



**GRATA**  
INTERNATIONAL

Local Knowledge  
for Global Business

[www.gratanet.com](http://www.gratanet.com)

# Tax amendments of the Republic of Uzbekistan

In the light of the adoption of the Law "On introduction of amendments and additions to the Tax Code of the Republic of Uzbekistan" No. ZRU-599 dated 30 December, 2019, a new edition of the Tax Code was adopted.

The significant amendments are the following:

1. The types of taxes have been reduced to 9.

2. The single social payment, single tax payment and fixed tax were replaced by social tax, turnover tax and personal income tax in a fixed amount, respectively.

3. The following are the major changes in tax rates:

VAT is set at a single rate of 15%;

The profit tax for legal entities is set at a rate of 15%;

The property tax is set at a rate of 2% (unchanged);

All granted social tax benefits are abolished, while social tax for government agencies is reduced to 12%.

4. The personal income tax rates have remained unchanged since 2019:

For individuals – residents of the Republic of Uzbekistan:

The general personal income tax – at a rate of 12%;

Income in the form of dividends and interest – at a rate of 5%;

For individuals – non-residents of the Republic of Uzbekistan:

Income in the form of dividends and interest – at a rate of 10%;

Income from the provision of transport services in international transportation (income from freight) – at a rate of 6%;

Income received under labor contracts and civil law contracts, other income – at a rate of 20%.

5. The right of tax authorities to write off a taxpayer's debt from its debtors is abolished.

6. Benefits, as well as reduced rates on taxes and other obligatory payments provided by the Tax Code of the Republic of Uzbekistan, are valid until 1 April 2020, whereas if they are granted by decisions of the President of the Republic of Uzbekistan and the Cabinet of Ministers of the Republic of Uzbekistan, they remain valid until their expiration.

7. Please note that from 1 January 2020 tax benefits are issued only by the Tax Code. The exceptions are reductions in taxes such as VAT, excise tax and subsoil use tax, which can be provided by the President's Decision in the amount of not more than 50% and for not more than 3 years.

8. The new edition of the Tax Code provides for the refund of excessively paid or collected taxes within 15 days from the date of payment, moreover, the refund provides for interest on each delayed day based on the Central Bank refinancing rate.

9. The regulations on taxation of profits on Transfer Pricing, Controlled Foreign Companies, Consolidated Group of Taxpayers, come into force from 1 January 2022.

10. The following types of tax inspections have been introduced:

In-office tax inspection;

Field tax inspection;

Tax audit.

Please note that the tax inspection is carried out on the basis of a decision of the tax authority and legal entities have the right to appeal the results of tax inspections.

11. The simplified procedure of VAT is abolished from 1 January 2020.

12. The following entities will become VAT payers from 1 January 2020:

permanent establishments of foreign legal entities regardless of the amount of income from the sale of goods/services;

foreign legal entities that carry out the sale of goods/services on the territory of the Republic of Uzbekistan, if the Republic of Uzbekistan is recognized as the place of sale of such goods/services.

13. VAT exemptions for the following goods/services are abolished starting from 1 April 2020:

printed goods; goods acquired through grants; inventories of the State reserve during their renewal; property transferred as investment obligations according to the agreement concluded between the investor and the authorized State body on state property management; real estate objects, the construction of which is carried out by commercial banks at their own expense by decision of the Cabinet of Ministers of the Republic of Uzbekistan;

aircraft maintenance services, including aeronautical, tourist services, services acquired through grants; services for teaching the state language and clerical work in the state language; rental services of state property; services for the delivery of media and book products; financial services, the tariff for which is set in absolute value.

14. Goods/services purchased by legal entities through loans (credits) provided by international and foreign governmental financial organizations under international treaties of the Republic of Uzbekistan, within the framework of projects approved by international and foreign governmental financial organizations before 1 July 2020 are not subject to VAT and excise.

15. Reimbursement of the amount of VAT generated as a result of the excess of the amount of VAT attributable to offset over the amount of accrued tax will be carried out from 1 July 2020.

16. For a separate category of taxpayers, i.e. exporters, taxpayers who have provided a bank guarantee, foreign diplomatic missions, parties of production sharing agreement, participants of tax monitoring, there is provided an accelerated procedure of VAT refund within 7 days.

17. VAT refund to foreign diplomatic missions and parties to production sharing agreement (subject to the existence of such

conditions in the agreement) will be carried out starting from 1 January 2020 for goods/services purchased from 2020.

18. The term for carry-forward of tax losses is extended to 10 years, while the maximum amount of loss is fixed up to 60% of the taxable base.

19. The taxpayer has the right to carry forward the loss incurred before 1 January 2020, to the future for no more than 5 years following the tax period in which this loss is accrued. The total amount of such loss may not exceed 50% of the taxable base of the current tax period.

## Өңірлер

ӨЗБЕКСТАН