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A Decree supporting the tourism sector of Uzbekistan has been signed

The President of the Republic of Uzbekistan signed a Decree "On urgent measures to support the tourism sector for reducing the negative impact of the coronavirus pandemic" No.УП-6002 dated 28 May 2020, which is aimed at providing various types of incentives such as reducing tax rates, providing subsidies for participants of the tourism sector.

Thus, following tax rate mitigations were provided for the tourism operators, tourism agents as well as businesses providing places of accommodation:

- ▶ during the period from 1 June to 31 December 2020, income tax rates are reduced by 50 percent of the established rates, and the right to transfer losses according to the results 2020 and 2021 is granted without limiting their amount provided for by Tax Code of the Republic of Uzbekistan;
- ▶ until 1 January 2021, the accrual and payment of tourist (hotel) tax is suspended;
- ▶ until 1 January 2021 with notification to the State Tax Authorities, the right to interest-free deferment (installment plan) of payment of the local fee for the right to carry out retail trade in alcohol products and their subsequent payment in equal shares within 12 months is granted.

Furthermore, the State Entrepreneurship Support Fund, in turn, provides additional government support through subsidies of the following:

- ▶ during the period from 1 March to 1 June 2020, interest expenses of tourism entities on previously issued loans from commercial banks for the construction of accommodation facilities;
- ▶ during the period from 1 June 2020 to 1 January 2022, the interest expenses of tourism entities on previously issued loans for the construction of accommodation facilities in the part that exceeds the basic rate of the Central Bank, but by no more than 10 percentage points;
- ▶ interest expenses of tourism entities on loans issued to bring in line with the new requirements of hygiene standards in the part exceeding the basic rate of the Central Bank, but not more than 10 percentage points;
- ▶ from June 1, 2020 to December 31, 2021, subsidizing of accommodation facilities in the amount of 10 percent of the cost of accommodation services (hotel services);
- ▶ tour operators and travel agents - residents of the Republic of Uzbekistan, in the amount of USD 15 (premium subsidies) for each foreign tourist brought and served in the Republic of Uzbekistan with the condition of their stay in the Republic of Uzbekistan for at least five days, with the exception of foreign tourists arriving using compensated charter flights in accordance with the Decree of the President of the Republic of Uzbekistan "On measures for the further development of the tourism sector in the Republic of Uzbekistan" No.УП-5781 dated 13 August 2019, from the beginning of the resumption of inbound tourism to the total number of incoming foreign tourists 500 thousand people;
- ▶ from the beginning of the resumption of inbound tourism and until 31 December 2020, for foreign tourist groups of at least 10 people and their stay of at least five nights in accommodation facilities subsidized expenses of tour operators on air and

rail tickets in the amount of 30 percent of their cost.

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