# CORPORATE LIABILITY AND COMPLIANCE INCENTIVES IN UZBEKISTAN: LESSONS FROM THE UNITED STATES, THE UNITED KINGDOM AND THE EUROPEAN UNION

Sharafiddin Eshboev

*LL.M., The Pennsylvania State University, Dickinson Law (2026); LL.B., Tashkent State University of Law (2025)*

eshboyevsharafiddin01@gmail.com

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**Abstract:** Uzbekistan has developed an extensive anti-corruption framework, including a statutory compliance service introduced in 2026, yet its preventive duties apply almost exclusively to state bodies and state-owned enterprises. Private companies face neither an obligation to maintain anti-corruption compliance programmes nor any legal benefit for doing so, because Uzbek law does not hold legal entities liable for corruption offences. This article compares how the United States, the United Kingdom and the European Union link corporate liability to compliance: through prosecutorial incentives for self-reporting and effective programmes, through a statutory "adequate procedures" defence, and through criminal or administrative liability with compliance as a mitigating factor. Drawing on UNCAC Article 26 and on German and Italian administrative models, it argues that Uzbekistan can create effective incentives for private-sector compliance without introducing corporate criminal liability. It proposes administrative liability of legal entities for failure to prevent corruption, a compliance defence measured against a published standard, a corporate self-reporting exemption, mandatory internal reporting channels and a phased introduction through public procurement.

**Keywords:** corporate compliance, corporate liability, anti-corruption, Uzbekistan, comparative law, FCPA, UK Bribery Act, Directive (EU) 2026/1021

## I. Introduction

On 12 October 2026, officers of Uzbekistan's Ministry of Internal Affairs detained a man in Tashkent as he collected the first USD 100,000 of a USD 840,000 payment. According to the Ministry, he had promised a businessman that acquaintances at the State Cadastre Agency could be paid to legalise residential construction on four hectares of non-residential land in Bo'stonliq district.[1] A year earlier, a similar scheme was reported in Tashkent: USD 900,000 demanded from a limited liability company in exchange for a permit to build a multi-storey residential block in Sergeli district.[2] In both cases, criminal proceedings were opened against the individuals involved under the fraud and bribery provisions of the Criminal Code. In neither case does the legal framework ask a question that would be routine in Washington, London or Brussels: what did the company on whose behalf the money was to be paid do to prevent it?

The absence of that question is not an oversight of individual investigators. It reflects a structural feature of Uzbek law. As the OECD's Anti-Corruption Network observed in its 2024 monitoring report, "there is no liability of legal persons for corruption offences in Uzbekistan."[3] Article 27 of the Law "On Combating Corruption" provides that legal entities shall be liable "in the manner established by law," yet no such procedure has been adopted, and the authorities have taken the position that criminal or administrative liability of legal persons "would contradict the fundamental basis of the country's law."[4] The same report rated Uzbekistan's business integrity framework as "average" and its whistleblower protection as "low," noting that companies refrain from reporting corruption for fear of negative repercussions from the state.[5]

Uzbekistan has not been idle. Since 2020 it has created a specialised Anti-Corruption Agency, required internal anti-corruption control units in state bodies,[6] adopted a Law "On Conflict of Interests" applicable to entities with a state share of 50 per cent or more,[7] and encouraged state-owned enterprises to certify their anti-bribery management systems under ISO 37001.[8] These measures, however, share a common feature: they are directed at the state and at companies the state owns. For the private company — the developer, the importer, the supplier bidding for a public contract — Uzbek law offers neither an obligation to maintain an anti-corruption compliance programme nor any legal benefit for doing so.

This is the gap that this article examines. Its central claim is that effective corporate anti-corruption compliance does not emerge from exhortation; it emerges when the law attaches consequences to its absence and rewards its presence. The three legal systems that have most shaped global compliance practice illustrate different routes to that result. The United States, through the Foreign Corrupt Practices Act and the Department of Justice's corporate enforcement policies, uses prosecutorial discretion to reward companies that self-report, cooperate and remediate — a model that survived, in narrowed form, the enforcement pause and new guidelines of

[1] Ministry of Internal Affairs of the Republic of Uzbekistan, official Telegram channel, post No. 154781 (12 Oct. 2026); see also *Yer hujjatlarini rasmiylashtirish uchun 840 ming dollar talab qilgan shaxs ushlandi*, Kun.uz (12 Oct. 2026).

[2] *Toshkentda ko'p qavatli uy qurishga ruxsat olib berish uchun $900 ming so'raganlar ushlandi*, Gazeta.uz (9 Sept. 2025).

[3] OECD, *Baseline Report of the Fifth Round of Monitoring of Anti-Corruption Reforms in Uzbekistan* (2024), Indicator 9.2.

[4] *Id.*

[5] *Id.*, Executive Summary (Business integrity; Protection of whistleblowers).

[6] Decree of the President No. PF-6257 (6 July 2021), Annex 1, item 26.

[7] Law of the Republic of Uzbekistan No. LRU-931 "On Conflict of Interests" (5 June 2024), art. 1.

[8] See, e.g., *IT Park Receives Anti-Corruption Management System Compliance Certification*, IT Park, https://www.it-park.uz/en/itpark/news/it-park-receives-anti-corruption-management-system-compliance-certification; *Uzbekistan Airways Employees Complete ISO Compliance Training*, Uzbekistan Airways, https://www.uzairways.com/en/press-center/news/uzbekistan-airways-employees-complete-iso-compliance-training.

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2025.[9] The United Kingdom, through section 7 of the Bribery Act 2010, makes a commercial organisation liable for failing to prevent bribery unless it proves it had "adequate procedures," and extended the same logic to fraud from 1 September 2025.[10] The European Union, in Directive (EU) 2026/1021, now requires Member States to hold legal persons liable for corruption and expressly treats genuine and effective compliance programmes as a mitigating circumstance.[11]

The article asks two questions. First, what can Uzbekistan learn from these models about creating legal incentives for private-sector compliance? Second, can such incentives be introduced without the criminal liability of legal persons that Uzbek authorities regard as incompatible with the national legal tradition? It answers the second question in the affirmative, drawing on the experience of civil-law systems that impose administrative rather than criminal sanctions on companies, and proposes a model of administrative corporate liability in which an effective compliance programme operates as a ground for mitigation.

The question is also a personal one for the author. Having studied law in Uzbekistan, in the European Union at the University of Gdańsk, and in the United States at Penn State, the author has encountered the same problem in three legal languages, and has seen how differently each system answers it. An earlier analysis of the National Anti-Corruption Strategy to 2030 and training in the Young Anti-Corruption Expert programme of the Regional Dialogue led to the same conclusion from the Uzbek side: the country's anti-corruption effort speaks to the state, but rarely to the companies that pay the bribes.

The article proceeds as follows. Part 2 maps Uzbekistan's current framework and identifies where it stops short of the private sector. Parts 3 to 5 examine the United States, United Kingdom and European Union in turn, focusing on how each links corporate liability to compliance. Part 6 compares the three models and assesses their transferability to Uzbekistan's legal and institutional context. Part 7 sets out concrete legislative recommendations, and Part 8 concludes.

## II. Uzbekistan's Anti-Corruption Framework and the Private-Sector Gap

### *A. From a framework law to a compliance service*

Uzbekistan's anti-corruption framework rests on the Law "On Combating Corruption" of 3 January 2017.[12] The Law lists the principles of anti-corruption policy, among them openness, the priority of prevention and the inevitability of liability, and sets the directions of state policy.[13] On this foundation the state has built an institutional layer in stages. A 2019 presidential decree introduced "compliance control" in state bodies;[14] a 2020 decree created the Anti-Corruption Agency as the specially authorised body;[15] and a 2021 decree required internal anti-corruption control units in state bodies and organisations.[16]

In June 2026 this practice was written into the framework law itself. Law No. ZRU-1155 of 22 June 2026 added to Article 7 a new category of bodies directly engaged in combating corruption: "compliance and internal anti-corruption control structures of state bodies and organisations, and of enterprises with state participation."[17] A new Article $8^3$ defines their functions and rights, including the right to report directly to a higher compliance service and to refer evidence to law-enforcement bodies, and places them under the coordination of the Compliance Service of the Administration of the President.[18] Compliance is therefore no longer a borrowed term in Uzbek law. It is a statutory institution. But it is an institution defined by state ownership.

### *B. Conflict of interest: a public-sector instrument*

The same logic governs the Law "On Conflict of Interests" of 5 June 2024, in force since 6 December 2024.[19] Article 1 applies the Law to state bodies, local authorities, state institutions, state unitary enterprises, state trust funds and joint-stock companies with a state share of 50 per cent or more. It extends to their majority-owned subsidiaries, and to the next tier of subsidiaries only in public procurement.[20] A private company appears in the Law only as a "related person": a legal entity owned or managed by an official or the official's close relatives, which must file a declaration of potential conflict of interests when it deals with that official's body.[21] The private company is thus regulated as a counterparty of the state, not as an organisation with its own duty to prevent corruption.

### *C. The private sector: prevention by deregulation*

The framework law does address business directly. Article 20 lists measures to prevent corruption "in socio-economic development and entrepreneurship": removing administrative barriers, simplifying registration, permits and licensing, optimising inspections, moving interaction with state bodies online, ensuring equal competition and transparent public procurement.[22] These are measures the state takes for business, by reducing the occasions on which an official can demand a bribe. Only the last item looks inward: the "introduction of effective anti-corruption mechanisms in non-state organisations." No statute specifies what those mechanisms are, who must adopt them, or what follows if a company does or does not. The National Anti-Corruption Strategy to 2030 repeats the pattern: its direction on socio-economic development and entrepreneurship lists general commitments, such as reducing red tape and excessive interference in business, but sets no

[9] Deputy Attorney General, *Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act (FCPA)* (9 June 2025); Exec. Order No. 14209 (10 Feb. 2025).

[10] Bribery Act 2010, c. 23, s. 7; Economic Crime and Corporate Transparency Act 2023, s. 199.

[11] Directive (EU) 2026/1021 of the European Parliament and of the Council of 29 April 2026 on combating corruption, OJ L, 11.5.2026.

[12] Law of the Republic of Uzbekistan No. ZRU-419 "On Combating Corruption" (3 Jan. 2017), as amended by Law No. ZRU-1155 (22 June 2026), lex.uz/docs/3088008.

[13] *Id.*, arts. 4–5.

[14] Decree of the President No. PF-5729 (27 May 2019).

[15] Decree of the President No. DP-6013 (29 June 2020), lex.uz/docs/5148538.

[16] Decree No. PF-6257, *supra* note 6, Annex 1, item 26.

[17] Law No. ZRU-1155 (22 June 2026), amending ZRU-419, *supra* note 12, art. 7.

[18] ZRU-419, *supra* note 12, art. $8^3$.

[19] LRU-931, *supra* note 7 (in force 6 Dec. 2024), lex.uz/en/docs/6968729.

[20] *Id.*, art. 1.

[21] *Id.*, arts. 5, 7.

[22] ZRU-419, *supra* note 12, art. 20.

specific tasks.[23]

In practice, the private companies most likely to adopt anti-corruption programmes are those that answer to someone abroad: subsidiaries of multinational groups that apply their parent's policies, and exporters and joint ventures whose foreign partners are themselves exposed to the FCPA or the UK Bribery Act and therefore require anti-corruption clauses and due diligence from their Uzbek counterparts. Their compliance is driven by contracts and reputation, not by Uzbek law. A domestic company with no foreign partner has no comparable reason to invest.

### *D. Criminal law: liability of individuals only*

Uzbek criminal law reaches bribery in both the public and the private sector, but only through individuals. Article 17 of the Criminal Code provides that criminal liability applies to natural persons.[24] Giving a bribe to an official of a state body, an organisation with state participation or a self-government body, "personally or through an intermediary," is an offence under Article 211; receiving a bribe and mediation in bribery are covered by Articles 210 and 212.[25] Bribery inside the private sector is also criminalised: Article 192[9] punishes commercial bribery of an official of a non-state commercial or other non-state organisation, and Article 192[10] the bribery of its employees.[26]

The Code contains one incentive to report, and it is addressed to the individual. Under Article 211, a person who gave a bribe is exempt from liability if the bribe was extorted and the person, within thirty days, voluntarily reported it, sincerely repented and actively assisted in solving the crime.[27] There is no equivalent for the company on whose behalf the bribe was paid, because the company is not a possible defendant. A firm that discovers a bribe paid by its own manager gains nothing in law by reporting it, investigating it or improving its controls.

### *E. The missing link: Article 27*

The framework law anticipates corporate liability but does not deliver it. Article 27 provides that "legal entities shall be liable for committing corruption offences in the manner established by law."[28] No such law has been adopted, and the 2026 amendments left the provision unchanged. As the OECD observed, the authorities consider that liability of legal persons "would contradict the fundamental basis of the country's law."[29] The cases described in the Introduction show the consequence. The company that stands to benefit from a bribe is never the subject of the proceedings, so there is nothing to which a compliance incentive could attach.

### *F. Assessment*

Three features define the current framework. First, compliance is a statutory institution, but its scope is set by state ownership. Second, the private sector is addressed mainly through deregulation, which reduces opportunities for extortion but places no preventive duty on companies. Third, corporate liability is declared in Article 27 but has never been implemented. Together these features leave a rational private company with no legal reason to invest in an anti-corruption programme beyond the demands of foreign partners and lenders. Parts 3 to 5 examine how the United States, the United Kingdom and the European Union close this loop by linking corporate liability to the quality of corporate compliance.

## III. The United States: Compliance as a Prosecutorial Bargain

### *A. Broad corporate liability as the starting point*

The U.S. model begins where Uzbekistan's ends: with a company that can be prosecuted. Since New York Central & Hudson River Railroad Co. v. United States, federal law has held corporations criminally liable for crimes committed by employees acting within the scope of their employment and at least in part for the company's benefit.[30] The Foreign Corrupt Practices Act of 1977 applies this rule to foreign bribery. Its anti-bribery provisions prohibit issuers, domestic concerns and persons acting in U.S. territory from corruptly offering anything of value to a foreign official to obtain or retain business, including through third parties.[31] Its accounting provisions require issuers to keep accurate books and records and to maintain a system of internal accounting controls.[32] In 2023 Congress added the demand side: the Foreign Extortion Prevention Act makes it a crime for a foreign official to demand or accept a bribe from a U.S. issuer or domestic concern.[33]

Respondeat superior liability is deliberately broad. A company is liable even if the employee violated company policy. On its own, this would give firms little reason to invest in prevention, because a strong programme does not avoid liability. The law and economics literature identified this problem early. Arlen and Kraakman showed that strict corporate liability can discourage companies from detecting and reporting misconduct, since detection raises the probability of sanctions; they argued for a "composite" regime that reduces sanctions for firms that monitor, report and cooperate.[34] U.S. practice has developed largely along those lines.

### *B. Turning liability into an incentive*

The incentive operates at three points. First, at sentencing. Since 1991 the Organizational Sentencing Guidelines have reduced a company's culpability score if it had an "effective compliance and ethics program" when the offence occurred, and they define such a programme through seven elements, including oversight by senior leadership, training, monitoring,

[23] See Sharafiddin Eshboev, *Analysis of the Anti-Corruption Strategy-2030 of Uzbekistan*, 3 Int'l J. Stud. Advanced Educ., no. 7, July 2024, at 33, 35 (observing that the Strategy's entrepreneurship direction consists of "general words" rather than specific tasks).

[24] Criminal Code of the Republic of Uzbekistan (22 Sept. 1994), art. 17, lex.uz/docs/111457.

[25] *Id.*, arts. 210–212.

[26] *Id.*, arts. 192[9], 192[10].

[27] *Id.*, art. 211 (final paragraph).

[28] ZRU-419, *supra* note 12, art. 27(3).

[29] OECD, *supra* note 3, Indicator 9.2.

[30] *New York Central & Hudson River Railroad Co. v. United States*, 212 U.S. 481 (1909).

[31] 15 U.S.C. §§ 78dd-1, 78dd-2, 78dd-3.

[32] 15 U.S.C. § 78m(b)(2)(A)–(B).

[33] Foreign Extortion Prevention Act, 18 U.S.C. § 1352 (enacted 22 Dec. 2023).

[34] Jennifer Arlen & Reinier Kraakman, *Controlling Corporate Misconduct: An Analysis of Corporate Liability Regimes*, 72 N.Y.U. L. Rev. 687 (1997).

reporting channels and consistent discipline.[35]

Second, at the charging decision. The Justice Manual instructs prosecutors to weigh, among other factors, the adequacy and effectiveness of the company's compliance programme at the time of the offence and at the time of the charging decision.[36] The Criminal Division's Evaluation of Corporate Compliance Programs turns this into three questions: is the programme well designed, is it adequately resourced and empowered, and does it work in practice?[37]

Third, and most important, through self-disclosure. On 10 March 2026 the Department of Justice adopted its first Department-wide Corporate Enforcement Policy. A company that voluntarily self-discloses misconduct, fully cooperates and timely remediates may receive a declination, absent significant aggravating factors, while still paying disgorgement, forfeiture and restitution. A company that falls short of a declination but cooperates and remediates substantially may receive a non-prosecution agreement with a fine reduction of 50 to 75 per cent from the low end of the Guidelines range.[38] The policy builds on the Criminal Division's 2025 revision, which had replaced a mere presumption of declination with a "clear path" to it.[39]

The result is a bargain. The state accepts that it cannot find most corporate bribery on its own. It therefore offers companies a predictable reward for building systems that detect misconduct and for bringing it to prosecutors.

### *C. Narrower enforcement, unchanged incentives*

The bargain survived a sharp change in enforcement policy. On 10 February 2025 an executive order paused new FCPA investigations and directed the Attorney General to issue revised guidelines.[40] The guidelines, issued on 9 June 2025, focus enforcement on misconduct that harms U.S. interests and competitiveness, and on serious cases rather than routine business practices.[41] FCPA enforcement has therefore become more selective. The compliance incentives, however, were not withdrawn: the sentencing credit, the charging factors and the self-disclosure policy remain in place, and the 2026 policy extends the last of these to the whole Department. For a company, the cost of having no programme when misconduct is found is unchanged.

### *D. Criticism*

The U.S. model has well-known weaknesses. Krawiec argued that negotiated compliance rewards "cosmetic" programmes that are cheap to adopt and hard for prosecutors to evaluate.[42] Garrett showed that prosecution agreements often impose compliance reforms with limited follow-up on whether they work.[43] Baer and Griffith described how compliance became a form of corporate governance shaped by prosecutors rather than by legislatures or boards.[44] These criticisms matter for Uzbekistan. A model built on prosecutorial discretion depends on prosecutors able to evaluate a programme's real effectiveness, and on predictable, public decisions.

### *E. Lessons for Uzbekistan*

Three lessons follow. First, a compliance incentive requires a liable company: without corporate liability, there is nothing for a programme to mitigate. Second, the reward must be predictable. The 2025 and 2026 reforms moved from discretion towards published conditions for declination, because companies will not self-report on the strength of a possibility. Third, the content of an "effective" programme must be defined in advance, as the Sentencing Guidelines and the Evaluation document do; otherwise compliance becomes cosmetic. Uzbekistan's statutory definition of compliance structures in Article $8^3$ of the framework law offers a starting point for the third lesson, but only for the state sector.

## IV. The United Kingdom: Compliance as a Statutory Defence

### *A. The "failure to prevent" offence*

The United Kingdom took a different route. Rather than leaving compliance to prosecutorial discretion, the Bribery Act 2010 wrote it into the definition of corporate liability. Sections 1, 2 and 6 create the general offences of bribing, being bribed and bribing a foreign public official.[45] Section 7 adds an offence for organisations: a relevant commercial organisation is guilty if a person "associated" with it bribes another person intending to obtain or retain business or an advantage for the organisation.[46] An associated person is anyone who performs services for or on behalf of the organisation, including employees, agents and subsidiaries.[47]

The offence does not require proof that any director or senior manager knew of the bribe. This removes the main obstacle of the old "identification doctrine," under which a company was liable only for the acts of its "directing mind." It also reaches foreign companies: the offence applies to any organisation that carries on a business or part of a business in the United Kingdom, wherever the bribe was paid.[48] The penalty is an unlimited fine.[49]

### *B. "Adequate procedures": compliance inside the offence*

The key feature is the defence. Under section 7(2), it is a defence for the organisation to prove that it "had in place

[35] U.S. Sentencing Guidelines Manual §§ 8B2.1, 8C2.5(f).

[36] U.S. Dep't of Justice, Justice Manual § 9-28.300 (Factors to Be Considered) and § 9-28.800 (Corporate Compliance Programs).

[37] U.S. Dep't of Justice, Criminal Division, *Evaluation of Corporate Compliance Programs* (updated Sept. 2024).

[38] U.S. Dep't of Justice, *Corporate Enforcement Policy* (10 Mar. 2026) (announced by Deputy Attorney General Todd Blanche); see *DOJ Unveils Uniform Corporate Criminal Enforcement Policy*, Snell & Wilmer, https://www.swlaw.com/publication/doj-unveils-uniform-corporate-criminal-enforcement-policy/.

[39] Memorandum from Matthew R. Galeotti, Head of the Criminal Division, U.S. Dep't of Justice (12 May 2025) (revising the Criminal Division Corporate Enforcement and Voluntary Self-Disclosure Policy).

[40] Exec. Order No. 14209, *supra* note 9.

[41] Guidelines for Investigations and Enforcement of the FCPA, *supra* note 9.

[42] Kimberly D. Krawiec, *Cosmetic Compliance and the Failure of Negotiated Governance*, 81 Wash. U. L.Q. 487 (2003).

[43] Brandon L. Garrett, *Too Big to Jail: How Prosecutors Compromise with Corporations* (Harvard Univ. Press 2014).

[44] Miriam Hechler Baer, *Governing Corporate Compliance*, 50 B.C. L. Rev. 949 (2009); Sean J. Griffith, *Corporate Governance in an Era of Compliance*, 57 Wm. & Mary L. Rev. 2075 (2016).

[45] Bribery Act 2010, c. 23, ss. 1, 2, 6.

[46] *Id.*, s. 7(1).

[47] *Id.*, s. 8.

[48] *Id.*, s. 7(5); s. 12.

[49] *Id.*, s. 11(3).

adequate procedures designed to prevent persons associated with [it] from undertaking such conduct."[50] Compliance is thus no longer a mitigating factor considered after a finding of liability. It decides whether liability exists at all.

The Act also obliges the government to publish guidance on what adequate procedures are.[51] The Ministry of Justice guidance of 2011 sets out six principles: proportionate procedures, top-level commitment, risk assessment, due diligence, communication including training, and monitoring and review.[52] The guidance is not binding, but it gives companies, and particularly small and medium-sized enterprises, a public standard against which to build and test their programmes. The principle of proportionality matters: a small trading company is not expected to have the programme of a multinational.

The first contested prosecution showed that the defence is real but demanding. In R v Skansen Interiors Ltd (2018), a small office refurbishment company that had itself reported a bribe paid by its managing director was convicted under section 7. The jury rejected its argument that general policies requiring staff to act ethically amounted to adequate procedures.[53] The case signalled that a written policy without risk assessment, training and controls is not enough.

### C. Negotiated outcomes: deferred prosecution agreements

Since 2014 prosecutors may resolve corporate cases through deferred prosecution agreements (DPAs), which, unlike U.S. agreements, must be approved by a court as being in the interests of justice and on fair, reasonable and proportionate terms.[54] Judicial approval makes the terms public and gives the reasoning behind each outcome. In April 2025 the Serious Fraud Office went further: a company that promptly self-reports and fully cooperates will be invited to negotiate a DPA rather than face prosecution, unless exceptional circumstances apply.[55] The incentive structure now resembles the U.S. one, with a court in place of prosecutorial discretion alone.

### D. The model expands: fraud and senior managers

The "failure to prevent" model has since spread. The Economic Crime and Corporate Transparency Act 2023 created a corporate offence of failure to prevent fraud, in force from 1 September 2025, for large organisations; its defence is having "reasonable procedures" to prevent fraud.[56] The same Act reformed the identification doctrine for economic crimes, so that an offence committed by a "senior manager" acting within the scope of his or her authority is attributed to the organisation.[57] The legislature thus treats the combination of corporate liability and a procedures-based defence as a general technique, not as a rule special to bribery.

### E. Criticism

The model has limits. Section 7 prosecutions remain few, and most cases end in DPAs, so courts have rarely tested what "adequate" means.[58] The burden of proving the defence lies on the company, which is heavy for small firms. The Law Commission has also noted that the coexistence of the identification doctrine and separate "failure to prevent" offences makes corporate criminal liability in England and Wales complex and uneven.[59]

### F. Lessons for Uzbekistan

The UK model is more directly transferable than the U.S. one, for three reasons. First, it does not depend on broad prosecutorial discretion, which Uzbek procedure does not provide in the U.S. form. Second, the company is liable for its own failure to organise prevention, not vicariously for the guilt of an individual. This answers part of the objection that corporate liability "contradicts the fundamental basis" of national law, because the company is punished for what it failed to do. Third, compliance is defined by the law and by published guidance, which suits a system built on codified rules. The open question is whether such a "failure to prevent" offence must be criminal. Part 5 shows that European civil-law systems answer this question in different ways.

## V. The European Union and Civil-Law Systems: Liability without the Criminal Label

### A. The international baseline

The question whether corporate liability must be criminal has a clear answer in international law. Article 26 of the UN Convention against Corruption, to which Uzbekistan acceded in 2008, requires each state party to establish the liability of legal persons for corruption offences, but provides that, "subject to the legal principles of the State Party," this liability "may be criminal, civil or administrative."[60] The Convention thus anticipates exactly the objection raised by the Uzbek authorities and answers it: a state whose legal tradition rejects corporate criminal liability may still, and must, hold companies liable by other means.

### B. Directive (EU) 2026/1021

The European Union has now made this obligation concrete for its Member States. Directive (EU) 2026/1021 on combating corruption, published on 11 May 2026, is the first EU instrument to harmonise both the offences and the sanc-

[50] *Id.*, s. 7(2).

[51] *Id.*, s. 9.

[52] Ministry of Justice, *The Bribery Act 2010: Guidance about Procedures which Relevant Commercial Organisations Can Put into Place to Prevent Persons Associated with Them from Bribing* (Mar. 2011).

[53] *R v Skansen Interiors Ltd* (Southwark Crown Court, Feb. 2018); see CPS Secures First Conviction for Failure to Prevent Bribery, Law Society Gazette (2018), https://www.lawgazette.co.uk/law/cps-secures-first-conviction-for-failure-to-prevent-bribery/5065201.article.

[54] Crime and Courts Act 2013, sch. 17.

[55] Serious Fraud Office, *Corporate Guidance* (24 Apr. 2025); see *UK Serious Fraud Office Issues New Self-Reporting and Corporate Cooperation Guidance*, WilmerHale (2 May 2025), https://www.wilmerhale.com/en/insights/client-alerts/20250501-uk-serious-fraud-office-issues-new-self-reporting-and-corporate-cooperation-guidance.

[56] Economic Crime and Corporate Transparency Act 2023, c. 56, s. 199; Home Office, *Guidance to Organisations on the Offence of Failure to Prevent Fraud* (Nov. 2024).

[57] Economic Crime and Corporate Transparency Act 2023, s. 196.

[58] See generally Jeremy Horder & Peter Alldridge (eds.), *Modern Bribery Law: Comparative Perspectives* (Cambridge Univ. Press 2013).

[59] Law Commission, *Corporate Criminal Liability: An Options Paper* (10 June 2022).

[60] United Nations Convention against Corruption, 31 Oct. 2003, 2349 U.N.T.S. 41, art. 26; see UNODC, UNCAC Signature and Ratification Status, https://www.unodc.org/unodc/en/corruption/ratification-status.html (Uzbekistan: accession, 2008).

tions for corruption.[61] It requires Member States to ensure that legal persons can be held liable for corruption offences committed for their benefit by persons in a leading position, and for offences made possible by a lack of supervision or control by such persons.[62] For the most serious offences, the maximum fines must reach at least 5 per cent of the company's total worldwide turnover or EUR 40 million.[63]

The Directive leaves the form of liability to national law: it may be criminal or non-criminal. But it links the amount of the sanction to compliance. Member States must ensure that effective internal controls, ethics awareness and compliance programmes can be treated as a mitigating circumstance; such programmes reduce the sanction but do not exclude liability.[64] The Directive entered into force on 1 June 2026; Member States must transpose most of its provisions by 1 June 2028, and adopt national anti-corruption strategies and risk assessments by 1 June 2029.

### *C. National models: Germany and Italy*

Two civil-law systems show how corporate liability can work without a corporate criminal offence.[65] Germany does not recognise the criminal liability of legal persons. Instead, section 30 of the Act on Regulatory Offences (OWiG) allows an administrative fine of up to EUR 10 million against a company whose manager committed a criminal offence that breached the company's duties or enriched it, and section 130 makes it a regulatory offence for the owner to fail to take the supervisory measures required to prevent such violations.[66] In 2017 the Federal Court of Justice held that an effective compliance management system may reduce the amount of such a fine.[67]

Italy's Legislative Decree No. 231 of 2001 goes further. It establishes the "administrative" liability of entities for listed crimes, including bribery, committed in their interest by managers or employees. The entity escapes liability if it proves that, before the offence, it had adopted and effectively implemented an organisational and management model capable of preventing offences of that kind, and had entrusted an independent supervisory body with overseeing it.[68] The Italian model therefore resembles the UK defence of adequate procedures, but within an administrative framework adjudicated by criminal courts.

### *D. Whistleblower protection*

The EU has also addressed the channel through which misconduct reaches a company's compliance function. Directive (EU) 2019/1937 requires private-sector legal entities with 50 or more workers to establish internal reporting channels, and protects reporting persons against retaliation.[69] This addresses the problem the OECD identified in Uzbekistan, where there is no obligation to create internal reporting channels and anonymous reports are not considered.[70]

### *E. Lessons for Uzbekistan*

The European experience removes the main legal obstacle to reform. UNCAC permits non-criminal corporate liability, Germany and Italy apply it, and the 2026 Directive accepts it as long as sanctions are effective and compliance is assessed on its substance. Uzbekistan already has the instruments for such a model: an Administrative Liability Code, a statutory concept of compliance structures in Article $8^3$ of the framework law, and Article 27, which promises liability of legal entities "in the manner established by law." What it lacks is the law that Article 27 refers to. Part 6 compares the three models and sets out what that law should contain.

## VI. Comparing the Three Models

### *A. The common logic*

The three systems differ in form but share one structure. Each makes the company itself answerable for corruption committed for its benefit, and each then reduces or removes that liability when the company can show that it seriously tried to prevent the misconduct. The table summarises the differences and places Uzbekistan beside them.

### *B. What transfers and what does not*

The U.S. model is the least transferable in its procedural form. It depends on broad prosecutorial discretion, negotiated declinations and non-prosecution agreements, which Uzbek criminal procedure does not provide in comparable form. Its substantive lesson does transfer: the reward for compliance and self-reporting must be published in advance and predictable, or companies will not act on it.

The UK model transfers well in its substance. A "failure to prevent" duty places liability on the company's own organisational failure, and a statutory defence of adequate procedures, defined in official guidance, suits a codified system. Its criminal form is the part Uzbek authorities resist.

The continental models supply the missing form. Germany shows that a company can be fined without being declared criminally guilty; Italy shows that an administrative regime can make an effective compliance model a complete defence. Both operate in civil-law systems with traditions closer to Uzbekistan's than the common-law systems of the United States and the United Kingdom.

### *C. Institutional conditions*

Transfer also depends on institutions. A compliance defence requires a body able to judge whether a programme is real, and courts able to apply that judgement consistently; otherwise compliance becomes cosmetic, as critics of the U.S. model warn. Uzbekistan already has two of the necessary institutions: an Anti-Corruption Agency with a mandate that extends to the non-state sector, and a Compliance Service that coordinates compliance structures in the state sector. Their experience with state-owned enterprises, including ISO

[61] Directive (EU) 2026/1021 of the European Parliament and of the Council of 29 April 2026 on combating corruption, OJ L, 11.5.2026, ELI: http://data.europa.eu/eli/dir/2026/1021/oj.

[62] *Id.*, art. 13.

[63] *Id.*, art. 14.

[64] *Id.*, art. 16.

[65] See generally Mark Pieth & Radha Ivory (eds.), *Corporate Criminal Liability: Emergence, Convergence, and Risk* (Springer 2011).

[66] Gesetz über Ordnungswidrigkeiten [OWiG], §§ 30, 130.

[67] Bundesgerichtshof [BGH], 9 May 2017, 1 StR 265/16.

[68] Decreto Legislativo 8 giugno 2001, n. 231, arts. 5–7.

[69] Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 Oct. 2019 on the protection of persons who report breaches of Union law, OJ L 305, 26.11.2019, arts. 8, 19.

[70] OECD, *supra* note 3, Executive Summary (Protection of whistleblowers).

| | United States | United Kingdom | EU, Germany, Italy | Uzbekistan (2026) |
|---|---|---|---|---|
| Form of corporate liability | Criminal (respondeat superior) | Criminal ("failure to prevent", s. 7) | Criminal or non-criminal (Directive 2026/1021); administrative in Germany and Italy | None; Art. 27 refers to a law not yet adopted |
| What triggers liability | Act of any employee within the scope of employment | Bribe by any "associated person" | Offence by a person in a leading position, or lack of supervision | — |
| Role of compliance | Mitigation at charging and sentencing | Full defence ("adequate procedures") | Mitigation (EU, Germany); full exemption (Italy) | Required only in state bodies and state-owned enterprises (Art. $8^3$) |
| Reward for self-reporting | Declination under 2026 Department-wide policy | Invitation to a court-approved DPA (SFO, 2025) | Varies by Member State | Exemption for the individual briber only (Criminal Code, Art. 211) |
| Who defines "effective" compliance | Sentencing Guidelines; DOJ evaluation guidance | Ministry of Justice guidance (six principles) | Courts and national guidance; Italy's statutory model | Compliance Service; state sector only |
| Whistleblower channels in companies | Audit committees of listed companies must set up complaint procedures, including anonymous ones (Sarbanes-Oxley Act 2002, s. 301) | Recommended in guidance | Mandatory for 50+ workers (Directive 2019/1937) | No obligation |

37001 certification, could become the basis of a standard for private companies.

The greatest practical obstacle, however, is trust. The OECD found that Uzbek companies refrain from reporting corruption for fear of negative consequences from the state. A compliance defence or a self-reporting exemption works only if companies believe that disclosure will be rewarded rather than punished. That belief cannot be created by statute alone; it requires published conditions, consistent decisions and, at least in the first years, visible cases in which companies that reported were in fact treated leniently.

## VII. Recommendations: A Model of Administrative Corporate Liability with a Compliance Defence

This Part proposes the law that Article 27 of the framework law anticipates. It combines the UK's "failure to prevent" duty and compliance defence with the continental, non-criminal form of liability, and adds the U.S. lesson that rewards must be predictable. It is designed to answer the authorities' objection: the company is not declared criminally guilty, and it is liable for its own failure to organise prevention.

### *A. Adopt administrative liability of legal entities for corruption offences*

A new chapter of the Code of Administrative Liability, or a special law under Article 27, should make a legal entity liable where a corruption offence is committed for its benefit by (a) its manager or another person in a leading position, or (b) any employee, agent or other person acting on its behalf, where the offence was made possible by a lack of supervision. The definitions can draw on the UK concept of the "associated person" and on the supervision duty in section 130 of the German OWiG. Liability should not depend on a prior conviction of the individual, so that a company cannot escape because its employee absconded or was exempted under Article 211 of the Criminal Code.

### *B. Make sanctions proportionate to the company's size*

Fines should be calculated as a share of annual turnover, with a fixed minimum, following the approach of Directive 2026/1021. Additional measures could include temporary exclusion from public procurement and from state support programmes. Turnover-based fines keep the regime meaningful for large companies without destroying small ones.

### *C. Provide a compliance defence and graded mitigation*

A company should be exempt from liability if it proves that, before the offence, it had implemented adequate, risk-based anti-corruption procedures. Where procedures existed but were insufficient, their quality should reduce the fine. The burden should rest on the company, as under section 7(2) of the Bribery Act, but the standard should be proportionate to the company's size and risk profile.

### *D. Publish the standard of "adequate procedures"*

The Anti-Corruption Agency should issue binding methodological guidance for private companies, built on the six principles of the UK guidance and on ISO 37001, and drawing on the experience of compliance structures under Article $8^3$. Without a published standard, a compliance defence invites cosmetic programmes; with it, companies know in advance what will protect them.

### *E. Reward self-reporting at the corporate level*

Article 211 of the Criminal Code already exempts an individual who reports an extorted bribe within thirty days. The same logic should apply to companies: a company that reports promptly, cooperates fully and remediates should be exempt from the administrative fine, or receive a substantial reduction, under conditions fixed in the law. Decisions should be taken or approved by a court and published, following the UK practice of judicial approval of DPAs, so that the reward is visible and predictable.

### *F. Require internal reporting channels and protect those who use them*

Companies with 50 or more employees should be required to maintain internal reporting channels, and the law should

protect reporting persons from retaliation and allow anonymous reports to be examined, as Directive 2019/1937 provides. This responds directly to the OECD's finding that Uzbekistan's whistleblower protection is "low."

### *G. Phase the reform in through public procurement*

The Law "On Conflict of Interests" already reaches public procurement. A first stage could require bidders in large public contracts to certify that they maintain an anti-corruption programme meeting the published standard, before the general regime applies to all companies. This gives the Agency and the courts experience with assessing programmes, and gives companies time to prepare.

Of these proposals, the corporate self-reporting exemption (7.5) is the most important. Liability without a predictable reward for disclosure would only add to the fear of the state that the OECD identified, and would encourage companies to conceal misconduct rather than to find it. Uzbek law already accepts this logic for individuals in Article 211 of the Criminal Code; extending it to companies is the step that turns liability from a threat into an incentive.

## VIII. Conclusion

Uzbekistan has built a compliance system in a decade. It has a framework law, a specialised agency, a law on conflicts of interest, internal control units and, since June 2026, a statutory compliance service. Each of these instruments, however, stops at the boundary of state ownership. For the private company, the law offers neither a duty to prevent corruption nor any benefit for doing so, because the company itself cannot be held liable. Article 27 of the framework law has promised that liability since 2017.

The comparative analysis shows that this gap can be closed without abandoning the national legal tradition. The United States demonstrates that predictable rewards for compliance and self-reporting change corporate behaviour. The United Kingdom demonstrates that compliance can be written into the definition of liability itself. The European Union, Germany and Italy demonstrate that such liability need not be criminal. UNCAC, to which Uzbekistan is a party, expressly allows this choice.

The model proposed in Part 7 combines these lessons: administrative liability for a company's failure to prevent corruption, a compliance defence measured against a published standard, and a corporate counterpart to the self-reporting exemption that Uzbek criminal law already grants to individuals. Its first test could be public procurement, where the state already has both the leverage and the information.

Two questions remain for further research. The first is empirical: how many Uzbek private companies already maintain anti-corruption programmes, and why. The second is institutional: whether the Anti-Corruption Agency, the Compliance Service and the courts can assess programmes on their substance rather than on paper. The answers will decide whether corporate compliance in Uzbekistan becomes a working legal institution or another set of documents.

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