

**LEGAL FOUNDATIONS OF OWNERSHIP OF LAND PLOTS AS REAL ESTATE
OBJECTS IN UZBEKISTAN**

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Abstract: This article analyzes the role of cadastral activities in the taxation of real estate in Uzbekistan, examines the legal framework, operational mechanisms, and existing challenges of the system. Special emphasis is placed on the importance of cadastral valuation in determining the tax base, data accuracy issues, and digitalization of the national cadastre. The research also reviews international practices and proposes recommendations for improving the system.

Keywords: cadastre, real estate, taxation, cadastral value, land resources, tax administration, surplus and arbitrarily occupied land plots, ownership, cadastral documents.

Introduction

The taxation of real estate constitutes one of the core components of the tax systems of modern states. The effectiveness of this process largely depends on the accuracy, reliability, and regular updating of cadastral data. In recent years, Uzbekistan has implemented large-scale reforms aimed at digitalizing cadastral records, establishing unified databases, and aligning property valuation with market conditions.

The purpose of this study is to analyze the role and significance of cadastral activities in the taxation of real estate, to examine the legal foundations governing ownership of land plots, to identify existing challenges within the current system, and to develop scientifically grounded recommendations for their resolution.

Analysis of literature on the topic (Literature review).

In international practice, the cadastre has evolved as a fundamental element of land and real estate administration. According to the Land Administration Systems (LAS) model developed by Williamson, Enemark, Wallace, and Rajabifard (2010), a properly designed cadastral system ensures the security of property rights, promotes the rational use of land resources, forms a reliable tax base, facilitates investment and urban development, and enhances transparency in public administration [1].

Studies by Dale and McLaughlin (1999) and Larsson (2012) emphasize that the quality of cadastral systems is directly linked to the accurate determination of economic value, transparency of land markets, and the fair distribution of tax burdens. These scholars highlight that modern cadastres integrate legal (registration of rights), geometric (definition of boundaries), and economic (valuation) information [2].

Contemporary research conducted by leading international institutions confirms several key trends:

-regular updating of cadastral values in line with market conditions improves tax equity and revenue forecasting accuracy;

-digitalized valuation–billing–collection chains reduce administrative costs and increase transparency in property taxation;

-social equity instruments (tax credits, deferred payments) allow tax burdens to be adjusted based on taxpayers' ability to pay;

-land value capture mechanisms enable local governments to reinvest increases in land value into infrastructure development.

Research methodology.

In the process of processing the data obtained during the research, logical observation, critical study of literature, analysis and synthesis, induction and deduction, comparison, classification based on certain characteristics, and economic analysis methods were used.

Analysis and results.

Until January 1, 2008, land plots for individual housing construction in Uzbekistan were allocated by district (city) governors from lands not included in the agricultural and forestry sector in accordance with the established procedure only to citizens of the Republic of Uzbekistan for lifelong inheritance up to 0.06 hectares per family. From January 1, 2008, land plots for individual housing construction began to be sold to citizens at auction in accordance with the procedure established by law. Also, from August 1, 2021, the following powers of local government bodies regarding land relations were abolished:

1. direct allocation, transfer of land plots for use, reservation for future allocation, consolidation, transfer for improvement or other disposal of land;
2. determination, recognition, change, cancellation of rights to land plots by local government bodies of districts and cities;
3. transfer of irrigated land to the category of non-irrigated land or to another land category, and non-irrigated agricultural land to another land category;
4. grant of land for collective gardening, viticulture and legume cultivation, as well as subsidiary agriculture;
5. establishment of investment obligations or other obligations restricting the free disposal of private property in relation to land plots to be privatized.

With the limitation of these powers, it was determined that land will be sold only on the basis of ownership and lease rights through electronic online auctions.

Today, the Cadastral Agency is responsible for identifying cases of non-state registration of rights to all types of land plots and buildings, regardless of the land category, taking measures to prevent the arbitrary seizure of land plots and arbitrary changes in their boundaries, and exercising state control over the targeted use of land.

At the same time, it is also the task of the Cadastral Agency employees to timely identify cases of inappropriate use of land plots and take measures against them.

To date, a total of 5 “campaigns” have been announced on the issue of recognition of rights. A total of 1 million 338 thousand illegally built houses were documented in them.

The Law of the Republic of Uzbekistan dated August 5, 2024, No. 937 of the Republic of Uzbekistan “On recognition of rights to arbitrarily occupied land plots and buildings and structures constructed on them” was adopted. This law provides for the recognition of rights to arbitrarily occupied land plots and buildings and structures constructed on them.

The recognition of rights by law is carried out in the following stages:

1) The Cadastre Agency creates an Automated Information System and enters 12 types of primary data on all lands into it;

2) 12 authorized state bodies (government, construction, ecology, tax, O‘zbekkosmos Agency, etc.) enter data on each land plot into the system;

3) the completeness and legality of all collected documents are checked by the regional justice department through the system;

4) Citizens who have received a positive conclusion will be sent an SMS notification (citizens are not required to submit an application);

5) Those who have made a one-time payment on the basis of the notification will be recognized with rights by the decision of the Jokargy Kenes of the Republic of Karakalpakstan, regional and Tashkent city Keneshas of people's deputies (land lease rights, buildings and structures property rights).

At the same time, it was determined that rights will be recognized in relation to the following real estate:

1) Until May 1, 2018 (the "one-time action" announced by the Decree of the President of the Republic of Uzbekistan No.5421 dated 20.04.2018), citizens and stateless persons arbitrarily occupied land plots with the construction of individual housing, as well as buildings and structures built on them;

2) Land plots occupied by citizens and business entities in excess of the area specified in the document by May 1, 2018, as well as buildings and structures built on them;

3) Land plots for which the recognition of rights has not yet been completed within the framework of the “one-time campaign” and buildings and structures built on them (more than 126 thousand);

4) Land plots allocated by decision of district (city) governors until June 8, 2021, when the powers of governors are terminated, but not approved by the regional governor or the Council of People's Deputies;

5) Residential premises in the territory of horticultural and viticultural cooperatives and land plots occupied by them (more than 7.5 thousand in 730);

6) Land plots of entrepreneurs located in the territory of small industrial zones (more than 500);

7) Land plots occupied by buildings and houses privatized by state order;

8) to land plots occupied by buildings and houses, the ownership of which is recognized by the decision of the governor.

In this case, the lease term is set at ninety-nine years for land plots occupied by individual housing units, and forty-nine years for other land plots.

The following are the main conditions for recognizing rights:

1) the land plot has not been allocated to another person or put up for auction;

- 2) there is no dispute over the use of the land plot;
- 3) there is no debt on land and property taxes;
- 4) it is not located in a conservation zone, on irrigated land;
- 5) other conditions specific to each category (fulfillment of investment obligations, membership in a partnership, etc.).

The lease right to land occupied by individual housing units is recognized up to the following volume:

- 1) if occupied before July 1, 1998 - up to 0.24 hectares;
- 2) Occupied from July 1, 1998 to May 1, 2018 - in the cities of Tashkent, Nukus and regional centers - in an amount not exceeding 0.06 hectares, and in other regions - in an amount not exceeding 0.12 hectares.

Land exceeding this amount, if there is no dispute, is determined to be issued for the purpose of conducting a peasant farm or a household farm.

According to the above legislation, after May 1, 2018, the right to lease land occupied by individual houses will not be granted.

In general, the adoption of this normative legal act, along with the creation of legal grounds for formalizing the right of citizens and business entities to lease arbitrarily occupied land plots and the right of ownership of housing, other buildings and structures or real estate objects built on them, will allow solving the social problems of the population (registration, material assistance, schools, kindergartens) and connecting buildings and structures to utility networks.

To continue our discussion, we will first explain what constitutes an excessively occupied land plot and an arbitrarily seized land plot, as defined by law. Legislation:

excessively occupied land plot - a land area located outside the boundaries of the land plot, adjacent to it, exceeding the area of the land plot specified in the documents establishing rights to the land plot;

an arbitrarily occupied land plot is a land plot occupied or overoccupied by citizens, individual entrepreneurs and resident legal entities without documents establishing the rights to the land plot, including when such documents are lost or incompletely formalized.

In accordance with the current Land Code, land plots up to 0.04 hectares for individual housing construction and home improvement are sold to citizens of the Republic of Uzbekistan through an electronic online auction on the basis of ownership.

Proceeding from the requirements of this code, liability for the arbitrarily occupied land plots and the return of arbitrarily occupied land plots according to their ownership are established.

However, according to the Tax Code, when land is used without documents or in a larger volume than indicated in the documents confirming the right to the land plot, the tax rate for legal entities is set at four times the established tax rates, and for individuals at the rate of three times.

The essence of the problem: two different approaches in the two Codes. The content of the two codes has the following contradiction:

Table 1

Results, objectives and legal consequences of arbitrary land use in the Land and Tax Codes [3]

№	Norm	Land Code	Tax Code
1	Result of arbitrary land use	The land plot is withdrawn, liability is established	Additional (3-4 times) tax is paid and it is explained that use can continue
2	Purpose	Protection of land rights, elimination of violations	Enforcement of tax payments and taking measures for their timely collection, increasing budget revenues
3	Legal consequences	Property or right of use is canceled	Financial penalty (fine), but use of property is not restricted

Therefore, in practice, two interpretations arise: whether arbitrary land occupation leads to liability or only to high taxes.

In short, if the Land Code states that arbitrary land occupation leads to land repossession and administrative liability, the Tax Code establishes a “high rate as a penalty for use” to ensure timely payment of the tax calculated.

Therefore, in practice, it is advisable to interpret these norms not as contradictory, but as complementary norms.

The Cadastre Agency reported that as of April 30, 2025, more than 247 thousand real estate objects in 1,234 neighborhood citizens' assemblies were registered, about 99 thousand objects were placed in the “E'tirof” automated information system, and rights to more than 200 objects were recognized [4].

As of December 1, 2025, there are 5,639 objects under consideration, 277,328 lands under discussion, 32,333 announced lands, 21,805 pending lands, and 22,318 recognized lands [5].

According to experts, the right to own a plot of land does not arise only on the basis of the construction of a house. It is emphasized that all cases of real estate purchase should be carefully studied.

Conclusion.

As a result of the analysis and research conducted, the following conclusions were drawn:

- harmonization of legislative documents on the recognition of rights to arbitrarily occupied land plots and buildings and structures built on them;
- based on the current situation, determining measures to recognize rights to arbitrarily occupied land plots and buildings and structures built on them after May 1, 2018;
- taking measures to recognize the rights to land plots and buildings and structures built on them for families who have encountered certain conflict situations in the use of land plots;
- creating an opportunity to recognize the rights to land plots and buildings and structures built on them for citizens who are in a difficult situation and currently have land and property tax debts;
- creating opportunities for citizens to allocate land plots and subsequently grant rights to buildings and structures built on them located in protected areas or on irrigated lands;

Based on the above conclusions and proposals, continuous improvement of cadastral activities will lead to transparent and orderly management of land resources, expansion of the tax base and



increase in budget revenues, reduction of the share of the underground economy, improvement of urban planning discipline, and strengthening guarantees of citizens' property rights. This serves as a decisive factor in strengthening the economic stability of the state, increasing the legal culture of society, and ensuring justice in property relations.

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