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Entrepreneurs from the Republic of Karakalpakstan will receive additional benefits in Uzbekistan

The President of the Republic of Uzbekistan adopted the Decree “On additional measures to improve the welfare of the population of the Republic of Karakalpakstan through the accelerated development of entrepreneurship, innovative technologies and infrastructures” No. 213 dated August 31, 2022 (the “Decree No. 213”) was adopted.

The main directions for achieving the acceleration of innovation processes were determined:

- ▶ improving the investment and business environment in the region, ensuring youth employment;
- ▶ increasing agricultural production and creating a favorable environment for agribusiness through the efficient use of land and water resources;
- ▶ creation of additional opportunities in the field of education and conditions for raising human capital to a new level of development;
- ▶ expanding the coverage of social protection programs.

According to the Decree No. 213, from January 1, 2023 to January 1, 2028, for entrepreneurs of Karakalpakstan, except for large taxpayers and state-owned companies, income taxes, turnover, property and land tax from legal entities are reduced by 50%, also, social tax is set at 1%. At the same time, the social tax is reduced by 6 or 12 times, depending on the territory where the activity is carried out.

Also, from January 1, 2022 to January 1, 2028, 70% of export costs will be covered by the Export Promotion Agency, the State Fund for Entrepreneurship Support will provide a guarantee of up to 75% of the loan amount.

Young entrepreneurs will be provided with loans for a period of 7 years. As part of the family business development program, an additional UZS 200 billion of loans are allocated.

Other benefits relate to the provision of loans to commercial banks, the creation of an “Investor Support Center”, a reduction in the cost of land plots put up for auction, and others.

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