



**TRANSNATIONAL ALLIANCE
TO COMBAT ILLICIT TRADE**

TRACIT.ORG

AN INVESTIGATION INTO
ILLICIT TRADE

SPOTLIGHT ON UZBEKISTAN

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ABOUT TRACIT

The Transnational Alliance to Combat Illicit Trade (TRACIT) is an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade. For more information, visit www.TRACIT.org

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ACKNOWLEDGMENTS

Under the supervision of TRACIT's Director-General Jeffrey Hardy, this publication was drafted by principal author Briana Walker. TRACIT expresses its gratitude to its member companies for their support, resources, valuable feedback and contributions of information, case studies and viewpoints on how illicit trade in their sector impacts illicit trade in Uzbekistan.

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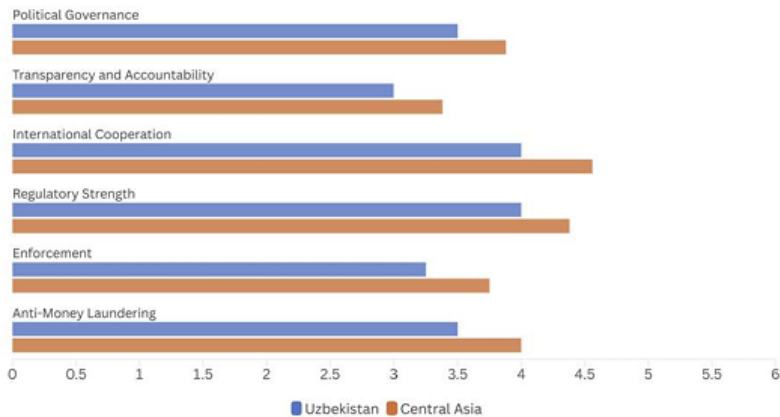
COUNTRY SNAPSHOT

Uzbekistan

Illicit trade remains one of the most pressing threats to Uzbekistan's economic stability and growth. While some efforts have been made resulting in some positive change, the scale of the challenge demands sustained political commitment and comprehensive strategies to tackle its root causes. Confronting this issue directly would allow Uzbekistan to improve protections against criminal groups, foster business development, and advance its broader economic and development objectives to improve the lives of its citizens.



OVERVIEW



STRENGTHS & WEAKNESSES

Strengths

- **Expanding regional cooperation:** Recent engagement with neighbouring states and organizations has begun to combat cross-border crime.
- **Modernizing Customs Infrastructure:** Working with states like the US, adoption of digital systems and screening has improved border efficiency and oversight.
- **Prioritizing Corruption Prevention:** Extensive anti-corruption campaigns limit opportunities for bribery and abuse of power.

Weaknesses

- **Large informal economy:** Uzbekistan's informal economy is estimated at 28.4% of GDP, reflecting significant unregistered business activity and undeclared income.
- **Extensive borders:** Situated along major trafficking routes, limited resources reduce the state's ability to intercept illicit goods.
- **Judicial and Enforcement Gaps:** Weak institutional capacity and inconsistent application of laws hinder effective prosecution of illicit trade cases.



RISK METER



KEY INSIGHTS



ORGANIZED CRIME INDEX

100th / 193 countries Criminality Score
138th / 193 countries Resilience Score



ECONOMIC RANKING

85th globally (out of 197)



REGIONAL ECONOMIC RANKING

3rd regionally for fastest-growing economies in Europe and Central Asia



IMPROVEMENTS

Trade, Customs and Borders



GLOBAL CORRUPTION INDEX

121st / 180 countries



PRIORITY ACTIONS

- **Improve governance and coordination** by appointing an interagency anti-illicit trade coordinator, fostering the formal sector while discouraging informal economic activities.
- **Strengthen border security and customs controls** by continuing to engage with international law enforcement, strengthening cooperation with neighboring countries and empowering customs and security officials with advanced tools and knowledge.
- **Inform, engage, and educate stakeholders** by improving public awareness on the threat of illicit trade, creating a system for collecting and analyzing data on illicit trade, and promoting public-private partnerships.
- **Improve enforcement** by strengthening and enforcing criminal penalties and investing in enforcement bodies to improve their capacity and capabilities.
- **Strengthen IPR enforcement** to address the role of open markets, enhance knowledge of and respect for IP, and by investing in capacity-building for more effective adjudication or illicit trade crimes.
- **Enhance transparency and accountability** by tackling corrupt practices at low and middle-level government authorities, engaging proactively with international mechanisms, and strengthening prevention.

PART 1: SPOTLIGHT ON UZBEKISTAN

Illicit trade remains one of the most significant threats to Uzbekistan's economic stability and growth, governance, and global reputation. Despite recent improvements in regulations and customs management, Uzbekistan continues to grapple with the pervasive effects of illicit activities across sectors including alcohol, tobacco, foodstuffs, agrichemicals, pharmaceuticals, counterfeiting and mining. These illegal activities undermine economic growth, limit foreign investment opportunities, deplete tax revenues, and undermine legitimate businesses.

Over the past two years, Uzbekistan has made notable economic and governance gains. Strong GDP growth, falling poverty rates, market reforms, and increased foreign investment signal a country moving steadily toward greater stability and prosperity. The government has made positive change by strengthening customs enforcement and has deepened international cooperation to curb illicit flows. Yet, vulnerabilities persist.

Uzbekistan's position in the heart of Central Asia also renders it vulnerable to criminal groups transiting illicit products through its territory. For example, Uzbekistan finds itself situated along major trafficking routes, including those facilitating the trade in opium and heroin originating from Afghanistan, diversion of pharmaceuticals from Turkey and India, and counterfeit and fake goods from neighboring countries, all of which exacerbates vulnerability to criminal flows and other forms of illicit trade. Additionally, corruption, gaps in border management, and lack of public-private partnerships continue to threaten revenue, rule of law, and economic growth.

While Uzbekistan has steadily improved on Transparency International's Corruption Index – gaining 14 points since 2013 – its score decreased by one point between 2023 and

2024, and it still ranks 121st out of 180. While the improvements can be traced to a prioritization of corruption prevention that commenced in 2017 when the government launched an extensive anti-corruption campaign that included legislative, regulatory, and institutional initiatives, the recent decrease in score highlights corruption as a persistent issue.¹ While Uzbekistan's national legal framework is well-crafted and criminalizes almost all organized crime activities, "the levels of corruption and widespread evasion of justice undermine the importance of the legal structure".²

Despite progress and the implementation of important measures, the Asian Development Bank (ADB) points out that "Uzbekistan remains an authoritarian state where activists and civil society face persecution, interrogation and dismissals," and until this changes, it will not be possible to fully address corruption.³

As President Mirziyoyev continues to enact change in his second term, it will be important to move forward with the implementation of key reforms, including adopting sweeping judicial and law enforcement reforms.⁴ For example, in 2023, he enacted a presidential decree on "additional measures aimed at providing the population with high-quality consumer goods". Notably, several of the provisions can strengthen the government's ability to mitigate illicit trade:⁵

- Strengthening liability for acts related to the illegal circulation of goods that do not meet the requirements for the safety of life or health of consumers.
- Establishing liability for acts related to the illegal trafficking of ethyl alcohol, alcohol and tobacco products, based on the level of public danger.

- Strengthening liability for the illegal use of someone else's trademark, service mark, geographical indication, appellation of origin of goods, or the use of someone else's trademark.

Illicit Trade by Sector

Illicit Alcohol

The illegal sale and purchase of alcohol is a persistent issue in Uzbekistan, especially in the Fergana region.⁶ According to expert data, in 2025 the shadow alcohol market represents 15-35% of the total market – particularly in the ethyl alcohol and spirits segments. In 2020, the Uzbekistan Agency for Intellectual Property (AIP) reported 540 incidents of counterfeit alcohol.⁷ The presidential decree of 2023 proposed specific measures to tackle illicit trade in alcohol:⁸

- It requested the Prosecutor General to establish liability for an act related to the illegal trafficking of ethyl alcohol and alcohol, based on the level of public danger.
- It introduces control measures for ensuring the protection of consumers, including the destruction of confiscated alcohol products that do not meet safety requirements.
- It establishes new regimes for tax stamps in alcohol products.

However, sales without licenses, counterfeit excise stamps, and outdated accounting mechanisms continue to propose problems despite this decree.

Counterfeit and Pirated Goods

Trade in counterfeit goods is prevalent in Uzbekistan, notably in food products, household chemicals, cosmetics and medicines.⁹ Industry reports suggest that Farkhad Market in Tashkent is a particular hotspot for counterfeits in the country. In the Kashkadarya and Samarkand regions, high cargo traffic hinders comprehensive control over the transportation of goods, serving as

prime areas for the smuggling of counterfeit goods.

Uzbekistan's legal framework for copyright protections is generally sufficient, but enforcement remains one of the biggest IPR challenges. Notably, IP violators are rarely obligated to cease infringing activities or pay meaningful penalties.

Some positive improvements including the strengthening of legislation, increased activity of law enforcement authorities, and improvements to marketplaces have further enhanced Uzbekistan's legal framework for copyright protections. But distribution of cheap counterfeits in markets and small shops alongside lack of quality control mechanisms and corruption at low-levels of enforcement pose serious challenges.

For IPR protection, enforcement remains one of the biggest challenges. Notably, IP violators are rarely obligated to cease infringing activities or pay meaningful penalties.

Rightsholders are reluctant to begin legal proceedings because of the time and cost, reputational risk, and uncertain outcome. Trademark cases often take years to settle in the courts, with judges frequently siding with the local infringer over the foreign brand.

The Prosecutor General's Office (PGO) has the authority to both penalize violators and order them to desist from producing, marketing, or selling infringing goods, but few cases ever make it to the PGO. This is probably because the burden of proving an IPR violation is so high. While these cases are stalled in the court system, infringing companies often continue to operate without restrictions.¹⁰

President Mirziyoyev introduced Intellectual Property Protection Centers (IPPCs) by presidential decree in 2021, to bolster enforcement efforts. In 2022, the government issued a national strategy for IP development, indicating high-level political support to improve IPR protections and a high-level

commitment to ensure Uzbekistan's IPR regime complies with international standards and obligations.

Uzbekistan introduced a limited form of ex-officio authority in 2022, through a presidential decree granting customs officials authority to suspend potentially infringing goods at the border for up to 24 hours while confirming shipment details with the rightsholders.¹¹ While this is an important step, amending the Customs Code to grant full "ex-officio" powers to customs authorities would help them identify and seize infringing goods. This authority could also alleviate burdensome obligations imposed on rightsholders to provide detailed information about possible infringing imports. These measures would be welcomed as part of Uzbekistan's potential WTO accession.^{12/13}

According to the Uzbekistan Agency for Intellectual Property (AIP), in 2022 local authorities initiated 570 criminal and 2,000 administrative cases on IPR violations. Authorities confiscated over USD 3.5 million worth of infringing or substandard goods, with another USD 3.4 million seized and destroyed by customs officials. The government also estimates that it confiscated and destroyed an additional USD 114,000 counterfeit laundry detergents and perfumes. More recently, in 2024, 1,556 cases of intellectual property rights protection were recorded – a 25% increase compared to 2023. However, rightsholders report that authorities have limited authority to challenge trademark infringement by individual persons. As a result, determined counterfeiters can skirt the law by operating without a registered business.¹⁴

While Uzbekistan demonstrates political will and has made strides in addressing IPR challenges, effective enforcement policies, strengthening legal frameworks, and enhancing border control authority are needed to enhance IPR protection in the country.¹⁵

Illegal Mining

The mining sector generates about 25% of Uzbekistan's export revenues, contributing approximately 10% to the country's GDP.¹⁶ Illegal extraction and the smuggling of natural resources, particularly gold, continue to be widespread in Uzbekistan.¹⁷ Large amounts of gold are mined every year by illegal organized groups and traded on the black market, mainly in Navbahor, Nurota, Tomdi, Uchkuduk and Khatirchi districts of the Navoi region, Angren and Almalyk cities, Akhangaron district of the Tashkent region, Pakhtachi and Koshrabat districts of the Samarkand region.¹⁸

President Mirziyoyev approved amendments in October 2024 increasing criminal liability for repeated mining of minerals without a permit. By strengthening the regulatory framework for illicit mineral resource extraction, the government has taken an important step deterring illegal operators and safeguarding the nation's resources. However, the persistence of unlicensed activity coupled with corruption in enforcement and monitoring gaps underscores the need for further measures to ensure these legal reforms translate into lasting impact.

Illegal Pesticides

Counterfeit pesticides pose a significant concern in Uzbekistan and illicit trade, mainly originating from foreign sources, is increasing. These counterfeit agricultural chemicals undermine the agricultural sector's productivity, threaten food safety, and result in substantial economic losses.

The challenge lies not only in the influx of these substandard pesticides but also in the need for stringent enforcement measures and regulations to curb their prevalence and protect the interests of farmers and consumers.

Uzbekistan shares borders with countries known as major producers of counterfeit pesticides, primarily China, transforming the

country into a primary transit zone for counterfeit pesticides to Southeast Asia and other Central Asian nations.

Criminals involved in this trade utilize several tactics, such as sophisticated logistics, counterfeit certificates, forged transport documents, and manipulation of brand names through methods like repackaging or altering labels. Rightsholders have noticed that illicit traders not only order finished products from Chinese suppliers but also substantial quantities of active ingredients and unbranded products. These unbranded items are intended for local use in the production of counterfeit pesticides. The illicit activities are primarily concentrated in the Tashkent region.

Like neighboring countries, Uzbekistan lacks a systematic approach for collecting and disposing of pesticide containers. This gives criminals easy access to original containers, which they can then repurpose to distribute counterfeit pesticides. Customs authorities could be more effective if they had better, more comprehensive data concerning imported products, such as information about active ingredients, forwarding agents, producers, supply routes, pricing, and seasonality in pesticide flows. The absence of effective international cooperation among customs authorities within the region further exacerbates this issue.

Illicit Pharmaceuticals

The prevalence of counterfeit medicines in Uzbekistan's healthcare system has become a significant concern.¹⁹ In 2009, a survey of 1,214 pharmacies by the Federation of Societies of Consumer Protection in Uzbekistan found that 35 percent stocked counterfeit drugs, with over 50 percent selling medicines lacking proper instructions.²⁰ In 2019, the head of the Agency for development of the pharmaceutical industry²¹ revealed that counterfeit medicines constituted 10-15 percent of the total pharmaceutical market turnover.²²

Although the majority of counterfeit medicines are suspected of being imported, instances of illegal production facilities for falsified medicines and dietary supplements have been discovered within Uzbekistan.²³ In 2022, the government issued its first financial penalty (USD 5,500) for producing counterfeit medicine and estimates that it removed USD 275,000 worth of counterfeit pharmaceuticals from the market by introducing stricter product validation requirements for producers and retailers.²⁴

The government has reported several incidents:

- In October 2024, two individuals were arrested in Tashkent for selling counterfeit “Hitofer-S” injections worth approximately USD 43,750 (around 530 million UZS). The authorities seized 4,000 fake vials accompanied by fraudulent certification. Criminal charges were filed under Article 186-3 of the Criminal Code for the production, storage, transportation, or sale of counterfeit pharmaceuticals.²⁵
- In February 2025, security forces dismantled a home-based lab in the Fergana region. They seized ampoules of mislabeled or uncertified medicines such as “Midokalm,” “Aktovegin,” “Tavegil,” and others—totaling 78 million UZS in value.²⁶
- In June 2025, authorities confiscated over 3,600 boxes of uncertified, unregistered, or expired medicines—covering 72 drug types—plus thousands of counterfeit packages and equipment. The total value exceeded 3.5 billion UZS.²⁷

Illicit Tobacco

Due to high demand for cheap cigarettes, active smuggling through checkpoints, and weak border control in border regions, the illicit cigarette trade in Uzbekistan presents a

significant and escalating challenge. The Agency for Regulation of Alcohol and Tobacco Market has revealed that the prevalence of illicit tobacco products increased from 4 to 15 percent between 2021 and 2023.²⁸ This increase is in line with KANTAR's analysis, indicating that the share of counterfeit product sales in Tashkent grew from 11 percent at the beginning of 2022 to 15 percent by May 2022. Moreover, several regions in the country experienced a similar spike in counterfeit markets,²⁹ which may explain why NielsenIQ's Empty Pack Study suggests that share could be as high as 24 percent.³⁰

Since late 2024, authorities have introduced tighter tobacco-transit controls (Cabinet Resolution No. 717), including mandatory pre-arrival electronic data and routing through screened border posts. As a result, in 2024 the share of the illegal tobacco market decreased to 11.4% compared to 24.2%. However, Uzbekistan should remain vigilant, as overregulation (e.g. excise increase, ban of product categories, etc.) can lead to dramatic increased rate in shadow economy. In 2024 the shadow tobacco market was estimated at 420 billion soms, representing approximately 10% of total turnover.

Consequently, this situation is causing substantial fiscal losses, with the government reporting up to UZS 550 billion in losses from uncollected tax revenues.³¹ Beyond financial ramifications, concerns linger about the quality of these smuggled products, including nicotine levels exceeding permissible limits.

The primary source of illegal tobacco products infiltrating the market is smuggling, with contraband entering through the porous southern regions. This includes the use of "interrupted transit" or "fake transit" smuggling schemes, where goods are initially declared for transit through Uzbekistan during customs clearance. However, once these consignments cross the border, they "disappear", and the illicit cigarettes find their way into the Uzbek market. Brands such as the

United Arab Emirates' "Milano" and KT&G's "Esse" are reported to transit Kyrgyzstan and Tajikistan on their way to Uzbekistan. Kyrgyzstan, part of the Eurasia Economic Union's common customs space with Kazakhstan, is also pivotal in the smuggling of cigarettes to neighboring countries, including Uzbekistan.³²

Historically, illicit tobacco products lacked proper markings or labels detailing their quality and origin. However, since 2022, the government has mandated that all data be provided in the Uzbekistan language. This requirement empowers both law enforcement and consumers to easily identify illegal cigarettes. In other words, if the product lacks Uzbek language markings, it is likely contraband.³³

PART 2: RECOMMENDATIONS

Improve governance and coordination

- **Appoint an Interagency Anti-Illicit Trade Coordinator.** A successful strategy against illicit trade will require concerted, sustained and joined up efforts between all the responsible government bodies. To oversee the interagency cooperation, each Central Asian government should appoint an independent, specialized “Anti-Illicit Trade Coordinator” with high-level authority within the national government supported by an anti-illicit trade framework with clear leadership responsibilities and accountabilities. Objectives would include raising the profile on illicit trade, allocating necessary financial and personnel resources and more aggressively enforcing anti-illicit trade regulations, especially in the areas of Intellectual Property Rights violations and untaxed and unregulated parallel (grey) market imports.
- **Foster the formal sector while discouraging informal economic activities.** This involves establishing and rigorously enforcing robust anti-corruption legislation. Reforming state-owned enterprises should also be prioritized as a measure for strengthening formal private sector growth.³⁴ Moreover, digitalization can play an important role in promoting formal private sector development. For instance, the digitalization of tax and customs administrations has proven instrumental in domestic revenue mobilization within Kyrgyzstan, illustrating its potential impact on efforts to combat illicit trade.³⁵

- **Implement coherent domestic tax policies** to disincentivize producers and consumers from switching from legal products to the illicit channel to avoid higher taxes. Tax structures and tax levels should consider market dynamics like ease of implementation and enforcement, consumer affordability, comparative tax and price levels in neighboring countries, and long-run consequences of substitution of illicit product alternatives.
- **Partner with the private sector.** Promote the creation of local private-public partnerships to bring key industry and government stakeholders together to define strategies, share know-how, intelligence and data, improve risk assessment, strengthen border control and improve awareness. Sustained collaboration between the government and private sector is crucial for combatting illicit trade online and offline. Industry associations can enhance stakeholder skills in identifying and preventing illicit trade by providing training and capacity-building programs.

Improve border security and customs controls

- **Engage in international law enforcement and customs cooperation,** both bilaterally and within available multilateral mechanisms such as through INTERPOL, the World Customs Organization (WCO) and WCO-UNODC Container Control Program. These initiatives facilitate information sharing, capacity building, and the adoption of best practices among customs officials across different countries and regions

- **Strengthen cooperation with neighboring countries** to address informal cross-border trade, smuggling and alignment of tax and subsidy policies. This report shows that one of the primary vulnerabilities to illicit trade in the region is the weakness of shared borders. Targeting known border hotspots and intensifying cooperation on both sides of the border should swiftly mitigate trafficking at these key junctures. Border agents should also seek to harmonize tax rules and rates between countries to prevent price differentials that incentivize smugglers to transport products across borders into higher priced markets. As members of the Eurasian Economic Union (EAEU), Kazakhstan, Kyrgyzstan, and Uzbekistan should proactively examine the successful strategies employed by other EAEU member states in their battle against smuggling, while safeguarding the economic advantages linked to EAEU membership.
- **Empower customs officials with advanced tools and knowledge.** To effectively combat illicit trade, it is imperative that customs officials receive proper training and equipment. Under resourced customs agencies is a problem in all four Central Asian countries. Bolstering intelligence and enforcement capabilities, including the implementation of advanced risk management systems, is crucial to creating a sustainable and effective anti-illicit trade framework.
- **Address Interrupted Transit (or Fake Transit) schemes:** Introduce relevant regulations and enforcement practices to tackle the use of interrupted transit (or fake transit) for smuggling illicit tobacco into the region. Concrete measures could include the introduction of a mandatory tax

deposit for transit, proper utilization of track and trace systems and GPS trackers to monitor and trace the movement of shipments in real-time.

- **Grant customs authorities full “ex officio” power.** Customs regulations should be amended to grant customs authorities with full “ex-officio” power to independently seize infringing goods.
- **Articulate customs’ activity between neighboring countries, considering current vulnerabilities.** The report showcases numerous examples of illicit trafficking across Central Asian boundaries, ranging from illicit petroleum to counterfeit and pirated goods, as well as illicit tobacco and human trafficking. These patterns, including the most frequent modus operandi, should be shared among customs authorities to improve risk profiling. In addition, the existence of different regimes among countries, such as the Eurasian Economic Union, should be taken into consideration when articulating strategies between customs authorities.

Improve Enforcement

- **Strengthen and enforce criminal penalties.** Intensifying criminal penalties should be a priority to act as a deterrent measure and to discourage illicit traders from exploiting markets with the weakest penalty regimes. Sanctions imposed against criminals must be proportionate to the nature of the crime and the inherent risk of the illicit product to human health and environmental safety (e.g., cases involving illicit pharmaceuticals, pesticides, or alcohol). In addition to penalties and fines, consideration should be given to the inclusion of short-term imprisonment as an additional penalty.

- **Tighten controls on money laundering.** Denying access to entities and mechanisms used to launder proceeds of crime—and thereby depriving criminals and their networks of related profits—is one of the most effective ways to deter illicit trade. This requires a holistic, comprehensive anti-money laundering regime including the ability to trace, freeze, seize and confiscate assets related to illicit financial flows.
- **Promote interagency and interdepartmental cooperation at the national level.** Increased coordination across agencies responsible for trade, health, economy, security, finance licensing/ inspecting commercial activities and law enforcement (notably customs and police) is critical for addressing the multifaceted problem of illicit trade. A good regional example of this approach is the establishment of the Interdepartmental Working Group on Combating Counterfeit Goods in Kazakhstan, comprising representatives of relevant government agencies and of the National Chamber of Business. The Group’s mandate includes: (a) identifying shortcomings in the current IPR protection system in Kazakhstan; (b) determining how to resolve existing issues following international best practices; (c) conducting joint efforts to raise public awareness of the harm and risks associated with the acquisition and use of counterfeit products; and (d) encouraging rightsholders to enforce their IPRs.³⁶
- **Invest in enforcement bodies to improve their capacity and capabilities.** Ensure that law enforcement officials are regularly trained on illicit trade-related laws and regulations, evidence collection and preservation and assembling case files. Increasing funding and specialized

training programs are critical to enhancing the capacity of enforcement bodies to combat complex illicit trade activities, which face persistent capacity constraints, skills shortages, and limited resources.

- **Harness the full potential of Track & Trace systems for tobacco products.** Kazakhstan, Kyrgyzstan, and Uzbekistan have instituted digital Track & Trace systems for tobacco products, mandating that each legal cigarette pack bears a unique digital code that can be swiftly scanned, authenticated, and traced along the entire supply chain. While this technology represents a powerful tool against illicit tobacco trade, it is currently being underutilized by law enforcement agencies and other relevant authorities. By educating law enforcement on these systems and maximizing their utilization, these countries can significantly enhance their capacity to combat illicit tobacco trade, protect public health, and safeguard their economies.

Strengthen the IPR enforcement regime

- **Address the role of open markets.** State authorities should be empowered to actively monitor open markets and take immediate action to stop IPR infringements. The primary action should be to shut down open markets exhibiting IPR infringements and address issues such as corruption and market operators' resistance to foster an environment conducive to IPR protection.
- **Improve respect for IP.** Implement nationwide programs aimed at educating the public about the adverse consequences of counterfeit goods. These initiatives are designed to raise awareness about the importance of IPR protection among government authorities and the

general public and equip state officials with the necessary knowledge and skills to handle IPR-related cases effectively. A notable example of this is Uzbekistan's introduction of Intellectual Property Protection Centers (IPPCs) by presidential decree in 2021. Additionally, the development of a national strategy for IP in 2022 reflects a commendable commitment at the highest political level to enhance Uzbekistan's IPR regime. Such initiatives serve as positive steps toward addressing the challenge of low respect for IPRs and fostering an environment that encourages innovation and legitimate trade in the region.

- **Enhance the knowledge and expertise of legal professionals on IP matters.** Across Central Asia there is a scarcity of specialized local legal counsels and investigators familiar with domestic legal regulations and experienced in IP matters. To address this gap, it is advisable to implement additional educational measures, conferences, and round table discussions in which representatives of brand owners participate. These initiatives would serve to cultivate a shared culture of combating IP crimes and enhance the knowledge and expertise of legal professionals in the region.
- **Establish specialized Law Enforcement Agencies (LEAs) exclusively focused on countering counterfeiting.** These units should have the necessary expertise and resources for effective IPR infringement enforcement. Alternatively, authorize existing law enforcement agencies to investigate and prosecute IP infringements, expanding their capabilities. Moreover, consideration should be given to establishing Key Performance Indicators (KPIs) for LEAs to motivate

them to proactively handle IPR infringements.

- **Involve antimonopoly authorities in brand protection and addressing look-alike product issues.** This includes granting them the authority to independently monitor markets for IP infringements and considering IPR owner appeals, streamlining the process for timely intervention.
- **Invest in capacity-building for more effective adjudication of illicit trade crimes.** Ensure that practitioners (law enforcement authorities, prosecutors, judges, etc.) receive proper training to handle the complexities of illicit trade cases. Judicial authorities may consider establishing a special body (or designate an already existing body) to centralize information concerning illicit trade investigations. The centralized body may serve as an intelligence hub and may gather information from all relevant investigators and law enforcement.
- **Improve risk profiling, data gathering and standardization of IP laws.** In this regard, the Eurasian Economic Union has displayed some interesting, good practices that could be widely adopted, such as the continued monitoring of the market trends and proposals to standardized IP laws related to the use of Internet.³⁷

Inform, Engage and Educate Stakeholders

- **Improve public awareness and education on the threat of illicit trade.** Efforts to address illicit trade are hampered by a lack of public awareness of its dangers, which has led to a degree of social acceptability. To this end, local and regional educational campaigns and community-level awareness activities are essential to help shift public

perception and understanding of the negative impacts of illicit trade.

- **Integrate key illicit trade threats into comprehensive National Risk Assessments.** By formally recognizing these threats within the National Risk Assessment, governments can prioritize resources, develop targeted policies, and coordinate efforts to mitigate these risks effectively. This sends a clear message to domestic and international stakeholders that the government is aware of the challenges posed by illicit trade and is actively taking steps to combat it.
- **Create / enhance a system for monitoring, analyzing, and collecting data on illegal trade.** Understanding the nature of the illicit trade is crucial to preventing it. Regular and ongoing market studies aimed at determining the actual extent of the problem and quantifying the presence of illicit goods in the local markets provide much needed information to policymakers, law enforcement and other stakeholders. For example, measuring the amount of excise tax revenue collected over time provides quantifiable data on the fiscal impact of illicit control measures. Similarly, a central database with the volume and frequency of seizures at border crossings gives indications of the efficiency of border controls and can reveal trends in smuggling activities. By measuring the extent of IP infringements, governments can gain essential insights into the economic implications of IPR infringement and the overall investment attractiveness of local markets. Partnering with the private sector in data collection and analysis can enhance the effectiveness of these efforts.

- **Tackle pervasive corrupt practices that continue to facilitate illicit trade,** notably at the level of customs, law enforcement authorities, regulatory/inspection bodies and the judiciary. As long as corruption persists within government agencies, any attempt to strengthen border policing and control will have limited effect.
- **Engage proactively with international mechanisms** such as the UN Convention Against Corruption (UNCAC).
- **Rotation policies** are useful for reducing the corruption risks in field offices, ports, border stations and offices charged with monitoring environmental crimes.
- **Streamline and automate permit processes and controls,** as the elimination of the use of paper permits greatly reduces opportunities for criminals to use fraudulent or falsified documents.
- **Move towards a comprehensive digital environment for border clearance,** as automated systems reduce human touch points and thus lessen the opportunities for improprieties.
- **Strengthen prevention** by implementing and enforcing strong codes of conduct and a robust reporting system of wrongdoing and protection for witnesses and whistleblowers.

Enhance Transparency and Accountability

NOTES

¹ ADB. (2019). Country Partnership Strategy: Uzbekistan, 2019-23 – Supporting Economic Transformation. n.p.: Asian Development Bank <https://www.adb.org/sites/default/files/institutional-document/510251/cps-uzb-2019-2023.pdf>

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³ Transparency International. (2023). CPI 2022 for Eastern Europe & Central Asia: Growing Security Risks and Authoritarianism Threaten Progress Against Corruption. n.p.: Transparency International. <https://www.transparency.org/en/news/cpi-2022-eastern-europe-central-asia-growing-security-risks-authoritarianism-threaten-progress-corruption>

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