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# Uzbekistan takes measures to improve the investment and business environment in the Republic of Karakalpakstan

The President of the Republic of Uzbekistan signed the Law “On introduction of amendments to some legislative acts of the Republic of Uzbekistan aimed at improving the investment and business environment in the Republic of Karakalpakstan” № 3PY-845 dated 12 June 2023 (the “Law № 3PY-845”).

According to the Law No. 3PY-845 until January 1, 2028:

- ▶ profit tax, turnover tax, property tax and land tax for entrepreneurs of the Republic of Karakalpakstan is reduced by 50%;
- ▶ social tax rate for legal entities is set at the rate of 1%;
- ▶ the social tax rate for individual entrepreneurs and is set at the rate of one basic calculation value (UZS 330,000) per year.

It should be noted that these benefits do not apply to large taxpayers, permanent establishments, budget organizations, and state enterprises. Additionally, these benefits do not apply to legal entities in which the state’s share in the authorized capital is 50% or more.

Furthermore, until October 1, 2027, foreign specialists (teachers) invited to participate in the educational process of non-state educational organizations in the territory of Karakalpakstan will be exempt from paying consular fees and state duties related to their registration for temporary and permanent residence.

The adoption of these measures is expected to enhance the investment attractiveness of the region, further increase the economic potential of the Republic of Karakalpakstan, improve the business environment, and ensure youth employment.

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