

Uzbekistan introduces a next set of tax measures to support the population and business amid the COVID-19 pandemic

Alert on recent changes to tax legislation of the Republic of Uzbekistan

May 2020

Uzbekistan President's Decree "On the next set of measures to support the population and business entities during the coronavirus pandemic" was adopted on 18 May 2020 ("Decree").

According to the Decree, the following key tax measures are provided to support the economy and business:

- ▶ For the period from 1 June to 1 September 2020, the following entities are exempt from property tax and land tax:
 - small businesses;
 - markets and shopping malls, cinemas, public catering enterprises, public transport enterprises, sports and fitness centers and legal entities engaged in transportation of passengers, providing household services, providing properties for rent, including properties rented for banquets, events.
- ▶ The following liabilities of small businesses to be written-off:
 - property tax and land tax charged for April and May 2020, for which interest-free tax payment deferral was provided in accordance with previously published Presidential Decrees.
 - late-payment interest and fines for land tax and property tax recorded as of 15 May 2020, which had been formed starting from 1 January 2020.
- ▶ During the period from 1 May to 1 July 2020, social tax rate for small businesses is reduced from 12 % to 1 %.

This benefit does not apply to:

- manufacturers of products which are subject to excise tax,
 - state enterprises,
 - legal entities with state ownership of 50 % or more in the charter capital.
- ▶ Forced collection of debts on taxes, late-payment interest and assessed fines from small businesses is suspended starting from 15 May 2020 until 1 September 2020.

We will be glad to advise you on these changes in more detail and discuss should you have any questions.

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