RYSKIYEVA & PARTNERS

Uzbekistan Tax Guide

For Investors

2026

Corporate and individual taxation
Cross-border transactions and investment incentives
Practical examples and key tax rates

As of 1 October 2026

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General Part

1 Introduction

Investors need to assess taxes throughout a project: when contributing capital, acquiring equipment, conducting business, distributing income to shareholders and selling the business. The overall burden depends not only on the corporate income tax rate, but also on value added tax, withholding taxes, the tax treatment of real estate and the conditions for claiming incentives.

This guide is intended for foreign companies, their owners and managers, and individuals investing in Uzbekistan. It covers ordinary commercial activities, cross-border payments and investors' personal income. Banking, insurance, mining and other regulated projects require additional sector-specific analysis.

This guide has been prepared as of 1 October 2026. Numerical examples are illustrative. Unless expressly stated otherwise, the rates shown are general domestic rates without the application of a tax treaty or a special incentive. For a particular transaction, the version of the relevant provision in force when the tax liability arises should be considered.

2 Uzbekistan's Tax System

The Tax Code is the principal source of regulation. Customs payments are also governed by the Customs Code and specific legislation. International tax treaties may establish different rules for the taxes they cover. Certain incentives and transitional provisions are set out in laws and presidential acts.

The Tax Committee and territorial tax authorities administer domestic taxes; customs authorities administer payments arising when goods cross the border. Companies maintain tax records and submit returns predominantly electronically. Paying tax, filing returns and fulfilling tax agent obligations are separate duties.

For financial modelling, it is useful to distinguish the company's own taxes, amounts withheld from payments to employees and counterparties, and taxes payable by the owner. Foreign ownership does not in itself exempt an Uzbek company from tax.

3 Tax Residence

A company incorporated under Uzbek law is a tax resident of Uzbekistan even if all its shareholders are foreign persons. A foreign organisation may also be treated as a resident under an international treaty or by reference to its place of effective management. Moving key management functions to Uzbekistan requires a separate assessment.

For individuals, residence is determined primarily by physical presence and the additional criteria in Article 30 of the Tax Code. Citizenship, a residence permit and shareholder status do not replace this analysis. Detailed rules are set out in Section 28.

Legal basis: Tax Code, Articles 2, 17, 30, 33 and 34.

Part One Taxation of Legal Entities

4 Corporate Income Tax

Corporate income tax applies, in particular, to Uzbek companies under the general tax regime and to foreign companies' income attributable to a permanent establishment. The standard rate is 15 per cent. Special rates apply to banks and certain other categories; zero rates and exemptions are available for certain activities.

Taxable profit is determined under the Tax Code and may differ from accounting profit. Deductible expenses are subtracted from aggregate income, subject to adjustments. An expense must relate to income-generating activities and be supported by documents. A contract and payment alone do not always establish that a service was actually provided.

Group management, advisory services, intellectual property use, interest and staff secondments are significant expense categories for investors. The nature and outcome of the service, the beneficiary and the reasonableness of the price should be substantiated. The acquisition of a long-term asset is normally recognised through the statutory depreciation mechanism rather than as an immediate operating expense.

Not all costs reduce the tax base. Items to be reviewed include expenses expressly classified as non-deductible by law, owners' personal expenses, unsupported payments and amounts exceeding specific limits. Provisions, bad debts, exchange differences and receipts without consideration are subject to separate accounting rules.

Tax losses may be carried forward under Article 333. The tax base is reduced at the end of the tax period, subject to the order in which losses are used and specific restrictions. When acquiring a company, an accounting loss does not itself establish entitlement to a corresponding tax deduction.

Example. Revenue of UZS 10 billion and deductible expenses of UZS 8 billion produce taxable profit of UZS 2 billion. At 15 per cent, tax is UZS 300 million. This example excludes incentives, loss carryforwards and special adjustments.

Before launching a project, a company should prepare its tax accounting policy, expense substantiation procedures and depreciation calculations. Payments to overseas suppliers require a separate review of withholding tax and VAT obligations.

Legal basis: Tax Code, section on corporate income tax, Articles 305, 310, 317, 333, 337 and 339–342.

5 Turnover Tax

Turnover tax is calculated on the statutory income base rather than profit. The general rate for legal entities is 4 per cent; special rates apply to certain activities and territories. High costs or temporary losses do not in themselves eliminate the obligation to pay this tax.

From 1 June 2026, Presidential Decree No. UP-100 sets the income threshold for switching to the general tax regime at 12,000 base calculation units. The former general benchmark of UZS 1 billion therefore cannot be used without taking the new rules into account. The threshold should be calculated using the applicable base calculation unit and checked as of the transition date.

Eligibility also depends on the type of activity. The Tax Code contains exclusions, including for certain producers of excisable goods, mining businesses and other categories. Decree No. UP-100 abolished mandatory VAT payer status arising solely from importing goods. This change does not exempt imports from VAT or remove other grounds for switching to the general tax regime.

Foreign ownership is not an independent restriction on an Uzbek company’s use of turnover tax. However, this regime cannot automatically be extended to a foreign organisation’s permanent establishment. A local subsidiary must be distinguished from the non-resident’s own activities.

When choosing a regime, investors should compare turnover tax, corporate income tax and the economic impact of VAT. A low-margin company with substantial VAT-bearing purchases may obtain a different result from a service company with low costs. Whether customers need an input VAT credit also matters.

Example. On revenue of UZS 1 billion, turnover tax at the general rate is UZS 40 million regardless of ordinary expenses. On profit of UZS 100 million, corporate income tax at 15 per cent would be UZS 15 million, but a direct comparison is incomplete without considering VAT and other obligations.

From 1 January 2026, an additional transitional incentive is available to turnover tax payers switching to corporate income tax for the first time. These taxpayers are exempt from corporate income tax, other than tax on dividend and interest income, for one tax period following the year of transition.

The incentive applies subject to the conditions in the Tax Code and does not extend to taxpayers created through reorganisation. When switching to the general tax regime, investors should separately verify the transition date, the company’s tax status history and eligibility for this incentive.

Income, taxpayer status, grounds for exclusion from the regime and the timing of transition should be monitored monthly. Splitting a single business between companies solely to retain a preferential regime creates tax risk.

Legal basis: Tax Code, Articles 461–470; Presidential Decree No. UP-100 of 26 May 2026, paragraphs 2 and 9.

6 Value Added Tax

The general value added tax rate is 12 per cent. VAT arises on taxable supplies of goods and services and on imports of goods. Certain transactions are zero-rated or exempt. These treatments have different consequences for input VAT credits.

Under the standard rules, tax payable is the difference between output VAT and amounts lawfully available as input credits. The acquisition and intended use of goods or services, invoices or customs documents, and compliance with other credit conditions must be substantiated. Businesses carrying out both taxable and exempt transactions must maintain appropriate separate records.

Example. A sale of UZS 100 million excluding VAT generates UZS 12 million in output VAT. If UZS 7 million in input VAT is creditable, UZS 5 million remains payable. The outcome may differ where an exemption, adjustment or denial of credit applies.

When purchasing services from a foreign person, the place of supply must be determined. If it is Uzbekistan, the local purchaser may have tax agent obligations. Income tax on the foreign supplier’s income and VAT on its services are assessed independently. Receiving payment from abroad also does not automatically qualify an export of services for zero-rating.

From 1 June 2026 until 1 January 2030, a voluntary simplified procedure is available to businesses whose principal activity is catering, trade or services. It does not apply to large taxpayers or enterprises with state ownership of 50 per cent or more.

Under this procedure, VAT is charged at 6 per cent on all sales turnover, while corporate income tax is charged at 0 per cent and corporate income tax reporting is abolished. Input VAT is not creditable; existing incentives and the partial VAT refund available under the standard procedure do not apply, and accumulated excess input VAT is written off. Purchasers may credit the VAT charged to them subject to the general requirements.

Entry into or withdrawal from the simplified procedure takes effect on the first day of the month following the month in which notification is submitted. Before choosing it, businesses should calculate the effects of purchases and imports, remaining assets, existing incentives and their customer profile. The 6 per cent rate is not the general VAT rate for all companies.

Legal basis: Tax Code, section on VAT; Presidential Decree No. UP-100, paragraphs 5–9.

7 Withholding Taxes

When paying Uzbekistan-source income to a foreign company, the local payer may act as a tax agent. As a general rule, a non-resident's income unconnected with a permanent establishment is subject to withholding tax; special rules apply to the tax base for certain categories of income.

Domestic rates for foreign legal entities are: dividends and interest, 10 per cent; insurance premiums, 10 per cent; international transportation and related telecommunications income, 6 per cent; and other taxable income, including royalties, 20 per cent. A 0 per cent rate applies to certain financial transactions. Incentives for shares and relief under international treaties are considered separately.

Before payment, the income category, source, connection with a permanent establishment and availability of treaty relief should be established. It is incorrect to tax every overseas transfer at a single rate or to treat every foreign service as exempt. Under a mixed supply, installation and licensing contract, the price components should be allocated on a substantiated basis.

The contract should specify whether the price includes withholding tax. If the supplier is promised a net amount after all deductions, the purchaser's costs may increase. For a net payment of 100 and a 20 per cent rate, the gross income is 125 and the withholding is 25. This is an illustrative example excluding VAT.

Legal basis: Tax Code, Articles 351–358 and 483.

8 Taxation of Non-resident Companies

A foreign organisation may receive income from Uzbekistan without a permanent establishment or conduct activities there that create one. The first case generally requires an assessment of withholding tax; the second requires the company to calculate profit attributable to its local activities.

An ordinary cross-border supply of goods and a comprehensive project involving installation have different consequences. Signing the contract abroad and maintaining an overseas bank account do not in themselves rule out Uzbekistan-source income or a local taxable presence.

Before work begins, the operations should be mapped: who enters into the contract, where employees are located, who controls the premises, which services are performed locally and how long the project lasts. Foreign electronic services, staff provision, property leasing and sales of interests in an Uzbek company require separate assessment.

Registering a representative office, or having no registered local unit, does not automatically resolve the issue. Tax consequences depend on actual activities. If a project changes, the assessment must be updated before the next payment or contract extension.

Legal basis: Tax Code, Articles 36 and 347–358; the applicable international treaty.

9 Permanent Establishment

A permanent establishment is a tax characterisation of a foreign company's activities, not a separate legal form. It may arise through a fixed place of business, a construction site, services provided by personnel or the activities of a dependent agent.

Fixed places of business include an office, a place of management, a production site and a warehouse used as a sales outlet. Exceptions for storage, purchasing or information gathering require the activities to be genuinely preparatory or auxiliary. If they constitute a core business function or part of a single group project, the unit's formal description is insufficient.

The domestic rule for a construction site, installation or assembly project and related supervision uses a period exceeding 183 days in any consecutive twelve-month period. Services provided through personnel for the same or a related project are subject to a threshold of at least 183 days. These formulations differ; an international treaty may establish different conditions and time limits.

Periods involving related companies and interconnected work may be aggregated. Dividing a single project into several contracts does not guarantee that no permanent establishment arises. An agency presence may also arise where a local person habitually concludes contracts or plays the principal role in their conclusion on behalf of the foreign company.

A permanent establishment creates obligations to register for tax, account for attributable income and expenses, file returns and pay taxes. In addition to corporate income tax, the non-resident's net profit is subject to further taxation: under domestic rules, it is treated as dividends and taxed at 10 per cent, subject to possible treaty relief. This rule should not be linked exclusively to an actual remittance to the head office.

Example. A foreign contractor plans a short equipment installation but later accepts additional work and keeps its team on site. The extension may change the tax outcome for the entire project. The analysis should be carried out before signing an addendum, including the consequences from the commencement of activities.

Legal basis: Tax Code, Articles 36, 130, 347 and 353; the applicable international treaty.

10 Double Tax Treaties

An international treaty may limit Uzbekistan's right to tax particular income, reduce a withholding rate or establish a different permanent establishment threshold. The applicable treaty is the one with the income recipient's state of tax residence, not automatically the state in which an intermediary payment provider is registered.

The review should proceed in sequence: whether the treaty applies to the relevant period; whether it covers the recipient and the tax; how the income is classified; whether relief is available; and whether documentary requirements are met. Business profits, dividends, interest, royalties and gains from disposals of property are governed by different treaty articles.

A tax residence certificate must cover the relevant period and be issued by the competent authority. Article 358 specifies documentary requirements and exceptions to legalisation, including confirmation published on the competent authority's official website. It is therefore incorrect to require an apostille for every document without checking the exceptions.

For income subject to the relevant test, beneficial ownership must be established. A company that merely passes receipts to another person without independently controlling them may fail this test. Its functions, obligations to pass on the income and the substance of the structure are examined.

Documents should preferably be obtained before payment. If entitlement to relief is not substantiated, the tax agent should assess withholding under domestic rules and the subsequent refund procedure. A counterparty's promise to provide a certificate later does not replace documentary support.

Example. A contract provides for interest payments to a foreign shareholder. Even where a treaty exists, its interest article, beneficial ownership, related-party restrictions and the residence certificate must be checked. The borrower's interest deduction must be reviewed at the same time; reduced withholding does not guarantee deductibility.

A separate file for each country and payment category is recommended. It should retain the treaty text, certificate, rate calculation, evidence of beneficial ownership and details of the withholding procedure applied.

Legal basis: Tax Code, Articles 6, 357 and 358; the specific international treaty in force and its protocols.

11 Transfer Pricing

Transfer pricing rules allow the terms of controlled transactions to be tested against those between independent parties. For an international group, this is particularly important for supplies, loans, management services, technology transfers and the use of trademarks.

Not every related-party transaction automatically qualifies as controlled on the same basis. The parties, cross-border nature, type of goods, specified jurisdictions and value thresholds must be checked. A threshold for one category cannot be applied to another.

The analysis covers the parties' functions, assets used, risks assumed and comparability of terms. Depending on the transaction, the methods prescribed by the Code apply, including the comparable uncontrolled price, resale price, cost plus, transactional net margin and profit split methods.

A group policy does not replace local documentation. The list of controlled transactions, notification obligations, sources of comparables and retention of calculations should be determined in advance. A price adjustment may affect profit but does not automatically resolve all VAT, customs valuation and withholding tax issues.

Legal basis: Tax Code, section on tax control in transfer pricing, Articles 176–202.

12 Related-party Transactions

Related-party status is assessed by reference to equity participation, control, management and other statutory circumstances. Investors should map the entire group, including indirect ownership and the persons who actually make decisions.

For intragroup services, it must be demonstrated that the Uzbek company received a specific service and an economic benefit. Useful evidence includes assignments, reports, correspondence, deliverables, time records and a reasonable method of allocating total costs. A generic description such as "management services" makes a deduction harder to substantiate.

Licensing requires a review of ownership of the rights, scope of use, territory, term and fee calculation. Loans require a review of financing needs, interest rates, security and deduction limits. Applicable corporate transaction approval rules must also be observed.

The contract, arm's length price and actual performance must be consistent. A payment may be recharacterised according to its substance, so its formal description does not eliminate the risk of additional tax assessments.

Legal basis: Tax Code, Articles 14, 37, 305 and 310, and the transfer pricing rules.

13 Financing and Capitalisation

A project may be financed through equity contributions, shareholder loans, bank loans or a combination of these sources. An equity contribution increases equity; a loan creates a repayment obligation and usually interest expense. Principal repayments and interest payments have different tax consequences.

Interest deductibility is subject to more than documentary support and an arm's length rate. Article 310 establishes rules for controlled debt owed to certain foreign shareholders, their related parties and creditors whose claims are secured by such persons.

If controlled debt exceeds equity by more than three times, a special calculation of the deductible limit applies. A thirteen-to-one ratio applies to banks and organisations engaged exclusively in leasing. This is a condition for calculating the tax deduction, not a general prohibition on borrowing.

Before advancing a loan, investors should model equity at reporting dates, exchange rate movements, interest expense and withholding tax on interest payments. Formal compliance with the debt-to-equity ratio does not remove the need to check arm's length terms and other requirements.

Legal basis: Tax Code, Article 310 and the transfer pricing rules.

14 Dividend Payments and Profit Repatriation

Dividends are paid out of profit subject to corporate restrictions, a decision of the competent governing body and tax rules. Corporate income tax and tax on a shareholder's dividends represent different levels of taxation.

The general domestic rate on dividends paid to a foreign company is 10 per cent. A temporary 5 per cent rate under Article 483 applies to dividends on shares paid to foreign legal entities. It cannot automatically be applied to profit distributions on participation interests in a limited liability company. A tax treaty or special regime may change the outcome.

Example. A company pays UZS 15 million in tax on UZS 100 million of taxable profit. If the remaining UZS 85 million is distributed in full to a foreign shareholder and withholding is 10 per cent, the shareholder receives UZS 76.5 million. The combined burden in this illustrative example is UZS 23.5 million.

A remittance requires the distribution resolution, a calculation of distributable profit, shareholder documents, the withholding calculation and evidence supporting relief. The bank may request confirmation of the transaction's economic substance. The choice between dividends, interest and service fees must reflect the parties' actual relationship.

Legal basis: Tax Code, Articles 41, 353 and 483; the applicable international treaty.

15 Employment Taxes

An Uzbek company generally withholds personal income tax from an employee's taxable income and pays social tax at its own expense. The general rate is 12 per cent for each tax; exceptions apply to certain employers, employees and regimes.

Example. On gross taxable salary of UZS 10 million, withholding at 12 per cent is UZS 1.2 million. The employer's social tax at 12 per cent is a further UZS 1.2 million. This example assumes identical tax bases and no incentives; other mandatory calculations are analysed separately.

Remuneration may include bonuses, housing, education and transport costs, and payments from a foreign parent company. Each component must be reviewed separately: expense reimbursement is not always tax-exempt, and paying salary into an overseas account does not preclude Uzbek taxation.

Where foreign personnel are provided, the employer, the party bearing the costs, tax agent obligations and the personnel provider's permanent establishment risk must be determined. Immigration documents do not replace tax registration and the calculation of liabilities.

Legal basis: Tax Code, sections on personal income tax and social tax, Articles 381, 382 and 405.

16 Property Tax and Land Tax

The general corporate property tax rate is 1.5 per cent. The tax applies to assets specified in the Code, primarily real estate. It cannot be applied to the company's total asset value without identifying the taxable property and tax base.

For real estate, the average annual net book value or other applicable basis, minimum tax values and special rules for non-residents must be checked. Construction unfinished within the prescribed period is generally subject to a special 3 per cent rate; other rates apply to certain infrastructure assets.

Land tax depends on the category, location, area and rights to the plot. Territorial rates and coefficients are relevant for non-agricultural land; agricultural land is subject to separate rules. Land rent and land tax should not automatically be added together without checking the legal basis.

When acquiring property, investors should review cadastral records, area, designated use, commissioning date, land rights, incentives previously applied and outstanding liabilities. Purchasing a building does not remove the need to separately formalise and assess rights to the land.

Legal basis: Tax Code, chapters on corporate property tax and land tax, Articles 411–417, and relevant territorial decisions.

17 Taxation of Natural Resources

The general corporate income tax rate is insufficient for assessing a mining or industrial project. Depending on the activities, subsoil use tax, the special rent tax on mineral extraction, water use tax and other statutory payments may arise.

The tax base and rate depend on the resource, extraction conditions, output value or volume, and special provisions. There is therefore no single "natural resources tax" rate. A resource use licence or permit does not replace tax obligations.

The financial model should separately account for exploration, extraction, processing, process losses, water consumption and project closure. Water use tax may also be relevant to businesses that do not extract minerals.

Production sharing agreements and other special legal bases for activities require particular attention. Their tax treatment is determined by the combined effect of the Code, sectoral regulation and terms lawfully established in the relevant documents.

Legal basis: Tax Code, sections on resource taxes and the chapter on special rules for production sharing agreements.

18 Customs Payments and Imports

Imports of equipment, raw materials and goods require calculations of customs duty, import VAT, excise tax where applicable, and customs fees. The amount depends on the goods' classification, customs value, country of origin, selected procedure and available relief.

The general import VAT rate is 12 per cent. The base is determined under customs rules, including payments required to be included. The importer's entitlement to an input credit is assessed separately; a turnover tax payer or a business using the simplified VAT procedure does not receive it automatically.

Before shipment, businesses should check the commodity classification code, origin documents, freight and insurance costs, licensing requirements and the inclusion of related payments in the customs value. Intragroup prices may require further substantiation.

Contributing imported assets to charter capital does not create a universal exemption from customs duty and VAT. Relief must have a specific legal basis covering the importer, goods and purpose of importation. Restrictions on subsequent sale or use of the equipment should be checked in advance.

Excise tax may also arise on domestic production or sales of certain goods. An excisable-goods project requires an additional review of rates, marking requirements, record-keeping and restrictions on special tax regimes.

Legal basis: Customs Code; Tax Code, sections on VAT and excise tax; applicable tariff and relief legislation.

19 Tax Incentives and Preferences

An incentive should be treated as a conditional element of the financial model: its application depends on status, activity, territory, investment amount, time limits and compliance with obligations. The foreign origin of capital does not in itself guarantee a tax holiday.

The Tax Code provides special tax incentives for certain legal entities established with foreign direct private investment. Subject to Articles 471 and 472, property tax and land tax relief may be available.

Eligibility depends, in particular, on the activity, the enterprise's location, the form and level of foreign participation, the nature of the investment and compliance with requirements governing its use. Foreign investment must meet the statutory criteria for foreign direct private investment.

One condition is a prescribed minimum level of foreign participation: generally at least 33 per cent of charter capital, or at least 15 per cent for joint-stock companies. Legislation also prescribes requirements for the form of investment and the use of income generated through the incentives.

The presence of a foreign shareholder does not in itself confer entitlement to tax incentives. Before making an investment decision, investors must verify that the specific project meets all conditions of the special regime and check the duration of the applicable preferences.

A separate record should be prepared for each incentive: its legal basis; the tax and transactions covered; the beneficiary; commencement and expiry dates; continuing conditions; documents; and consequences of non-compliance. Zero-rating, exemption, accelerated depreciation, deferral and refunds produce different economic outcomes.

Preferences may be available for special economic zones, technology businesses, particular sectors, territories and investment projects. The grant of one incentive does not imply exemption from tax agent obligations, import payments or reporting.

In 2026, the date on which status was obtained and transitional rules are particularly important. For example, the form of corporate income tax relief for new special economic zone participants has changed. When comparing locations, an investor must use the terms available to its own project, not those enjoyed by an existing enterprise that obtained status earlier.

Legal basis: Tax Code, Articles 75, 471, 472, 473, 474 and 483; specific legislation.

20 Special Economic Zones

To apply the regime, a business must obtain participant status and conduct the activities specified in its investment agreement. Merely being located near a zone or renting premises within it does not establish entitlement to incentives.

Article 473 provides special tax incentives for participants in special economic zones. Their scope and duration depend on the tax, investment amount, date of obtaining participant status and compliance with statutory conditions.

For participants covered by the previous corporate income tax exemption model, the exemption lasts 3, 5 or 10 years, depending on investment volume, for the respective investment bands of USD 3–5 million, USD 5–15 million and USD 15 million or more.

For taxpayers obtaining special economic zone participant status on or after 1 April 2026, the previous 3-, 5- or 10-year corporate income tax exemption does not automatically apply. These participants receive corporate income tax relief in the form of accelerated depreciation of depreciable fixed assets, under the procedure and for the period specified in Article 473 of the Tax Code.

Accordingly, an assessment of a special economic zone’s tax regime should first establish when participant status was obtained, the investment amount and the version of the legislation applicable to the project.

The corporate income tax incentive period is linked to the commissioning of the production or service facility. Activities covered by the agreement must be accounted for separately from other operations. Loss of status ends entitlement to incentives under Article 474; customs preferences must be checked separately.

Legal basis: Tax Code, Articles 473 and 474; legislation on special economic zones.

21 Taxation of Information Technology Businesses

A special package of incentives is available to companies holding resident status in the Technology Park of Software Products and Information Technologies. Incorporating an ordinary software development company does not automatically confer this status: admission to the prescribed regime and compliance with activity requirements are necessary.

The current preferential regime provides exemptions from the resident's taxes, including social tax, and a 7.5 per cent tax rate on employees' employment income, subject to the conditions. Equipment import relief has separate restrictions. Resident status must not be interpreted as exempting every payment, transaction and counterparty of the company.

A resident must monitor its permitted activities, agreement with the directorate, reporting, mandatory contributions and conditions for retaining status. Contributions to the directorate should be included in the financial model separately from taxes. For mixed activities, income classification and the permissibility of transactions are particularly important.

From 1 February 2025 until 1 January 2040, a 5 per cent rate applies to dividends of foreign shareholders in park residents whose exports exceed 50 per cent of total income. Application requires evidence that the prescribed conditions are met; it is not a general rate for every foreign owner of a technology company.

From 1 January 2028 until 1 January 2040, the extended tax regime will not apply automatically to all Technology Park residents. Entitlement to the relevant incentives depends on compliance with statutory criteria for particular categories of residents.

In particular, for certain residents, exports of permitted activities must exceed 50 per cent of total income. Special conditions also apply to certain organisations providing information technology education.

The extended regime does not provide VAT exemption to the same extent as for certain other taxes. For long-term investment projects, the tax model should therefore be calculated separately for the period before 1 January 2028 and the period from that date, checking the particular resident's entitlement to retain the relevant incentives.

Export contracts require a review of the place of supply of services, rights to the software developed, documentation of deliverables and receipt of foreign currency proceeds. Hiring overseas specialists and purchasing services from foreign companies require separate analysis of withholding taxes, VAT and permanent establishment issues.

Before acquiring an existing resident, investors should review its status history, revenue composition, compliance with obligations to the directorate and the tax consequences of possible exclusion. A company's preferential status does not replace an assessment of its shareholders' taxes.

Legal basis: Presidential Decree No. UP-5099 of 30 June 2017; Decree No. UP-157 of 14 October 2024; Tax Code, Article 483; current Technology Park residency rules.

22 Taxation of Business Acquisitions and Disposals

The tax outcome depends on whether the transaction concerns participation interests or shares in a company, or its individual assets. In a purchase of ownership interests, the legal entity continues to exist with its tax history. In an asset acquisition, the consequences are determined for each asset and for the seller's and purchaser's transactions.

A foreign person's sale of an interest in an Uzbek company may generate Uzbekistan-source income even if the contract and settlement take place abroad. Certain transactions also require consideration of indirect disposals and rules for companies whose value derives from local real estate. The specific basis must be checked under the Code and the applicable treaty.

Documents supporting the acquisition of the interest, actual costs and disposal price are important when calculating income. Tax should not automatically be withheld on the full price, nor should the base always be assumed to be the gain, without checking specific requirements and substantiating costs.

The purchaser needs to review returns, incentives, controlled transactions, withholding taxes, disputed VAT amounts, property and ongoing audits. The contract should allocate responsibility for prior-period taxes, indemnification procedures, access to documents and the seller's participation in disputes.

Legal basis: Tax Code, rules on asset disposals, non-resident income and tax agents; the applicable international treaty.

23 Real Estate Taxation

Real estate acquisitions, disposals, leases and construction require separate analysis of VAT and corporate income tax. Tax on property ownership, discussed in Section 16, does not replace taxes on transactions involving that property.

Before a transaction, the property's designated use, the seller's legal status, the rights transferred and the applicability of VAT exemption must be established. Land, construction in progress, residential and non-residential premises require separate review. There is no single regime for all real estate.

The landlord earns rental income; the tenant's entitlement to expense deductions and input VAT credits must be assessed. Repairs, inseparable improvements, security deposits and reimbursement of utility costs need to be classified in the contract and accounting records. Minimum rental rates for tax purposes may affect the tax base.

A foreign property owner should check local tax registration, the tenant's tax agent obligations and permanent establishment risk. Before construction begins, the treatment of accumulated costs, commissioning date and consequences of exceeding prescribed completion periods must be determined.

Legal basis: Tax Code, sections on VAT, corporate income tax, property and land; applicable legislation on minimum rental rates.

24 Tax Reporting

Following business registration, companies must check their tax registration, chosen regime, electronic signature, access to the taxpayer's online account and the authority of those filing returns. Outsourcing accounting does not relieve the company or its director of statutory obligations.

The calendar should cover the company's own taxes and its tax agent obligations. Under the general rules, VAT returns are filed monthly by the 20th of the following month; corporate income tax returns are due by the 20th of the month following the reporting period, and annual returns by 1 March of the following year. Special regimes and certain categories have exceptions.

Monthly corporate income tax advance payments must be considered separately: where Article 340 applies, they are due by the 23rd. The current general income threshold for these advances is UZS 20 billion. Withholding deadlines must be checked for each payment category.

Automatically generated returns must be reconciled with the accounting records. Submission confirmations, tax authority notices and acceptance results should be retained. Bank payments, taxpayer account records, invoices, customs data and employee information should be reconciled. Deadlines falling on non-working days are determined under the applicable extension rules.

Legal basis: Tax Code, general reporting rules, Articles 273, 339 and 340, and special chapters for individual taxes.

25 Tax Audits

The Code distinguishes desk inspections, on-site inspections and tax audits. A desk inspection is based on returns and information held by the tax authority; an on-site inspection concerns specific obligations; a tax audit examines the correct calculation and payment of taxes over a specified period.

Pre-inspection automated analysis is not the same as a tax audit. A notice received through the taxpayer's online account must be assessed within the prescribed time: a discrepancy may result from a counterparty's error, the recognition date or incorrect classification of a transaction.

The company should verify the grounds and scope of the inspection, the inspectors' authority, the period reviewed and time limits. Documents should be supplied with a record of their contents and submission date; explanations must be consistent with accounting data. Objections to the inspection report and appeals against the final decision are distinct stages of defence.

For small businesses, Decree No. UP-100 provides temporary opportunities to remedy independently the consequences of certain breaches identified by risk assessment software. These apply subject to the prescribed conditions and do not constitute a general ban on inspections.

Legal basis: Tax Code, Articles 137–140 and rules on recording tax control results; Decree No. UP-100, paragraph 11.

26 Liability and Penalties

Tax exposure includes unpaid tax, late-payment interest and statutory financial penalties. Paying a fine does not replace payment of the tax itself. In certain cases, breaches may also give rise to administrative or criminal liability for the relevant persons where the statutory elements of an offence are established.

Liability depends on the breach: failure to file, incorrect withholding, record-keeping violations, understatement of the tax base and other circumstances. A single percentage surcharge cannot be applied to all tax errors. Calculating late-payment interest requires checking the overdue period, applicable rate and grounds for cessation of accrual.

When an error is identified, the company should determine whether returns can be amended, what amounts must be paid and whether the conditions for relief from liability are met. Voluntary correction does not unconditionally guarantee cancellation of penalties, particularly after the relevant tax control procedure has begun.

Internal procedures should cover monitoring notices, making provision for disputed amounts, retaining documents and approving cross-border payments. An agreement with an accountant or adviser should define the scope of services and liability, but it does not transfer the statutory tax obligation to the service provider.

Legal basis: Tax Code, provisions on late-payment interest, tax offences and liability; relevant administrative and criminal legislation.

27 Tax Disputes

Tax authority decisions and officials' actions or inaction may be appealed to a higher tax authority or a court under the prescribed procedure. At the outset, the challenged act, remedy and deadline must be precisely identified, rather than merely submitting a general statement of disagreement.

For appeals to a higher authority against a decision following an on-site inspection or tax audit, Article 232 provides a one-month period from the date when the person became or should have become aware of the infringement of their rights. The appeal is submitted through the authority that made the decision. Deadlines for other applications and court challenges must be checked separately.

Under Article 231, an appeal to a higher authority or court suspends enforcement of the challenged decision or action to the extent provided by that article. The taxpayer must notify the authority whose decision or action is challenged and attach supporting documents. The practical implementation of the suspension must be monitored.

The appeal should include the decision, a calculation of the disputed amount, evidence that the transactions actually occurred and legal arguments. In cases of erroneous collection or an unapplied credit, the taxpayer's account and implementation of a refund decision should also be checked. Investors should retain documents also needed to eliminate double taxation abroad.

Legal basis: Tax Code, Articles 230–236; procedural legislation.

Part Two Taxation of Individuals

28 Tax Residence of Individuals

Under the general rule, an individual is a tax resident if present in Uzbekistan for a total of more than 183 calendar days in any consecutive twelve-month period beginning or ending in the relevant tax period. Counting only from January to December may produce an incorrect result.

The Code provides an additional basis: presence in Uzbekistan for fewer than 183 days, but longer than in any other state during the relevant tax period. Status may also be assessed early upon application with supporting documents. Special rules apply to certain periods spent abroad, with exceptions for specified categories of persons.

In cases of dual residence, the relevant international treaty applies. Permanent home, centre of vital interests, habitual abode and other criteria are considered in the sequence it prescribes. Citizenship or purchasing an apartment does not in itself replace this analysis.

Investors and family members should keep a travel calendar and retain evidence of border crossings, accommodation, employment and overseas status. The assessment should be made before relocation and repeated at year-end, since a change in status affects foreign income.

Legal basis: Tax Code, Article 30; the applicable international treaty.

29 Personal Income Tax

Tax residents are generally taxed on income from Uzbekistan and foreign sources, while non-residents are taxed on Uzbekistan-source income. Exemptions, treaty limitations and the treatment of particular income categories must be checked separately.

The standard rate for a resident is 12 per cent; dividends and interest are generally taxed at 5 per cent. For a non-resident, employment income, income under civil-law contracts and other income outside special categories are taxed at 12 per cent; dividends and interest at 10 per cent; and relevant international transportation income at 6 per cent.

These rates do not mean that every bank transfer is income. The return of one’s own funds or loan principal, and transfers between one’s own accounts, should be distinguished from service fees, interest and profit distributions. The purpose of a payment must be documented.

Tax is withheld by a tax agent or calculated by the individual in a tax return. The absence of a local employer does not mean there is no tax liability. Independent business activities also require a determination of status and the applicable regime.

Legal basis: Tax Code, Articles 364–382 and 393–399.

30 Employment Income

An employee's income may include salary, bonuses, allowances and benefits in kind provided by the employer. Compensatory payments are exempt only where a specific legal basis exists and its conditions are met. The description of a payment in an employment contract does not automatically determine its tax treatment.

For a foreign specialist, the parties should agree either gross remuneration before tax or a guaranteed net amount after withholding. Housing, family travel, children's education and personal expenses paid by the employer may increase taxable income. Reimbursement of documented business expenses is considered separately.

Salary paid by an overseas company for work performed in Uzbekistan requires analysis of the income source and the applicable treaty. A short stay does not provide an unconditional exemption: the treaty's presence threshold generally applies together with conditions concerning the employer and who bears the costs.

For remote work, secondments and duties split between countries, a workday calendar and remuneration documents should be retained. At the end of the period, withholding accuracy and the need for an individual return should be checked.

Legal basis: Tax Code, articles on employment income, benefits in kind and tax agents; the applicable international treaty.

31 Dividend and Interest Income

The general rate on dividends and interest for a resident individual is 5 per cent; for a non-resident receiving the corresponding Uzbek income, it is 10 per cent. Special exemptions and tax treaties apply where their conditions are met.

Until 31 December 2028 inclusive, Article 483 exempts resident and non-resident individuals from tax on dividends on shares they own. Dividends on a participation interest in a limited liability company should not automatically be included in this relief.

Interest on corporate bonds is also temporarily exempt under Article 483. For bank deposits and other instruments, the Code's exemptions, income source and instrument characteristics must be checked separately. The general rate should not be applied without checking for relief.

Interest on a personal loan to a company and dividends from ownership of a company must each have their own documentary basis. A resident of Uzbekistan receiving foreign income may need to file a return and obtain documents for a foreign tax credit.

Legal basis: Tax Code, Articles 378, 381, 382 and 483; the applicable international treaty.

32 Capital Gains

The sale of participation interests, shares and other property may generate taxable income. The asset type, seller's residence, income source, documented costs and availability of exemption must be determined. The term "capital gains" does not denote a single separate tax with a universal rate.

For a sale of a participation interest, the acquisition agreement, documents evidencing payment of the contribution or purchase price, and disposal documents are important. A lack of cost evidence may materially change the tax base. Shares require an additional review of special rules and relief; dividend exemption does not automatically exempt gains on their sale.

A foreign citizen selling an interest in an Uzbek company should review local taxation and the relevant treaty article. Settlement through a foreign bank or a transaction with another non-resident does not in itself exclude an Uzbek tax obligation.

Before the transaction, the parties should determine who calculates and remits tax, what documents the purchaser receives and when a return is required. Instalment payments, asset exchanges and receipt of property upon withdrawal from a company require separate calculations.

Legal basis: Tax Code, rules on property income, income sources and exemptions; the applicable international treaty.

33 Income from Real Estate

Letting real estate generates taxable income. Where the tenant is a tax agent, it fulfils the statutory withholding obligations; otherwise, the owner should check self-payment and filing procedures. Applicable minimum rental rates are taken into account in determining the tax base.

The sale of residential property owned for fewer than 36 calendar months requires an assessment of tax on the sale income. A sale after the prescribed ownership period may qualify for exemption if the conditions are met. Non-residential property has a different treatment; the long-term residential ownership rule cannot be extended to it.

Taxable income is determined using acquisition documents, with special rules applying where these are unavailable. For a foreign owner, residence, the applicable treaty and procedures for fulfilling obligations must also be checked.

The lease and amendments should be documented and registered as prescribed. A sale or lease may also affect ongoing property tax and land payments, discussed in Section 36.

Legal basis: Tax Code, Articles 375, 378 and 393–398; legislation on minimum rental rates.

34 Foreign-source Income

An individual treated as a tax resident of Uzbekistan must assess overseas income: salary, dividends, interest, rent, asset disposals and service fees. Keeping funds in a foreign account is not an independent ground for exemption.

The review begins with tax status for the relevant period and the classification of each receipt. Transferring previously accumulated personal funds is not equivalent to receiving new income. Bank statements, evidence of the source of funds and information on the tax period in which they were received should therefore be retained.

For reporting purposes, income is converted into Uzbek soums under the applicable currency conversion rules. Foreign tax withheld is recognised only where a legal basis and supporting evidence exist; not every foreign payment may automatically be deducted from Uzbek tax.

An annual register by country and income category is recommended, showing receipt date, amount, currency, payer, tax withheld and documents. When relocating during the year, the dates on which residence arises and treaty conditions are particularly important.

Legal basis: Tax Code, Articles 30, 364–366 and 393–399; the applicable international treaty.

35 Tax Treaties for Individuals

A treaty may allocate taxing rights over salary, dividends, interest, real estate income and property disposals. The relevant article applies to each income category, so the existence of a treaty does not mean that all receipts are fully exempt.

In cases of dual residence, treaty residence must first be determined. A foreign tax authority’s certificate is important evidence, but is applied together with the facts and treaty criteria. Documents concerning a spouse and other family members are assessed separately where relevant to the analysis.

Double taxation may be eliminated through a foreign tax credit or another method prescribed by the treaty. Credits are limited by the applicable rules; foreign tax exceeding Uzbek tax does not automatically entitle the taxpayer to a refund of the difference from Uzbekistan’s budget.

Documents confirming the assessment and payment of foreign tax should be obtained before filing the return. If the two states classify income differently, recourse to the competent authorities under the treaty’s mutual agreement procedure may be necessary.

Legal basis: Tax Code, Article 399 and general rules on international treaties; the applicable treaty.

36 Individual Property and Land Taxes

A real estate owner may be liable for property tax regardless of whether rental income is received. Land tax or another payment for the plot is assessed separately according to the nature of the right and designated land use. Foreign citizenship does not provide a general exemption.

In 2026, base individual property tax rates include 0.36 per cent for the residential properties specified in the Code with an area of up to 200 square metres; in cities, 0.48 per cent for housing above 200 and up to 500 square metres, and 0.64 per cent above 500 square metres. The rate for the relevant housing above 200 square metres in other settlements is 0.48 per cent.

A 1.5 per cent rate applies, subject to specific exceptions, to properties used in business, let to a legal entity or individual entrepreneur, and the non-residential property specified by law. Local coefficients, the tax base and relief may change the final calculation.

Following purchase, cadastral information, ownership share, designated use and the tax authority's notice should be checked. An error in area or use may lead to an incorrect assessment. Letting an apartment to a company requires reassessment of the applicable rate.

Legal basis: Tax Code, Articles 418–423 and the chapter on individual land tax; territorial decisions.

37 Individual Tax Reporting

A return is required, in particular, for taxable foreign income and income from which no tax agent has withheld tax, in the cases specified in Article 393. Having several income sources does not replace a review of whether each must be declared.

The general deadline for filing the annual aggregate income return is 1 April of the following year. Tax under the return is generally payable by 1 June. Special rules and deadlines apply to rentals, cessation of activities and departure of foreign individuals.

Tax agent certificates and documents supporting foreign income, acquisition costs of property sold and foreign tax should be prepared for the return. A personal identification number and access to the online taxpayer account should be arranged in advance.

On permanently leaving Uzbekistan, the annual calendar alone is insufficient: special pre-departure filing and settlement requirements must be checked. If an error is found, amendment, additional payment and the conditions for relief from liability under Article 396 should be assessed.

Legal basis: Tax Code, Articles 393–399; Tax Committee guidance of 16 March 2026 on income declarations.

38 Liability of Individuals

An individual is responsible for fulfilling their tax obligations, including filing and self-payment. An error in determining residence or foreign income may lead to recalculation of tax, late-payment interest and statutory penalties.

An employer's withholding from salary does not automatically cover personal foreign income, rentals and asset disposals. At the same time, breaches by the tax agent should be distinguished from those by the recipient: their duties and grounds for liability differ.

On receiving a notice, the individual should check the period, tax base, amounts already withheld, exemptions and foreign tax credit. Documents should be submitted with evidence of dispatch; oral discussion does not replace a procedural step. The appeal rules in Section 27 apply subject to the nature of the dispute.

Legal basis: Tax Code, provisions on liability, Articles 230–236 and 396.

Concluding Part

39 Investor Checklist

Before incorporating a company. Determine the form of presence, tax regime, projected income, financing arrangements and import obligations. Check whether the foreign company creates a permanent establishment even before the subsidiary is registered.

Before investing funds. Confirm the basis of any incentive, commencement date, conditions for retaining it and consequences of losing it. Compare equity contributions and loans, taking into account interest deductions, withholding and equity levels.

Before a cross-border payment. Establish the income category and source, place of supply for VAT, recipient's status, existence of a permanent establishment and applicable treaty. Obtain the necessary documents before payment.

Before acquiring a business or real estate. Review tax history, acquisition cost, VAT, outstanding liabilities, incentives and unresolved disputes. Allocate responsibility for identified and future tax claims in the contract.

Before owners and employees relocate. Count days of presence and assess foreign income, the employment package, immigration documents and individual tax returns.

Before paying dividends and annually. Confirm distributable profit and the withholding rate; update residence certificates, the reporting calendar, the related-party transaction register and incentive files.

40 Key Tax Rates

The following benchmarks are current as of 1 October 2026. A rate applies only after the taxpayer, taxable item, base and relief have been determined. Percentages in different rows must not simply be added together, as they apply to different tax bases.

Tax or income	General rule	Conditions and exceptions
Corporate income tax	15%	Special rates and incentives for certain categories
VAT under the standard procedure	12%	Zero-rating and exemptions apply only to specified transactions
VAT under the simplified procedure	6%	Voluntary special procedure for specified categories; no input VAT credit
Corporate income tax under simplified VAT	0%	Only where the relevant procedure is lawfully applied
Turnover tax for legal entities	4%	Special rates for certain activities and territories
Social tax for an ordinary employer	12%	Other rates apply to budget-funded and certain other organisations
Corporate property tax	1.5%	Taxable property and base determined separately; special rates and relief
Dividends paid to a foreign company	10%	A treaty or special incentive may reduce the rate
Dividends on shares paid to a foreign company	5%	Temporary provision under Article 483 until 31 December 2028 inclusive
Interest paid to a foreign company	10%	Exceptions for certain financial transactions and instruments, and under treaties
Royalties and other taxable income of a foreign company	20%	Income must be Uzbekistan-source; special rules and treaties are taken into account
Insurance premiums paid to a foreign company	10%	Income source and applicable treaty must be checked
International transportation income of a foreign company	6%	Only the relevant income category; treaty exceptions may apply

Legal basis: Tax Code, Articles 258, 337, 353, 405, 415, 467 and 483; Presidential Decree No. UP-100.

Individual Rates and Special Regimes

Tax or income	General rule	Conditions and exceptions
Main income categories of a resident individual	12%	Excluding special categories and exempt income
Employment and other ordinary Uzbekistan-source income of a non-resident	12%	Separate rates for dividends, interest and international transportation
Dividends and interest of a resident	5%	Check exemptions for particular instruments
Dividends and interest of a non-resident	10%	Special incentives and tax treaties may apply
Dividends on shares received by an individual	Exempt	For residents and non-residents until 31 December 2028 inclusive; not general relief for LLC participation interests
Interest on corporate bonds	Exempt	Temporary provision under Article 483 until 31 December 2028 inclusive
Individual property tax for main residential categories	0.36%; 0.48%; 0.64%	Depends on area, location and local coefficients
Individual property used for business and specified rentals	1.5%	Subject to the categories and exceptions in Article 422
Land tax	Various rates	Category, territory, area or normative value, and local coefficients
Employment income of Technology Park residents' employees	7.5%	Subject to compliance with the special regime
Dividends of foreign shareholders in a Technology Park resident	5%	Where exports exceed 50% of total income and conditions are met; until 1 January 2040
Turnover tax for individual entrepreneurs and self-employed persons	1%	Subject to eligibility for the regime; not the rate for legal entities

For special economic zone participants, corporate income tax treatment is not a universal zero rate. From 1 April 2026, new participants are eligible for accelerated depreciation under Article 473. Customs duties, excise taxes and resource taxes depend on the specific goods or project and are not included in this summary as a single percentage.

Legal basis: Tax Code, Articles 378, 381, 382, 422, 467, 473 and 483; specific Technology Park legislation.

41 About RYSKIYEVA & PARTNERS Law Firm

RYSKIYEVA & PARTNERS is a Tashkent-based law firm providing legal support to businesses in Uzbekistan. For investors, tax matters are considered together with company formation, corporate procedures, financing, contracts, employment, real estate and dispute resolution.

Depending on the project, legal support may include analysis of the investment structure, review of eligibility for incentives, contractual tax provisions and cross-border payment risks, legal due diligence of a target business, and representation in dealings with public authorities. The scope of work and involvement of accounting and tax calculation specialists are determined separately.

For an initial project assessment, it is useful to provide an ownership chart, the investor's country of tax residence, a description of activities, projected income and costs, expected payments to foreign persons, and details of personnel and assets to be acquired.

This guide is for general information only. It does not replace individual advice on a specific transaction. Users should check for changes after the stated date and consider the project's actual circumstances.