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# Deputies adopted the new edition of the Tax Code of Uzbekistan

In Decree of President No.5468 dated June 29, 2019, special attention was paid to:

- ▶ Tax burden reduction;
- ▶ Tax simplification;
- ▶ Improvement in tax administration and in dealing with other issues.

The new edition of the Tax Code introduces a risk analysis program and, in accordance with that, business entities are divided into 3 segments automatically in case of danger.

- ▶ The green path is set for business entities with a low level of risk of tax law violation, and tax inspections are not assigned to them;
- ▶ The yellow path is established for business entities with an average level of risk of tax law violation to which only desk checks are assigned, and the opportunity to correct errors in their own report is provided;
- ▶ The red path is established for business entities with a high level of risk of a tax law violation (tax evasion, falsification of accounting documents and invoices), which will also be under the special control of the tax authority and will be assigned tax inspections and audit checks.

It is important to note that a new mechanism is going to be introduced for the timely refund or offset of the amount of excessively paid tax by the taxpayer or collected by the tax authority. In other words, the tax authority will pay interest on the amount of the refund for each overdue day to the taxpayer. Foreign tourists will be entitled to refund a VAT based on the "Tax-free" principle. The VAT is cancelled upon the gratuitous transfer of property (services). Enterprises with a state share of at least 50% in their charter capital will pay a single social payment at the rate of 12%.

## Practice areas

[TAX](#)

## Locations

**UZBEKISTAN**

