

TAXATION SYSTEM OF COMMERCIAL BANKS IN UZBEKISTAN

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Abstract

It is known that commercial banks, due to their position in the financial system, are a necessary part in ensuring the correct and timely tax payments to the budget, which certainly affects the economy as a whole. The article discusses the taxation of profits of commercial banks in Uzbekistan and in developed countries. For this, financial reports of commercial banks in Uzbekistan and other scientific resources are analyzed, and end of the article has been given some conclusion and recommendations

Keywords: bank, tax, tax system, income, payments, taxpayer.

Introduction

There are many tax systems in the world today. The main task of this article is to understand the features of the system of paying taxes by commercial banks in Uzbekistan and compare it with the tax system in other countries. The theoretical and methodological basis of this study are normative and legislative acts, information on consolidated financial statements, accounting balance sheets and data submitted to the holders of shares of a particular organization, articles in economic and financial publications in Uzbekistan, electronic resources with material on this topic, study guides, materials and necessarily the results of studies. All this will allow you to see the most extensive picture of how effective the tax system for commercial banks in Uzbekistan is. The banking services market today is one of the key, whose specialization includes banks. A bank is a credit institution that is accredited to carry out banking operations: placing funds on its own behalf and at its own expense subject to repayment, urgency, payment, maintaining and opening bank accounts of individuals and legal entities, attracting foreign currency deposits legal entities and individuals. The most important thing for the proper functioning of the banking system is the development of a tax payment system for organizations engaged in credit operations. Other organizations engaged in credit operations in the Republic of Uzbekistan and banks have difficulty with taxation, largely dealing with the unresolved and inconsistent nature of certain aspects of the tax law. The Bank

undertakes to pay several types of taxes of local, regional and federal scale. Taxes of the federal scale: value added tax, personal income tax, etc., regional scale: property tax, transport tax and other, local taxes: land tax.

Let us briefly consider some examples of taxes. 1. Corporate income tax. According to the tax legislation of the Republic of Uzbekistan, this type of taxation represents real profit, which remains at the disposal of the bank after deducting current expenses. 2. Value added tax. It is worth noting that for the most part banking services are not taxed due to the fact that partly bank tariffs are not based on cost, but they are directly affected by the level of risks and competition. 3. Corporate property tax. Such a tax system is applicable to banking property, both movable and immovable, owned. 4. Land tax. Payment of this tax takes place only when the building in which the bank office is located is in the personal property of the bank. For a commercial bank, profit is the financial result of its activities. Moreover, the basic principle of the bank's activity is commercial settlement, i.e. revenues should cover all current expenses and create funds for its development. Definition of the final results of the bank's activities (profit or loss) is made in accordance with a decision adopted by the bank or documented. During the reporting period, profit or loss is formed on an accrual basis; at the end of this period, income tax is paid to the budget. In all developed countries of the world taxes on profit or income of legal entities are established. Despite the similarity of the concepts of "income" and "profit", there is a fundamental difference between them. If profit means the result of economic activity, defined as the difference between income and expenses incurred in the framework of this activity, then in the absence of additional indications, in most cases we mean only the direct revenue of the taxpayer without taking into account the expenses incurred.

The bank's income does not include the amounts of positive revaluation of funds in foreign currency received as payment for the authorized capital of banks, as well as insurance payments received under insurance contracts in case of death or disability of the borrower of the bank, to the extent of the borrower's debt on borrowed (credit) funds and accrued interest paid off (forgiven) by the bank at the expense of the specified insurance payments. The tax base for tax purposes is the monetary expression of profit. Income and expenses of the taxpayer are recorded in cash. In determining the tax base, taxable profits are calculated on an accrual basis from the beginning of the tax period. If a taxpayer incurs a loss in a reporting (tax) period, then in this reporting (tax) period the tax base is recognized as zero. Calculation of the tax base for the reporting (tax) period is



compiled by the payer independently. Taxpayers calculate the tax base based on the results of each reporting tax period based on tax accounting data. Tax accounting is a system of summarizing information for determining the tax base for tax on the basis of primary documents grouped in accordance with the procedure provided for by tax legislation.

Tax accounting is carried out in order to generate complete and reliable information on the accounting procedure for taxation of business transactions carried out by a taxpayer during the reporting (tax) period, as well as providing information to internal and external users to monitor the correctness of tax calculation and payment to the budget. The tax accounting system is organized by the taxpayer independently, based on the principle of the sequence of application of the norms and rules of tax accounting, i.e. applied sequentially from one tax period to another. The procedure for tax accounting is established by the taxpayer in the accounting policy for tax purposes, approved by the relevant order (decree) of the head. A change in the accounting for certain business transactions and (or) facilities for tax purposes is carried out by the taxpayer in case of changes in legislation or the accounting methods used. Taxpayers-banks keep tax records of income and expenses received from (incurred in) banking activities, based on the reflection of operations and transactions in analytical accounting. There are certain features of the organization of tax accounting in banks. Moreover, under contracts whose validity does not exceed the reporting period, interest is paid on the date of recognition of income under the relevant contract. Under contracts with a validity period of more than a reporting period, income is recognized as received on the last day of each reporting period or on the payment date, if it was earlier. For government securities, part of the accumulated coupon income is included in income. Income is calculated as the difference between the amount of coupon income received from the buyer and the amount of coupon income paid to the seller, and this income is taxed in accordance with the terms of the contract. For periods of more than one quarter - on the last day of the reporting period.

Analytical accounting of income and expenses on business transactions is carried out in the context of each contract with a reflection of the date and amount of the advance (paid) advance received and the period during which the specified amount relates to income and expenses. Commission fees for correspondent services paid by a taxpayer, cash settlement services, opening accounts with other banks and other similar operations are charged to expenses as of the date of transaction, if settlements for each specific transaction are provided for in the



agreement, or for the last day of the reporting (tax) period. In a similar manner, the taxpayer keeps records of income related to the settlement and cash services of customers. In our opinion, the share of taxes in the formation of the revenue of the state budget of the Republic of Uzbekistan is high, and it is advisable to recognize the contribution of commercial banks.

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