

Uzbekistan introduces further 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

April 2020

Presidential Decree "On additional measures to support the population and business entities during the coronavirus pandemic" was adopted on 27 April 2020 ("Decree").

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

- ▶ Interest-free tax payment deferral (for revenue tax, property tax, land tax and etc.) is extended until 31 December 2020 (previously until 1 October 2020) (with mandatory submission of notification to the tax authorities) granted for small businesses and individual entrepreneurs, who have suspended their activities and/or whose revenue is reduced by more than 50%. Local authorities have the right to determine the period of further tax payments, but not longer than 2 years.
- ▶ From 1 April to 1 October 2020:
 - Accrued and deferred interest income of financial leasing companies is excluded from taxable income for CIT purposes.
 - Transfer of funds and/or goods (services) on a gratuitous basis to Charity Public Fund "Mahalla", "Dobrota i podderjka" Fund, Public Fund "Uzbekistan mekhr-shavkat va salomatlik", as well as to individuals (per established list) who need social support:
 - Is considered as deductible expense for CIT purposes;
 - Is exempt from VAT and should not be included into taxable base of Revenue tax;
 - is not considered as income of individuals.
 - Individuals are granted the right for interest-free tax payment deferral on income received from renting residential premises to individuals and non-residential premises to entities, which had to suspend their activities during the coronavirus pandemic, with its payment by equal installments until 1 April 2021.
- ▶ In 2020, the amount of financial aid paid to an employee, which is not subject to personal income tax, increases from 4.22-fold to 7.5-fold of the minimum wage (i.e. from UZS 2,866,773 (~ USD 283) to UZS 5,094,975 (~ USD 503)).

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

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