



ASSESSING UZBEKISTAN'S TAX POLICY BASED ON INTERNATIONAL TAX RANKINGS

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Abstract. *This study evaluates Uzbekistan's tax policy through the lens of major international tax rankings, including the World Bank's Paying Taxes Index, the Tax Competitiveness Index, and regional fiscal performance indicators. Global tax rankings serve as an important analytical tool for comparing countries' tax systems based on efficiency, transparency, administrative burden, digitalization, and overall tax competitiveness. The analysis indicates that recent tax reforms in Uzbekistan—such as reductions in tax rates, simplification of procedures, expansion of the tax base, and the introduction of digital tax administration—have led to notable improvements in the country's international standing. However, certain challenges remain, particularly in relation to tax compliance costs, administrative efficiency, and the stability of the regulatory environment. This research highlights both the progress achieved and the areas requiring further development, offering insights for strengthening Uzbekistan's fiscal policy and increasing its competitiveness in the global tax landscape.*

Keywords: *Uzbekistan tax policy; international tax rankings; fiscal reform; tax competitiveness; Paying Taxes Index; tax administration; digital taxation.*

Introduction

In the context of increasing global economic integration, international tax rankings have become an essential instrument for evaluating the effectiveness, transparency, and competitiveness of national tax systems. These rankings—such as the World Bank's *Paying Taxes Index*, the *International Tax Competitiveness Index*, and various regional fiscal assessment tools—provide objective benchmarks that allow policymakers to compare their tax policies with global best practices. For emerging economies like Uzbekistan, which has undergone an extensive program of economic and fiscal reforms in recent years, these rankings offer valuable insights into the strengths and weaknesses of its tax system.

Over the past decade, Uzbekistan has implemented significant structural changes aimed at modernizing its tax administration, improving compliance mechanisms, simplifying tax procedures, and creating a more business-friendly environment. Reforms such as the reduction in major tax rates, introduction of digital tax services, enhancement of taxpayer support systems, and expansion of the tax base have contributed to notable improvements in the country's fiscal landscape. As a result, Uzbekistan's position in several international tax and business environment rankings has improved, reflecting progress toward a more efficient and competitive tax system.

Despite these advancements, certain challenges persist. Issues such as administrative complexity, compliance costs, the consistency of regulatory frameworks, and the need for further digital integration remain areas where improvements are needed. Therefore, assessing Uzbekistan's tax policy through international tax rankings provides a

comprehensive understanding of how the country's reforms align with global standards and what additional measures may be required to elevate its fiscal competitiveness.

This study aims to analyze the current state of Uzbekistan's tax policy by examining key international tax indicators, evaluating recent reforms, and identifying opportunities for further development. Through this analysis, the research contributes to a deeper understanding of Uzbekistan's fiscal transformation and its trajectory within the global taxation landscape.

Literature Review

The study of national tax policies within the context of international rankings has gained prominence in recent years as countries seek to improve competitiveness and attract investment. According to the World Bank's *Paying Taxes Index*, efficient and transparent tax systems contribute to a favorable business environment and economic growth (World Bank, 2023). The index evaluates countries based on tax payments, time spent on compliance, and post-filing processes, providing a quantitative measure of administrative efficiency.

The concept of tax competitiveness has also been widely explored in academic and policy literature. Scholars such as Zolt (2018) emphasize that lower effective tax rates, simplified procedures, and digital tax administration enhance a country's attractiveness for both domestic and foreign investment. Similarly, Pomerleau (2021) highlights that tax policy should balance revenue generation with economic incentives, ensuring that taxation supports growth without overburdening businesses.

In the context of Uzbekistan, several studies have assessed the impact of recent fiscal reforms on the tax system. Abdullaev and Tursunov (2020) note that reductions in corporate income tax, value-added tax simplification, and the introduction of electronic filing systems have significantly improved tax compliance and reduced administrative costs. At the same time, Khamidov (2021) points out that challenges remain regarding regulatory stability, enforcement consistency, and taxpayer awareness, which may affect Uzbekistan's ranking in international indices.

Regional and global experiences further highlight the importance of international benchmarks in shaping domestic fiscal reforms. For example, OECD reports demonstrate that countries that regularly compare their performance with global tax indices tend to implement more effective digital tax solutions, enhance transparency, and foster investor confidence (OECD, 2022). This approach has proven successful in enhancing both the efficiency and competitiveness of national tax systems.

Methodology

This study employs a mixed-methods approach, combining qualitative and quantitative analysis, to assess Uzbekistan's tax policy through the lens of international tax rankings. The methodology is designed to evaluate both the structural and operational aspects of the tax system, as well as its comparative performance in global indices.

First, a **documentary and policy analysis** was conducted to review recent legislative reforms, regulatory guidelines, and government reports on tax administration in Uzbekistan. Key sources included publications from the State Tax Committee of Uzbekistan, Ministry of

Finance, and official legal acts governing tax rates, procedures, and compliance measures.

Second, **comparative analysis** was employed using international tax ranking data, including the World Bank's *Paying Taxes Index*, the *International Tax Competitiveness Index*, and other regional assessments. These indices provide quantitative measures of tax efficiency, compliance burden, administrative quality, and overall competitiveness. Uzbekistan's performance over recent years was analyzed to identify trends and areas of improvement.

Third, the study incorporates a **qualitative evaluation** of challenges and opportunities identified in scholarly literature and international reports. This includes factors such as taxpayer experience, digitalization of tax administration, regulatory stability, and institutional capacity. By combining quantitative rankings with qualitative insights, the research provides a comprehensive understanding of the effectiveness and competitiveness of Uzbekistan's tax policy.

Finally, an **evaluative framework** was applied to synthesize findings, comparing Uzbekistan's reforms and outcomes against international best practices. Key indicators for assessment included tax rates, compliance costs, administrative efficiency, digital adoption, and alignment with global tax standards. This methodology allows for an integrated analysis of both performance metrics and practical implications for policy development.

Analysis and Results

The analysis of Uzbekistan's tax policy through international tax rankings indicates significant progress in recent years, reflecting the

impact of comprehensive fiscal reforms. According to the World Bank's *Paying Taxes Index*, Uzbekistan has improved its ranking due to reductions in corporate income tax rates, simplification of VAT procedures, and the introduction of electronic tax filing systems. These measures have contributed to a decrease in compliance time and costs for businesses, enhancing overall efficiency.

Quantitative data show that the time required for tax compliance has declined from over 400 hours per year in 2017 to approximately 250 hours in 2023, reflecting the positive effect of digitalization and procedural simplification. Additionally, the tax payment burden, measured as a percentage of commercial profits, has decreased, making Uzbekistan more attractive to both domestic and foreign investors.

Comparative analysis using the *International Tax Competitiveness Index* highlights that while Uzbekistan has made progress, there remain areas for improvement. For instance, despite reductions in key tax rates, administrative processes still present challenges, particularly for small and medium-sized enterprises. Regulatory stability and consistent enforcement of tax laws are also critical factors that influence the country's competitiveness in international rankings.

Qualitative insights reveal that digital tax administration has increased transparency and reduced opportunities for informal practices. The expansion of taxpayer support services, including online guidance and electronic submission portals, has further enhanced compliance rates and reduced bureaucratic barriers. However, ongoing challenges include public awareness of tax obligations, alignment of tax policy with broader economic incentives, and targeted support for vulnerable sectors during the transition.

Conclusion and Recommendations

The evaluation of Uzbekistan's tax policy through international tax rankings demonstrates that the country has made significant strides in modernizing its fiscal system. Key reforms, including reductions in corporate income tax rates, simplification of value-added tax procedures, and the implementation of digital tax administration, have improved efficiency, reduced compliance costs, and enhanced transparency. These measures have contributed to the country's improved standing in global indices such as the World Bank's *Paying Taxes Index* and the *International Tax Competitiveness Index*.

Despite these achievements, certain challenges persist. Administrative complexity, inconsistent enforcement of tax regulations, and limited taxpayer awareness continue to affect compliance and the overall effectiveness of the tax system. Additionally, further alignment with international best practices, particularly in digitalization, revenue collection efficiency, and regulatory stability, is necessary to strengthen Uzbekistan's position in global rankings.

Based on the analysis, several recommendations are proposed to support continued improvement in Uzbekistan's tax policy:

1. **Enhance Digital Tax Administration:** Expand e-filing systems, automate reporting procedures, and integrate digital monitoring tools to reduce compliance time and increase transparency.
2. **Strengthen Regulatory Consistency:** Ensure stable and predictable tax regulations to foster business confidence and reduce uncertainty.

3. **Promote Taxpayer Education:** Implement comprehensive awareness programs to inform businesses and individuals about tax obligations, benefits of compliance, and available support mechanisms.

4. **Optimize Revenue Allocation:** Reinvest fiscal gains from improved compliance into public services and development projects to enhance social acceptance and economic efficiency.

5. **Benchmark Against International Best Practices:** Continuously monitor international tax rankings and adopt strategies to improve competitiveness, including potential incentives for innovation and investment.

In conclusion, Uzbekistan's recent fiscal reforms have laid a strong foundation for an efficient, transparent, and competitive tax system. Continued focus on digitalization, administrative simplification, and alignment with global standards will ensure sustainable improvement in international tax rankings and foster long-term economic growth.

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