



# The procedure for tax control in the Republic of Uzbekistan

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## ABSTRACT

The article deals with the theoretical issues of tax audit. The nature of the tax audit norm included in the new Tax Code of the Republic of Uzbekistan is disclosed. The experience of organizing and conducting tax audits in foreign countries is given.

## Keywords:

financial control, tax audits, audit, tax audit, international auditing standards, report, conclusion, decision.

**Introduction:** The reforms carried out in our republic so far have covered all spheres and caused the development of spheres. In particular, regulatory documents have been developed for each type of activity, and methodological support for the industry has been created. In particular, the work carried out on tax audit shows that today there is sufficient methodological support for the audit. Laws and regulations adopted in this area indicate that that the methodological support of the industry has been created. In addition, the Resolution of the Republic of Uzbekistan dated December 9, 2019 "On the State Budget of the Republic of Uzbekistan for 2020" No. O'RQ-589 and dated December 30, 2019 "On Amendments to the Tax Code of the Republic of Uzbekistan and on Supplements" No. O'RQ-599, the President of the Republic of Uzbekistan No. PQ-4389 dated July 10, 2019 "Additional measures to improve tax administration and decisions dated December 30, 2019 "On measures to ensure the implementation of the Law of the Republic of Uzbekistan "On the State Budget of the Republic of Uzbekistan for 2020" in our country, regulatory documents are the basis for improving fiscal policy.

In the process of conducting a tax audit, they will comply with the Tax Code, the Regulation on the Procedure for Organizing and Conducting Tax Audits, approved by the Resolution of the Cabinet of Ministers dated January 1, 2021 No. 1, and other regulatory legal documents. In addition, when conducting a tax audit, the auditor must examine the compliance of the taxpayer with accounting, financial and statistical, banking and other documents, tax and financial reporting data, in which it will be necessary to reflect the goods sold and manufactured products. pay special attention to the full reflection of the implementation and volume of work performed in tax reporting. Employees of the State Tax Service, who are close relatives of the tax officials under investigation, are not entitled to conduct tax audits of these taxpayers. An employee involved in a tax audit in cases where a conflict of interest arises or may arise (a tax official and a taxpayer are in close contact with each other or are related to each other) must inform his immediate supervisor about this before the start of the audit and, if such a situation arises, another employee must be involved in the tax audit by the relevant supervisory authority. In

general, the auditor should approach taxpayers individually, depending on the type of activity and their specifics.

Employees of the tax audit department study these candidates within 10 days. Attention is drawn to the presence or absence of tax risks. Based on the results of the study, candidates in need of a tax audit are collected by industry and sent to the regional tax authorities, if the high level of risk is not confirmed, the list of taxpayers, along with reasonable information, is sent to the tax authorities. The tax audit will be returned to the Department of Risk Analysis and Segmentation of Taxpayers on the basis of the opinion of an employee of the Department.

The main stages of a tax audit include:

preliminary preparation for a tax audit;  
tax audit process;

the procedure for conducting a tax audit.

The expert conducts a preliminary study of candidates subject to tax audit, and prepares a plan for conducting a tax audit.

tax and accounting reporting, as well as other information provided by taxpayers to the tax authority;

availability of account numbers in offshore territories;

customs information on the value of imported goods;

results of in-house and on-site tax audits;

interaction of the taxpayer with other business entities created by the founders;

ownership of real estate and the presence of subsidiaries;

information provided by the competent authorities of foreign states within the framework of agreements on mutual exchange of information;

information obtained from websites, social networks and other information systems;

information on tax offenses provided by courts and law enforcement agencies (decisions, submissions and other documents);

appeals of individuals and legal entities about tax offenses;

information on the identified discrepancies between the indicators in the reports submitted by the taxpayer to the statistical authorities and the reports submitted to the tax authorities;

information provided by state bodies, institutions and organizations using software tools available to tax authorities. Analyzing the information available in the tax authorities, the inspector collects information on other issues assigned to the tax authorities. The term of preliminary examination of taxpayers before the audit is carried out by advance notice, based on the level of tax risk, from the moment the list of candidates is received by the territorial tax audit authorities. no later than thirty working days and no later than ten working days for taxpayers in respect of whom a tax audit is carried out without notice. The exchange of documents within the framework of a tax audit is carried out in the following order:

The notification is sent electronically to the taxpayer's personal account.

If the taxpayer does not have a personal account, the documents are sent by registered mail.

This notification contains a list of documents required for the audit, and the order of the head (deputy head) of the tax authority is issued within thirty calendar days from the date of sending the notification to the taxpayer.

The auditor draws up an audit program based on the results of the pre-inspection study of taxpayers subject to tax audit.

A tax audit program may include:

organizational and legal form of the taxpayer;

the main activity of the taxpayer;

sources of income of taxpayers and their reflection in accounting registers;

cost structure, business case, cost write-off, cost write-off criteria, approval of calculations and regulations;

a preliminary list of documents and information required for a tax audit (indicated in the notification);

tables that must be filled in by the taxpayer to be used in the calculation of tax.

Inspection of the territory and building of the tax audit point is carried out as follows. The inspector leaves and inspects the territory or building of the inspected person in accordance with the procedure established by Articles 144 and 145 of the Tax Code of the Russian Federation. In addition, in paragraphs

175-230 of the Regulation on Tax Risk Management, Identification of Taxpayers (Tax Agents) with Tax Risk and Organization and Conduct of Tax Audits, approved by Resolution of the Cabinet of Ministers dated January 7, 2021 No. 1, Inventory of goods and material assets is carried out in accordance with the established procedure. Attention is paid to the technical condition of the means of protection and preservation of useful physical properties of property (warehouses, refrigerators, fire alarms, etc.). When inspecting, it is advisable to use photo and video equipment. Visual observation can show that the property in a technically unusable condition in the image is actively used in accounting. In the event that objects related to taxation are located in another territory, the inspection of these objects, inventory of the taxpayer's property and control over compliance with trade rules are carried out by the head of the tax authority at the location of the object on the basis of the request of the inspectors may be carried out by officials of the tax authorities at the location of the object in accordance with the order (deputy). Based on the results of the inspection of the territory and buildings, an act will be drawn up.

When conducting a tax audit, it is necessary to check the accuracy of the taxpayer's reporting. In this case, taking several reports, their arithmetic is checked, for example, the amount of sales registers, the amount of payments, the amount of expenses, etc.

When the auditor begins to work with the documents submitted by the taxpayer, it is necessary to pay attention to how his general business activities were completed. If the general economic activity of the taxpayer ended with the receipt of profit, and dividends were paid to the founders, then the business activity of the taxpayer can be calculated positively. On the other hand, if the general economic activity of the taxpayer is unprofitable, then the income and expenses of the taxpayer are checked and analyzed. The ratio of the cost of goods sold to the proceeds from the sale of goods (services) excluding excise tax and value added tax gives the profitability of the products sold.

If the profitability of the goods (services) sold is low, and the main activity of the taxpayer is unprofitable, not covering its costs, then the price of the goods (services) sold is compared with the price of exactly the same (of the same type) goods (services).

When analyzing the taxpayer's income, attention is paid to the following:

how much (in percentage) the margin of goods (services) sold in comparison with their cost;

formation of the cost of goods (services) sold;

How to check that the primary input and output documents are reflected in the accounting registers?

At this stage, the auditor must verify compliance with the requirements of the Law of the Republic of Uzbekistan "On Accounting" and national accounting standards. At the same time, the correctness of the taxpayer's accounting registers and the procedure for determining the tax base are checked. Accounting registers are journals, registers, notebooks, certified forms (forms), which are maintained in accordance with the rules of two-way entry. Registers can be made by means of entries in the form of typewritten texts obtained by technical means, as well as electronic media - magnetic tapes, disks, floppy disks and other machines. All transactions (income and expenses) related to the financial and economic activities of the taxpayer must be reflected in the accounting registers. Accounting registers are formed on the basis of primary input and output documents. A tax audit is carried out by studying the accounting, financial, statistical, banking and other documents of the taxpayer and comparing them with tax reporting. The factors of increase or decrease in terms of increase or decrease in income, cost of production, expenses of the period in the context of quarters (years) are analyzed. The factors of the taxpayer's losses will also be studied and the reasons for their occurrence should be established.

The tax audit report shall be drawn up by the auditor in at least three copies.

The following information should be reflected in the tax audit report:

date of drawing up the tax audit report - the date of signing the act by the persons who conducted this audit;

full and abbreviated name or surname, name, patronymic of the subject. In the case of inspection of a legal entity at the location of its separate subdivision, in addition to the name of the legal entity, the full and abbreviated name of the inspected subdivision and its location shall be indicated;

surname, name, patronymic of the persons who conducted the tax audit, indicating the name of the tax authority they represent, their positions;

date and number of the order of the head (deputy head) of the tax authority to conduct a tax audit;

a list of documents submitted by the inspected person during a tax audit;

the period of the tax audit;

the name of the tax in respect of which the tax audit was conducted;

the date of the beginning and end of the tax audit;

the address of the place of residence of the legal entity or the place of residence of the natural person;

information on tax control measures carried out during the tax audit;

a detailed description of the tax offense with reference to the relevant provisions of tax legislation, conclusions and proposals based on the results of the tax audit.

Signing of the tax audit report, measures taken in case of refusal to sign, submission of the document to the taxpayer, registration of the document with the tax authority, consideration of objections on the basis of the tax audit act and the procedure for making a decision on the basis of the Tax Code.

### Conclusions and suggestions:

The study of the procedure for tax control in the Republic of Uzbekistan allows us to draw the following conclusions:

Tax control is one of the main tools of the state in ensuring the fulfillment of tax obligations by taxpayers and combating tax crimes.

In the Republic of Uzbekistan, tax control is carried out by tax authorities, which conduct inspections of taxpayers in order to identify the facts of tax offenses.

To increase the efficiency of tax control in the Republic of Uzbekistan, it is necessary to improve tax legislation, improve methods and technologies of tax administration, and improve the skills of tax officials.

Interaction between tax authorities and taxpayers is also important, including by informing taxpayers about tax control procedures and tax obligations.

To ensure more effective tax control in the Republic of Uzbekistan, it is also necessary to improve the system of collection, processing and analysis of tax information, introduce modern technologies in tax administration, as well as monitor and analyze the effectiveness of tax measures.

Based on the analysis, the following measures can be proposed to improve the procedure for tax control in the Republic of Uzbekistan:

Development and improvement of legislation in the field of taxes, including with the aim of increasing the responsibility of taxpayers for violations of tax rules.

Professional development of tax authorities and improvement of methods and technologies of tax administration.

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