interaction between the information systems of Uzbekexpertiza and the Customs Authority of the Russian Federation in accordance with the Agreement between the Government of the Republic of Uzbekistan and the Government of the Russian Federation on mutual application of electronic systems of certification of origin of goods, providing for mutual application of electronic systems of certification of origin of goods to improve the efficiency of customs control, accelerate customs clearance

4. Development of a regulatory legal document on the implementation of the procedure for defining local manufacturers as a new type of services and coordination with interested ministries and agencies;

In order to implement the service of customs cargo declaration, increase the professionalism of employees, training and advanced training of the Company's experts at relevant courses in the Association of Customs Brokers.

To expand the range of non-monopoly services, introduction of market research services for export-import contracts and consulting.

In order to expand the accreditation area of the Testing Complex, acquisition of two modern multifunctional gas chromatographs and a toxicity analyzer.

3.3 Anti-corruption, compliance-control;

The Message of the President of the Republic of Uzbekistan to the Oliy Majlis and the people of Uzbekistan of December 20, 2022 noted that "unless all segments of the population and the best specialists are involved in the fight against corruption, unless our society is, figuratively speaking, inoculated with the "vaccine of honesty", we will not be able to achieve the set goals".

That is why in the new Uzbekistan, as part of the reforms aimed at further improving the welfare of our people, unconditional provision of human rights and interests, and

development of civil society, an atmosphere of uncompromising fight against corruption is required in all spheres.

The Company continuously carries out large-scale work aimed at forming an effective system of corruption prevention, early detection and elimination of causes and conditions that may trigger corruption.

The following activities are planned:

1. taking measures to implement the International Standard ISO 37001 "Anti-corruption Management Systems" in the Company;
2. work on conducting test surveys and identifying risks of corrupt practices in the Company's branches and subsidiaries;
3. systematic work to minimize the influence of the human factor through digitalization of the Company's services and internal document management;
4. comprehensive monitoring and control of production activities of the Company's regional subsidiaries.

3.4 Work on preparation and professional development of personnel;

1. Preparation for certification of directors of subsidiaries and affiliates in order to determine the level of their qualification and professional training (certification is scheduled for September of the current year).
2. In order to improve and consolidate theoretical knowledge, organizational skills and political literacy of the employees of JSC "Uzbekexpertiza", it is planned to hold a seminar for employees (team building), and trainings by means of video conferencing on certification of origin of goods and other services provided by the Company.
3. In accordance with the Presidential Decree on measures to further accelerate work on systemic support for families and women in 2022-2026, free medical examinations are planned in order to strengthen the social protection of working women, support them and protect their rights and legitimate interests.
4. In pursuance of the Decree of the President of the Republic of Uzbekistan UP-6084 dated 20.10.2020, the Company organized courses together with the Center for Training and Professional Development under the Ministry of Higher and Secondary Specialized Education of the Republic of Uzbekistan in purpose of training the employees of the Company in the state language.
5. Carrying out activities aimed at increasing professional knowledge and social activity of young employees of the Company, expanding their spiritual and educational outlook, educating them in the spirit of loyalty to the ideas of national independence.

3.5 Monitoring the condition of financial and economic activity and improvement of organizational structure, including regional subsidiaries of JSC "Uzbekexpertiza".

In order to ensure high profitability of the Company, reduce production costs and increase financial stability of the Company, the following measures are planned:

1. taking measures to implement the requirements of International Financial Reporting Standards (IFRS) in JSC "Uzbekexpertiza" in accordance with the Decree of the President of the Republic of Uzbekistan from 24.02.2020 № PP-4611;
2. achievement of the accepted commitments of the main parameters of the **Business Plan for the 3rd quarter of 2023:**
 - The realization volume - 14.5 billion UZS;
 - Net profit - 1.9 billion UZS.
3. taking measures to reduce accounts receivable and accounts payable;
4. taking measures to improve the efficiency of the use of existing assets;
5. mastering modern methods of analysis and effective management of the Company's cash flows;
6. improvement of the Company's pricing policy;
7. comprehensive monitoring of financial and economic activities of the Company's regional subsidiaries and affiliates on an ongoing basis.

Conclusion

The terms of this Concept will be realized through the development and implementation of the relevant Program, which will involve the Company's structural subdivisions.

The source of financing of the Concept is the Company's own funds.

Constant monitoring of the Concept will make it possible to make appropriate adjustments if problems are identified during practical implementation of the Concept.