



Tax Alert

October 2016

Key changes in September and October

This issue of the Tax Alert discusses the most significant investment-related changes introduced by the new Law № 3PY-411 On Amendments and Additions to Specific Legislative Acts of the Republic of Uzbekistan and Presidential Decree № УП-4848 On Additional Activities to ensure the Rapid Development of Business, Comprehensive Protection of Private Property and Improvements to the Business Environment.

Joint stock companies with foreign investment to receive benefits

Under article 376 of the Tax Code, legal entities raising direct private investment and focusing on a specific area of production are now entitled to temporary CIT, social infrastructure development, unified tax and National Road Fund concessions.

The concessions apply if foreign investment accounts for at least 33% of the charter capital (authorised capital) of legal entities, and 15% for joint stock companies.

Tax rates for companies with foreign investment have been "frozen" for 5 years

The presidential decree allows new production enterprises with foreign investment to apply taxes and other

obligatory payments (except for resources payments and customs duties) at the rates in force on the date of their state registration for five years.

Unscheduled and counter reviews have been abolished

All unscheduled and counter reviews of businesses have been abolished, except those instigated following a company's liquidation or performed exclusively in conjunction with a decision of the National Council for the Coordination of Short-Term Regulatory Reviews following appeals from individuals and legal entities in connection with violations of the law.

Key changes

Export procedures have been simplified

The customs authorities have abolished the requirement to register export contracts, except for contracts to export the goods specified in Appendices 1, 2 and 4 of Presidential Decree N° UP-1871 dated 10 October 1997 *On*

Additional Activities to stimulate the Export of Goods (Work, Services).

The foreign currency control authorities will continue to control and monitor foreign trade contracts through its Unified Electronic Information System.

The above decree specifies that a certificate of origin for goods exported from Uzbekistan will be issued to an applicant who had already received a similar certificate for identical goods within one working day.

Key changes

How to contact us

Tashkent

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

Vladimir Kononenko

Partner, Tax & Legal

Tel: +7 (727) 258 13 40 ext. 2755

vkononenko@deloitte.kz

Andrey Tyo

Manager, Tax & Legal

Tel: +998 (71) 120 44 45/46

antyo@deloitte.uz

Bakhtiyor Sufiev

Senior tax consultant, Tax & Legal

Tel: +998 (71) 120 44 45/46

bsufiev@deloitte.uz

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