

DEVELOPMENT OF DIGITAL INVESTMENT PLATFORMS IN UZBEKISTAN: RISKS AND OPPORTUNITIES

Yusupov Umidjon Mirzayor o'g'li

Student of "Finance and finance technologies" department, TSUE

e-mail: umidyusupov1905@gmail.com

Annotation: This research investigates Uzbekistan's drive to develop digital investment platforms under the *Digital Uzbekistan–2030* agenda. It shows how rising internet and mobile penetration, a young population, and growing fintech activity create conditions for online brokerage, crowdfunding, and tokenized-asset services. The study identifies opportunities—financial inclusion, SME financing, diaspora investment, and capital-market deepening—alongside key risks: regulatory gaps, low financial literacy, cybersecurity weaknesses, and limited market liquidity. It proposes prioritized legal, infrastructure, and consumer-protection reforms, business and tech recommendations, and a phased roadmap with KPIs. If sequenced carefully, these measures could make Uzbekistan a regional leader in digital finance.

Key words: Digital investment platforms; fintech development; online brokerage; financial inclusion; capital market development; regulatory framework; investor protection; cybersecurity; digital transformation; Uzbekistan; market infrastructure; sandbox regulation; digital economy; retail investors.

Uzbekistan is actively pursuing a digital transformation of its economy, aiming to modernize investment processes through online digital investment platforms. The government's *Digital Uzbekistan – 2030* strategy has boosted digital infrastructure and e-government services [1], while the fintech sector has seen rapid growth (for example, Uzbek fintech startups raised about \$2.75 million in VC funding in 2023 [5]). Major local tech companies like Uzum (a super-app) have achieved unicorn status, raising \$70m in 2025 to expand digital lending and banking services [4]. At the same time, Uzbekistan's young and tech-savvy population (median age ~27) benefits from high internet penetration (about 89% of people) [2] and widespread mobile broadband. These factors create momentum for online investment platforms that can channel savings—domestic and from abroad—into productive projects.

However, significant challenges remain. Private investment in digital ventures is still low (venture funding totaled only \$6.3 million in 2023 [1]), regulatory frameworks for crowdfunding and e-investment are just emerging, and cybersecurity and data-protection laws lag behind best practices [1]. This report examines the current context and momentum in Uzbekistan's digital finance space, identifies opportunities from digital investment platforms (such as financial inclusion and SME growth), and highlights key frictions (like low digital literacy, legal gaps, and trust issues). It then outlines priorities for regulatory and infrastructure development, suggests business and technology models, proposes a phased roadmap for rollout, and proposes KPIs to monitor progress.

Current Context & Momentum

Over the past few years, Uzbekistan has prioritized digitization. The government's *Digital Uzbekistan – 2030* strategy is explicitly driving major investments in ICT infrastructure and e-services [1]. Initiatives include launching a national AI portal (ai.gov.uz) and targeting \$1 billion in AI-related investment by 2030 [8]. Mobile and internet connectivity have surged: as of early 2025, about 32.7 million Uzbeks (89% of the population) used the Internet, and over 90% of the 33.9 million mobile subscriptions are "broadband" (3G/4G) [2]. Half of the country is now urbanized, and the population is very young (median age ~27), providing a digitally-savvy base of potential users.

FinTech is the fastest-growing segment in this digital drive. Since 2018 Uzbekistan has seen a sixfold jump in tech startups in Central Asia (now ~1,200 in Uzbekistan) [1]. While only a minority

of these are yet sustainable, government incentives (IT Park Uzbekistan, startup visas, tax holidays) have spurred momentum. Mobile payment apps like *Click*, *Payme*, *Oson* and e-wallets such as *Uzcard* and *Humo* are widely used, and fintech investment is rising [5]. For example, Uzum – an Uzbek “super-app” combining e-commerce and financial services – raised \$70 million in 2025 (led by Tencent and others) to scale its banking and lending products, becoming the country’s first tech unicorn [4].

Importantly, in 2025 the government moved to digitize investment processes. A presidential resolution (PQ-255) enacted in August 2025 creates a one-year regulatory sandbox (Oct 2025–Oct 2026) for *investment platforms*. Under this framework, vetted companies can list securities, fund venture or mutual funds, and offer shares in partnerships online. The aim is to let Uzbek businesses openly post projects seeking capital, and allow individuals or entities (including non-residents) to invest via a secure, electronic platform. Funds invested through the platform will generate digital certificates of investment. [7] This is the first time such tools are formally allowed, potentially channeling up to \$1 billion annually into the economy (per industry forecasts) [9].

Parallel reforms are underway: Uzbekistan plans to legalize stablecoins for payment by 2026 [10], and is exploring e-government enhancements and anti-corruption digital tools. The finance ministry estimates total remittances into the country surged to \$14.8 billion in 2024 [3], reflecting a large pool of overseas capital (mostly from Russia). Digital platforms could help tap a fraction of these savings into domestic investment. In sum, Uzbekistan’s momentum is strong: a supportive policy environment, improving connectivity, and success of domestic fintech ventures all set the stage for launching digital investment platforms.

Opportunities

Digital investment platforms can deliver several key benefits for Uzbekistan’s economy and people. First, financial inclusion: by lowering transaction costs and paperwork, online platforms can bring underserved groups (rural entrepreneurs, minorities, youth) into formal finance. With 49% of the population still rural [2] and limited private bank credit available to many SMEs, platforms could democratize access to capital. Similar tools in other markets have expanded crowdsourced equity funding to startups and community projects.

Second, diaspora engagement: Uzbek expatriates (millions work abroad) send large remittances (77% from Russia) [3]. Digital platforms could allow some of that capital to be invested rather than only spent, boosting national savings. By enabling diaspora investors to identify vetted Uzbek projects online, platforms may leverage foreign savings for domestic growth.

Third, SME and startup growth: As the UNDP report notes, only 50–100 Uzbek tech startups operate sustainably, partly due to “limited funding” [1]. A dedicated online marketplace for equity or debt funding would broaden sources of finance beyond banks. For example, a local *crowdfunding* or *peer-to-peer lending* service (with smart-contract enforcement [7]) could tap small investors’ funds. This could emulate trends seen globally (robo-advisors, P2P lending), giving SMEs rapid capital for expansion.

Fourth, capital market development: Many Uzbeks lack familiarity with stock markets. Platforms like *Jett* – an Uzbek investment app – have already made stocks more accessible (handling ~70% of local exchange trades). A broader platform could similarly educate citizens, improve liquidity in equity markets, and strengthen corporate governance as more investors become shareholders. [5]

Fifth, economic diversification: Uzbekistan seeks to diversify beyond commodities. Efficient capital allocation via digital investment platforms can spur innovation in green energy, IT, and local manufacturing. For instance, linking investment portals with government programs (e.g. set-asides for renewable energy projects) could attract both domestic and foreign investors. By comparison, regional peers like Kazakhstan have seen far greater venture capital (e.g. \$80m in 2024 [1]), suggesting Uzbekistan’s market can grow if structures improve.

Finally, global integration and credibility: Showing clear digital investment frameworks (like the sandbox) builds investor confidence. As IT Park executives noted at the Dubai Fintech Summit

2025, Uzbekistan is actively learning from leading hubs [6]. Each successful use of a platform (especially by diaspora or international financiers) enhances Uzbekistan's image, potentially attracting more FDI and tech partnerships.

Key Risks & Frictions

Despite the promise, several risks could hamper digital investment platforms in Uzbekistan. **Regulatory uncertainty** is chief among them. Even with the sandbox law, many questions remain: e.g. how exactly platforms will be licensed and supervised, and what investor protections will look like in practice. Current feedback suggests Uzbek law still lacks rules for crowdfunding or convertible instruments [1]. Without clear legal frameworks and enforcement (e.g. for fraud or contract enforcement), businesses and small investors may remain wary.

Trust and awareness are also challenges. Many Uzbek citizens have limited experience with capital markets or digital finance – and financial literacy is low in rural areas and among women. There is a cultural preference for cash and state guarantees, so convincing people to commit money online may take time. Moreover, minor technical or language bugs could erode confidence. We recommend parallel public education campaigns (on digital literacy and investing basics) to mitigate this.

Cybersecurity and data privacy are major frictions. Uzbekistan's cybersecurity laws are still catching up: only in 2022 did it pass basic cybercrime legislation, and the government acknowledges gaps in technical capacity. In 2023 the country suffered over 11 million cyberattacks, reflecting vulnerabilities. Requirements to store data locally (as per its data-protection law) may reassure some, but in practice they have discouraged some ICT firms. For an investment platform handling personal and financial data, any breach or misuse could destroy trust overnight. This means robust security measures (encryption, audits, possibly partnerships with reliable global cloud services) are non-negotiable.

Market liquidity and scale pose another risk. In early use, a platform might see low transaction volumes, making projects hard to sell or capitalize. For example, Uzbekistan's overall domestic investor base is still small, and many high-net-worth investors may invest through traditional channels. There is a danger of illiquidity: if many small investors cannot easily resell their shares, they may hesitate. Thus, building secondary markets or exit mechanisms will be important (see roadmap below).

Regulatory overlap and coordination can also obstruct things. Uzbekistan has multiple agencies (Ministry of Investment, Central Bank, FinReg Agency, NAPP) each issuing rules. Unclear jurisdiction could delay approvals or confuse investors. Effective inter-agency coordination will be needed to streamline platform oversight. [1]

Finally, **macroeconomic and political risks** cannot be ignored. High inflation (or exchange-rate changes) might reduce people's appetite to invest. Geopolitical shifts (like remittance restrictions in Russia [3]) could alter inflows and outflows of capital. A prudent approach must therefore include contingency planning, e.g. hedging or limiting foreign currency exposure on the platform.

Regulatory & Infrastructure Priorities

Implementing digital investment platforms safely will require tightening several gaps. Key priorities include:

- **Legal framework finalization:** The new PQ-255 decree provides a sandbox, but clear permanent laws should follow. This means defining licensing standards for platform operators (as per the draft, they must register with the National Agency for Perspective Projects and maintain contracts logs). Regulations should explicitly cover investor rights (which companies bear responsibility, enforcement of digital certificates, etc.). It will be crucial to establish transparent rules on KYC/AML (perhaps leveraging Uzbekistan's biometric ID system), tax treatment of gains, and dispute resolution mechanisms. [7]
- **Investor protection and oversight:** The PQ-255 text already notes protections (investor funds are not collateral and cannot be misappropriated without court order [7]). Regulators should

build on this by requiring, for instance, mandatory escrow accounts for investments, and frequent financial disclosures by project owners. A peer-review or rating system for projects could help (like verifying audits, which the decree already mandates [7]). Digital **consumer protection laws** may need updates to cover platform investments, specifying how remittance of profits is handled, rights of foreign investors, and remedies for fraud.

- **ICT infrastructure enhancement:** Continuing to expand affordable, high-speed internet is fundamental. While urban areas have 4G, nearly half the population is rural. The government should prioritize rural broadband expansion and subsidize mobile data usage, so that even farmers or small town residents can join platforms without prohibitive costs. Strengthening cybersecurity infrastructure is also key: the government might accelerate its planned cybersecurity centre upgrades and invite private security firms to audit and improve digital platforms. [2]
- **Digital identity and payment systems:** Uzbekistan already has a robust digital ID system (biometric IDs, e-government portal), which can be integrated into platform logins to simplify registration. Ensuring that investors and businesses can sign documents digitally (e-signatures) will speed transactions. Linking the platform to trusted payment systems (Uzcard, Humo, etc.) and possibly enabling stablecoin use for cross-border payments (once the 2026 sandbox for digital assets is active [10]) could streamline funding flows and reduce currency frictions.
- **Regulatory coordination and capacity-building:** Given multiple regulators are involved, a dedicated **Digital Investment Agency** or a task force under MIIT (Ministry of Investment) could oversee the platform initiative end-to-end. Training officials and judges on fintech and smart contracts (so they can resolve disputes) will help. Involving IT Park, C-Space, and academia in advising on standards (as was done with IT Park at the UAE summit [6]) can bridge government and industry expertise.
- **Financial sector engagement:** Traditional financial institutions should be brought on board. For example, banks could act as payment or custodian partners, banks can accept digital certificates as collateral, and securities depositories can handle electronic share registers. Aligning the platform with existing capital market reforms (e.g. the new laws on JSCs and partnerships) will avoid conflict. The Central Bank and FinReg may need to issue guidance for fintech startups on licensing and capital requirements.
- **Education and outreach:** Finally, the regulator should launch public campaigns (in Uzbek, Russian, English) explaining the platform's benefits and risks, and possibly "lab accounts" or demo projects for first-time users. Partnerships with universities and IT Park's "Zero Risk" program could foster know-how. This cultural groundwork is as important as technical rules.

Overall, Uzbekistan has signaled strong intent (e.g. by the 2025 stablecoin and AI initiatives). By making regulatory clarity and reliable ICT infrastructure cornerstones, it can create an enabling environment for digital investment platforms.

Business Model & Technology Recommendations

For the platform itself to be effective, certain business and tech models should be adopted:

- **Marketplace model with due diligence:** The platform can operate like a securities marketplace: project owners (companies, project developers) apply to list on the platform, and the platform (or a delegated committee) vets their credentials, financials, and compliance (including the required audit report [7]). After approval, projects are described with all investment terms, and accredited investors can fund them. This "invite or vet then invest" model is akin to equity crowdfunding sites. To build trust, the platform might initially focus on vetted sectors (e.g. IT, renewable energy, agriculture cooperatives), where risks are better understood.
- **Revenue-sharing and fees:** The platform operator (which must be a licensed Uzbek entity [7]) could charge modest fees on each transaction (like a small percentage of funds raised), or subscription fees for corporate account holders. To encourage usage, consider lowering fees initially (or waiving them) and later introducing success-based fees. Importantly, the fee model

should align incentives: for example, linking platform revenue to the success of projects would encourage diligent vetting. Transparency about fees will be key to user confidence.

- **Technology stack:** The platform should be cloud-based (to scale) with strong encryption. A dedicated mobile app plus web interface will reach the widest users (remember >90% have broadband mobile [2]). Smart contracts (as mentioned in PQ-255) should govern token issuance or equity records: once an investment is made, the issuance of a digital certificate (blockchain token or secured record) happens automatically. This reduces manual errors. However, smart contracts should be audited by security experts before use.
- **Data and analytics:** The platform can use AI tools to match investors with projects (based on preferences and risk profiles). Uzbekistan is emphasizing AI development, so integrating basic recommendation engines and risk-scoring models is feasible. Over time, anonymized data from the platform could inform policymakers on which sectors attract the most funding, helping refine national investment strategies.
- **Banking and currency integration:** The operator should partner with banks for payment gateways in UZS and possibly USD (since foreign investors may come aboard). Eventually, integrating stablecoin or blockchain transfers (when regulated [10]) could reduce cross-border friction. Multi-currency e-wallets within the platform (like digital token wallets) would allow investment and redemption smoothly. All funds should flow through regulated payment rails to ensure compliance.
- **Security and uptime:** Given the sensitivity, the platform needs multi-factor authentication, SSL/TLS encryption, DDoS protection, and regular penetration testing. SLA guarantees (99.9% uptime) and disaster recovery plans should be published. The platform could also consider a “white-label” offering for banks or large SOEs, so that trusted institutions can provide the service under their brand, broadening reach.
- **Legal entity structure:** To ensure local oversight, platform operators should be incorporated in Uzbekistan (as the draft rules require) [7]. Joint ventures with experienced foreign fintech firms could bring best practices and tech, but the majority control (or at least management) should be Uzbek for regulatory simplicity.
- **Financial literacy tools:** Because risk is a concern, the platform should include educational content: plain-language guides on different investment types, risk warnings, case studies, and maybe a simple quiz for new users to certify understanding. These can be developed in cooperation with the financial regulator or non-profits focusing on literacy.

By following these models and leveraging modern cloud/blockchain technologies, the platform can be robust, user-friendly, and aligned with Uzbekistan’s strategic goals.

Suggested Phased Roadmap

A multi-year rollout will likely be needed. Below is an illustrative phased roadmap:

1. **Phase 1 (Pilot, Oct 2025 – Dec 2026):** Launch the Regulatory Sandbox as scheduled [7]. In this period, allow a limited number of licensed platform operators to trial the system. They could open with a small number of projects (perhaps government-sponsored pilot projects or state-linked ventures to ensure credibility). Collect feedback on user experience, compliance issues, and technical glitches. This phase can also include parallel work to finalize regulations (e.g. template contracts, fee caps, onboarding KYC processes). KPIs: Number of projects listed, total funds raised, and system stability.
2. **Phase 2 (Controlled Expansion, 2027–2028):** Based on Phase 1 lessons, broaden the platform’s scope. This could involve adding more types of investments (e.g. bonds, or real-estate developments) and allowing more operators (subject to performance). Focus on scaling tech (ensuring servers can handle thousands of users) and marketing to attract investors (both domestic and abroad) and listing companies. Possibly integrate with Uzbekistan’s e-government portal to publicize projects. At this stage, consider pilot integration with new payment methods (like trial stablecoin transfers). KPIs: Investor count, average investment size, sector diversity.

3. **Phase 3 (Full Scale, 2029–2030):** By now the platform should be a standard part of Uzbekistan’s finance ecosystem. Open it up fully – including foreign investors (subject to any capital controls). Expand marketing internationally (diaspora outreach events, partnerships with foreign business councils). Add advanced features like secondary trading of stakes. Regularly update legal framework to incorporate international best practices (e.g. GDPR-like data rules if applicable). This phase aligns with the 2030 digital strategy timeline. The goal is for digital platforms to be a significant channel for SME and startup funding by 2030. KPIs: Volume of funds raised yearly, %GDP through platform, number of active investors.
4. **Cross-Cutting Support Activities (2025–2030):** Throughout all phases, maintain efforts on complementary fronts: improving rural broadband, upgrading cybersecurity laws (since low cybersecurity was a noted barrier [1]), and continuous user education. Host hackathons to generate fintech solutions, and consider launching mobile apps in partnership with IT Park to broaden innovation.

By phasing implementation, Uzbekistan can mitigate risks (testing on a small scale first) while learning to adjust policy. This cautious but progressive approach maximizes the chance that by 2030 digital investment platforms are effective and trusted.

Key Performance Indicators (KPIs)

To measure success, the following KPIs could be tracked:

- **User metrics:** Number of registered investors and companies on the platform. Breakdown by demographics (e.g. % women, rural vs urban, domestic vs foreign investors).
- **Financial flows:** Total funds raised and invested through the platform (in UZS and foreign currencies) per quarter/year. Growth rate of this volume. Average investment ticket size.
- **Project outcomes:** Number of projects successfully financed to completion (projects funded vs projects defaulting or failing to launch). Economic impact of funded projects (jobs created, revenue growth, etc).
- **Platform performance:** System uptime %, number of security incidents (aim for zero breaches). Time to approve listings (should be predictable).
- **Investor satisfaction:** Survey-based NPS (net promoter score) or satisfaction ratings. Complaint counts and resolution times.
- **Ecosystem impact:** Growth in the number of tech startups overall. Increase in venture capital activity (tracking VC raised in fintech versus before).
- **Financial inclusion:** Increase in the percentage of population participating in capital markets (if data available), or the rise in new brokerage accounts via the platform.
- **Policy integration:** Number of regulations or laws updated to facilitate the platform (as qualitative indicator of reform progress).

Each of these KPIs should have short-term targets (pilot: e.g. 50 projects funded, 1,000 investors) and medium-term goals (e.g. \$500 million raised by 2028, 50,000 investors by 2030). Regularly publishing these metrics will maintain transparency and trust.

In conclusion, Digital investment platforms represent a strategic opportunity for Uzbekistan to broaden investment, boost SMEs, and deepen capital markets. The government’s recent initiatives (from the 2030 digital strategy to the PQ-255 sandbox) lay a strong foundation. However, realizing this potential will require careful handling of the outlined risks—especially ensuring robust regulation, cybersecurity, and user trust. By prioritizing legal clarity, infrastructure, and literacy, and by adopting modern fintech models (blockchain certificates, AI matching), Uzbekistan can create a thriving online investment ecosystem. The phased roadmap above is an adaptable guide: start small, learn, and scale. With persistent effort, Uzbekistan could become a regional pioneer in digital finance platforms, attracting both local and global investors to support its economic growth.

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