



## Tax Alert

### Overview of tax legislation changes for October 2019

#### Tax Changes

At the end of September, President signed a Decree On Measures on Further Improvement of the Uzbekistan Tax Policy (UP-5837 dated 26 September 2019). The document introduces a number of changes, taking effect as of the beginning of October and new provisions for the upcoming edition of the Tax Code.

#### Corporate Income Tax

The President's Decree prescribes that the Cabinet of Ministers should establish a corporate income tax base at the rate of **15%** and leave the tax rate for income paid in the form of dividends unchanged when preparing the State budget for 2020. These amendments will be effective in 2020.

Current effective rate of corporate income tax is 12%. Dividends are subject to withholding tax with

applicable rate of 5% for residents and 10% for non-residents.

#### Value added tax

From 1 October, the rate of value added tax ("VAT") has been reduced from **20% to 15%**.

The decree provides for the cancellation of the simplified VAT regime in 2020. Simplified VAT regime had been introduced in 2019 for specific taxpayers.

#### Excise duty

The document stipulates the increase of excise duty rates on certain excisable services and excisable goods produced in Uzbekistan (alcohol, cigarettes and oil products).

## **Unified Social Payment**

The President has instructed the Cabinet of Ministers, as part of its budget preparations for 2020, to consider reducing the Unified Social Payment (USP) rate from **25% to 12%** for state owned enterprises and legal entities and their structural units in which the state has a 50% or higher share.

## **How to contact Deloitte:**

If you have any questions on the information in this tax alert, or on any other issues regarding doing business in Uzbekistan, please contact any of the experts listed below.

### **Tashkent**

Deloitte & Touche Audit organisation LLC  
Mustakillik Avenue 75, Tashkent, 100000  
Republic of Uzbekistan  
Tel: +998 (71) 120 44 45/46  
Fax: +998 (71) 120 44 47

### **Anthony Mahon**

Partner, Tax & Legal  
Tel: +7 (727) 258 13 40 ext. 2756  
[anmahon@deloitte.kz](mailto:anmahon@deloitte.kz)

### **Aidana Abdaliyeva**

Director, Tax & Legal  
Tel: +7 (727) 258 13 40  
[aabdaliyeva@deloitte.kz](mailto:aabdaliyeva@deloitte.kz)

### **Bakhtiyor Sufiev**

Manager, Tax & Legal  
Tel: +998 (71) 120 44 45/46  
[bsufiev@deloitte.uz](mailto:bsufiev@deloitte.uz)



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.