

## Uzbekistan amends tax provisions including a reduction of the VAT rate

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On 26 September 2019, Uzbekistan's Presidential Decree #5837 "On measures for further improvement of the tax policy of the Republic of Uzbekistan" was adopted.

According to the Decree, the following changes are stipulated with effect from 1 October 2019:

- ▶ The (Value Added Tax) VAT rate is reduced from 20% to 15%
- ▶ Excise rates are increased for the majority of excisable goods (services) produced (rendered) in Uzbekistan

Further, the Cabinet of Ministers is instructed by the Decree to take into account the following changes when preparing the draft State budget of Uzbekistan for the year 2020:

- ▶ Setting the corporate income tax base rate at 15% (the current base rate is 12%)
- ▶ Reduction of the unified social payment (i.e., employer's social tax) rate from 25% (applicable for state entities and entities with a state ownership share of 50% or more) to the general rate of 12%, which is currently applicable to all other entities
- ▶ Cancellation of the simplified VAT regime (which was introduced from this year as an optional regime for certain medium-sized businesses at reduced rates but without the right for offset)

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