OPEN DIALOGUE WITH FISHERIES ENTREPRENEURS

Questions and Answers

The Q&A was prepared on the basis of an open dialogue held jointly by the Central Bank and the "O'zbekbaliqsanoat" association. Matters set for review do not constitute final decisions.

QUESTION 1

Our company is engaged in wholesale trade. Our annual turnover exceeds UZS 15 billion. To expand our business, we have submitted documents to the bank for a loan of USD 300,000. This is our first loan application, and the bank has said it is reviewing it. Can the loan approval be speeded up?

ANSWER

The documents submitted for the loan will be reviewed by the credit committee in accordance with the bank's current credit policy, and the process will be speeded up. The bank needs additional time to examine the application. A task has been set to reach the relevant decision on the matter by 28 October.

QUESTION 2

Our company operates in tourism. We have submitted a loan application to the bank to replenish working capital. We need the funds to keep our business running without interruption. Is it possible to speed up the loan processing?

ANSWER

The company is an existing client of the bank, and its turnover and loan application have been reviewed. It is planned to complete the collateral documents and then disburse the loan within two days. It was agreed to finalise the matter by Friday.

QUESTION 3

Some fish farms have a negative credit history at banks because they failed to repay earlier loans on time. Their previous debts have now been repaid, but they again need funds to switch to intensive farming and build new ponds. Can the situation of such entrepreneurs be examined individually and their access to credit reconsidered?

ANSWER

We will examine separately the situation of fish farms with a negative history on previous loans. To do so, the relevant centre must provide each company's name, taxpayer identification number and servicing bank. On the basis of this information, the requests will be reviewed together with banks, and solutions will be sought for the circumstances preventing them from obtaining loans.

QUESTION 4

Presidential Decree PF–122 on supporting the fishing industry provides for loans at 10 per cent. However, it is said that farms are unable to use these loans and that the fisheries agroplatform is not working. How can the actual disbursement of preferential loans be speeded up so that the fish-farming season is not missed?

ANSWER

Commercial banks were instructed to submit, by Friday, agreements with the Fund for Reconstruction and Development on raising resources under Decree PF–122. They were asked to submit proposed agreements of at least USD 1 million, as needed. On the basis of the agreements submitted, work will be done with the Fund to provide banks with resources. To monitor and speed up loan requests, it was agreed that the sector centre will provide daily information on applications until 30 November.

QUESTION 5

In fish farming, raising fry to marketable fish can take up to two years. Semi-intensive farming requires about UZS 350–400 million per hectare; costs such as aerators, automatic feeders, fry, feed and electricity arise at different stages. When a standard loan repayment schedule does not match seasonal revenue, arrears arise. Will banks develop dedicated loan products and repayment schedules suited to fish species and the growing period?

ANSWER

When lending to fish farming, the need to finance costs by production stage rather than all at once will be taken into account. Banks were instructed to develop products suited to fish species and the growing cycle by 24 October. These should account separately for the needs of preparing ponds and equipment, purchasing fry and subsequent feed costs. It was also decided to prepare model repayment schedules based on anonymised practical examples of farms that repaid their loans on time and send them to banks.

QUESTION 6

We have applied for loans totalling UZS 15 billion to develop fish farming and livestock. The non-residential real estate offered as collateral has a high market value, but the bank's valuation is much lower than we expected. What approach will be taken to determine the true value of the collateral and speed up the review of the loan application?

ANSWER

You may exercise your right to have the collateral valued by an independent appraiser. We will take the bank's valuation report and the report from the independent appraiser you submit and compare both documents through an impartial expert. The difference between the valuations will be examined in this way. If you submit the independent valuation report as soon as possible, it is planned to respond on the outcome within two to three days of receiving the documents. Meanwhile, the review of the loan application documents unrelated to collateral will continue.

QUESTION 7

Farms raising fish intensively are struggling to compete in the market because of high production costs. There are reports that some intermediaries buy fish from farmers for cash and resell it without proper documents, and that some farms do not fully report their actual sales turnover. These practices negatively affect producers' incomes and the attraction of new investment. What measures will be taken to ensure transparency in the fish trade and protect farmers' interests?

ANSWER

The issue you have raised is important and needs to be examined with the participation of the relevant authorities. Matters related to undeclared trade, recording of sales turnover and competition do not fall directly within the bank's remit. We therefore ask you to submit the cases you have noted, your calculations and proposals in writing to the Fisheries Development Centre. On the basis of these materials, it is planned to raise the matter with the competent organisations and consider the necessary proposals in draft regulations being developed. In particular, you may also submit in writing your proposals on using invoices in the transport and sale of fish.

QUESTION 8

Access to subsidies for fisheries development remains a pressing issue for farms. Clarity is needed on the electronic platform for subsidies and the procedure for accepting applications. From when can fish farms apply for subsidies, and through which system will applications be reviewed?

ANSWER

A draft resolution on allocating subsidies in the fisheries sector has been prepared. It is planned to have the electronic platform for subsidies ready by the end of this week and launch it next week. The system will be operated by the relevant agency under the Ministry of Agriculture. Information on obtaining subsidies will be entered into the platform, and applications will be reviewed on that basis. We are working regularly with the ministry and the relevant agency on launching the platform. No final information was given at this meeting on whether the platform has been launched or subsidies allocated.

QUESTION 9

There are complaints that some intermediaries transport fish products from farms to buyers without documents and sell them for cash. Such practices can make it difficult to determine actual sales turnover, track product movement and ensure fair competition among producers. Will an electronic system be introduced to track where fish was raised, which vehicle transported it and to whom it was sold?

ANSWER

The "E-baliq" electronic platform is being developed to digitise accountability and product movement in fisheries. It is intended to cover information such as who raised the fish, where it is transported from and to, which vehicle is used and to whom the product is delivered. Work is under way with the responsible digitalisation organisations on setting up the system. The goal is to increase the transparency of fish product movement and reduce the problems you raised regarding

undocumented trade. The platform is currently under development; it is too early to draw final conclusions about the results of its introduction.

> **QUESTION 10**
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> *To launch a fish processing workshop, we submitted a loan application and collateral to a commercial bank under Decree PF–122. Although an independent appraiser valued the collateral at UZS 2.6 billion, the financing offered by the bank falls short of the UZS 2 billion we need. Can the amount required for the project be provided through the collateral and additional guarantee options, and can the process be speeded up?*

ANSWER

Your collateral and loan documents have been reviewed by the bank. According to the bank representative's calculations, options have been offered for a loan of up to UZS 1 billion with the existing collateral alone, and up to UZS 1.68 billion including support from the fund. The possibility of using other banking products, such as a counter-guarantee, to address the additional collateral will also be considered. At the meeting, bank representatives were tasked with covering the need for a UZS 2 billion loan through these mechanisms. The bank representative said 10 days would be needed for the necessary procedures; it was agreed to finalise the request by the end of October. In addition, an instruction was given to send a reminder to regional bank units that, for loans of up to UZS 10 billion, the client provides 25 per cent of the collateral, while the remainder is covered by the bank's risk-taking and the relevant guarantee and insurance mechanisms.

> **QUESTION 11**
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> *We want to set up a training centre, a fisheries school, to train specialists in the sector and teach farmers modern fish-farming methods. For this purpose, we applied to a commercial bank for a UZS 5 billion loan. At first it was not possible to obtain a loan in the name of our fish farm, whose operations were temporarily suspended, so we then applied in the name of another of our companies. Although we were told our collateral was sufficient, the bank raised the issue of a shortage of resources. How can the financing of the project and the review of the loan application proceed?*

ANSWER

Under Decree PF–122, commercial banks are preparing requests to raise resources from the Fund for Reconstruction and Development for fisheries projects. We will coordinate the funding issue on the basis of banks' resource needs and the list of applications from the relevant centre. You, for your part, should continue the process of having your project reviewed and a loan decision made by the bank's relevant national-level unit. We will work to resolve the resource issue in parallel while the project documents are being reviewed. This approach does not mean that the loan application has been approved.

QUESTION 12

On fish farms, the main means of production are often fish ponds and pools with cadastral documents, and the fry being raised in them. However, many farmers lack additional buildings or other real estate to pledge. Can the possibility of accepting a fish pond and the fish in it as loan collateral therefore be expanded? Also, for fisheries loans of up to UZS 10 billion, what share of the collateral is the entrepreneur expected to provide, and through what mechanisms will the remainder be covered?

ANSWER

Serious risks have been observed in the practice of accepting a fish pond and fry not yet raised as the sole collateral. According to a representative of a bank that previously financed fisheries projects, loans totalling about UZS 300 billion were issued for nearly 400 projects, but in some regions loans secured by ponds and fry became non-performing. In some cases the ponds were not preserved, or it was difficult to recover losses through insurance. Banks therefore take into account the real value of the collateral, its preservation and the ability to repay the loan.

At the same time, it is important for revenue from fish farming to pass through bank accounts: this makes it possible to assess the company's actual cash flow and ability to pay. The issue was raised of sharing the collateral burden for loans of up to UZS 10 billion among the entrepreneur, the bank and other security mechanisms. The meeting initially mentioned a 25 per cent share for the entrepreneur, which was finally clarified as 15 per cent. A task was set to examine how this mechanism is reflected in banks' new loan products and credit policies, consider the necessary changes, and communicate the product terms to farms through the Fisheries Development Centre. It was also envisaged to use anonymised turnover data and repayment schedules of farms that successfully repaid their loans in designing model loan products.

QUESTION 13

Young people and small farms starting out in fish farming face difficulties in obtaining land. Some farms want to start on 50 sotkas or one hectare, so they need smaller loans rather than UZS 3–5 billion. What practical assistance will be provided to simplify the loan procedure, lower interest rates and remove barriers to land allocation?

ANSWER

We will examine separately the problems arising in allocating land to fish farms. It is planned to identify the regions where land allocation works well and share that experience with the relevant officials. Land issues may be one of the reasons for low credit uptake in fisheries. No separate decision was announced in this part on lowering interest rates for small farms or approving a specific loan amount.

QUESTION 14

Fish farms are often forced to sell their products through intermediaries. If central markets allocated separate trading spaces directly to producers, farmers could sell their products themselves, increase their revenue and offer buyers better prices. Will assistance be provided in setting up such trading points for fish farmers?

ANSWER

We will work out the issue of allocating market space to fish farmers with the relevant authorities, including tax authorities and officials involved in market operations. To do so, regional representatives must specify where in the market a trading point is needed and provide information on its location. Instead of building a permanent structure, the option of a mobile trading outlet equipped with a refrigerator and the necessary equipment for storing fish was proposed. It was agreed that once a location is identified, practical assistance will be provided in allocating it and setting up the trading point.

QUESTION 15

Our company has imported and installed special large cages for intensive fish farming in a reservoir. Such structures, fry and feed require significant investment; to expand, we need more cages and working capital. However, it is difficult to find separate real estate or vehicles to pledge to the bank. Can the cages purchased with our company's funds be accepted as collateral, and can a loan product suited to the two-year fish-farming cycle be developed?

ANSWER

The cages, boats and other tangible fixed assets you mention differ from a fish pond or the fry not yet raised in it. Such equipment can be considered as loan collateral. It was noted that the fisheries loan products being developed by commercial banks should also cover fixed assets such as cages. It was proposed to divide financing into three parts according to project needs: setting up the farm and fixed assets; necessary equipment and fixtures; and working capital for fry and feed to raise the fish to marketable size. Given that fish farming can take up to two years, the need was noted to adjust working capital loans for feed to 24 months instead of the usual 18. These terms should be reflected in the loan products banks are preparing; a specific loan will be considered separately by the bank.

QUESTION 16

Since 2024 we have been preparing to implement a trout-farming project in mountainous areas. Together with foreign specialists we surveyed the areas, land plots have been allocated, a business plan prepared, and trout successfully raised on a trial basis. We applied to the bank several times through the electronic platform for a loan for the project, but we would like to note that we were refused without the project being examined on site. As collateral we also offered a new crane and other machinery worth about USD 105,000. Can our project be examined on site and its financing reconsidered?

ANSWER

We will examine on site why your project's previous applications were refused and the issue of the collateral offered. To this end, it was decided that regional officials and the Central Bank's small business representative would jointly review your project and submit the documents to the bank's management. Given the distance to the area, it was instructed to carry out this review this week, by Saturday, and for the bank to work on resolving the request next week, by the end of the month. The bank representative said he would personally oversee the matter. Final processing of the loan financing will be carried out following the project review and in accordance with the bank's procedures.

QUESTION 17

We have come across information that from 2027 measuring devices will be installed to record water entering and leaving artificial fish ponds. However, some of the water in ponds naturally evaporates or seeps into the ground; this loss is significant, especially in hot regions and when water is held for a long time. Will entrepreneurs also be charged for the difference between inflow and outflow meters? Under what procedure can our proposal on accounting for natural losses be considered?

ANSWER

On the issue you raised, it is important to show clearly how the difference between inflow and outflow volumes arises, including through evaporation and seepage. We ask you to submit a practical description of this process and your proposed solution in writing through the regional Fisheries Development Centre and the relevant officials. On the basis of this information, it was decided to review the matter with the Tax Committee and the relevant government bodies and to submit information to the Prime Minister. No final procedure for charging for the inflow-outflow difference, or exemption from it, was announced during the dialogue.

QUESTION 18

We have cadastral documents for the land where the pond used by our fish farm is located, as well as the property and structures on it. We want to offer as collateral not the fish or fry in the water, but the land plot registered in the cadastre and the value of the associated property. We also intend to invest our own funds later in developing ecotourism and semi-intensive fish farming. Will the bank value and accept such cadastral land and property as collateral?

ANSWER

Pledging a land plot registered in a cadastral document and the property on it differs from pledging the water body itself or the fry in it. Collateral can be considered on the basis of the cadastral documents submitted, property rights and valuation results. Banks have previously faced risks related to insurance coverage and non-repayment of loans for fish and fry in water, so these are treated separately. The value of the area and property registered in the cadastre that you have in mind will be assessed, and the collateral will be considered by the relevant bank.

QUESTION 19

Raising fry to marketable fish sometimes takes two years, and the main revenue from sales comes in a particular season. Despite this, land and property tax payment notices arrive at the beginning of the year, and if payment is late, collection orders may be placed on accounts. This makes farm operations difficult during the period when fish has not yet been sold and cash flow is limited. Could a procedure be introduced for fish farms to pay these taxes once a year, for example on 15 October, closer to the sales period?

ANSWER

Your proposal on the need to take into account the production period and seasonality of revenue in fish farming is reasonable. Developing financing and repayment schedules in loan products that match the period until fry become marketable fish is also under discussion. Moving land and property tax payments to once a year, however, is a matter for the competent authorities to consider separately. You were therefore asked to submit your proposal, including the 15 October date, in writing through regional officials. It was decided to work it out with the Tax Committee and submit relevant information to the Prime Minister. No change to the tax payment deadline has been announced so far.

QUESTION 20

Our fisheries cluster plans to build a fish processing plant and develop ecotourism on the farm. About UZS 2 billion is needed to implement these projects. When obtaining a bank loan, is it possible to use guarantee mechanisms, set a grace period and align the repayment schedule with the fish-farming season? What practical assistance will be provided in submitting documents?

ANSWER

Prepare the documents for your project in full and submit them to Agrobank, your servicing bank. Representatives of the Central Bank's regional office will provide practical assistance in submitting the documents and inform the responsible officials once the application has been received. It was

decided that a senior bank representative would oversee the loan request. Commercial banks are developing loan products suited to the seasonal nature of fish farming that take into account grace periods and repayment schedules. At the same time, it cannot be said in advance that all the terms you requested will automatically be included in the loan agreement: they will be considered on the basis of your documents and the bank's current credit policy.

> **QUESTION 21**
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> *For our fisheries cluster's ponds and land, taxes of up to UZS 400–500 million are assessed in some periods, while at other times the amount falls sharply. There are also misunderstandings in applying cadastral data and certain water tax benefits. Such situations negatively affect the farm's cash flow and make it harder to obtain bank loans. How will the issue of accurate tax calculation and confirming the farm's operations to the bank be resolved?*

ANSWER

We have noted the discrepancies you raised regarding the cadastre and water tax. We will review these issues with the management of the relevant cadastral and tax authorities. A task was set to prepare the types of taxes applicable to fish farms and their calculation procedure as a simple, clear table or information material and communicate it to entrepreneurs. It is intended to explain calculations based on land area and water volume; it was said that information on this work would be provided within one to one and a half months. As for the loan issue, official turnover on the account is an important indicator. However, in some cases banks may also take into account, within certain limits, other supporting information on the farm's actual operations through alternative or transaction-based scoring methods. This does not mean that a loan is guaranteed.

> **QUESTION 22**
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> *We have been raising fish for four years and our farm has 33 special fish-farming cages. These cages are fixed assets used in our operations. Which bank exactly should we apply to for a loan using them as collateral? Do banks consider such cages as collateral?*

ANSWER

You do not have to choose one particular bank to obtain a loan. You may apply to any commercial bank you wish. It was explained at the dialogue that special fish-farming cages, unlike fish or fry in a water body, are fixed assets and can therefore be considered as collateral. Commercial banks have also been tasked with taking into account the collateral characteristics of such assets in their new loan products for fisheries. In practice, acceptance of collateral and loan terms are determined by the bank on the basis of the documents submitted, the valuation and the relevant requirements.

QUESTION 23

In fish farming, losses may occur because of fish disease or other unforeseen events. Sometimes, even when a farm is insured, the insurer does not pay compensation when an event occurs, or the problem becomes difficult to resolve. Whom should an entrepreneur contact in such a situation? In fisheries projects financed by loans, how are insurance costs and work with insurers handled?

ANSWER

If your farm is insured and you are unable to receive payment for an event covered by the contract, submit your request through representatives of the Central Bank's regional office or the responsible fisheries organisation. It was proposed to inform the National Agency for Perspective Projects, which regulates the insurance market, and request practical assistance in reviewing the matter. The dialogue also recalled the instruction given to commercial banks in April 2026 on covering insurance-related costs: it was explained that when risks in a loan project are insured, the bank may pay the insurance premium. However, which risks count as insured events, how losses are covered, recourse claims and the parties' obligations depend on the terms of the relevant contract. It is therefore important to study the insurance terms carefully in advance and, if payment is refused, to request the reasons in writing.

QUESTION 24

We have been engaged in fish farming since 2000. We reclaimed abandoned land and set up a farm on more than 18 hectares, with more than seven hectares of fish ponds. We used to supply locally raised fish to preschools and other state-funded organisations. However, over the past two years we have seen that seasonal menus mainly include carp and imported pollock, while silver carp and other local fish are being left out. Given that current sanitary standards provide for several fish species, how will the issue of keeping silver carp on the menus of state organisations be resolved?

ANSWER

Proposals have been prepared on amending sanitary rules and standards on this issue. It was said at the dialogue that the relevant proposals are provided for in the third annex to a document of the Head of State and are expected to be approved by a Cabinet of Ministers resolution. The issue of including local fish species, including silver carp, on menus is expected to be resolved in this way. The idea of removing pollock from menus was also put forward as a proposal; no final decision on this was announced.

QUESTION 25

Enough fish is raised in our region, but because sales have become difficult, some farms are forced to hold this year's fish over to next year or even later. In foreign practice, logistics companies buy fish from farms and clean, freeze, portion and export it. Could we also set up a system for centralised purchasing, processing and sale of fish, using the capacities of the association and clusters for this purpose?

ANSWER

It was reported that a new draft resolution is being prepared on establishing fisheries clusters and expanding fish processing. It is planned to consider the entrepreneurs' proposals on logistics and processing within this document. At the same time, entrepreneurs who intend to set up a fish processing plant or expand existing production can apply to banks and take advantage of opportunities to finance equipment purchases and review loan terms. The proposal in the request will also be examined separately; it was not reported that a new logistics system has already been established.

QUESTION 26

For fish farms to switch to semi-intensive farming, large ponds need to be divided into smaller ponds of one or two hectares, and earthworks and reconstruction carried out. Previously, such work was done by specialised mobile mechanised organisations. Now farms have to look for machinery and specialists separately. Could a structure be set up under the "O'zbekbaliqsanoat" association or the relevant sector organisation to build and reconstruct fish ponds and provide services with special machinery?

ANSWER

Your proposal on organising special machinery and reconstruction services has been noted. Regional officials were tasked with formalising it in writing and submitting it to the central organisation. The proposal will be submitted through official channels for consideration by the relevant organisations. No final decision on setting up such a structure or specific source of funding was announced during the dialogue.

QUESTION 27

We built our fish ponds with loans and our own funds. Although we managed to register the farm buildings as fixed assets, we are having difficulty recording more than seven hectares of fish ponds in the same way. Valuing the ponds and calculating taxes on them creates significant costs. At the same time, while land and water taxes and the prices of feed and mineral fertilisers are rising, fish selling prices are barely changing. Can the status of fish ponds as fixed assets and the related tax calculations be reconsidered?

ANSWER

You were asked to submit in writing your proposals on registering fish ponds as fixed assets, calculating land and water taxes and rising production costs. Regional officials were tasked with compiling the requests and formally submitting them to the central organisation. These issues have been accepted for consideration, but the transcript does not contain a final answer on changes to the procedure for recording ponds or tax rates.

QUESTION 28

Previously, seminars on fisheries development were held in the regions several times a year, with national and local officials taking part and discussing farms' problems. Over the past five or six years, such meetings have hardly been held. Could practical seminars be restored to regularly discuss new technologies, lending, water and tax issues locally?

ANSWER

Your proposal to hold practical fisheries seminars in the regions has also been accepted. You were asked to submit it in writing to the centre through regional officials, together with other proposals. The transcript does not set a new schedule or timeframe for the seminars.

QUESTION 29

In 2020 our fish farm suffered heavy damage from a flood at a reservoir. We had a bank loan at the time but repaid it on schedule. Nevertheless, when we later applied for a new loan, we learned that we were on a negative list. What help will be provided to restore access to credit for a farm that met its loan obligations and suffered from a natural disaster?

ANSWER

This issue was also raised earlier during the dialogue. It was said that work would be carried out with commercial banks to examine credit history cases and reconsider restrictions related to the negative list. Your request will also be reviewed in this way. The information in the credit history needs to be verified and an appropriate decision made; the transcript does not confirm that the restriction has actually been lifted.

QUESTION 30

Our fish farm needs a new loan but lacks sufficient collateral. Given that special financing mechanisms are used for cotton and grain growing, could a similar procedure be introduced for fisheries, with loan resources channelled to banks through a special fund and assistance provided with collateral?

ANSWER

It was said that the proposal to apply a special financing mechanism to fisheries, as in cotton and grain growing, could be considered within the relevant draft resolutions. The use of resources of the Agricultural Development Fund under the Ministry of Economy and Finance was also proposed. The dialogue noted that 10 per cent loans are being provided from this fund and that Turonbank, the Business Development Bank, Agrobank and Xalq Bank can be approached for them. A special mechanism similar to cotton and grain growing will be submitted to the Government as a proposal; its introduction depends on a Government decision.

QUESTION 31

A small guardhouse and auxiliary facilities are needed on the farm for constant protection of fish ponds, storage of feed and rest for staff. However, some inspection bodies are imposing fines for building such facilities. What is the procedure for lawfully setting up light-structure sheds, guardhouses and service rooms on fisheries land?

ANSWER

It was said that there is an official document permitting light-structure facilities for the needs of fish farms, such as storing feed and providing rest and changing areas for staff. It was decided that a written explanation of this procedure and the relevant documents would be provided to you through regional officials. The legality of fines imposed earlier, or their cancellation, was not separately resolved in the transcript.

QUESTION 32

We plan to set up a feed mill on our fish farm and to develop ecotourism services around the farm. We want to explore options for importing equipment for the feed mill from China or Iran. Which banks can provide a preferential loan, and will advice be given on equipment? How will the purchase of wheat, barley and other grain needed for production be handled?

ANSWER

It was said that Agrobank, Hayotbank, Asakabank, Madad Invest, the Business Development Bank, Hamkorbank, Xalq Bank and Turonbank can be approached for a 10 per cent preferential loan for a feed production project. You were asked to send a written request through the regional official for help in choosing equipment. On the basis of the request, it is planned to offer two or three options from manufacturers in China and Europe and advise on comparing their quality and price. It was also said that the reasons why previously installed feed production equipment is now idle would be examined and the results communicated. It was explained that wheat, barley and other grain are purchased on market terms through the exchange; no separate closed trading mechanism was envisaged. Ecotourism was also mentioned in the request, but no answer was given on separate financing terms for it.

QUESTION 33

We intend to set up a fish feed mill. Instead of constantly buying the wheat, barley and other grain needed for feed, costs would be lower if we obtained 20–30 hectares of land and grew it ourselves. Can the organisations responsible for fisheries development help in allocating such land, in particular a plot with water supply?

ANSWER

It was explained that grain and other raw materials are purchased through the exchange in line with market economy rules. Obtaining land depends on the current procedures for auctions and land allocation. The Fisheries Development Centre does not have the authority to allocate land plots directly. Nevertheless, if you send your request to the centre, it will be examined and forwarded to the relevant competent authorities, and their response will be communicated to you. The dialogue did not guarantee the allocation of a specific plot or land with water supply.

QUESTION 34

Our diversified farm is engaged in cotton and grain growing, livestock and fish farming. In 2019 we repaid in full and on time a UZS 400 million loan from Agrobank taken to build a fish pond. Recently we invested another UZS 400 million of our own funds in an ecotourism resort, but ran out of money when the project was 80 per cent complete. We plan to take a loan of about UZS 1 billion to finish it, buy aerators and automatic feeders and start intensive fish farming. We value an old 7.4-hectare livestock facility on the farm's balance sheet at UZS 3–4 billion, but we are told an enforcement bureau (MIB) ban has been placed on it because of incorrectly calculated taxes. How will the collateral and loan issue be resolved in such circumstances?

ANSWER

First, it was established that there is no overdue debt on the previous UZS 400 million loan and that the loan has been fully repaid. It was noted that the facility you want to pledge is on agricultural land. The responsible representative explained that the tax calculation for such land needs to be checked, any actual debt settled and the ban lifted. No definitive legal opinion was given at the time on whether the bank can accept property under a ban as collateral: it was decided that the situation would be further examined on the basis of legislation and bank requirements. The Agrobank representative said he would contact the applicant separately, examine the assessed tax, the ban on the collateral, the loan documents and possible financing options, and respond on the results. Neither the loan nor the lifting of the ban has yet been confirmed.

QUESTION 35

In 2022–2023, our loan at Ipoteka Bank was at one point more than 120 days overdue. We later repaid the loan, developed the farm and brought our fisheries land into use with machinery. We have now applied to Asakabank for a new bulldozer. Our regional branch is preparing the documents, but at the national level approval for financing is being withheld because of the old delay and our credit rating. Will the credit history be reconsidered and help be provided to obtain a loan for the machinery?

ANSWER

Requests from fish farms unable to obtain new loans because of previous delays will be included in a general list and submitted to the Central Bank indicating which bank they relate to. Each case will be examined separately. The Asakabank representative also said the bank was ready to work with the Central Bank on this project, check and clarify the national-level credit assessment indicators and system data, and consider the financing favourably. It was said that the farm's long operating history, existing land-reclamation machinery and collateral options would also be taken into account. This does not mean that the loan has already been approved or that the negative record will be removed automatically.

QUESTION 36

Our fish farm draws water not directly from the primary irrigation network but from secondary water that has run off cropland into the collector-drainage system. Do we have to pay water tax for such water? Some officials are demanding that we install a meter. If water use is recorded, will tax also be charged?

ANSWER

The responsible representative explained at the dialogue that no water tax is paid for the use of secondary water from the collector-drainage system, and that there is a corresponding provision in a resolution of the Head of State and the Tax Code. At the same time, it was said that the requirement for a measuring device to record water is not the same as an obligation to pay tax. If this issue is being misinterpreted locally and unjustified demands are being placed on entrepreneurs, you were asked to send a written request to the Fisheries Development Centre. It was decided that such cases would be compiled not individually but as a systemic problem in tax practice and submitted to the relevant authorities. This explanation applies specifically to secondary water from collector-drainage; it cannot automatically be assumed that the procedure for other water sources is the same.

QUESTION 37

We want to take a UZS 1 billion loan from Ipoteka Bank to expand our fish farm. There are currently about 70,000 fish in our pond. We have previously borrowed from this bank, and we also have collateral with the bank. However, we are told we are on a "blacklist" because of our previous credit history, and we are having difficulty obtaining a new loan. How will our request be reviewed?

ANSWER

It was said that the organisations responsible for fisheries development would compile and submit, within two days, a list of fish farmers having difficulty obtaining financing because of negative records in their credit history. The current debt of each entrepreneur on the list will be checked. In particular, it was agreed to approach banks to review separately the situation of entrepreneurs who have fully repaid their previous obligations and have no current overdue debt, and to reassess the negative restrictions preventing lending. Your request will also be examined on the basis of the list. The final loan decision will be made by the bank on the basis of the documents and current requirements.

QUESTION 38

In June our farm took a UZS 100 million loan from Xalq Bank at 21 per cent to buy feed. The fish has been raised, but because the selling price has fallen sharply, we are keeping it in the pond for now. We have made partial payments on the loan, but repayment of the principal begins in January. We do not know in advance when and at what price the fish will be sold. Can the loan's grace period therefore be extended, or the principal repayment schedule aligned with the fish sales season?

ANSWER

It was established that your loan was taken in the name of the farm as a legal entity, and that the UZS 100 million financing was provided under the relevant small business programme. No definitive answer was given at the dialogue itself on whether the grace period can be extended further. To do so, Xalq Bank needs to be contacted and the loan agreement, current grace period, payment status and the fish-raising and sales cycle examined. Officials were instructed to exchange contact details with the entrepreneur and prepare a separate response on this case through the bank. No promise was made that the loan schedule will definitely be extended.

QUESTION 39

Water reaches fish ponds from canals and drainage ditches. It is said that from 2027 there will be a requirement to install gauging stations at inlets and outlets. However, in some ponds part of the water seeps into the ground or evaporates, while in other cases the outflow may exceed the inflow because of groundwater. In such situations, how is the difference between inflow and outflow calculated, when is tax charged, and what procedure applies if excess outflow is detected, so that the entrepreneur is not suspected of incorrect accounting or concealed water withdrawal?

ANSWER

At the dialogue, the responsible sector representative explained that from 1 January 2027, farms drawing water from canals and other sources must have gauging stations measuring water intake and discharge, and that accounting based on inflow and outflow readings is envisaged. The issue of payment for the difference between inflow and outflow volumes was also mentioned. However, no final explanation was given on cases where outflow is larger because of groundwater, how evaporation and seepage are documented, how meter readings can be challenged, or the exact algorithm for calculating excess water. It was said that this complex situation falls within the remit of the regional water management and environmental authorities. Therefore, a single tax formula on reading differences applicable to all farms cannot be presented as an approved procedure on the basis of the transcript.