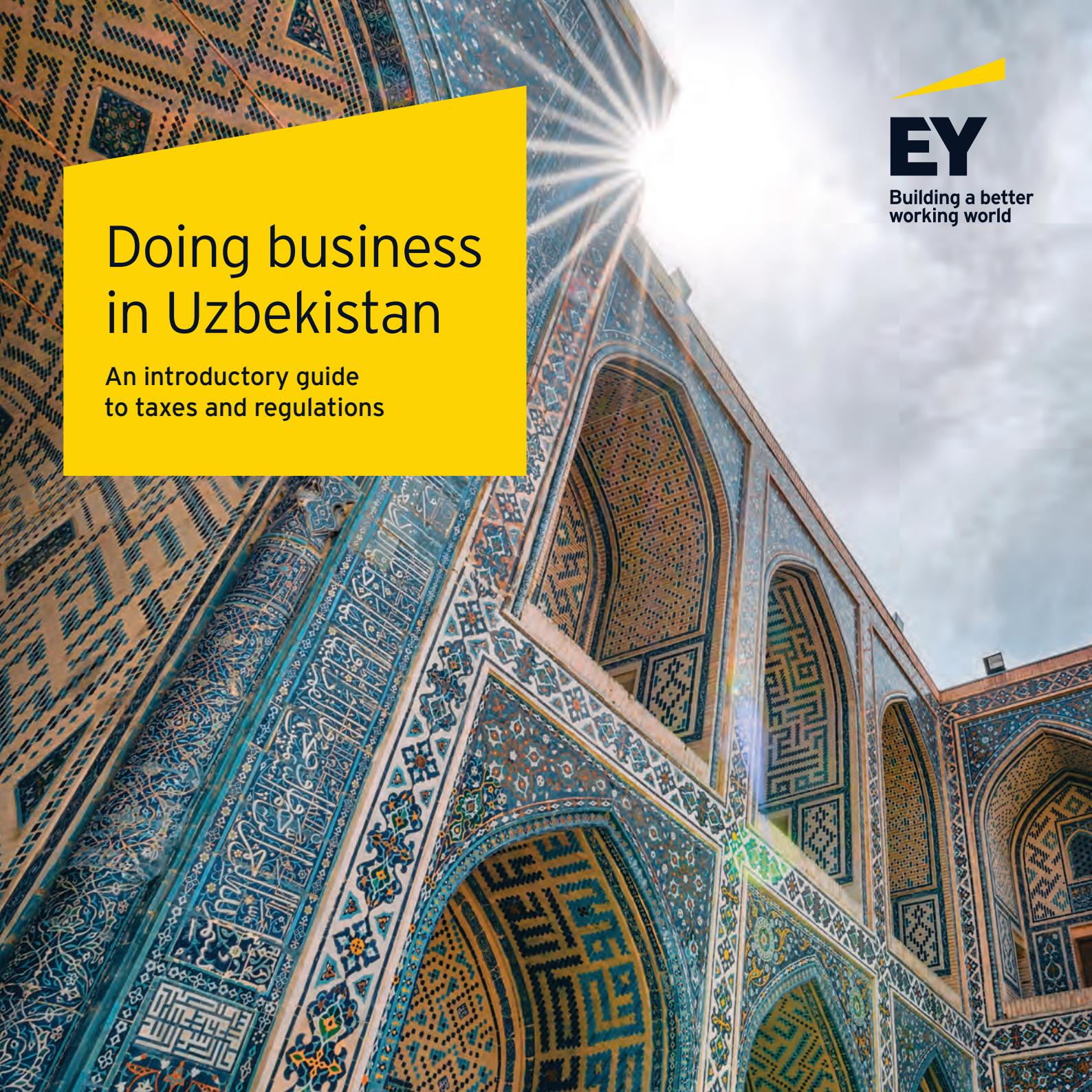


Doing business in Uzbekistan

An introductory guide
to taxes and regulations







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Preface



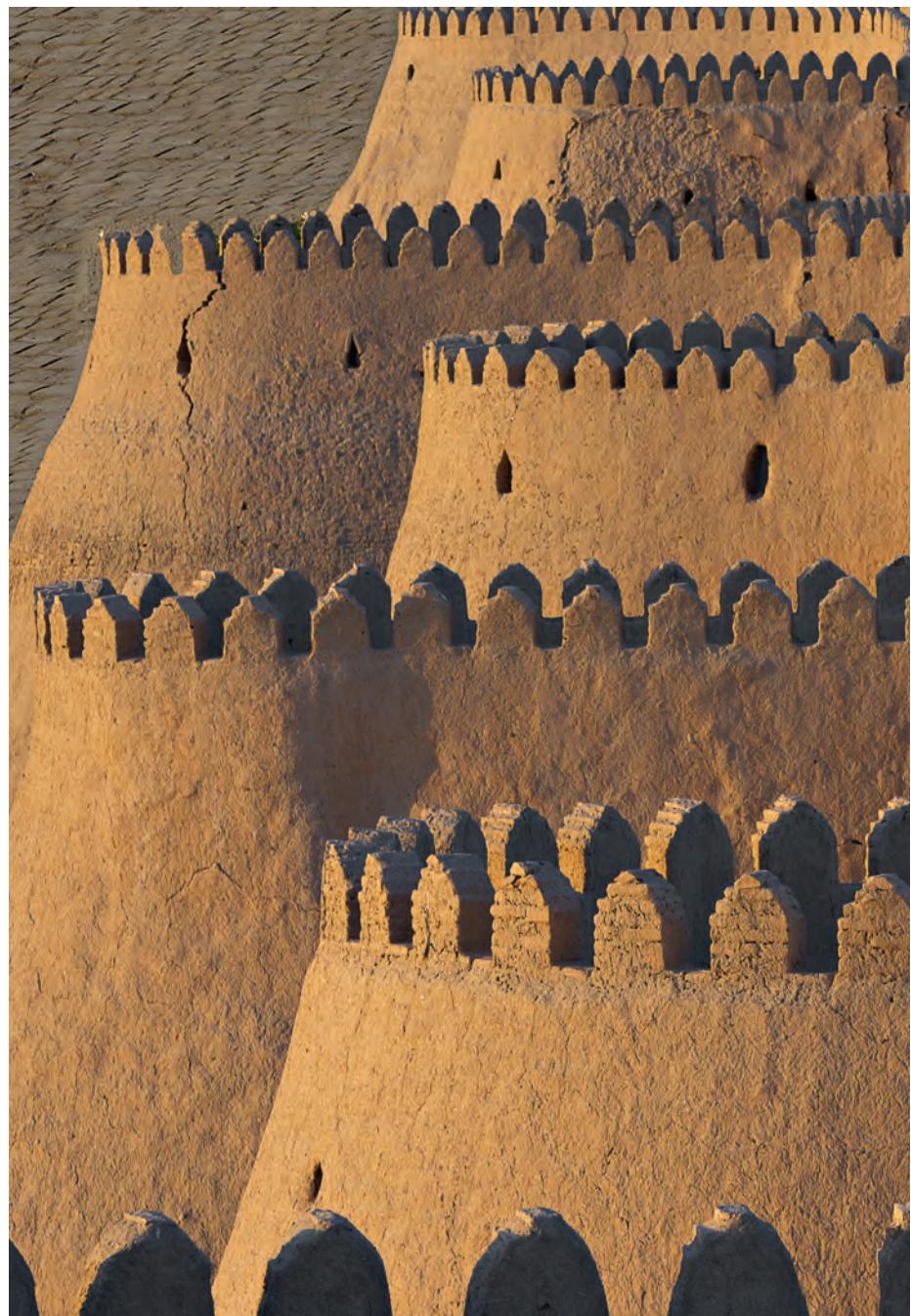
This booklet is intended to provide useful practical guidance on legal and tax issues faced by foreign investors when starting a business in Uzbekistan. We hope that it will help investors to avoid common pitfalls, and we have highlighted areas where some forethought and planning prevent problems from arising. Uzbekistan offers a wealth of opportunities and places great importance on encouraging foreign investment in key sectors of the economy.

This guide has four sections:

1. Welcome to Uzbekistan
2. Getting started
3. Overview of tax rules in Uzbekistan
4. Overview of other laws that affect business administration

This guide is a brief summary of the rules in force as of 1 January 2022. It is not a substitute for comprehensive professional advice, which should be sought before engaging in any significant transaction or investment. It should also be noted that this guide does not cover all taxes in Uzbekistan. We have focused here on the most common and important types of taxes. It is therefore essential to seek separate advice as to the actual taxes applicable to any particular business.

We wish you every success in this exciting and dynamic environment.



1 Welcome to Uzbekistan



Highlights

Time

Uzbekistan's time zone is five hours ahead of Greenwich Mean Time (GMT).

The table below shows time differences between Tashkent and selected cities in the CIS and the world.

City	Hours ahead of or behind Tashkent (in winter)
Tokyo, Seoul	+4
Beijing, Hong Kong	+3
Nur-Sultan, Almaty, Bishkek	+1
Tashkent	0
Baku, Tbilisi, Yerevan	-1
Moscow, Minsk, Istanbul	-2
Kiev	-3
Paris, Frankfurt	-4
London	-5
New York	-10

Public holidays

The table below lists Uzbekistan's official public holidays.

Holiday	Date
New Year Holiday	1 January
International Women's Day	8 March
Navruz	21 March
Day of Memory and Honour	9 May
Ramadan Eid	First day, e.g. 3 May*
Kurban Eid	First day, e.g. 10 July*
Independence Day	1 September
Teachers' Day	1 October
Constitution Day	8 December

* The dates of religious holidays in 2022 are indicated tentatively.

The dates vary from year to year based on the lunar calendar.

Business hours

Uzbek offices are generally open from 9:00 am to 6:00 pm, Monday to Friday, and are closed Saturdays and Sundays.

Uzbekistan fact sheet

Capital	Tashkent
Administration	Uzbekistan consists of 14 administrative units: the Republic of Karakalpakstan, 12 provinces (viloyats) and the city of Tashkent
Bordering countries	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Afghanistan
Land area	448,900 km ²
Population	35 million
Language	Uzbek
Central Bank	Central Bank of the Republic of Uzbekistan
Major cities	Tashkent, Samarkand, Bukhara, Khiva
Currency unit	Uzbekistan Soum (UZS)
Exchange rate as of 1 January 2022	USD 1 = UZS 10,837.66 EUR 1 = UZS 12,224.88 RUB 1 = UZS 147.07 CNY 1 = UZS 1,701.55

Sources: Official sites of the President of the Republic of Uzbekistan, the Central Bank of Uzbekistan and the State Statistics Committee of the Republic of Uzbekistan.



Getting started



2.1. Arriving in Uzbekistan

Should you require assistance in planning and managing your human capital needs, EY can advise on and assist with obtaining work confirmations for foreign employees, tax registration, and tax and legal compliance for expatriate individuals.

Temporary visas

In general, all foreign nationals and stateless persons are required to obtain a visa to enter Uzbekistan. However, the following individuals are not subject to general visa requirements and may enter Uzbekistan without a visa:

- ▶ Nationals of the following CIS countries: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Moldova, Russia, Ukraine, and Kyrgyzstan (for stays of up to 60 days) and Tajikistan (for stays of up to 30 days)
- ▶ Nationals of the following countries for stays of up to 30 days: Andorra, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Barbados, Belize, Belgium, Bosnia and Herzegovina, Brazil, Brunei, Bulgaria, Canada, Costa Rica, Chile, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, El Salvador, Estonia, Finland, France, Germany, Greece, Grenada, Guatemala, Honduras, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Latvia, Lithuania, Liechtenstein,

Luxembourg, Malaysia, Malta, Mexico, Monaco, Mongolia, Montenegro, Netherlands, New Zealand, Nicaragua, Norway, Panama, Poland, Portugal, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, San Marino, Romania, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Trinidad and Tobago, Turkey, UAE, Vatican, United Kingdom

- ▶ Members of flight crews of foreign airlines operating regular flights to Uzbekistan (for the length of time between their flights into and out of Uzbekistan)
- ▶ Nationals of the People's Republic of China and Hong Kong (for stays of up to 7 days)

- ▶ Nationals of certain countries who hold diplomatic passports and have appropriate accreditation
- ▶ Holders of a red UN Laissez-Passer, a diplomatic travel document issued by the UN, are exempt from obtaining a visa for a stay up to 30 days. Holders of a blue UN passport are subject to simplified visa procedures: a visa will be issued within 2 days by the Ministry of Foreign Affairs upon presentation of an invitation letter by the host party.

Since visa requirements are subject to frequent changes, individuals should check the specific applicable requirements before planning a trip to Uzbekistan.



Business visas. Business visas are issued to foreign individuals arriving in Uzbekistan for business purposes (e.g., for a business trip or negotiations, to sign contracts or to attend conferences, symposiums, forums, exhibitions, concerts or cultural, scientific, sporting or other events).

Investment visa. An investment visa may be issued to shareholders/ participants or founders of enterprises with foreign investments and to members of their families for a period of three years, at the end of which it may be extended.

In addition, foreigners who have invested at least USD 3 million in production or service industries in Uzbekistan and shareholders/participants or founders of enterprises with foreign investments may apply for a 10-year residence permit under a simplified procedure. A foreigner with a residence permit does not need to obtain visas and work permits to live and work in Uzbekistan.

Work visas. Work visas are issued to foreign individuals arriving in Uzbekistan for employment. A work confirmation must be submitted to Uzbek foreign affairs authorities in order to obtain a work visa (subject to planned changes). See the "Work Confirmation" section below for details.

Issuance of visas. Visas are issued abroad by Uzbekistan consulates (the Consular Department of the Embassy of Uzbekistan). Generally, business visas are issued based on a letter of invitation from a local Uzbek company, or a representative office of a foreign company, submitted to the Consular Department of Uzbekistan.

Unless exempt from visas as mentioned above, citizens of the following countries are eligible to obtain an entry visa to Uzbekistan through the "EVISA.MFA.UZ" system or obtain tourist visas under simplified procedures at Uzbek consular offices: Albania, Algeria, Angola, Bahrain, Bangladesh, Bolivia, Cambodia, Cameroon, Cape Verde, China (including Hong Kong), Colombia, Cote d'Ivoire, Ecuador, Egypt, Fiji, Gabon, Ghana, Guyana, India, Iran, Jordan, Kingdom of Bhutan, Kiribati, Kuwait, Laos, Lebanon, Macedonia, Maldives, Marshall Islands, Mauritius, Micronesia, Morocco, Nauru, Nepal, Oman, Palau, Paraguay, Peru, Philippines, Republic of Korea, Qatar, Samoa, Saudi Arabia, Senegal, Seychelles, Solomon islands, South Africa, Sri Lanka, Suriname, Thailand, Tonga, Tunisia, United States of America, Uruguay, Vanuatu, Venezuela and Vietnam.

The electronic visa is valid for 30 days from the date of issue. The processing time for electronic visa applications is 2 (two) working days, excluding the day the application is submitted. The electronic visa is sent to the e-mail address of the foreign citizen as indicated in the application submitted via the "EVISA.MFA.UZ" web portal.

2.2. Forms of legal presence available in Uzbekistan

There are a number of legal forms available for foreign and local investors wishing to establish a presence in Uzbekistan, including but not limited to

joint stock companies, limited liability companies, representative offices, permanent establishments of foreign entities, etc.

Should you require more information on the nature and uses of various business forms in Uzbekistan, EY offers tax and legal advice on how to structure a specific business in Uzbekistan depending on the investor's particular industry or commercial plans, as well as a full range of company formation and registration services.

In this section we give details of the four types of business entities most commonly used by foreign investors.

2.2.1. Joint stock companies (JSCs)

A JSC is a legal entity that is separate and distinct from its shareholders. As a general rule, a JSC's shareholders are not liable for the JSC's liabilities. A JSC may have one or more shareholders.

Generally, there is no minimum charter capital requirement for a JSC. However, regulations governing certain activities normally subject to licensing (e.g., banking and insurance activities) set out minimum capital requirements for JSCs.

Since establishing a JSC is a very time-consuming and highly regulated process, investors usually prefer to opt for an LLC when deciding on their form of presence in Uzbekistan. However, for certain types of businesses (such as banks) the JSC is the only available vehicle for establishing a presence in Uzbekistan.

2.2.2. Limited liability companies (LLCs)

Like a JSC, as a general rule, an LLC is a legal entity in which the participants are not liable for the company's liabilities and bear the risk of losses from the company's activities only to the extent of their contributions to the charter capital. An LLC may have one or more participants. An LLC may not be established by one entity that in turn has only one shareholder/ participant, unless the former entity is a JSC.

Similarly to a JSC, an LLC may, as an alternative fund-raising option (besides equity-based financing), issue bonds subject to similar requirements as those set for bonds issued by JSCs.

The main difference between these two types of entities is that an LLC does not issue shares. Instead, participants have ownership (participating) interests in the company. Unlike a JSC, participants of an LLC bear strict liability for the disclosure of confidential information concerning the activities of the LLC. In addition, the supreme governing body of an LLC is the general meeting of its participants. There is also an option to create a supervisory board of an LLC.

As a general rule, as in the case of a JSC, there is no minimum capital requirement for an LLC. However, regulations governing certain activities normally subject to licensing (e.g., insurance activities) may require LLCs to comply with the minimum capital requirements for those specific types of business.



2.2.3. Representative offices (RO)

An RO is a structural subdivision of a legal entity that is established at a different location from that of the legal entity and carries on its activities based on accreditation received from the government (a process described in Section 2.3.2 "Accreditation of representative offices" below). Since an RO does not constitute a legal entity, all rights and obligations are assumed by the legal entity that established

the RO (the main legal entity). It is explicitly stated in the law that an RO cannot conduct business activities. An RO is established exclusively to represent and protect the interests of the main legal entity, and its activities must be limited to marketing and non-transactional support for the head office. If any commercial activities are conducted through an RO, the RO's accreditation may be cancelled by the state authorities.



2.2.4. Branches

Uzbek law does not explicitly restrict/prohibit the establishment of branches in Uzbekistan by foreign entities. However, in view of the virtual non-existence of regulations governing the registration and activities of branches of foreign companies, in practice, the Uzbek authorities refuse to register branches of foreign legal entities.

We are aware of a draft law that would enable the registration of branches of foreign companies in Uzbekistan in the future, but it remains unclear when the law might be passed.

2.2.5. PEs

Alternatively, it is possible to register a permanent establishment ("PE") of

a foreign legal entity for tax purposes in Uzbekistan. This is done purely for tax registration purposes for a specific project, and a PE does not constitute a legal form.

2.3. Establishing a legal presence

As a rule, all legal entities and representative offices in Uzbekistan must be registered or accredited with the appropriate government authorities.

2.3.1. State registration

State registration in Uzbekistan is carried out based on a "one-stop- shop" principle whereby all registration documents must be submitted to a single centre for the provision of public

services to business entities ("One-Stop-Shop Centre"). Upon submitting a complete set of documents, provided that the authorities do not raise any issues, the LLC should be registered with justice, tax and statistics authorities - all at the same time.

There is an option to submit documents to the One-Stop-Shop Centre electronically through the "e-government" web portal. However, this requires the use of an electronic digital key, which means that, in practice, legal entities established by foreign entities cannot yet be registered through the e-government portal, since foreign legal entities founding an Uzbek entity are not currently allowed to obtain an electronic digital key.

Uzbek law requires a standard set of documents, i.e., statutory documents prepared in the Uzbek language, to be submitted in order to complete the state registration of a legal entity.

In addition, under recent legislative changes a foreign General Director is now required to have a Personal Identification Number of an Individual (the "PINFL"), which is issued by a One-Stop-Shop Centre upon submission of a notarized copy of the foreign General Director's passport, a 3x4 cm photograph and a power of attorney (if the documents are submitted by a person acting on the General Director's behalf). That number must be indicated in the application when registering an LLC. The procedure by which a foreign citizen may obtain a PINFL has not yet been established, meaning that there is no specific statutory timeline for issuing a PINFL to a foreign citizen.

Documents submitted to the One-Stop-Shop Centre must be accompanied by a bank document confirming payment of the state registration fee (the amount of which depends on the type of the entity to be registered, e.g., ranging from one minimum wage amount on the date of issue for an LLC to 4 times the minimum wage for insurance companies). The documents must also be duly signed, sealed, notarized and, where appropriate, legalized or apostilled. Otherwise, the Uzbek authorities may reject the documents, which would delay the registration process considerably. Under Uzbek law, the registration of a legal entity should take no more than 30 (thirty) minutes.

In practice, this timeframe is observed, provided that documents are complete and duly signed and meet the statutory requirements.

2.3.2. Accreditation of representative offices

There is a separate procedure for establishing representative offices of foreign entities in Uzbekistan. Representative offices of foreign legal entities are subject to accreditation with the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan (the "Accreditation Authority").

An RO is considered to be accredited from the date of issuance of a certificate of accreditation by the Accreditation Authority. Generally, accreditation is granted to an RO for a term of 1 to 3 years, which may be extended upon the company's request. As a rule, the extension of accreditation is a relatively straightforward process.

2.3.3. Location (legal address)

A legal entity's location is the address indicated in its foundation documents (the charter and, if there is more than one participant/shareholder, the foundation agreement).

Under Uzbek law, the location of a legal entity is the place where its state registration takes place. The foundation documents may establish that the location of a legal entity is the place where its permanently operating governing body (i.e., its director or board of directors) is situated or the place where its main business is conducted. Please note that a private

household may not be indicated as the legal address of a legal entity.

The location of a legal entity is not only the place where it is registered, but also affects the court where documents are filed for litigation and the tax authority to which certain tax and other payments must be made.

Under Uzbek law, government authorities (including tax authorities) require legal entities and ROs to be present at the legal addresses indicated in their foundation documents and in the registration records of the authorities.

If an entity is not actually present at its legal address, i.e., the tax authorities cannot find anyone representing the entity at the time of their visit, the entity may be subject to an administrative fine, and its corporate bank accounts may be seized.

2.3.4. Opening a bank account for companies and individuals

Foreign legal entities (non-residents) carrying on activities in Uzbekistan through ROs as well as Uzbek legal entities and individuals (residents) may open and use bank accounts in Uzbekistan in both national and foreign currencies.

Uzbek legal entities (residents) may open and use foreign currency accounts with foreign banks outside Uzbekistan subject to decisions of the President or the Government of Uzbekistan or international agreements allowing the opening and use of accounts in national or foreign currency with banks abroad.

Overview of tax rules in Uzbekistan



In the sections that follow we describe the most important taxes in force in Uzbekistan. There are a number of other less significant or industry-specific taxes such as excise tax and a number of taxes on “subsurface users”, i.e., oil, gas and mining companies. It is important to conduct a thorough review of any proposed business activity to determine the actual taxes that apply to it.

3.1. Changes to the Tax Code of Uzbekistan in 2022

The new Uzbek Tax Code, which came into effect from 1 January 2020, The Uzbek Tax Code has undergone substantial changes with a number of new concepts introduced in 2022.

Among the main changes effective from 1 January 2022 are: (i) implementation of the transfer pricing rules, the controlled foreign company (CFC) concept and the tax consolidation regime for CIT purposes; (ii) the introduction of a special rental tax on mineral extraction, new definitions and rates for depreciable assets, cancellation of the limits on tax loss carry-forwards, the introduction of a 'dividend tax' for PEs of non-residents, etc.

Anticipated changes in tax legislation.

Effective from 1 April 2022 until 31 December 2024, a number of tax benefits are being introduced for securities holders:

- (i) For individuals - both residents and non-residents of Uzbekistan – share dividend income is expected to be exempt from personal income tax (PIT).
- (ii) For legal entities that are non-residents of Uzbekistan – dividend

income on shares is expected to be subject to a 5% corporate income tax (CIT) in the same way as legal entities that are residents of Uzbekistan.

- (iii) For individuals and legal entities - both residents and non-residents of Uzbekistan - interest income on corporate bonds is expected to be exempt from PIT and CIT.

In order for these benefits to be implemented, government bodies have been instructed to submit a draft law setting out appropriate amendments to the Tax Code.

3.2. Personal income tax (PIT) and social tax

EY offers advice and support with all aspects of tax compliance for individuals and employers as well as payroll processing. EY also provides tax and legal assistance to high-net-worth individuals.

Taxpayers and residency

Both residents and non-residents of Uzbekistan are subject to personal income tax. Residents are taxed on their worldwide income, while non-residents are taxed only on their Uzbek source income.

A resident is generally defined as:

- (i) an individual who is physically present in Uzbekistan for over 183 days in any period of up to 12 months beginning or ending in a calendar year for which tax residency is determined
- (ii) an individual who is physically present in Uzbekistan for less than 183 days, but more than in any other state in a calendar year

Accordingly, non-residents are generally those individuals who do not meet the above tests.

Taxable income

Income of individuals consists of employment income, property income, in-kind income and other types of income. In general, all types of income, including benefits in kind, are taxable in Uzbekistan unless they are specifically exempt. Income that is specifically exempt from tax includes alimony, state pension income, etc.

Rates

General personal income tax is levied at a flat rate of 12% for residents, while for non-residents a flat rate of 20% applies. Dividends and interest payable to tax-resident individuals are subject to tax at the rate of 5%, while for non-residents the tax rate for dividends and interest is 10%.

It should be noted that, from 1 April 2022 to 31 December 2024, individuals, both residents and non-residents of Uzbekistan, are exempted from personal income tax on:

- (i) share dividends;
- (ii) interest income on corporate bonds.

Tax compliance

The tax year in Uzbekistan is the calendar year. A withholding obligation is placed on Uzbek legal entities, individual entrepreneurs (where applicable), foreign legal entities operating in Uzbekistan through permanent establishments or representative offices, etc. ('tax agents') which make salary-related payments to individuals and provide benefits to employees. Tax agents are responsible for the proper assessment, withholding and remittance of personal income tax. Tax agents are also obliged to file monthly reports on income paid to their employees and tax withheld thereon by the 15th of the month following the reporting month and must submit an annual return together with their annual financial statements. Personal income tax must be paid to the budget at the time income is paid, but not later than the deadline for the submission of monthly reports.

A foreign citizen who becomes a tax resident of Uzbekistan is obliged to file an annual tax return not later than 1 April following the reporting year on his/her worldwide income. The tax assessed in the annual tax return (i.e., any outstanding liability) must be paid by the individual not later than 1 June following the reporting year. If foreign individuals who are tax residents permanently leave Uzbekistan, they are also obliged to file a 'departure' tax return not later than one month before departure and the resulting tax liability must be paid within fifteen days of filing the 'departure' tax return.

Individual entrepreneurs with annual revenue below UZS 100 million (approx. USD 9,230) must also pay personal income tax on the basis of an annual return or pay a fixed tax. The amounts of the fixed tax vary based on the type and location of activity.

Controlled foreign company (CFC) rules for individuals

A CFC is a foreign legal entity (not classed as a tax resident of Uzbekistan) or a foreign unincorporated entity whose controlling persons are Uzbek tax-resident individuals. Specifically:

- (i) For a CFC with corporate status controlling persons are individuals:
 - whose share in the foreign company exceeds 10% if the shares of all other persons recognised as tax residents of Uzbekistan exceed 50% in total, or
 - who exercise control over the foreign company (regardless of their participation share)
- (ii) For a CFC without corporate status the controlling person is its founder

If a tax-resident individual is recognised as a controlling person of a CFC, he or she is obliged to include retained earnings of that CFC in his/her annual taxable income and pay relevant tax.

In addition, Uzbek tax residents must notify the tax authorities (1) of their participation in foreign legal entities and the establishment of foreign unincorporated entities, and (2) of CFCs of which they are controlling persons.

Mandatory payments to social funds

Social tax

Employers are required to assess and pay social tax at the current rate of 12% (25% in the case of state-funded organizations) of gross payroll (i.e., at the employer's expense). The assessed amount of social tax must be paid to the budget on a monthly basis (not later than the monthly tax return filing deadline). Similarly, a cumulative

¹ Not later than 15 February following the reporting year (or not later than 25 March following the reporting year for companies with foreign investments and non-residents operating through a PE).

return must be submitted to the tax authorities on a monthly basis not later than the 15th of the month following the reporting month, and an annual return must be submitted together with the annual financial statements.

Employee pension fund contributions

Employers must make monthly mandatory contributions to individual funded pension accounts of local employees (foreign citizens without Uzbekistan residence permits are generally not subject to such contributions) at the rate of 0.1% of their gross employment income. These contributions are deductible from amounts of personal income tax payable by tax agents.

Other individual taxes

Property tax

The property tax is imposed on buildings and apartments possessed by individuals. The rates vary from 0.25% to 1.5% applied to the cadastral value of the property.

Land tax

An individual granted permanent possession of a land plot is subject to land tax at a fixed rate depending on the location of the land. For example, in the city of Tashkent, the rates vary from UZS 500 (approximately USD 0.046) to UZS 1,280 (approximately USD 0.118) per square metre per annum, depending on the location of the land plot.

3.3. Corporate income tax (CIT)

EY offers the following services in the area of corporate income tax:

- ▶ *Advisory and structuring*
- ▶ *Assistance with tax compliance of legal entities at every step of the process*
- ▶ *Tax review and due diligence services*
- ▶ *Other tax-related services*

Payers

Taxpayers for CIT purposes are (i) Uzbek resident legal entities on income from worldwide sources, (ii) foreign legal entities that carry on activities in Uzbekistan through a permanent establishment (PE), (iii) individual entrepreneurs with an annual revenue of more than UZS 1 billion (approximately USD 92,270) or who become CIT payers on a voluntary basis, etc.

Uzbek legal entities with an annual turnover of less than UZS 1 billion (approximately USD 92,270) are eligible for simplified taxation (revenue tax) instead of CIT and output VAT (see the "Revenue tax" section).

Taxable income

Taxable income of Uzbek legal entities is determined as aggregate income less qualifying tax-deductible expenses, with account taken of tax reliefs (where applicable) and deductions provided for in the Tax Code and other legal acts. The required standards of documentation (especially documents used to support deductions) are particularly high in Uzbekistan.

Depreciation for tax purposes

To qualify as a fixed asset for tax purposes, an asset must be defined as such under accounting legislation.

For tax purposes, assets may be depreciated up to the maximum rates shown in the table below:

Type of fixed asset	Maximum depreciation rate
Buildings	5%
Structures	10%
Trains, ships, aeroplanes	10%
Pipelines, communications equipment, power lines and equipment	15%
Production machinery and equipment	20%
Cars, computers and office equipment	40%
All other assets	15%

Land, construction-in-progress, and certain other assets are not depreciated.

Intangible assets are amortized for tax purposes over the useful life of the asset or five years (if the useful life cannot be determined).

Investment deduction

Taxpayers are allowed to make an investment deduction amounting to:

- ▶ 20% of the cost of new production equipment, expenditure on the modernization and retrofitting of production facilities, etc.



- ▶ 10% of expenditure on the expansion of production through the new construction or reconstruction of buildings and structures used for production purposes

Loss carryforwards

Starting from 1 January 2022, limitations on tax loss carryforwards are cancelled (before 2022 a tax loss could be carried forward within a 10-year period in amounts not exceeding 60% of the tax base for the current tax period).

Thin capitalization

If controlled liability of the taxpayer (i.e., loans from a foreign individual/entity holding at least 20% of shares in the taxpayer or from a related party

of such an individual/entity, etc.) is more than 3 times greater than the taxpayer's equity (13 times in the case of banks and leasing organizations), thin capitalization rules apply and interest expenses above the calculated thresholds are considered non-deductible.

Tax rate and compliance

The regular CIT rate is 15%. This rate also applies to Uzbek enterprises with foreign participation and PEs of foreign companies. For commercial banks, mobile telecommunications operators, legal entities that manufacture polyethylene granules, and markets and shopping malls, the CIT rate is 20%. For taxpayers included in the National

Register of E-commerce Entities that sell goods and services online, the CIT rate is 7.5%. Meanwhile, taxpayers that carry on activities in the social sphere, certain producers of agricultural goods, exporters (insofar as profit from exports is concerned), et al. are subject to CIT at 0% (if certain conditions are met).

The tax period is a calendar year. Quarterly CIT returns must be filed not later than the 20th of the month following the reporting quarter and an annual return must be filed not later than the 1 March of the following year.

The final tax liability must be paid by the deadline for filing tax returns. Companies with revenue of more than UZS 5 billion (approximately USD

461,400) in the preceding calendar year must pay monthly advance payments not later than the 23rd of each month of the reporting period.

Controlled foreign company (CFC) rules for legal entities

A CFC is a foreign legal entity (not classed as a tax resident of Uzbekistan) or a foreign unincorporated entity whose controlling persons are legal entities classed as Uzbek tax residents.

(i) For a CFC with corporate status controlling persons are legal entities:

- whose share in the foreign company exceeds 50% in 2022 (25% from 2023);
- whose share in the foreign company exceeds 10%, if the shares of all other shareholders recognised as tax residents of Uzbekistan exceed 50% in total, or
- which exercise control over the foreign company (regardless of their participation share).

(ii) For a CFC without corporate status the controlling person is its founder.

If a tax-resident company is recognised as a controlling person of a CFC, it is obliged to include retained earnings of that CFC in its taxable income and pay relevant tax.

In addition, tax-resident companies must notify the tax authorities (1) of their participation in foreign legal entities and (2) of the establishment of foreign unincorporated entities and of CFCs of which they are controlling persons.

Consolidated group of taxpayers

A consolidated group of taxpayers is a voluntary association of taxpayers based on a relevant agreement whereby CIT is assessed and paid on the aggregate financial result of the economic activities of those taxpayers.

A consolidated group of taxpayers may be created by legal entities subject to certain criteria, e.g., the total revenue of all legal entities that are members of the consolidated group of taxpayers from the sale of goods and services together with other income according to financial statements for the calendar year must be at least UZS 500 billion (approximately USD 46,135,420), provided that one entity has a direct or indirect share of at least 90% in the charter (authorised) capital of the other legal entities. This condition must be met during the entire term of the agreement on the creation of a consolidated group of taxpayers.

Dividend tax for permanent establishments of non-residents

Net profit remaining at the disposal of a non-resident operating through a permanent establishment in Uzbekistan after the payment of tax is considered as a dividend and is subject to 10% tax.

3.4. Withholding tax (WHT) (other than personal income tax)

Uzbek source income of a non-resident legal entity (without a PE) doing business in or with Uzbekistan is subject to WHT at the source of payment.

Tax agents

Any tax-registered entity that pays Uzbek source income to a foreign company is potentially a tax agent with the responsibility to withhold tax from the gross amount of the Uzbek source income of the non-resident (without deductions).

Taxable income

Taxable income includes, but is not limited to:

- ▶ Dividends and interest
- ▶ Income from the sale of property located in Uzbekistan: shares, stocks (except for stocks traded on a stock exchange), and real estate. Taxable income is defined as the amount by which the sale price exceeds the original purchase price
- ▶ Income from the sale of goods in the territory of Uzbekistan via a commission agency agreement or other similar agreement. Taxable income is defined as the excess of the amount paid to foreign entities over the original purchase price
- ▶ Royalties
- ▶ Lease payments
- ▶ Insurance premiums
- ▶ Telecommunications and freight charges
- ▶ Fees for services, etc.



Tax rates and compliance

Type of income of non-residents	Rate of WHT
Interest, dividends*	10%
Insurance premiums under insurance, co-insurance, and reinsurance agreements	10%
Income from international transportation and telecommunications services	6%
Other income	20%

* From 1 April 2022 to 31 December 2024, for legal entities that are non-residents of Uzbekistan, income in the form of dividends on shares is expected to be subject to 5% WHT.

Interest on certain loans made by financial institutions and certain types of income of banks are subject to 0% WHT.

Most double tax treaties (DTT) concluded by Uzbekistan provide either for exemption from Uzbek WHT or for

the reduction of WHT rates to 0%-15%. However, specific requirements must be met for DTT provisions to be applied. Please refer to the Appendix hereto for the list of DTTs.

Withholding tax is withheld and remitted by tax agents. The general rules are:

- Tax must be withheld and paid not later than the date following the day the income was paid to the non-resident

- A WHT return must be filed not later than the 20th of the month following the calendar month in which income was paid to the non-resident

Dividends payable to Uzbek tax residents are subject to domestic WHT at the rate of 5%. Starting from 1 January 2020, interest payable to Uzbek tax resident companies is not subject to domestic WHT (with certain exceptions); instead, it is included in the aggregate income of the interest recipient and assessed to CIT.

3.5. Value added tax

EY offers help with VAT risk identification, VAT compliance support and cross-border VAT planning.

Payers and registration

VAT payers are (i) Uzbek legal entities on a general basis, (ii) individual entrepreneurs whose annual revenue exceeds UZS 1 billion (approximately USD 92,270) or who register as VAT payers on a voluntary basis, (iii) foreign legal entities that sell goods or services in the territory of Uzbekistan if the place of supply is deemed to be Uzbekistan (e.g., electronic services sold to individuals via the Internet), (iv) foreign legal entities operating in Uzbekistan through a PE, and (v) legal entities and individuals that import goods into Uzbekistan (import VAT), etc. VAT payers are assigned a VAT registration number.

Starting from 1 January 2022, the list of VAT payers is extended to include tax consulting, auditing and non-profit organizations (as well as state-funded institutions) if they carry on entrepreneurial activities, regardless of their revenue. VAT payers also now include agricultural producers with 25 hectares or more of irrigated land.

The standard rate of VAT is 15%.

VATable turnover

VAT is levied on turnover derived from the supply of goods and services

in Uzbekistan (based on the place of supply rules) and imports into Uzbekistan, unless they are zero-rated or specifically exempt. Any excise tax paid is included in the taxable base for VAT purposes.

VAT payable to the budget is generally determined as output VAT less allowable input VAT. Input VAT incurred in connection with the supply of exempt goods and services and non-business costs cannot be offset against output VAT.



Purchase of services from non-residents (reverse charge AT / withholding VAT)

Under the place of supply rules, services are deemed to be supplied at the location of the business activity of the purchaser of the services, except for certain specified services. Where such services are rendered by a non-resident, the Uzbek purchaser of the services is considered as a tax agent for VAT purposes, i.e., the Uzbek purchaser has an obligation to assess VAT based on the VAT-inclusive price of the services and withhold and remit VAT to the budget on behalf of the non-resident. However, if the contract for the supply of services does not take into account Uzbek VAT, the purchaser of the services is required to self-assess and pay VAT to the budget on top of the price of the services (in a similar way to the reverse charge mechanism). That VAT may be offset against output VAT in the normal manner.

Zero rating

Export sales of goods, international transportation services and utility services provided to individuals are generally taxed at a zero rate.

Exempt supplies

VAT-exempt supplies and imports include:

- ▶ Financial services except for bank transactions for which fixed charges apply
- ▶ Insurance services

- ▶ Goods and services purchased by legal entities using a loan provided by international or foreign government financial institutions, provided that such exemption is provided for in the legislation, etc.

VAT compliance

The VAT tax period and reporting period is a calendar month. VAT returns must be filed, and VAT due must be paid not later than the 20th of the month following the reporting month.

VAT on electronic services supplied by non-residents to individuals

Starting from 1 January 2020, a non-resident company that supplies electronic services to individuals living in Uzbekistan via the Internet (B2C) must register as a VAT payer in Uzbekistan, calculate Uzbek VAT based on turnover from those services (if the place of supply is deemed to be Uzbekistan), file quarterly VAT returns (electronically) and pay the calculated amount of VAT to the Uzbek tax authorities.

3.6. Other taxes

Nature of tax	Rate
Excise tax: imposed on a specific range of services and goods produced in Uzbekistan or imported into Uzbekistan. Goods subject to tax include oil and gas products, alcohol, tobacco, etc. Services subject to tax include mobile telecommunications services.	Various
Property tax: imposed on the annual average depreciated value of immovable property and certain other assets. Land is exempt	Standard rate is 1.5% Tax rate for construction projects that have not been completed within the normative period is 3%
Motor vehicle levy: imposed on sales/purchases of cars and other vehicles	Various
Water use tax: standard rates per cubic metre	Surface water UZS 240 (approximately USD 0.022) Underground water UZS 290 (approximately USD 0.027)
Land tax: imposed at a fixed rate per hectare; varies depending on the location, quality and purpose of the land plot	Various Example: rate in Tashkent Zone 1 is UZS 220 million (approx. USD20,300) per hectare

3.7. Taxes for subsoil mineral users

Special rental tax (SRT) on mineral extraction

The SRT was introduced on 1 January 2022. Payers of the SRT are legal entities that mine metals (precious, non-ferrous and/or radioactive metals, rare earth elements and/or those extracted from technogenic mineral deposits) and hydrocarbons in licensed areas where mining will begin after 1 January 2022. Companies operating under production sharing agreements are exempt from the SRT.

The minimum tax rate is set at 25% of the tax base (income determined as the difference between revenue

from the sale of extracted resources, excluding VAT and excise taxes, and the cost of extracting them (i.e., capital and operating expenses and historical expenses). However, if the right to use a subsoil plot for geological exploration or production at a previously explored subsoil plot is put up for tender with respect to certain metal mining or hydrocarbon assets with significant commercial potential, the organizer of the competitive tender or bidders may offer higher tax rates.

Companies with foreign investments which are payers of the SRT are entitled to keep records for tax purposes in US dollars on an accrual basis.

Subsoil use tax

Subsoil use tax is imposed on the extraction of natural resources. Tax is imposed on the sale price of extracted natural resources and their components as well as on waste derived from the extraction or processing of natural resources.

Subsoil use tax	Rate
Energy	2.6%-10%
Precious metals	7%
Non-ferrous metals	7%-10%
Radioactive metals, rare and rare earth elements	2.7%-8%
Ornamental stone materials	10%
Ferrous metals	4%-5%
Mining and chemical materials	3.5%-5.5%
Ore mining materials	3%-7.9%
Construction materials	Various
Mineral products extracted from technogenic mineral deposit	50% of the tax rate for the extraction of the main mineral





3.8. Revenue tax

Legal entities with an annual turnover (revenue) not exceeding UZS 1 billion (approximately USD 92,270) may choose to pay revenue tax (instead of CIT and output VAT). Individual entrepreneurs whose annual revenue is over UZS 100 million (approximately USD 9,227) but less than UZS 1 billion are also eligible to pay revenue tax. The tax base for revenue tax is generally gross revenue (with some adjustments).

Revenue tax rates established for 2021 vary depending on the type of business and location, e.g., from 1-2%

(for wholesale/retail trading in very remote areas) up to 25% (pawnshops, brokerage houses). The standard rate is 4%. The reporting period for revenue tax is a calendar month. The tax return filing deadline is the 15th of the month following the reporting period. The annual tax return must be submitted not later than 15 February of the following year.

3.9. Transfer pricing

Controlled transactions

Under the transfer pricing rules, the following transactions are considered controlled and therefore subject to arm's length principles:

1. Controlled transactions between related (affiliated) parties

Transactions between related parties, including transactions between tax residents of Uzbekistan under certain conditions (e.g., transactions exceeding a materiality threshold of more than UZS 5 billion [~ USD 455,000], transactions with entities that apply tax benefits, etc.).

2. Cross-border controlled transactions

- Cross-border transactions involving goods traded on commodity exchanges (non-ferrous metals, precious metals, mineral fertilizers, etc.)

- Transactions in which one party is a person whose place of registration, place of residence or place of tax residence is an offshore jurisdiction (please refer to Appendix (A.1.) for the list of such countries).

3.10. Tax administration

The tax administration rules in Uzbekistan are complex, and penalties for even minor infringements can be severe.

EY offers comprehensive tax compliance and tax due diligence services to assess in-house tax compliance risks, as well as on-site tax audit support and a full range of tax appeal services.

Tax accounting policy

Starting from 1 January 2020, taxpayers are required to have a Tax Accounting Policy, which they may draw up in any form.

Tax returns

Tax reports (including returns and calculations) must be compiled and submitted by the taxpayer to the local tax authority for their registered address. Legal entities and individual entrepreneurs generally prepare and submit tax reports electronically.

Tax audits

Taxpayers are subject to tax audits, and it is vital to manage the tax audit process. There are various types and categories of tax audit.

Tax audits can cover any period within the tax statute of limitations, which is generally 5 years. Tax audits can be intrusive and time-consuming and may sometimes even result in criminal proceedings.

Assessments

Upon completion of a tax audit, the tax authorities usually issue a tax audit report. If no violations of tax law are discovered, a note to that effect is made in the tax audit report. Otherwise, based on the findings of the report, the tax authorities issue a decision to impose audit-based assessments of taxes and other obligatory payments plus applicable penalties and interest.

Appeals

Taxpayers may, within set time limits, file appeals against decisions of tax authorities in the following order:

1. Appeal to a higher tax authority
2. Appeal to a court (only after step 1 has been completed, unless the decision being contested was issued by the highest tax authority - the State Tax Committee)

Penalties and interest

Interest is charged on late tax payments at one three-hundredths (1/300) of the refinancing rate set by the Central Bank of Uzbekistan (approximately 0.047% based on the refinancing rate effective as at 1 January 2022) for each day of the delay.

Penalties imposed on legal entities for tax violations include the following:

- The penalty for non-registration or late registration by a foreign legal entity carrying on activities leading to a permanent establishment in Uzbekistan is 10% of income earned from the date on which the activities began, but not less than UZS 10 million (approximately USD 923)
- The penalty for late registration as a VAT payer is 5% of revenue received from the registration date required by tax law to the date of actual registration, but not less than UZS 5 million (approximately USD 460)
- The penalty for the understatement of tax liability is 20% of the additionally assessed tax liability
- The penalty for concealing revenue is 20% of the concealed revenue, etc.
- The penalty for non-compliance with the transfer pricing rules is 40% of underpaid tax.

In addition, administrative fines may be imposed on company officers for tax offences. In certain cases, they may also face criminal proceedings.

Overview of other laws that affect business administration



4.1. Employment regulations

The Uzbek Labour Code and other labour regulations apply to both local and foreign citizens, including stateless persons, working in Uzbekistan on the basis of employment agreements with their employers. Furthermore, employment relationships within organizations that are fully or partially owned by foreign legal entities or individuals are also regulated by Uzbek labour law.

An employment agreement with an employee must be concluded in writing. The terms of an employment agreement are determined by mutual consent of the employee and employer and must also comply with the requirements established by the Labour Code and other relevant labour regulations. Employment agreements may be concluded for a fixed or indefinite term. An employment agreement may establish a probation period, which should not generally exceed 3 (three) months.

The Unified National Labour System was implemented from 1 January 2020 with the aim of standardizing and digitalizing employment relations. It serves as an electronic database of individuals' employment histories, effectively replacing the old system of "labour books". The Unified National Labour System includes information on work experience and registered employment relationships, including details (e.g., date, registered number) of

employment agreements, amendments thereto and termination of employment agreements. All employment agreements must be simultaneously registered with the Unified National Labour System.

At the time of writing, a new version of the Labour Code is being drafted. It is expected that the new Code may be enacted during 2022 and will include more extensive provisions on the rights and obligations of employees and employers, as well as provisions aimed at protecting the interests of various categories of employees, regulating the employment of foreign and stateless persons, and establishing personal data protection and processing requirements.

4.2. Work permits

Until 2021, a foreign citizen who came to Uzbekistan to work (i.e., who has been hired under an employment agreement) was able to work in the country only after obtaining a confirmation of the right to work in Uzbekistan ("work confirmation") issued in his/her name on the basis of the permit to hire foreign labour ("work permit") obtained by the employer.

Starting from 2021, the requirement to obtain a work permit was abolished. Instead, a maximum quota for the hiring of foreign personnel is expected to be introduced. At the same time, the requirement to obtain a work





confirmation authorizing a foreign citizen to work in Uzbekistan is expected to remain in force. Updated regulations setting out the new requirements have not yet been published (at the time of writing).

This rule applies to all foreign employees except for those who are specifically exempt, such as employees of ROs accredited by the Accreditation Authority (up to 5 (five) employees) or individuals hired within the framework of intergovernmental treaties.

Although a work confirmation may appear to be a personal work permit for a foreign citizen, it is the responsibility of the employer to apply for it. A work confirmation may not be transferred to other employers. Thus, a foreign employee's employment and his/her work confirmation are attached to that specific employer. Furthermore, only local employers may apply for a work confirmation.

Documents required to obtain a work confirmation must be submitted to a

One-Stop-Shop Centre, after which the documents are transmitted to the government body responsible for issuing work permits and work confirmations - the Agency for External Labour Migration Matters (the "Agency"). As a rule, the Agency has 15 (fifteen) days to review the application and issue a work confirmation.

A work confirmation is issued for a period of one year and may be extended.

In order to create favourable conditions for the attraction of qualified foreign specialists, increase the investment appeal of the Republic of Uzbekistan and stimulate the attraction of competitive human resources, qualified and highly qualified foreign specialists (experts) may be granted work confirmations for up to three years with an unlimited number of extensions.

EY offers a range of legal, tax, payroll and work permit services to help you structure your operations in Uzbekistan efficiently from a human resources perspective and ensure compliance with tax, payroll and labour regulations. Depending on your needs, we are able to offer assistance ranging from ad hoc advisory services to complex structuring advice and complete outsourcing of the HR and payroll function.

4.3. Banking regulations

The banking system of Uzbekistan consists of the Central Bank of the Republic of Uzbekistan and commercial banks. Banking operations in Uzbekistan must be licensed by the Central Bank of the Republic of Uzbekistan.

International financial institutions also operate in Uzbekistan to a certain extent, providing financing to local businesses in the form of loans or equity investments.

The minimum charter capital for banks

is set at UZS 100 billion (approximately USD 8.8 million). Foreign banks, foreign financial institutions and banking institutions with good investment ratings can open subsidiary banks or participate in the capital of local banks subject to certain requirements. Other non-financial foreign entities face stricter requirements, such as a minimum rating requirement for the entity and its origin country and a 50% limit on their ownership interest in the bank.

At present, Uzbekistan is working on re-organizing and privatizing at least 6 local banks, including with the involvement of foreign investors. The main goal of privatization is to reduce the state's share in the banking sector by selling shares in state-owned banks on a competitive basis to investors with the appropriate experience and knowledge. It is expected that privatization will increase the efficiency of banking activities and the availability and quality of financial services, and will enable modern international banking standards, information technology and software products to be introduced to the Uzbek banking system.

EY has a team of professionals who can advise on setting up a bank in Uzbekistan and relevant compliance requirements and provide full support with the financing of local businesses by international financial institutions.

4.4. Currency regulations

Currency law allows cross-border transactions to be carried out in any currency of the parties' choice. However, transactions within Uzbekistan must take place only in soums (UZS), the national currency of the Republic of Uzbekistan (subject to certain exceptions).

Currency operations may be subject to registration and subsequent monitoring, depending on the substance of the transactions.

Generally, legal entities are allowed to purchase foreign currency from commercial banks in order to fulfil their obligations under the following types of international transactions: imports of goods, work and services, repatriation of profits, including dividends, repayment of loans, payment of travel expenses, and certain non-commercial transfers. Individuals generally may also buy and sell foreign currency at banks subject to certain limitations.

The law specifically prohibits payments in foreign currency in the territory of Uzbekistan for goods (work and services), with certain exceptions, such as payments made using international payment cards in accordance with international practice. Prices and tariffs for goods (work and services) sold locally and the charter capital of local companies may only be set in local currency. In addition, state duties and other mandatory payments may be charged, withheld and paid only in local currency.

EY in Uzbekistan



EY was one of the first international advisory firms to commence operations in Tashkent with the opening of its office in 1995. Our firm in Uzbekistan is part of our EMEIA practice, encompassing Europe, the Middle East, India and Africa. In Uzbekistan, EY has an office in Tashkent.

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Our major services

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- ▶ Consulting

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Appendix



A.1. Double tax treaties

The following table lists the withholding rates under Uzbekistan's tax treaties.

Payee resident in	Dividends (I), %	Interest (I), %	Royalties, %	Payee resident in	Dividends (I), %	Interest (I), %	Royalties, %
Austria	5/15 (a)	10	5	Kyrgyzstan	5	5	15
Azerbaijan	10	10	10	Latvia	10	10	10
Bahrain	8	8	8	Lithuania	10	10	10
Belarus	15 (k)	10	15	Luxembourg	5/15 (b)	10	5
Belgium	5/15 (a)	10	5	Malaysia	10	10	10
Bulgaria	10	10	10	Moldova	5/15 (a)	10	15
Canada	5/15 (a)	10	5/10 (e)	Netherlands (I)	5/15 (b)	10	10
China	10	10	10	Oman	7	7	10
Czech Republic	5/10 (b)	5	10	Pakistan	10	10	15
Egypt	5/10 (b)	10	12	Poland	5/15 (c)	10	10
Estonia	5/10 (b)	5	10	Romania	10	10	10
Finland	5/15 (a)	5	0/5/10 (f)	Russian Federation	10	10	0
France	5/10 (a)	0/5 (d)	0	Saudi Arabia	7	7	10
Georgia	5/15 (b)	10	10	Singapore	5	5	8
Germany	5/15 (b)	5	3/5 (g)	Slovak Republic	10	10	10
Greece	8	10	8	Slovenia	8	8	10
Hungary	10	10	10	Spain	5/10 (b)	5	5
India	10	10	10	Switzerland	5/15 (c)	0/5 (d)	5
Indonesia	10	10	10	Tajikistan	5/10 (b)	10	10
Iran	8	10	5	Thailand	10	10/15 (k)	15
Ireland	5/10 (a)	5	5	Turkey	10	10	10
Israel	10	10	5/10 (h)	Turkmenistan	10	10	10
Italy	10	5	5	Ukraine	10	10	10
Japan	5/10 (b)	5	0/5 (i)	United Arab Emirates	5/15 (b)	10	10
Jordan	7/10 (b)	10	20	United Kingdom	5/10 (a)	5	5
Kazakhstan	10	10	10	Vietnam	15 (k)	10	15
Korea (South)	5/15 (b)	5	2/5 (j)	Non-treaty countries	10	10	20
Kuwait	5/10 (b)	8	20				

- (a) The lower rate applies if the beneficial owner of the dividends is a company that owns at least 10% of the payer of the dividends.
- (b) The lower rate applies if the beneficial owner of the dividends is a company that owns at least 25% of the payer of the dividends.
- (c) The lower rate applies if the beneficial owner of the dividends is a company that owns at least 20% of the payer of the dividends.
- (d) The 0% rate applies to interest with respect to the following:
 - Loans made, guaranteed or insured by the government of the other contracting state or an instrumentality or agency thereof
 - Sales on credit of industrial, commercial or scientific equipment
 - Sales on credit of merchandise between enterprises
 - Bank loans
- (e) The 5% rate applies to royalties paid for certain cultural works (with exceptions) as well as for the use of, or the right to use, computer software or patents or for information concerning industrial, commercial or scientific experience (know-how), with exceptions.
- (f) The 0% rate applies to royalties for the use of, or the right to use, computer software, patents, designs or models, or plans. The 5% rate applies to royalties paid for the use of, or the right to use, secret formulas or processes, or for information concerning industrial, commercial or scientific experience (know-how). The 10% rate applies to royalties paid for trademarks or certain cultural works.
- (g) The 3% rate applies to royalties paid for the use of, or the right to use, copyrights of scientific works, patents, trademarks, designs or models, plans, or secret formulas or processes, as well as for the disclosure of industrial, commercial, or scientific knowledge. The 5% rate applies to royalties paid for certain cultural works.
- (h) The 5% rate applies to royalties paid for certain cultural works (with exceptions).
- (i) The 0% rate applies to royalties paid for the use of, or the right to use, copyrights of literary, artistic or scientific works, including motion picture films.
- (j) The 2% rate applies to royalties for the use of, or the right to use, industrial, commercial, or scientific equipment.
- (k) The domestic withholding tax rate for dividends and interest in Uzbekistan is 10%. Consequently, the withholding tax rate of 15% for dividends and interest under treaties does not apply to payments made by Uzbek companies.
- (l) Under the Protocol to the Netherlands-Uzbekistan double tax treaty, withholding tax rates may potentially be reduced to zero if certain conditions are met.



A.2. List of countries with preferential tax regimes

Approved by Decree No. 2467 of the State Tax Committee, State Customs Committee and Central Bank directors of 12 June 2013 (as amended on 12 October 2020)

1. American Samoa
2. Andorra
3. Antigua and Barbuda
4. Aruba
5. Bahamas
6. Barbados
7. Belize
8. Brunei Darussalam
9. Vanuatu
10. United Kingdom of Great Britain and Northern Ireland (only with regard to the following areas):
 - 1) Anguilla
 - 2) Bermuda Islands
 - 3) British Virgin Islands
 - 4) Montserrat
 - 5) Gibraltar
 - 6) Chagos Island
 - 7) Pitcairn Islands
 - 8) South Georgia and South Sandwich Islands
 - 9) Turks and Caicos Islands
 - 10) Cayman Islands
11. Individual administrative units of United Kingdom of Great Britain and Northern Ireland:
 - 1) Channel Islands (Guernsey, Jersey, Sark, Alderney)
 - 2) Isle of Man
12. Grenada
13. Guatemala
14. Djibouti
15. Dominican Republic
16. Dominica
17. Cyprus
18. People's Republic of China, only with regards to:
 - 1) Siangan (Hong Kong)
 - 2) Aomyn (Macao)
19. Costa Rica
20. Cook Islands (New Zealand)
21. Liberia
22. Lebanese Republic
23. Liechtenstein
24. Mauritius
25. Malaysia (only with regard to Labuan Island)
26. Maldives
27. Malta
28. Marshall Islands
29. Monaco
30. Nauru
31. Netherlands Antilles
32. Niue (New Zealand)
33. Panama
34. Republic of Kiribati
35. Republic of Portugal (only with regards to Madeira Islands)
36. Samoa
37. San Marino
38. Seychelles
39. Saint Kitts and Nevis
40. Saint Lucia
41. Saint-Martin Island
42. Saint Vincent and the Grenadines
43. United States of America (only with regard to the following areas):
 - 1) US Virgin Islands
 - 2) Puerto Rico
 - 3) Wyoming State
 - 4) Delaware State
44. Tonga
45. Fiji
46. France (only with regard to the following areas):
 - 1) Kerguelen Islands
 - 2) French Polynesia
47. Sri Lanka
48. Jamaica
49. Uruguay
50. Palau (Pacific Ocean)
51. Philippines

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