

## Fair and stimulating tax system will contribute to production and investment potential development

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**On December 20, a meeting on the issues of full implementation of the new concept of tax policy was held under the chairmanship of the President of the Republic of Uzbekistan Shavkat Mirziyoyev.**

A transparent and fair tax system is one of the most important conditions for economic development. However, the presence of many inaccuracies in the tax administration that was in effect up to now has hampered the development of business, entrepreneurship and investment. The high level of tax rates worked against bona fide taxpayers.

For example, business entities deducted 3.2 percent of the volume of trade to the state trust funds, regardless of how much profit the company received. This tax burden amounted to at least 21 percent of the company's income and hindered the production of competitive and export-oriented products.

To eliminate such problems, alleviate the tax burden and develop a truly market economy, the Concept of Improving the Tax Policy of the Republic of Uzbekistan was developed at the initiative of the Head of the state.

The concept, adopted with the involvement of experts from the International Monetary Fund, the World Bank and other organizations based on the experience of developed countries, provides extensive business opportunities and conditions that make its management as convenient as possible in accordance with international requirements.

Thus, starting from the next year, the types of taxes to be reduced from 19 to 15. The tax rate on profit of legal entities to be reduced from 14 to 12 percent, and the tax on profits in the form of dividends and interest – from 10 to 5 percent.

It is also important that henceforth tax rates will not change sharply, as before, but will be more predictable. This will allow investors to confidently plan long-term business projects.

The above procedure for payment of deductions from trade turnover to be abolished in the new tax concept. As a result, large enterprises will be able to leave more than 5 trillion UZS at their disposal.

Due to these and other indulgences, the International Monetary Fund has recognized the reform of the tax system as one of the greatest success of Uzbekistan.

In short, a new tax administration system has been created. The next task is to ensure its full implementation in practice.

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