



New import incentives

- *Resolution of the President of the Republic of Uzbekistan #ПП-392 “On measures for further facilitation of uninterrupted supply of raw materials for industrial production” of 12 October 2022 (Resolution 392)*

Resolution 392 introduces changes to legislation aiming to simplify the effective customs processing procedures and improve import supply for industrial manufacturing sector as follows:

- Certain types of commodities to enjoy zero rate customs duty until 1 January 2025. The list includes certain types of plants, raw materials for textile industry, tires etc. (*Full list of exempt items is available upon request*).
- Payment guarantee on customs duties, currently applicable on commodities imported under the customs regime – “processing in the customs territory”, to be abolished for all participants of foreign economic activity.
- The list of new technological equipment (not produced in Uzbekistan and not older than 3 years) exempt from import VAT and customs duty is amended to include additional items, mostly related to construction, textile and electrotechnical industries. (*Full list is available upon request*).

As of 1 January 2023:

If a foreign trade contract for supply of equipment does not specifically envisage the cost of installation, setup, commissioning, training and similar supply related services, the taxable income of the nonresident supplier is calculated based on the market value of such services (currently, determined as 20% of the total contract value).





- Resolution of the President of the Republic of Uzbekistan #ПП-357 “On measures to raise the IT sphere to a new level in 2022-2023” of 23 August 2022 (Resolution 357)*
- Resolution of the Cabinet of Ministers #519 “Approval of the list of technological and laboratory equipment, their packaging and spare parts, as well as raw materials and materials, medical items and packaging materials exempted from customs duties” (Resolution 519)*

Resolution 392 authorizes the Government Commission on Foreign Trade, Investment, Development of Domestic Industry and Technical Regulation to:

- approve a special list of technological equipment older than 3 years for exemption from customs duty and import VAT, provided that such equipment is already included in the general list of exempt new equipment;
- define a list of countries with high level of quality controls and exempt the imports from those countries from domestic certification requirements in respect of equipment, spare parts, measuring and transportation means, chemical reagents and lifting mechanisms;
- approve a list of circumstances, under which the customs clearance of products imported for own production needs is allowed without a certificate of conformity provided that the imported takes on a commitment to duly formalise the certificate within two months from the date of customs clearance (based on the importer's letter of guarantee).

According to the **Resolution 357**, the VAT exemption provided to residents of Technopark until 1 January 2028, shall also be extended in relation to IT services procured from non-residents of Uzbekistan.



Contacts:

Abdulkhamid Muminov

Country Managing Partner

abdulkhamid.m.muminov@pwc.com

Jamshid Juraev

Partner, Tax and Legal Services

jamshid.juraev@pwc.com

Alisher Zufarov

Director, Tax Services

alisher.zufarov@pwc.com

We note that in accordance with the Customs Code of Uzbekistan, the customs incentives provided by the legislative acts of Uzbekistan (including Presidential Decrees and Resolutions) shall be withdrawn and repaid to the state budget, if within 3 years after the importation the respective goods are used for purposes not designated by the incentives.

Further to the Presidential Decree # УП-55 envisaging exemption of certain types of equipment and materials to be used in pharmaceutical industry and not produced in Uzbekistan until 1 January 2025, **Resolution 519** of 21 September 2022, approved a list of technological and laboratory equipment, spare parts, materials, medical devices and packaging materials that should also be exempt from customs duties.



If you are interested in additional details, please contact us by responding to this message or reaching out to any of the contacts listed herein.

PwC Uzbekistan

Audit Organization

“PricewaterhouseCoopers” LLC

88A, Mustaqillik prospekt,
Mirzo-Ulugbek district,

Tashkent 100000, Republic of Uzbekistan

T: +998 (78) 120 6101

www.pwc.com/uz