Lifetime Maintenance Contracts, Foreign Ownership Limits, And Category-Specific Restrictions in Uzbekistan's Real Estate Alienation Law

Akmaljon B. Rakhimjonov

Department of Legal Sciences,Acting Associate Professor, PhD in Law, National University of Uzbekistan

Received: 26 June 2026 | Received Revised Version: 15 July 2026 | Accepted: 04 August 2026 | Published: 28 August 2026

Volume 08 Issue 08 2026 | Crossref DOI: 10.37547/tajpslc/Volume08Issue08-05

Abstract

Not every real estate deal in Uzbekistan fits comfortably inside the Civil Code's general rules on sale, exchange, and donation. This article looks at four situations where those general rules run thin: the lifetime maintenance contract, through which an elderly owner trades property for ongoing care; transactions involving foreign buyers, whose rights are limited by restrictions spread across several unconnected laws; special categories of property: farmland, heritage buildings, and shared space in apartment blocks, where sectoral rules and the general alienation regime do not line up; and the gap between civil and tax law that encourages parties to understate the price they actually paid. Drawing on comparisons, the article proposes a more protective chapter, a single consolidated law on foreign ownership.

Keywords: Lifetime maintenance contract, agricultural land pre-emption, condominium common property, real estate taxation.

Cite This Article: Akmaljon B. Rakhimjonov. (2026). Lifetime Maintenance Contracts, Foreign Ownership Limits, And Category-Specific Restrictions in Uzbekistan's Real Estate Alienation Law. The American Journal of Political Science Law and Criminology, 8(08), 26–30. https://doi.org/10.37547/tajpslc/Volume08Issue08-05

1. Introduction

General contract law is written for the ordinary case, and most real estate deals in Uzbekistan are ordinary enough: a sale between two adult citizens rarely runs into anything the Civil Code's chapter on sale contracts cannot handle. The trouble starts at the edges, when the seller is elderly and cares more about ongoing support than a lump sum, when one side is a foreign citizen or company facing restrictions found nowhere near the sale-contract chapter, or when the property itself is farmland, a protected building, or a shared stake in an apartment block, each governed by its own separate body of law that the general alienation rules never quite reference. This article treats those edge cases as a subject in their own right and asks how national legislation could connect its general framework more deliberately to the special regimes that, in practice, already cover a growing share of real estate transactions.

2. Literature review

Few specialized property contracts have as long a history as the lifetime maintenance agreement and French practice remains the best-documented version of it. This describes as a sale in which the buyer pays the seller usually an elderly person, an initial sum followed by payments for the rest of the seller's life, often while the seller keeps the right to live in the property [1]. What matters for comparison is not this basic structure, which national law already recognizes, but the protections French practice has built around it over time: courts check that the annuity is genuinely uncertain rather than a disguised gift, a sale to the seller's own doctor is presumed void, and most relevant here is - the seller automatically holds a legal mortgage over the property securing future payments, so that non-payment gives a real right to reclaim the property, not just a claim for damages [1]–[3].

Russian law, built on the same Soviet-era foundation as Uzbek civil law, offers a closer comparison. Chapter 33 of the Russian Civil Code spells out rent and lifetime maintenance with dependents in far more detail than its Uzbek counterpart, including a clear right to demand either the property back or its monetary value if the payer breaches the agreement, backed by a pledge that arises automatically by law [4]. That two systems with a shared legal ancestry have drifted this far apart on the same institution says something about how little attention this chapter has received in Uzbekistan.

On foreign ownership, Kazakhstan's 2021 law banning land ownership by foreign nationals and entities is the most useful recent comparison [5] not because Uzbekistan should adopt the same substantive rule, which is a policy question for the legislature, but because it shows what a single, clearly bounded statute looks like next to the alternative: restrictions scattered piecemeal across unrelated acts, which is closer to Uzbekistan's current approach.

Special property categories draw on three further comparisons. France's "SAFER" mechanism gives a public body the right to step in and buy agricultural land at the offered price, specifically to stop farmland from being carved up or bought out from under local producers, a tool examined in a comparative FAO study of pre-emption rights across Europe [6]. On cultural heritage, the comparative literature converges on treating preservation duties as running with the property itself, binding each new owner regardless of how the sale was structured — a principle national law recognizes only partially.

3. Methods

This article reads the relevant Uzbek statutory text the Civil Code's chapter on rental agreement, the scattered provisions on foreign ownership across land, investment, and free-economic-zone legislation, the Land Code's rules on agricultural land, the heritage protection law, the Housing Code's provisions on common property, and the Tax Code's rules on income from real estate sales against French, Russian, Kazakh sources chosen for the reasons given above. For each of the four problems below, the analysis asks specifically which fix belongs in the Civil Code as a cross-reference and which belongs in the relevant sectoral law, so the proposals coordinate the two bodies of legislation rather than duplicating them. Foreign mechanisms were adapted rather than copied, with each proposal checked against Uzbekistan's existing doctrinal tools and institutional capacity.

4. Results and Discussion

The lifetime maintenance contract carries more social weight than its brief treatment in the Uzbek Civil Code suggests. The person transferring property under such a contract is typically elderly, often living alone, and looking not for a lump sum but for reliable care over what remains of their life. That makes the contract structurally different from an ordinary sale: the seller's compensation is a promise stretched over an unknown future period, and its entire value depends on the buyer continuing to perform long after the property has already changed hands and been registered.

Current regulation does not say, with any real precision, what happens when the paying party stops performing. Termination for material breach exists as a general idea, but the chapter gives no self-contained procedure no threshold for how many missed payments or how long a lapse in care counts as a serious breach, no clarity on what happens to payments already made if the contract is rescinded, and no statement of whether the recipient's claim to get the property back is secured or must be litigated as an ordinary unsecured debt. Two unrelated legal traditions have already converged on an answer. French "viager" practice secures the seller with an automatic legal mortgage, so protection does not depend on outracing the buyer's other creditors [1]–[3]. The Russian Civil Code goes further, giving the recipient a straightforward choice between reclaiming the property and demanding its value, backed the whole time by a statutory pledge [4].

Uzbek law could adopt the same structure without borrowing anything unfamiliar. A draft provision might read: "Where the payer under a lifetime maintenance contract fails, on two or more consecutive occasions or for a cumulative period exceeding six months, to make payments or provide care, the recipient has the right to demand rescission of the contract and return of the property, or monetary compensation for the value of the unperformed obligation. This right is secured by a pledge of the property arising by operation of law from the moment of state registration". Nothing here is new to national civil law — a pledge arising automatically already exists for mortgage lending it would simply extend a familiar tool to a contract where the vulnerable party arguably needs it more. A second problem concerns foreign citizens and companies as parties to real estate contracts. Uzbek law does restrict foreign ownership, mainly around agricultural and certain other land categories, but these rules are not gathered in one place. They sit across land legislation, investment legislation, and the rules governing free economic zones, each covering a different slice of the question and, at times, using terms that do not quite match across acts. A notary certifying a sale to a foreign buyer, or an investor trying to work out in advance what it may legally acquire, has to piece the answer together from several sources rather than one.

Kazakhstan's 2021 law is useful here mainly as an example of technique rather than substance the underlying policy choice is for Uzbekistan's own legislature to make. What the Kazakh case shows is that stating a restriction, its scope, and its exceptions in one bounded statute is far easier for notaries, registrars, and investors to apply consistently than the same substance spread across several acts, which is roughly Uzbekistan's current position [5]. The practical proposal here is narrower than a call to change policy: consolidate the existing restrictions, whatever their content, into a single normative source, most naturally a dedicated chapter in the legislation on state registration of rights to real estate, since that is the point where the restriction actually gets checked with the land, investment, and free-economic-zone acts cross-referencing it instead of restating it. A single source is also simpler to keep updated as investment policy evolves.

A third set of problems comes from how the general alienation method interacts with three categories of property carrying a public interest beyond the two contracting parties: agricultural land, cultural heritage objects, and shared property in apartment buildings. Each already has its own sectoral rules in Uzbek law, but those rules do not connect cleanly to the general contract provisions, which is where the gaps below appear.

Agricultural land in Uzbekistan is subject to use restrictions, but nothing in the alienation regime resembles France's "SAFER" pre-emption right, which lets a public body step in and buy farmland at the offered price specifically to stop fragmentation and preserve agricultural use [6]. Transplanting the French model wholesale would not fit Uzbekistan's different land-tenure structure, but the underlying lesson holds: a use restriction is enforced far more effectively at the moment of sale, by a designated body with a right to act, than after the fact through administrative penalties once the land has already changed hands and its use has already changed.

Cultural heritage property raises a related gap. Uzbek heritage law places preservation duties on owners of protected objects, but it says little about how those duties connect to the sale contract itself, whether a buyer must be told about the protected status before signing, and whether the preservation duty passes automatically to the new owner or has to be separately re-imposed by the heritage authority. Since comparative heritage law generally treats preservation duties as running with the property regardless of how it changes hands, the fix is straightforward: the Civil Code's provisions on real estate sale should state that where the property carries protected heritage status, the notary records this in the contract and the preservation duty passes automatically on registration, with no separate administrative step required.

Common property in apartment buildings is the most technically detailed problem in this section. Uzbek housing law recognizes, broadly, that apartment owners share an interest in a building's common elements: structural walls, roof, basement, the land underneath and that this interest cannot normally be sold apart from the apartment. What it lacks, unlike the German WEG model, is a clear statement that this attachment is automatic and inseparable at the moment of sale: whether a sale contract needs to say anything at all about the accompanying common-property share for it to pass to the buyer, or whether silence here creates room for dispute [7], [8]. Given that disputes over roof access, land beneath a building, and shared basements already reach Uzbek courts fairly often, the useful fix is a clarifying provision: the common-property share attached to an apartment passes automatically on registration of the transfer, and no clause in the sale contract can sever it.

The last problem is structural rather than doctrinal. Uzbek civil legislation on real estate contracts is not harmonized with the tax rules that determine what a sale actually costs the parties, and this mismatch gives both sides a reason to record a lower price than they actually agreed on. Where the tax on income from a sale barely distinguishes between how long someone owned the property or its real market value, and where notarial duties are simply a percentage of whatever price the contract states, seller and buyer share an interest in understating that price, with the rest settled privately.

This is not unique to Uzbekistan, doing business research found the same pattern across many countries, linking the cost of formal registration to how often deals go unreported or under-reported [9] but it matters more here now because of the 2025 reform moving property taxation from cadastral to market-based valuation. That reform can only be as accurate as the transaction data feeding it, and a habit of under-reported prices would undercut the very system meant to fix the current one's flaws.

The fix has to be coordinated rather than piecemeal: differentiate the income tax rate by how long the seller has owned the property and its assessed value, so long-held family homes are not taxed as heavily as quick resales, fairer to ordinary sellers and less likely to push genuine family sales toward under-reporting; cap the notarial duty at a level that does not itself become a reason to hide the real price, guided by the comparative link between transaction cost and informal dealing; and connect the real estate registry to the tax authority's own database, so tax liability is calculated from registry data rather than whatever figure the parties choose to write down. None of these three measures needs the others to help on its own, but together they do far more — a fairer tax structure, a bounded cost, and a check independent of self-reported price — and they directly support the reliability of the cadastral reform already underway.

5. Conclusion

The four problems covered here — the under protected lifetime maintenance contract, scattered foreign-ownership rules, weak links between the general alienation regime and special property categories, and the civil-tax disconnect share something that sets them apart from the conceptual and registration problems taken up in the companion article: each sits at the point where a general rule meets a specific reality: an elderly seller, a foreign buyer, a plot of farmland, a protected building, a shared stairwell, a price both sides have reason to misstate. Uzbek civil law handles the general case well enough; what seems to be missing is a more deliberate effort to connect it to these variations, whether by expanding a chapter that has stayed too thin for what it covers, consolidating restrictions currently scattered across unrelated acts, cross-referencing special-category rules directly in the Civil Code, or bringing civil and tax legislation toward the same goal. None of the four proposals here calls for abandoning Uzbekistan's existing legal structure or importing something unfamiliar; each simply extends a tool the system already has — the statutory pledge, the consolidated statute, the obligation running with the property, the differentiated tax rate — to a place where it is not yet doing its job. Together with the companion article, these proposals are offered as a draft-stage contribution toward a more coherent Uzbek law of real estate alienation, for further elaboration by the competent state authorities.

References

1. Notaires de France. Buying or Selling Property in Life Annuity (Viager). Paris: Conseil supérieur du notariat, 2024. Available at: https://www.notaires.fr/en/housing-tax-system/buying-and-selling-special-cases/buying-or-selling-property-life-annuity-viager (accessed 20.08.2026).
2. Code civil [French Civil Code], Articles 1968–1983 (Du contrat de rente viagère). Paris: Légifrance, Journal officiel de la République française.
3. Cartade Legal. "Viager" in France: Life Annuity Property Sales Explained. Nice: Cartade Notaires, 2024. Available at: https://cartade-legal.com/en/english/french-real-estate-law/viager-life-annuity/ (accessed 20.08.2026).
4. Civil Code of the Russian Federation, Part Two, Chapter 33 (Рента and Lifetime Maintenance with Dependents), Articles 583–605. Moscow: SPS Konsul'tantPlyus.
5. Kazakh President Signs into Law Long-Debated Bill Banning Land Ownership by Foreigners. Prague: Radio Free Europe/Radio Liberty (RFE/RL), 2021. Available at: https://www.rferl.org/a/kazakhstan-ban-on-foreigners-owning-land-becomes-law/31252826.html (accessed 20.08.2026).
6. Holst, C. Comparative Quick Scan Study: Pre-emption Rights Related to Rural Land. Rome: Food and Agriculture Organization of the United Nations (FAO), Land Tenure and Management Unit / LANDNET, 2012. Available at: https://www.fao.org/fileadmin/user_upload/reu/europe/documents/LANDNET/2012/DLG_Holst_en.pdf (accessed 20.08.2026).

7. Co-ownership Shares in Condominiums: A Comparative Analysis for Selected Civil Law Jurisdictions // Land Use Policy. Amsterdam: Elsevier, 2020. Vol. 91. 15 p.
8. World Bank. Doing Business 2020: Comparing Business Regulation in 190 Economies (Registering Property indicator). Washington, D.C.: World Bank Group, 2020. 132 p.
9. Civil Code of the Republic of Uzbekistan, Part Two, Chapter on Lifetime Maintenance with Dependents. Tashkent: National Database of Legislation, lex.uz.
10. Land Code of the Republic of Uzbekistan. Tashkent: National Database of Legislation, lex.uz.
11. Housing Code of the Republic of Uzbekistan. Tashkent: National Database of Legislation, lex.uz.
12. Law of the Republic of Uzbekistan "On Protection and Use of Objects of Cultural Heritage." Tashkent: National Database of Legislation, lex.uz.
13. Tax Code of the Republic of Uzbekistan, Provisions on Income from Alienation of Real Estate. Tashkent: National Database of Legislation, lex.uz.
14. Law of the Republic of Uzbekistan No. ЎРҚ-803 "On State Registration of Rights to Real Estate," 28.11.2022. Tashkent: National Database of Legislation, lex.uz. Available at: https://lex.uz/en/docs/6297080 (accessed 20.08.2026).