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Increase of the Minimum Monthly Wage

In accordance with the Presidential Decree No.ПП-4450 of 5 July 2012 effective from 1 August 2012 the amount of the Minimum Monthly Wage (MMW) is increased from UZS 62,920 to UZS 72,355.

Improvement further liberalisation of business environment

Two Presidential Decrees have been issued with the aim to improve the business climate.

The Presidential Decree No.ПП-4453 of 16 July 2012 reduces statistical, tax and financial reporting requirements, number of activities subject to licensing and permissive procedures. The most notable developments in our view include:

- reduction of the frequency of submission of the “Report on activity of the entity with foreign capital participation” (form #1-TS) from quarterly to annually starting from July 2012;
- reduction of the frequency of submission of the “Breakdown of income of individuals” and “Breakdown of income of individuals exempt from taxation” (attachments #1 and 2 to “Information on amounts of income accrued and actually paid and amount of the personal income tax of individuals withheld” from quarterly to annually starting from 1 January 2013;
- merger of “Calculation of Unified Social Payment” with “Calculation of Contributions of Citizens to Non-budget Pension Fund” into one report. The joint calculation is to be submitted quarterly starting from 1 January 2013;
- reduction of the frequency of submission of VAT, Excise Tax and Subsurface Use Tax returns from monthly to quarterly starting from 1 January 2013;

In additional to the above the Presidential Decree No.ПП-4455 of 18 July 2012 introduced a number of measures directed at simplification and increase of transparency of entrepreneurial activity. For instance, the Decree provides that:

- requirement for partial contributions to the charter capital prior to the state registration of legal entities (except for credit organisations) will be abolished;
- fee for issuance of an electronic signature by the Registration Centre of the State Tax Committee will decrease from 20% to 10% of the MMW,
- registration of export /import contracts by the authorised banks shall be performed within 8 hours;
- requirement for notarisation of the signature cards for opening bank accounts will be cancelled;
- duration of formalisation of customs documents and issuance of a certificate of origin will be reduced to 3 days;
- procedure of confirming the country of origin of the imported goods will be abandoned;
- pecuniary damage to a legal entity, which does not have State’s share in its charter capital, by its manager or employee in the absence of formal allegations from an authorised officer, owner or governing body of the legal entity shall not lead to criminal or other state imposed liability.

The full versions of the decrees above in Russian are available at your request.
New Double Tax Treaty

Convention between the Government of the Republic of Ireland and the Government of the Republic of Uzbekistan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Property was signed during the visit of the Chairman of the State Tax Committee of the Republic of Uzbekistan Botir Parpiev to the Republic of Ireland, which was conducted on 8 – 13 July 2012.

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