



Covid-19: Anti-Crisis Measures

The Republic of Uzbekistan

Part II

The Presidential Decree 5978

The Decree of the President of the Republic of
Uzbekistan from April 3, 2020 No. PD-5978

"On additional measures to support the population,
sectors of the economy and business entities during the
coronavirus pandemic"

The Republican Anti-Crisis Commission is formed to prompt
operative solutions and implement measures for the provision of
macroeconomic stability, uninterrupted operation in the sectors
of the economy and social protection of citizens during the crisis



Anti-Crisis Fund

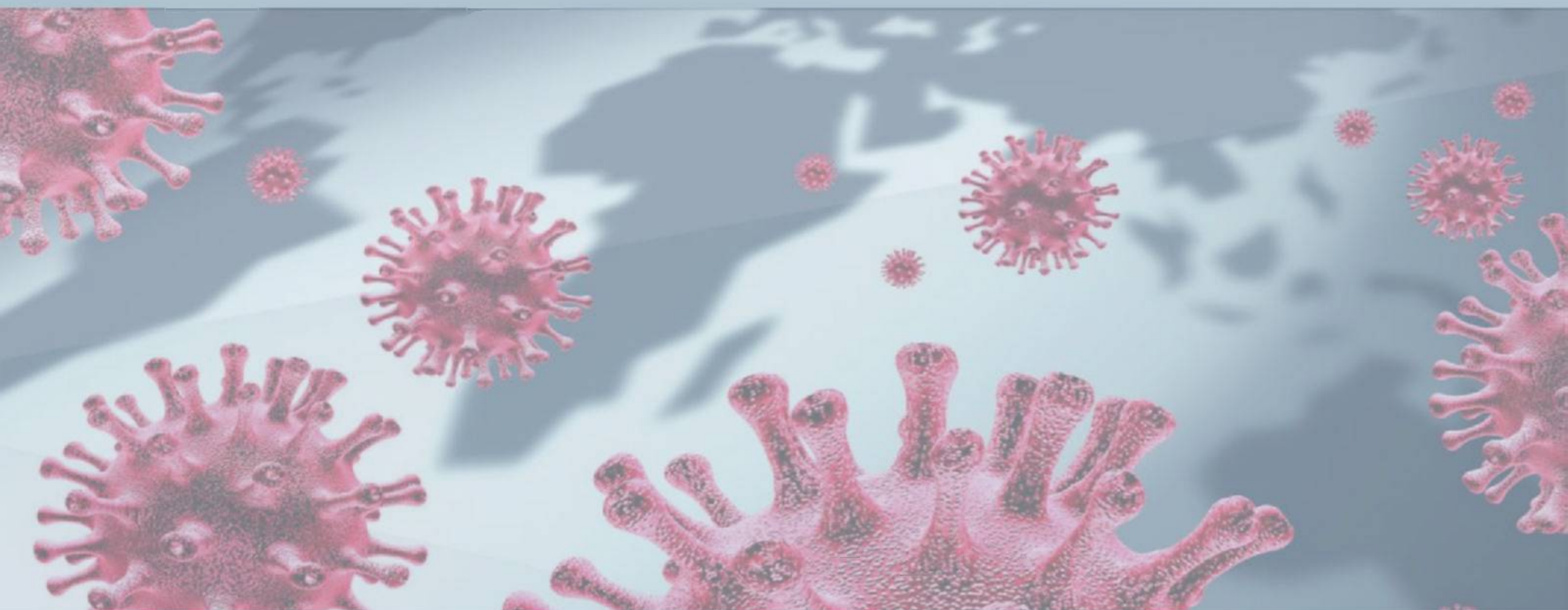
**10
trillion
soums**

~USD 1.05 bn

Anti-Crisis Fund has been created at the Ministry of Finance and will be financed by State Budget

**USD 1.0
billion**

Cabinet of Ministers to attract USD1.0 bn of external borrowing to finance the State Budget



Tax preferences



The **accrual of a fixed tax amount** on personal income and social tax for individual entrepreneurs who are forced to suspend their activities is ceased.

Social tax with its subsequent payment in equal installments within 6 months.



On **sales tax, property tax, land tax, tax for the use of water resources** with their subsequent payment in equal shares within 12 months, without application submission to local government bodies.

Funds received by business entities in the form of interest-free financial assistance will not be subject to **income taxes and turnover.**



Zero customs duty and excise tax are imposed on the import of primary goods - food products (meat, fish, flour, sugar, dairy products, vegetable oil, eggs, onions and others), as well as hygiene products.

The established increase in **excise tax rates** for the sale of gasoline, diesel fuel and gas to the final consumer, as well as for producers of alcohol and alcohol products, is canceled.



The **accrual and collection of rent** for the use of state property by entrepreneurs who have temporarily ceased their activities is suspended.

Social protection



- The assignment of benefits to families with children, child care and material assistance, whose payment deadlines expire in March-June, is automatically extended. They don't need to reapply.
- Lonely elderly and people with special needs will receive free disposable masks, antiseptics and antibacterial soap until quarantine ends.



- The Cabinet of Ministers is assigned to simplify the procedures for assessing the families' liability to receive social benefits.
- Expected result is an increase in the number of recipients of benefits by 123 thousand families.
- Additional expenses (at the expense of the Anti-Crisis Fund) –about 600 billion sums.



- Households with a turnover of up to 1 billion sums utilizing electronic invoices are transferred from monthly to quarterly VAT payments.
- As a result, they will increase working capital by approximately 150 billion sums.



- Micro-firms and small enterprises, individual entrepreneurs, which have suspended their activities and (or) for which the amount of proceeds from the sale of goods (services) is reduced by more than 50 percent compared to the monthly average for the first quarter of this year, are provided an interest-free deferral (installment) for up to October 1 2020 with a notification of tax authorities.

Supporting business through new loans and deferrals

Debt repayment due dates are prolonged

The deadline for individual and individual entrepreneur loans to be paid in the next 6 months of 2020 will be prolonged.

4.7 bl
soums

~USD490.1 th

130 bl
soums

~USD13.5 m

Tax benefits for Airline companies

Tour operators, travel agents and hotel services entities, JSC "Uzbekistan Airports", "Uzbekistan Airways" and State Unitary Enterprise "Center of Uzaeronavigation" are exempted from property and land taxes.

The social tax rate has been reduced for them to 1%. More than 130 billion soums will remain at their disposal as a result of the measure.



Additional measures

Annual audits of LLCs and ALCs are postponed

The introduction of annual audits of LLCs and ALCs with a book value of assets of more than 100 thousand of the base estimate is postponed for next year.

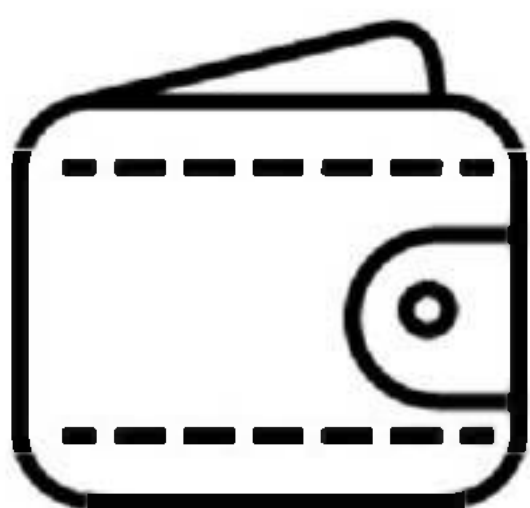


Prepayment for utilities is reduced

The legal prepayment by legal entities for gas and electricity is reduced from 100 to 30%, which will reduce the diversion of working capital.

Bankruptcy procedures are introduced

A moratorium on initiating bankruptcy procedures and declaring bankruptcy of enterprises faced with financial difficulties is introduced.



Taxes, accruals and compulsory debt collections suspended

As regards to unused production facilities and non-residential buildings, the application of increased rates of property and land taxes, interest accrual and compulsory debt collection on them are suspended. This measure will affect about 21 thousand enterprises).