

## **The state of activities on development of entrepreneurship and the guaranteed provision of revenues to the state budget is considered**



**On September 11, a video conference was held on further development of small business and private entrepreneurship, as well as the guaranteed provision of revenues to the state budget under the chairmanship of the President of the Republic of Uzbekistan Shavkat Mirziyoyev.**

It was noted that in Uzbekistan, a completely new system is being developed for development of small business and private entrepreneurship, the full support of subjects of the sphere, and many bureaucratic obstacles are being removed.

This system provides for the coordinated work of the Prime Minister's Reception Offices for considering appeals from entrepreneurs, the Business Ombudsman, the Chamber of Commerce and Industry, the Ministry of Justice, and economic complex organizations led by first deputy local khokims with coordinating the role of the recently established Agency for Development of Small Business and Entrepreneurship, in the direction of accelerated development of this sphere.

A new concept is being introduced, according to which commercial banks act as business partners of business entities and provide them with financial support.

As a result of adopted systemic measures over the past 8 months of this year, 70 thousand business entities were created, which is 2 times more compared to the same period of the last year.

At the same time, there are many unused reserves and opportunities for business development in the regions. Many local leaders still poorly understand how the new business development system should work.

Over the three months since the opening of the Prime Minister's Reception Offices, over 12 thousand appeals have been received, most of which relate to lending and land allocation issues.

The largest number of appeals was received in Tashkent, Kashkadarya, Andijan and Samarkand regions. Of these, 9 thousand or 75 percent were resolved on the spot,

including 40 percent – directly at the district level. This indicates that before the lower-level managers did not deal with entrepreneurship at all.

In this regard, the Prime Minister was instructed to provide a solution to the appeals of entrepreneurs primarily where they were submitted, as well as to identify problems at the national level and take measures to eliminate them.

The Cabinet of Ministers, together with the Agency for Development of Small Business and Entrepreneurship, has been instructed to regularly discuss the problems set forth in the appeals of business entities to the Prime Minister's Reception Offices, focusing on their solution at the local level.

In particular, the working groups were entrusted with the task of developing practical proposals for specialization of each district and city in a specific direction, having studied their capabilities and features, as well as ensuring the implementation of new investment projects in accordance with these areas. Instruction was also given to conduct an open dialogue with local entrepreneurs on issues and problems of interest to them, and take measures to eliminate obstacles.

The upcoming measures on improving the legislative framework necessary for improving the business climate were considered at the meeting.

In particular, the fact that innovations in doing business, issuing licenses and permits still did not work in full, were criticized.

So, only 103 of 693 or 15 percent of the types of services included in the Unified Register of Public Services are provided through public service centers and in electronic form. This is one of the factors preventing those wishing to be engaged in entrepreneurship.

In this regard, the Ministry of Justice was instructed to develop and submit to the Cabinet of Ministers a draft of the relevant resolution within a month, providing for introduction of online information and consulting services for entrepreneurs, digitalization of all public services that are provided in paper form.

Measures were also identified for the full use of a single electronic system for coordinating construction documents.

In many countries, business entities are divided into 3 categories (small, medium and large business), the state implements a separate support policy for each category. However, in Uzbekistan, the concept of medium-sized business is completely absent, which today plays a special role in development of the economy.

Taking this into account, the Cabinet of Ministers and relevant ministries were instructed to introduce the category of "medium-sized business", to review the criteria for small and large business, as well as within three months to develop specific proposals for state support with mechanisms separate for each category.

During the consideration of the second issue on the agenda of the meeting – the state of providing revenues to the state budget, it was noted that over the past 8 months, revenues were implemented in excess of projected indicators.

Issues of using reserves for increasing revenues, expanding the tax base were discussed. The importance of increasing the collection of fixed tax from individual entrepreneurs, the legalization of shadow employment was noted.

The fact that there are multibillion-dollar uncollected taxes in the city of Tashkent, Surkhandarya and Namangan regions, and the leaders of a number of districts and cities are inactive and continue to fulfill forecast indicators at the expense of large taxpayers, was criticized.

Inspectorate for working with large taxpayers, organized with participation of experts from the International Monetary Fund and the World Bank, is an important factor for studying reserves and increasing tax revenues. It was noted that in order to further increase the effectiveness of this work, it is necessary to transfer large tax payers to electronic invoices and integrate them with computer accounting programs.

Instructions were given to provide assistance to about 30 thousand farms, which are switching from October 1 of this year to the payment of value added tax, in reporting, to implement the appropriate software in all regions.

The Ministry of Finance has been tasked to develop concrete substantiated proposals for reducing the value added tax rate.

For direct work with 20 cities and districts that provide 21 percent of all budget revenues, responsible managers were assigned to them.

Heads of territorial tax departments, who are carrying out poor work on implementation of the state budget revenues, were strictly warned. The President noted that it is strictly forbidden to carry out the forecast by charging an advance payment.

The need for careful study of the draft new version of the Tax Code was noted, taking into account the proposals voiced during discussions with participation of entrepreneurs, experts and representatives of scientific-research institutions.

Reports and proposals of responsible leaders and khokims were heard on the issues discussed at the video conference.

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