

## **Comparative Analysis of the Tax System and Tax Policy of the Republic of Uzbekistan and Singapore**

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**Abstract:** The article discusses the features of the tax system of the Republic of Uzbekistan and Singapore. The legal documents regulating the accounting of taxes and fees and the activities of tax authorities in the legislation of the two countries are compared. Given a proposal to improve the tax system of the Republic of Uzbekistan, taking into account foreign experience.

**Keywords:** tax system, types of taxes, tax authorities, total income, fees, tax burden, individuals, benefits, corporate income, goods and services tax.

**Introduce.** In the process of the rapid development of the economy, the acceleration of fiscal policy and the problems of increasing the tax capacity of taxpayers, automation in the tax field, the wide and consistent introduction of IT technologies by the state, and the creation of effective mechanisms for the full collection of taxes are of great importance. That is why it requires that the legal documents regulating the tax legislation be perfect and fair.

Since independence, the Republic of Uzbekistan has demanded continuous improvement of the tax system, which is the main factor for the development of the economy and the provision of the needs of state administration. For this reason, three new versions of the tax code were introduced in the past, all of which were improved, created additional conveniences for business entities, and most importantly, reduced the tax burden.

On the other hand, in order to create a fair tax system that satisfies both taxpayers and the state administration, studying the experience of modern countries and applying their innovative achievements to the country's economy, taking into account local legislation, does not always give sufficient results.

For this reason, the tax system of developed countries, tax legislation and analysis in comparison with the current tax system is the demand of the time.

For these purposes, the current tax system of Singapore, which is a city-state, was selected and compared with the tax system of our republic, and their differences were analyzed.

Analysis of literature on the topic. In the articles and analytical data constantly published in the Republic of Uzbekistan, we do not find analytical data comparing the tax systems of the Republic of Uzbekistan and Singapore. But in some sources, we can witness that the information about the tax systems of Malaysia and Singapore countries is briefly recorded.

It is important to objectively compare the perfect, correct and fair tax legislation of the Republic of Uzbekistan with the tax legislation and tax system of economically advanced countries in order to make sure that the right path has been chosen in the establishment of the tax system. It is

from this point of view that the tax system of Singapore was selected and compared and analyzed with the tax system of our republic.

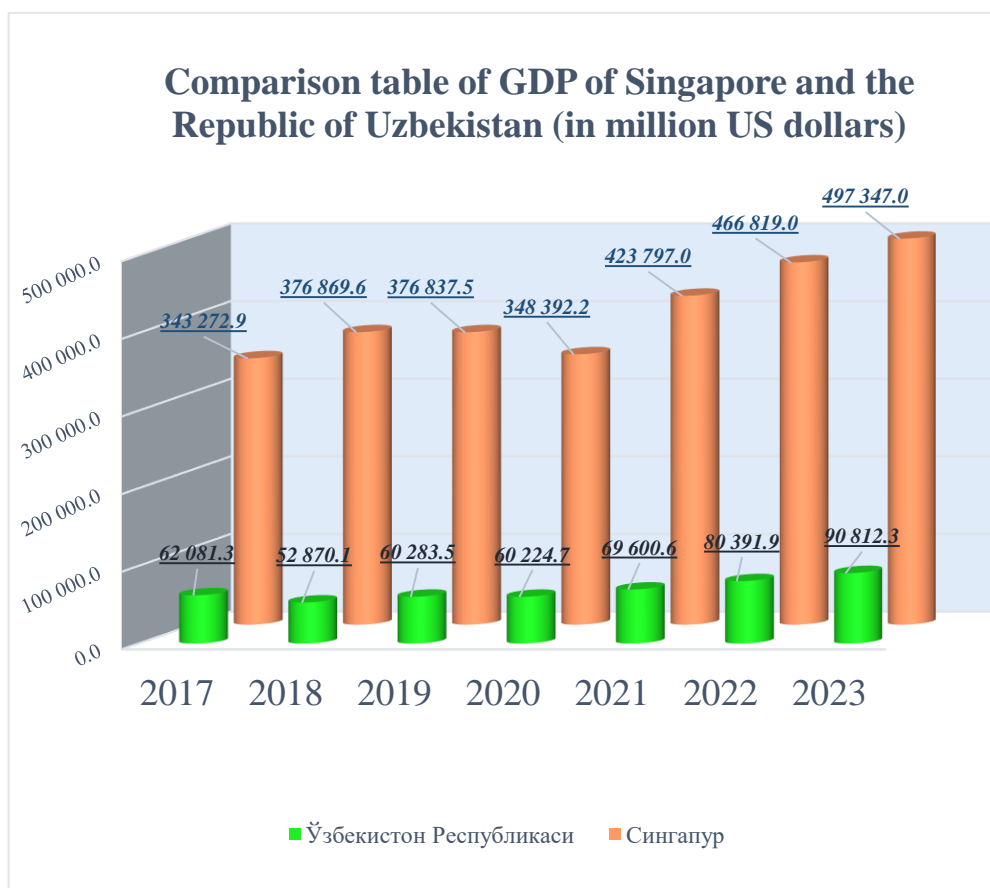
**Research methodology.** Comparative analysis and evaluation methods were used in this article. By using the comparative method, the differences between the tax system of our country and the tax system of Singapore were analyzed, and scientific conclusions were given on the improvement of the current tax system and the practical importance of creative approaches in the effective management of tax administration.

In this case, compliance with the principle of fairness of taxes for each type of tax, prevention of corruption due to the effective implementation of tax policy, effective organization of work of tax authorities, working procedures of tax laws, methods of effective use of residential areas through the taxation system are analyzed. Proposals for changes to the tax system were developed.

The Republic of Uzbekistan gained independence on September 1, 1991. The total area of the territory is 448.9 thousand square kilometers, as of January 1, 2024, the number of inhabitants is 36.8 million people.

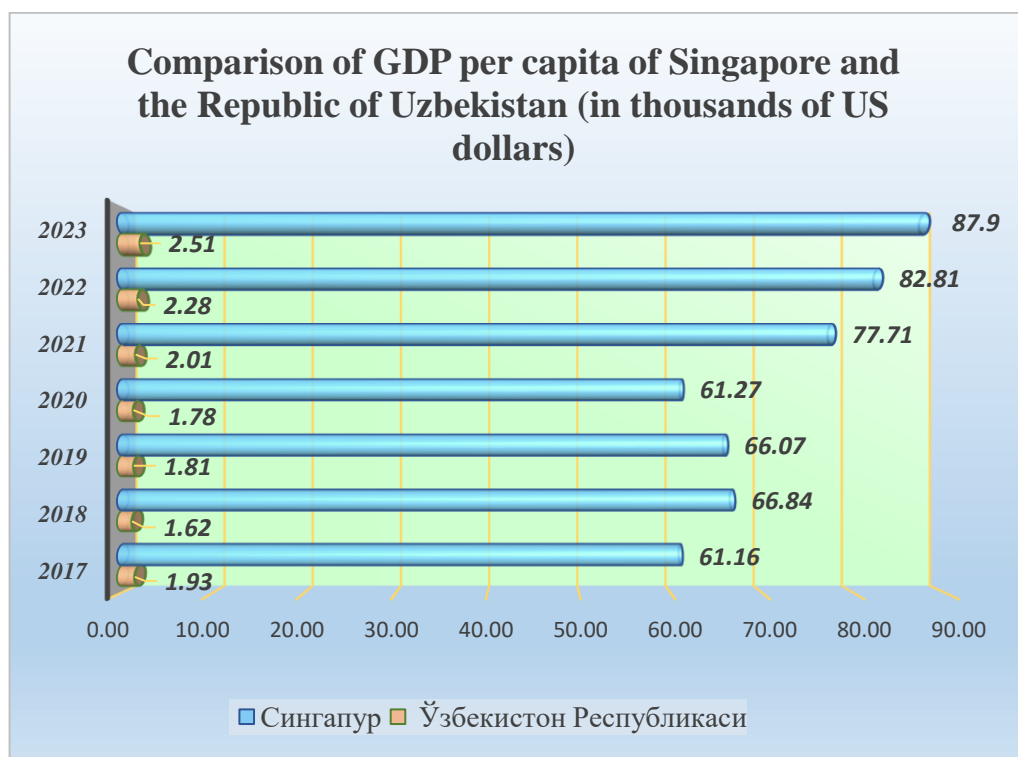
Singapore declared its independence on August 9, 1965. The total area of the territory is 664 square kilometers. As of January 1, 2024, Singapore has a population of 6.3 million people and is considered a city-state, that is, the state consists of one port city, Singapore.

According to the information of the International Monetary Fund, we can see the comparison of the GDP value of Singapore and the Republic of Uzbekistan in the following appendix.



[https://www.imf.org/en/Publications/WEO/weo-database/2023/October/weo-report?c=576,927,&s=NGDPD,NGDPDPC,GGR\\_NGDP,&sy=2013&ey=2023&ssm=0&scsm=1&scc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1](https://www.imf.org/en/Publications/WEO/weo-database/2023/October/weo-report?c=576,927,&s=NGDPD,NGDPDPC,GGR_NGDP,&sy=2013&ey=2023&ssm=0&scsm=1&scc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1)

The economic growth of countries is usually measured by the growth of the gross domestic product or the growth of the gross domestic product per capita. In turn, we can see the GDP per capita of the Republic of Uzbekistan and Singapore in the appendix.



### Regulation of tax legislation:

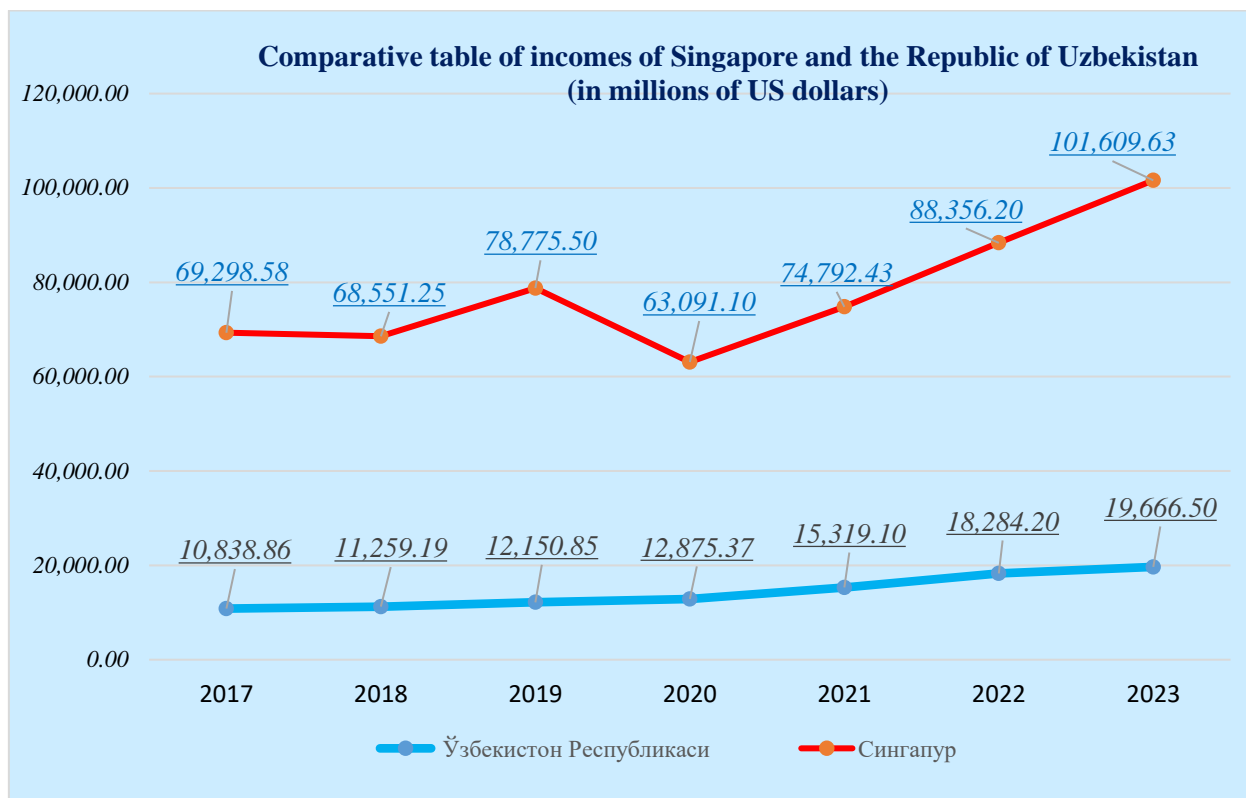
Tax legislation in the Republic of Uzbekistan is mainly regulated by the Tax Code and a number of decisions of the President of the Republic of Uzbekistan and the Cabinet of Ministers on tax legislation [3].

In Singapore, there are a number of laws, including

1. Income Tax Act (1965).
2. Law "On State Duty" (1965)
3. Property Law (1965)
4. The Law "On Tax Incentives Contributing to Economic Development" (1967).
5. It is governed by the Goods and Services Tax Act (VAT, 1993) [4].

Singapore's tax law documents are unique in that they specify a separate administrative procedure, penalties, and dispute resolution procedures under the established tax law.

In addition, the applied concepts allow not to confuse the concepts of taxes (income tax and VAT) that are close to each other. In the practice of Uzbekistan, although the concept of goods defined in the general part of the SC is expressed for the purposes of VAT, it has to be applied in the same sense for the profit tax. However, for profit tax purposes, goods are consistent with the concept of goods under the principles of accounting law.



### The main bodies responsible for collecting taxes and fees are:

In the Republic of Uzbekistan, the Tax Committee and the Customs Committee (state agencies) are the main state bodies that perform the function of collecting taxes and fees. In addition, some fees and state duties are assigned to other state bodies.

Both offices are financed from the budget, and in addition, each of them has development funds of these bodies (a part of the financial fines applied to tax violations committed by business entities is directed to these funds), the employees of the bodies are additionally encouraged at the expense of this fund.

In particular, according to position 8 of the Cabinet of Ministers' Resolution No. 62 dated April 2, 2010 "On measures to regulate the allocation of funds to extra-budgetary funds of ministries, state committees and agencies", the property seized by the state tax authorities and transferred to the state income in the manner prescribed by law 25% of the funds received from the sale of property, 40% of the amount of financial penalties for violation of tax laws and fines for administrative offenses (including 40% of the penalty calculated for tax payments not paid on time) will be directed to the special fund for the development of tax authorities.

For this reason, these agencies are interested in constantly conducting inspections of business entities and thereby increasing the amount of financial fines applied.

In Law No. 474-I of the Republic of Uzbekistan "On State Tax Service" of August 29, 1997 and Resolution No. 320 of the Cabinet of Ministers of the Republic of Uzbekistan of April 17, 2019 "On Measures to Further Improve the Activities of State Tax Service Bodies" the main task is to implement the policy and ensure compliance with the tax legislation, correct calculation of taxes, full and timely payment.

Article 1 of this law states that the main task of the State Tax Service is to ensure that taxes and other mandatory payments are paid to the budget in full and on time.

At the same time, Article 3 of the law stipulates that State tax service bodies are legal entities, supported by the funds of the republic budget, and have a seal with the image of the State emblem of the Republic of Uzbekistan and their name. [5]

In Singapore, on September 1, 1992, as a result of the reorganization of the Inland Revenue Department of the Ministry of Finance of Singapore, the Service was established as its successor.

In this, all assets of the Inland Revenue Department were transferred to the Service Agency (IRAS - Inland Revenue Authority of Singapore) and all 893 employees of the department were converted into Service employees. At the same time, all contracts and agreements related to the activities of the Department to which Singapore is a party remain in force.

The service received the status of an autonomous state body (English - Charter Council) established in accordance with the law to perform certain functions.

The main reasons for reorganizing this department of the Ministry of Finance of Singapore as an autonomous body of the Government were as follows:

- reducing the burden of tasks assigned to state bodies, in particular to the Ministry of Finance;
- was to combat the outflow of skilled personnel to the private sector by ensuring a competitive level of wages.

Singapore has relieved the Ministry of Finance of many of its responsibilities by transferring to the Service, including the mandate to improve tax administration. [4].

The need to retain and attract additional qualified staff within the structure of Singapore's tax service is reflected in the overall importance of effective tax administration.

"The more efficient the tax authorities are in collecting taxes, the less taxes everyone pays. The reason is that the tax burden of tax evaders is transferred to other taxpayers who pay their taxes on time, or it leads to a decrease in total government expenditures due to a decrease in budget revenues.

All this, in turn, leads to a decrease in the level of services provided and, as a result, to a decrease in the standard of living. If everyone pays taxes, the total tax burden is shared among a large number of people and never becomes an impossible burden for the individual taxpayer to bear.

The service, as an agent of the Government (representative of the Ministry of Finance), provides services for improving the administration of profit and personal income tax, property tax, VAT tax, state duty, setting rates, introducing reports, and collecting taxes.

The new tax authority, which will operate as an autonomous agency of the government, will be given more flexibility in terms of employment than state agencies, thereby curbing the exodus of skilled personnel.

Funds collected as a government agent for the services of the agency, reviewed every three years and calculated as a percentage of the amount of taxes agreed with the Ministry of Finance, are given to the Service.

The service has the right to dispose of the received funds at its discretion, in particular, it has the right to use them to cover all operating expenses, the main part of which is the salary of employees.

The tasks assigned to the service are not limited. The Minister of Finance has the right to assign other functions to the Service that are not directly provided for in the Law "On Service".

Unlike its predecessor, the Department of Internal Revenue, the Service is not a structural unit of the Ministry of Finance, but a separate legal entity with the status of an autonomous agent of the Government, whose sole shareholder is the Ministry of Finance.

The law stipulates that at the end of the financial year, the Service must submit an annual report on its activities to the Minister of Finance, and submit a copy to the parliament.

The following rights are granted to perform the tasks assigned to the service:

- concluding contracts on his own behalf;
- establishment of companies or acting as one of the founders of the company;
- To profit from the movable and immovable property belonging to the Service, including using it at its own discretion for the purpose of attracting loan funds secured by such property;
- individually or together with other organizations or international agencies to carry out activities aimed at increasing the level of education in the field of taxation and the awareness of the population on taxation issues;
- advising, assisting and training employees of tax authorities of foreign countries;
- collection of fees for rendered services;
- to provide loan funds to its employees in a special manner for the purposes approved by the management of the Service;
- to provide conditions for the organization of rest and recreation of its employees and to provide such conditions to ensure the general well-being of employees and their family members;
- Organization of training courses for service personnel and provision of nominal scholarships;
- perform any actions related to the exercise of the listed rights.

Service employees are not officially considered civil service employees, but for the purpose of applying the provisions of Article 181 of the Criminal Code and Clause 20 of the Law, they are equal to civil service employees.

Thus, by giving the Service independence and relative freedom in the selection of personnel, the Singapore government has maintained leverage over not only the Service's leadership, but also its rank-and-file employees in order to prevent the abuse of powers given to employees and to ensure that the public interest is followed.[4]

#### Personal income tax (PIT):

In the Republic of Uzbekistan, a 12 percent personal income tax rate has been introduced, and when determining the taxable base, incomes that are not included in the total income and many benefits are used.

That is, the Tax Code provides for income that is not included in the total income (Article 369), benefits (Articles 378, 379) and partial benefits (Article 380) in relation to personal income tax.

A person who receives a large amount of income according to the current tax rate in Uzbekistan does not pay a large amount of tax due to the introduction of a uniform tax rate.

In addition, the tax benefits from personal income tax in the tax system of the Republic of Uzbekistan are determined for one-way income earners and do not serve other purposes.

The personal income tax rate in Singapore depends on the tax resident status. Individuals are tax residents in the following cases:

- These are Singapore citizens or individuals who are permanently resident in the country except for temporary absence.
- A foreign national who resides or works (other than a director) in this country for 183 days or more per year.

Annual income (1 SGD = 9,253 soums)

|   |          |
|---|----------|
| Earnings up to SGD 20,000 (up to 185 million soums) | – 0,0%   |
| 20,000 to 30,000 SGD per part                       | – 2,0%   |
| 30,000 to 40,000 SGD per part                       | – 3,5%   |
| Between SGD 40,000 and SGD 80,000                   | – 7,0%   |
| Between SGD 80,000 and SGD 120,000                  | – 11,5%  |
| 120,000 to 160,000 SGD per part                     | – 15,0%  |
| Between SGD 160,000 and SGD 200,000                 | – 18,0%  |
| Between SGD 200,000 and SGD 240,000                 | – 19,0%  |
| From SGD 240,000 to SGD 280,000                     | – 19,5%  |
| Between SGD 280,000 and SGD 320,000                 | – 20,0%  |
| Between SGD 320,000 and SGD 500,000                 | – 22,0%; |
| From SGD 500,000 to SGD 1,000,000                   | – 23,0%; |
| Above SGD 1,000,000                                 | – 24,0%; |

There is an interesting rule in matters of personal income taxation. If foreign source income is remitted to Singapore but is taxed in another jurisdiction at a rate of at least 15%, such income is not taxed in Singapore.

In addition, the following types of personal income are exempt from taxation in Singapore:

- All income from foreign sources received by Singapore resident and non-resident individuals since January 1, 2004, including all types of passive income received from investments made by such individuals;
- pensions, disability benefits, gifts, moving expenses, insurance payments, alimony, etc.

There are few benefits for individuals in Singapore, but these benefits are effective and efficient and are mainly applied to Singapore residents.

Personal discounts are also available to Singapore resident individuals in the form of:

- 1,000 Singapore dollars for persons under 55 years of age, 6,000 Singapore dollars between 55 and 59 years of age, and 8,000 Singapore dollars for persons over 60 years of age (if these persons are disabled, the amount of the discount will increase further);
- S\$2,000 for non-working spouse support if the family's annual income does not exceed S\$4,000;
- S\$3,500 to support a disabled spouse;
- S\$4,000 for each minor child;
- 5,500 US dollars to support each disabled child;
- for working mothers in the amount of 15%, 20% and 25% of the gross income for the first, second and third children, respectively;
- S\$4,500 to support elderly parents and other elderly relatives;
- S\$7,000 if parents and such relatives live with the taxpayer (the amount of the deduction increases further if these persons are disabled);
- S\$3,500 to support a disabled sibling;
- from 750 to 3,000 Singapore dollars for reservists;
- S\$5,000 for life insurance and superannuation funds, union funds;
- \$5,500 for education and training and professional development expenses [6].

The benefit amount is automatically generated in the personal income tax report. For the first time, only taxpayers with disabilities apply to the tax authorities electronically with an application and a supporting document to apply this benefit.

Corporate income tax:

In the Republic of Uzbekistan, the profit tax base is defined as the difference between taxable income and approved expenses (with certain clarifications).

What income is included in the income (Chapter 43) and the composition of expenses (Chapter 44) are specified in separate articles.

Certain types of taxpayer's income and (or) expenses (losses) may or may not be taken into account when determining the tax base in accordance with the procedure and conditions established by the relevant section of the Tax Code.

It can be seen that the mechanism of calculating total income and total expenses in the Tax Code of the Republic of Uzbekistan is somewhat complicated.

The amount of tax at the end of the reporting period is calculated as the percentage of the tax base in accordance with the tax rate, with the end exceeding the beginning of the tax period.

The tax report is submitted in the following terms:

- 1) at the end of the reporting period - no later than the twentieth day of the month following the reporting period;
- 2) by the end of the tax period - no later than March 1 of the year following the end of the tax period.

Budget organizations and non-governmental non-profit organizations submit tax reports according to the end of the tax period, with the exception of cooperatives. It is not required to submit a tax report if there is no total income at the end of the previous tax period.

Profit tax rates in Uzbekistan are set depending on the type of business activity. For example, banks, producing polyethylene granules, whose main type of activity is providing mobile communication services, pay profit tax in the amount of 20 percent from the profit received from providing services in markets and shopping complexes. Other taxpayers pay a profit tax of 15 percent (of course, except for the 0 percent rate set for certain types of activities).

Of course, even if some type of activity receives high income profits, this type of activity can continue to pay taxes at the specified low rate.

In addition, the procedure for controlled transactions (KIK) has been introduced since 2022.

According to the current Tax Code, after paying the profit tax on the net profit of business entities that are subject to profit tax, if a dividend is paid to a resident or non-resident, the dividend tax is withheld at the source of payment in the amount of 5 percent (or 10 percent).

**In Singapore, corporations pay tax at the following rates:**

| <i><b>Profit (SGD Singapore Dollar) (1 SGD = 9,253 soums)</b></i> | <i><b>Tax rate (%)</b></i> |
|---|----------------------------|
| To corporations with profits up to SGD 300,000                    | 8,5%                       |
| To corporations with profits above SGD 300,000                    | 17%                        |
| Capital gains of corporations                                     | 0%                         |
| Tax rate on dividends distributed to shareholders                 | 0%                         |
| Income from foreign sources not brought into Singapore            | 0%                         |
| Income from foreign sources brought into Singapore                | Until 0%-17%               |

Singapore has a territorial tax system, which means that the profits of both resident and non-resident companies are taxed only if they are derived from sources within Singapore or within Singapore.

For newly registered businesses in Singapore, a zero rate of corporate profits tax applies to the first S\$100,000 for three years if they meet the following standards:

Registered in Singapore;

Resident of Singapore;

The number of shareholders should not exceed 20, and at least one of them (a natural person) should have at least 10% of shares.

Taxable income of up to S\$300,000 (S\$300,000) is taxed at 8.5%.

All Singapore resident companies are entitled to a partial tax exemption, which is effectively taxed at 8.5% on taxable income up to S\$300,000. Corporate income over S\$300,000 is taxed at a corporate rate of 17%.

The general tax incentives described above are very attractive for small and medium businesses in Singapore.

For example, an ordinary Singapore resident company with an annual taxable corporate income of S\$2,000,000 will be taxed as follows.

| Taxable corporate income (in Singapore dollars) | Tax rate |
|---|----------|
| 0 – 100,000                                     | 0%       |
| 100,001 – 300,000                               | 8.5%     |
| 300,001 – 2,000,000                             | 17%      |

After the first three years of filing corporate income tax returns in Singapore

| Taxable corporate income (in Singapore dollars) | Tax rate |
|---|----------|
| 0 – 300,000                                     | 8.5%     |
| 300,001 – 2,000,000                             | 17%      |

Singapore companies from 2009 must submit a complete set of reports for the current year by 30 November of the following year, including Form C, audited/unaudited accounts (unaudited if annual turnover is less than S\$5,000,000) and tax returns need In this case, Form C is a tax return, and a tax calculation is a confirmation of the company's income and expenses on accounts with taxable income.

Singapore does not have a Controlled Transactions (CTS) regime in place.

Singapore has a single-tier tax system based on the territorial principle.

A single-step taxation system means that there is no double taxation of shareholders. That is, all corporate taxes paid by the company are final taxes, and dividends paid to shareholders are not taxed. Such a one-step system was introduced in Singapore in 2003.

### **Value Added Tax (VAT):**

The following persons who carry out business activities and (or) sell goods (services) in the Republic of Uzbekistan are recognized as payers of value added tax (SCC, Article 237):

- 1) Legal entities of the Republic of Uzbekistan (from the moment the annual turnover exceeds one billion soums);
- 2) individual entrepreneurs whose income from the sale of goods (services) exceeded one billion soums during the tax period or who voluntarily switched to paying value added tax;

- 3) foreign legal entities selling goods (services) in the territory of the Republic of Uzbekistan, if the Republic of Uzbekistan is recognized as the place of sale of goods (services);
- 4) foreign legal entities operating in the Republic of Uzbekistan through permanent establishments;
- 5) on the activities carried out within the framework of the general partnership agreement (joint activity agreement) - a trusted person entrusted with the task of managing the affairs of the general partnership - a participant of the general partnership;
- 6) Persons transporting goods through the customs border of the Republic of Uzbekistan. These persons are recognized as payers of value added tax according to the customs legislation.

Types of activities that are considered VAT payers regardless of their turnover: (SK, Article 461)

- 1) legal entities and individual entrepreneurs carrying out import of goods through the customs border of the Republic of Uzbekistan;
- 2) legal entities producing goods (services) subject to excise tax and extracting minerals;
- 3) legal entities - producers of agricultural goods, provided that they have twenty-five hectares or more of irrigated agricultural arable land;
- 4) legal entities selling gasoline, diesel fuel and gas;
- 5) legal entities carrying out activities related to the organization of lotteries;
- 6) a trusted person entrusted with the management of ordinary partnership affairs - on the activities carried out within the framework of the ordinary partnership agreement;
- 7) legal entities owning vacant buildings, non-residential structures and unfinished objects, as well as unused production areas, when a conclusion is made in accordance with the procedure established by law that they are being used inefficiently;
- 8) to legal entities performing the construction of facilities (except for current and capital repairs) at the expense of centralized financing sources;
- 9) to permanent sales outlets for the retail sale of alcohol products, including beer;
- 10) markets and shopping complexes;
- 11) organizations of tax consultants;
- 12) to audit organizations;
- 13) to non-profit organizations, including budget organizations.

Value Added Tax in Singapore is known as Goods and Services Tax (GST).

GST was introduced in Singapore in 1994 to reduce the share of direct taxes, initially at a rate of 3 percent, 7 percent from 2007 to 2022, 8 percent in 2023, and 9 percent from 2024.

In Singapore, the object of taxation under GST is determined by the presence of four components, and the main focus is the place of sale of goods and services in Singapore:

- (1) any taxable goods or services are sold,
- (2) If the sale is made in Singapore,
- (3) if such realization is made by the taxpayer,
- (4) if it is allowed to carry out entrepreneurship (business) in the process.

The Service explains that when deciding whether to comply with the fourth of these terms, the following six facts are taken into account:

1. Can a person's activity be recognized as "serious and stable work"? If the lack of primary focus on profit in the activity itself is recognized as not being a business for the purposes of the considered norm, then the above norm is not considered an entrepreneurial activity.
2. whether such activity is actively carried out and has a reasonable period;
3. whether the delivery is a regular and ongoing business process;
4. whether the activity is based on reasonable and generally accepted business principles;
5. whether the main purpose of the activity is to supply taxable consumers for payment;
6. whether such supplies are similar to supplies normally made by persons for profit.

The tax rate is currently 9 percent for the main one and 0 percent for exports.

Almost all sales of goods and services in Singapore are subject to this GST tax.

Sale and lease of immovable property, as well as import and domestic sale of precious metals and certain licensed financial services, as well as services falling under the category of international services, are also exempt from GST.

Export of goods is subject to GST rate of 0%.

Singapore, like Uzbekistan, has two different procedures for the transition to GST payment.

#### **I. Mandatory Registration.**

A legal entity must register as a GST payer only if one of the following two conditions is met:

1. At the end of each quarter (March, June, September, December) when turnover exceeds S\$1 million during the last 12 months.
2. When turnover is expected to exceed S\$1 million within the next 12 months (for example, due to sales contracts entered into).

#### **Optional registration.**

A legal entity may voluntarily register as a GST payer only if one of the following conditions is met:

1. When the annual turnover does not exceed S\$1 million.
2. When the manufactured products are destined for export only.
3. If the provided services are only financial services and are directed to export.

The advantage of voluntary registration is that the enterprise will be able to deduct (credit) the amount of incoming GST.

After registering as a GST payer, the company starts selling its products (services) at the GST rate.

At the same time, the GST included in the amount of goods purchased for the further sale of products or services by the company is taken into account (deducted). Thus, only the value added at each stage of production or provision of services is subject to VAT.

The difference is that a Singaporean company that sells only zero-rated goods can apply to the tax authorities for exemption from the GST registration process even if its turnover exceeds S\$1 million.

In this case, even if the exemption permit is obtained, the enterprise that is not registered as a GST payer will be able to deduct (ie take into account) the amount of incoming GST.

This procedure allows the enterprise to deduct (credit) the amount of GST paid without going through the process of registration as a GST payer.

It is worth noting that a business registered as a GST payer can deregister as a GST payer after at least two years from the time of registration. (In the Republic of Uzbekistan, re-entry is allowed after 12 months.)

In this case, the enterprise must keep documents related to GST payment for at least five years. At the same time, the enterprise is obliged to comply with any additional conditions imposed by the tax authorities.

As in Uzbekistan, there are zero-rate GST and GST-exempt turnovers, where companies dealing mainly with exempted goods cannot recover GST input in Singapore.

In addition, importing enterprises must obtain an appropriate import permit. In Singapore, when calculating GST on imported goods, the tax base is calculated by including the amount of transportation costs, excise tax (if the goods are exempt) and customs duty.

Social tax:

In the Republic of Uzbekistan, legal entities of the Republic of Uzbekistan, legal entities that are non-residents of the Republic of Uzbekistan carrying out activities in the Republic of Uzbekistan through a permanent establishment, representative offices and branches of foreign legal entities, and certain categories of natural persons in the Tax Code are considered social tax payers.

It should be noted that the obligation to pay the social tax is mainly imposed on the employer.

Determination of the social tax base is defined as the amount of expenses paid in accordance with Article 371 of the Tax Code.

| S/n | Tax payers   | Tax rates, in percentages |
|-----|--|---------------------------|
| 1.  | Tax payers, with the exception of those referred to in paragraphs 2-4  | 12                        |
| 2.  | Budget organizations   | 25                        |
| 3.  | Associations "SOS - Children's Neighborhoods of Uzbekistan".   | 7                         |
| 4.  | Taxpayers who use the labor of persons with disabilities working in specialized workshops, plots and enterprises | 4,7                       |

Citizens and residents of Singapore are subject to compulsory social security contributions, i.e. as a general rule, employers pay social security contributions at a rate of 17% and employees - 20% of their monthly salary up to S\$6,000, plus additional overtime (such as annual bonuses ), pays social contributions within defined limits.

Social contribution rates are set lower for citizens over 55 years of age and those with a monthly salary of up to SGD 750. Employers are required to pay an employee retraining fund of 0.2% of wages to employees earning up to S\$4,500 but not less than S\$2 per month.

Property tax:

In Uzbekistan, the obligation to pay property tax on immovable property is assigned to legal entities and individuals.

Legal entities pay property tax if they own a taxable object specified in Article 411 of the Tax Code.

The tax rate for legal entities is set at 1.5 percent.

The tax rate for objects whose construction has not been completed within the regulatory period is set at 3 percent.

The rate of 0.6 percent is set for public railways, main pipelines, communication and power transmission lines, as well as for structures that are an integral technological part of these

objects, as well as for real estate and unfinished construction objects, on the conservation of which the decision of the Cabinet of Ministers of the Republic of Uzbekistan has been adopted.

For individuals, property tax objects are as follows.

- 1) houses, apartments, country yard buildings;
- 2) non-residential real estate objects intended for business activity and (or) income;
- 3) unfinished non-residential facilities.

The tax base is the cadastral value of taxable objects determined by the state registration body of rights to real estate.

There are a number of benefits for legal entities and individuals.

It is worth noting that according to the current Tax Code, regardless of how many real estates individuals purchase, property tax is paid based on the cadastral value of these properties or the assessed value of assessment organizations. That is, the rich can buy as many real estate objects as they want, and earn income by renting them out. Such an arrangement allows speculation in the real estate market by middlemen or the rich.

Another important point regarding the sale of property is that in Article 378, Item 7 of the Tax Code, the income received from the sale of residences owned by the taxpayer for less than thirty-six calendar months is subject to income tax at the rate of 12 percent. There are cases in which it contradicts the principle of fairness of the tax code.

In Singapore, unlike the Republic of Uzbekistan, real estate tax was introduced instead of property tax and land tax.

In Singapore, property tax is applied to houses, land and buildings.

Taxes must be paid in advance in January of each year according to the current tax rate and annual value of buildings (English name - Annual Value).

The annual value of immovable property is paid by the Inland Revenue Department (IRAS - Inland Revenue Authority of Singapore) from the value calculated each year based on their market value.

Often, the value of real estate objects is determined once a year, that is, at the beginning of the year. However, the Department of Internal Revenue has the authority to review the value of objects based on market conditions.

Property tax in Singapore is also taxed on the basis of ownership, but ownership is not the same as in most countries, but in the sense of tenancy, that is, whoever is renting out the property pays the property tax.

That is, according to the content of the definition, the basis for recognizing a person as a property tax payer is not the fact of receiving rent payments, but the existence of such a right.

However, based on the above definition of taxpayer, we can conclude that if the same property is rented out two or more times, each of the renters can be recognized as a property tax payer in respect of this property. actually results in multiple payment of property tax by different persons in respect of the same property.

As can be seen from the above, property tax in Singapore is defined as the obligation to pay property tax through the existence of the right to receive income from the rental of the property, abandoning the concept of "owner" of the property.

In particular, such a mechanism makes it unprofitable to use two or more residential buildings for personal (non-commercial) purposes, and also excludes the attractiveness of investment activities in the Singapore real estate market, as compared to the second and subsequent real

estate. real estate objects, property tax is levied at a higher rate, because such objects are recognized as leased for tax purposes by default.

We can say with confidence that such a measure is justified in terms of the limited territory of Singapore as an island nation and the rational and full use of available real estate.

Tax rate:

- from 0 percent to 16 percent of the annual price of real estate used by the owner for personal living;
- a tax rate of 10 to 20 percent of the annual value of real estate not used for personal living is applied.

The 0% rate for residential properties is usually paid by individuals with an annual value of up to S\$8,000.

It can be seen that the property tax burden may be completely absent or insignificant for the owners of residential buildings with a low annual rental value, and at the same time it can be significant for the owners of condominiums (plots) and private apartments. Determining the progressive rate of property tax in such a manner ensures the implementation of the principle of fair or equal taxation.

If each of the married spouses is the owner of one or more residential buildings, for such spouses, only one of all residential buildings owned by the spouses is recognized as a residence for real estate tax purposes. Thus, only one of the spouses is entitled to benefit from the reduced rate of real estate tax, which applies only to one of the flats/houses owned by him.

A progressive tax rate of 10 percent to 20 percent applies to residential buildings that are not used by homeowners for residential purposes, such as those that are rented out or used as investment properties.

The 10 percent rate applies mainly to residential properties with an annual rental value of less than S\$30,000.

A flat property tax rate of 10% applies to non-residential properties, regardless of whether they are owner-occupied, rented or vacant (which is very rare in Singapore).

By setting a higher tax rate for non-residential objects compared to residential buildings, we can see that the state demands a higher tax rate for the share of profits from the use of non-residential premises for business, trade and other activities.

In addition to the above taxes, in order to coordinate the housing market in Singapore, a stamp duty (gerbovyi sbor) has been introduced as part of property transactions.

In Singapore, the second introduced tax on property, or rather, on transactions concluded with it, is the stamp duty (gerbovyi sbor), which is a tax levied on certain types of legal and commercial documents.

The object of taxation of stamp duty is a written document clearly specified in Annex 1 of the Law No. 378 "On State Duties".

If such instrument is signed within the territory of Singapore or if it is signed outside Singapore but relates to property located in Singapore or to a transaction or act performed in that country. Singapore and received (imported/imported) in Singapore.

Such documents include the following:

- renting property;
- purchase and sale of property, including securities;
- collateral obligations (mortgage);

- distribution of property;
- free transfer (donation) of property and other documents.

Stamp duty payers are persons who draw up and sign documents that are subject to taxation. According to the rule, the person who is obliged to pay the fee must be clearly indicated in this document.

The taxable base for state duty is determined individually for each case, as a rule, it depends on the type and value of the property (its payment), the transaction and action related to the document that is the subject of taxation.

Thus, according to the lease agreement, the declared or rental payment amount (whichever is higher), according to the sale agreement - the market value of the property or the value stipulated in the terms of the transaction (whichever is higher) is considered as the taxable base.

If the lease agreement is signed for a period of more than 4 years, the determined tax base is calculated with a 4-fold increase. Such a method was introduced in order to force contracts to be concluded annually based on the market conditions.

- the rate of stamp duty for the sale and gift of property (excluding securities) is 1% of the first 180,000 Singapore dollars, 2% of the next 180,000 Singapore dollars, and 2% of the rest 3 percent is paid by both the buyer and the recipient;
- when buying securities, the buyer must pay a state duty in the amount of 0.2% of the declared or market value (whichever amount is greater);

Pledge contracts must be paid in the amount of 0.2% or 0.4% of the value of the property.

Based on the above comparison of the tax system of the Republic of Uzbekistan and the tax system of Singapore, the following changes should be made to the Tax Code of the Republic of Uzbekistan and tax legislation.

1. The impact of changes in tax policy, i.e. changes in the tax burden on the taxpayer, must not be significant for each taxpayer, and such changes should be introduced once every 3 or 5 years as much as possible. Such a procedure does not encourage the taxpayer to reconsider the long-term business plans of investors and ensures the stability of the tax system.
2. While maintaining the current 12 percent tax rate on personal income tax, the introduction of income tax payments of 25 percent on the part exceeding this amount for those whose total annual income exceeds 300 million soums, and continuing this classification, the system of submitting declarations on their total income at the end of the year to do
3. Under the slogan of one residential facility per family, introducing property (or real estate) tax rates up to 7-10 times higher than that, while maintaining current tax rates for such residential facilities.
4. Relying on the experience of developed countries and effectively using the achievements of IT technologies, transferring all individuals to the system of annual general declaration submission.

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