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# Uzbekistan establishes a special procedure for placing the rights to use a subsoil plot for competitive bidding

The Decree of the President of the Republic of Uzbekistan “On measures for further stimulation of geological exploration works and improvement of the procedure of taxation of subsoil users” No.УП-6319 dated October 6, 2021 (the – “Decree No.УП-6319”) provides for a special tender procedure for the right to use the subsoil for geological exploration or mining in previously explored areas with commercial potential.

The Decree No.УП-6319 establishes that:

► from 1 January 2022:

- a) land plots allotted for exploration and geological survey will not be subject to taxation by the land tax of legal entities;
- b) there will be introduced an annual license fee for the use subsoil plots for geological exploration;
- b) the subsoil tax rate for oil and natural gas will be reduced to 10 per cent, gold and copper to 7 per cent, tungsten to 2.7 per cent and uranium to 8 per cent;
- r) there will be introduced a rent tax for subsoil users producing oil, natural gas, gas condensate, precious metals, non-ferrous metals, rare metals and radioactive metals in new deposits;
- d) there will be granted the right to maintain tax accounts in United States dollars to taxpayers on rent income tax to enterprises with foreign investment.

► from 1 October 2021:

- a) for imports of natural gas for export, the excise tax rate is zero per cent;
- b) when natural gas is imported into the territory of Uzbekistan, legal entities shall be exempted from customs duty.

## Practice areas

### SUBSOIL USE

### Locations

UZBEKISTAN