

Article

Improving The Methodology of Tax Accounting and Taxation of Large Taxpayers in The Republic of Uzbekistan

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Abstract: The article examines the methodological foundations of tax accounting and taxation of large taxpayers in the Republic of Uzbekistan, a segment that provided 61.8% of all tax revenues collected in 2024. Using legal-document analysis, concentration analysis (CRk and Herfindahl-Hirschman indices), comparative institutional analysis and methodological modelling, the study traces the evolution of large-taxpayer criteria from 2018 to the reforms of Presidential Decree PF-95 of 19 May 2026, and assesses the fiscal concentration of the segment. The results show an extremely high dependence of the budget on a narrow group of mainly state-owned mining and energy enterprises: one taxpayer accounted for 28.8% of large-taxpayer payments and 17.8% of all tax revenues in 2024, while the twenty largest taxpayers accounted for about 64% of the segment. It is established that the current methodology is dominated by size-based classification, lacks a standardised reconciliation between IFRS financial results and taxable profit, and relies on a voluntary, time-limited form of tax monitoring. As a result, the article proposes an integrated methodology comprising a Large Taxpayer Significance Index for multi-criteria segmentation, a standard book-to-tax reconciliation schedule, an integrated compliance risk score for audit selection, and a transition to continuous co-operative compliance based on assessment of a taxpayer's tax control framework. The proposals are aimed at reducing the tax gap and compliance costs and increasing the predictability of budget revenues.

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1. Introduction

Liquidity In economies undergoing structural transformation, the revenue base of the state budget is typically concentrated in a relatively small number of large enterprises operating in extractive industries, energy, telecommunications, banking and the production of excisable goods. The Republic of Uzbekistan is a clear example of this pattern. According to data of the Tax Committee used in the World Bank's assessment of the national tax administration reform, large taxpayers paid 123,175.6 billion UZS, or 61.8% of the 199,449.1 billion UZS of taxes collected in 2024 [1]. In the first half of 2025 the Interregional State Tax Inspectorate for Large Taxpayers collected 56.4 trillion UZS, i.e. about 55% of all tax revenues of the period [2]. Consequently, the quality of the methodology applied to the tax accounting and taxation of this segment determines, to a decisive degree, the stability of public finances.

The strategic importance of this issue is reflected in the national policy agenda. The Development Strategy “Uzbekistan – 2030” sets the objectives of increasing the transparency of the tax system, reducing the shadow economy and strengthening the revenue base of budgets [3]. Presidential Decree PF-95 of 19 May 2026 introduced new criteria for large taxpayers from 1 July 2026, established a category of “super-large” taxpayers from 1 January 2027 and instructed the Tax Committee to introduce a risk differentiation framework for large taxpayers by July 2027 [4]. These changes create both an opportunity and a need to rethink the methodological basis on which the tax liabilities of large enterprises are measured, recorded, reported and controlled.

Despite the progress achieved since the adoption of the new Tax Code [5], several methodological problems remain unresolved. First, the classification of large taxpayers is still based predominantly on size indicators (revenue, tax payments, number of employees) and sectoral lists, while the complexity of transactions and the compliance behaviour of the taxpayer are not taken into account. Second, although large taxpayers have been obliged to prepare financial statements under International Financial Reporting Standards (IFRS) since 2021 [6], there is no standardised methodology for reconciling IFRS profit with the tax base, which generates information asymmetry and disputes. Third, tax monitoring, as a modern form of tax control, remains voluntary and limited in time [7], and therefore has not become a system-wide mechanism of co-operative compliance.

The aim of this study is to develop scientifically grounded proposals for improving the methodology of tax accounting and taxation of large taxpayers in Uzbekistan. To achieve this aim, the following objectives were set: (1) to generalise theoretical approaches to the taxation and administration of large taxpayers, (2) to analyse the evolution of the legal criteria for large-taxpayer status, (3) to assess the fiscal weight and concentration of the segment, (4) to identify methodological gaps in tax accounting and tax control, and (5) to propose an integrated methodology and practical recommendations.

Literature review

The theoretical foundation of large-taxpayer taxation lies at the intersection of the economics of tax compliance, the theory of tax administration and the accounting literature on book-tax differences. The classical deterrence model of M. Allingham and A. Sandmo explains the taxpayer’s decision as a choice under uncertainty, in which compliance depends on the probability of detection and the penalty rate [8]. For large taxpayers this model is only partially applicable: their accounts are externally audited, their transactions leave extensive documentary trails, and the probability of detection is structurally higher. The “slippery slope” framework of E. Kirchler, E. Hoelzl and I. Wahl complements the deterrence approach by showing that compliance results from the interaction of the power of tax authorities and taxpayers’ trust in them [9], the further development of this idea by K. Gangl, E. Hofmann and E. Kirchler distinguishes coercive from legitimate power and substantiates a service-oriented, trust-based style of administration [10].

In the modern theory of tax administration, J. Slemrod summarises the evidence that enforcement instruments, third-party information and the design of administrative procedures are as important for revenue as tax rates [11]. M. Keen and J. Slemrod formalise the concept of optimal tax administration and show that the marginal return on administrative effort should be compared with the marginal social cost of the resources and compliance burden it creates [12]. This conclusion is particularly relevant to large taxpayers, for whom the marginal revenue from administrative effort is highest.

Empirical studies confirm the effectiveness of specialised administration of large firms. The review by K. Baer, prepared for the International Monetary Fund, summarised the experience of countries that established large taxpayer offices and showed that such units improve revenue control, service quality and the piloting of new administrative methods [13]. M. Almunia and D. Lopez-Rodriguez, using data from Spain’s Large Taxpayers Unit, found that firms bunch below the revenue threshold for enhanced

monitoring, i.e. the threshold itself changes firms' behaviour, and that monitoring increases reported tax liabilities [14]. M. C. Basri, M. Felix, R. Hanna and B. Olken demonstrated for Indonesia that the assignment of firms to tax offices with more intensive administration more than doubled their tax payments, and that administrative improvements can raise revenue as much as substantial increases in tax rates [15]. E. Dabla-Norris and co-authors established that the quality of tax administration is positively associated with firm performance in developing countries [16].

The accounting literature concentrates on the divergence between financial (book) income and taxable income. M. Desai showed that the growing gap between book and tax income in the United States cannot be fully explained by known accounting differences and is partly associated with tax sheltering [17]. M. Hanlon and S. Heitzman [18] and J. Graham, J. Raedy and D. Shackelford [19] systematised the research on book-tax differences and accounting for income taxes, showing that these differences carry information about both earnings quality and tax aggressiveness. L. Mills and G. Plesko substantiated the need for a more informative, standardised reconciliation of book and tax income [20], a reconciliation of this kind was subsequently implemented in the United States as Schedule M-3. These studies form the methodological basis of the book-to-tax reconciliation proposed in this article.

International organisations have developed the concept of co-operative compliance. The OECD defines it as a relationship between the tax administration and large taxpayers based on transparency on the part of the taxpayer and on commercial awareness, impartiality, proportionality and responsiveness on the part of the administration [21], and links the depth of this relationship to the quality of the taxpayer's tax control framework [22]. The concept of Tax Administration 3.0 envisages the embedding of tax processes into the natural business systems of taxpayers [23], while the OECD comparative series documents that most administrations operate dedicated large-taxpayer offices and co-operative compliance programmes [24].

In the national literature, attention has been paid mainly to the organisational aspects of large-taxpayer administration. In particular, X. Bekmetov proposes the digitalisation of the Interregional Tax Inspectorate for Large Taxpayers, reduction of the human factor in the selection of audit candidates and the development of tax monitoring based on partnership [25]. U. Imanova showed that the financial stability of regions and the revenue side of local budgets depend on the tax potential of territories and on a clear mechanism for distributing taxes collected above the plan between levels of the budget system [26]. In a later study, U. Imanova and A. Rahmatov analysed how the division of business entities into small, medium and large categories under Decree PF-21 of 10 February 2023 allows the state and commercial banks to target their support [27], this supports the idea that differentiated treatment by size category is also applicable in tax administration. However, the relationship between tax accounting methodology (the formation of the tax base from IFRS-based records), segmentation criteria and risk-based tax control has not yet been studied as an integrated system. The present article seeks to fill this gap.

2. Materials and Method

The study is based on a systemic approach and combines four groups of methods. First, legal-document analysis was applied to the Tax Code of the Republic of Uzbekistan [5], the Regulation on the criteria for classifying legal entities as large taxpayers (registered by the Ministry of Justice under No. 3172 on 12 July 2019, as amended) [28], Cabinet of Ministers Resolution No. 736 of 20 November 2020 on tax monitoring [7], Presidential Resolution PQ-4611 of 24 February 2020 on the transition to IFRS [6], the Concept for Improving Tax Policy approved by Decree PF-5468 of 29 June 2018 [29] and Decree PF-95 of 19 May 2026 [4].

Second, statistical and concentration analysis was carried out on official data of the Tax Committee for 2024–2025 [30, 2, 31] and on the World Bank project documentation [1]. The concentration of the large-taxpayer segment was measured by the concentration ratio CR_k (the share of the k largest taxpayers in the total payments of the segment) and a lower-bound estimate of the Herfindahl–Hirschman index (HHI):

$$CR_k = \sum_{i=1}^k T_i / T_LTP, \quad HHI = \sum_{i=1}^n (100 \cdot T_i / T_LTP)^2 \quad (1)$$

where T_i is the amount of taxes paid by the i -th large taxpayer and T_LTP is the total amount of taxes paid by all large taxpayers. Since individual data are published only for the twenty largest taxpayers, the HHI obtained is a lower-bound estimate.

Third, comparative institutional analysis was used to compare the Uzbek tax monitoring regime with the Russian tax monitoring system [32] and the OECD co-operative compliance model [21, 22]. Fourth, methodological modelling, grouping and multi-criteria scoring were used to develop the proposed indices and the reconciliation schedule. The proposed weights are presented as initial expert values to be calibrated on the administrative data of the Tax Committee.

3. Results

3.1. Evolution of the criteria for large-taxpayer status

The analysis shows that the methodology for identifying large taxpayers in Uzbekistan has changed several times over a short period (Table 1). The 2018 model used three simultaneous quantitative criteria expressed in minimum wages, in 2019 it was replaced by a combination of sectoral lists and a single revenue threshold of 100 billion UZS, in 2024 the threshold was indexed to the base calculation amount (BCA) and supplemented by a minimum headcount, and from 1 July 2026 the key criterion became the amount of taxes paid together with a minimum of 100 employees [28, 4].

Table 1. Evolution of the criteria for classifying legal entities as large taxpayers in Uzbekistan

No	Period and legal act	Main quantitative criteria	Entities classified as large taxpayers regardless of size	Status retained
1	2018, Regulation No. 3023 of 18.06.2018	taxes paid – not less than 200 thousand minimum wages, turnover – not less than 300 thousand minimum wages, assets – not less than 100 thousand minimum wages (all three at the same time)	not provided	1 year
2	2019, Regulation No. 3172 of 12.07.2019	net revenue over 100 billion UZS per year	producers of excisable goods, banks, exchanges, NMMC, AMMC, PSA participants	3 years
3	From 02.07.2024, amendments to Regulation No. 3172	net revenue over 735 thousand BCA and at least 10 employees	insurance companies and Uzbekistan Railways added, cotton-textile, textile and alcohol wholesale firms excluded	3 years

No	Period and legal act	Main quantitative criteria	Entities classified as large taxpayers regardless of size	Status retained
4	From 01.07.2026, Decree PF-95	taxes and payments not less than 240 thousand BCA (about 98.9 billion UZS) and at least 100 permanent employees	banks, insurers, exchanges, tobacco producers, mobile operators, airlines, listed state enterprises, subsoil users, PSA participants, foreign e-service providers	set by the new regulation
5	From 01.01.2027, Decree PF-95	“super-large” taxpayers: taxes and non-tax payments over 500 thousand BCA (about 206 billion UZS) in the previous 12 months	list approved by the President	–

Source: Compiled by the author on the basis of [28, 4]. BCA – base calculation amount (412,000 UZS).

Three conclusions follow from Table 1. First, there is a positive shift from turnover to tax contribution as the main criterion: the amount of tax paid reflects the fiscal significance of a taxpayer and the potential revenue loss in case of non-compliance better than turnover does. Second, the introduction of a “super-large” category from 2027 (at least 500,000 BCA of annual payments, or about 206 billion UZS at the BCA of 412,000 UZS) creates, for the first time, a differentiated tier within the segment. Third, none of the models takes into account transactional complexity (cross-border related-party transactions, group structure, use of tax incentives) or the compliance history of the taxpayer, although international practice regards these factors as key determinants of administrative risk [13, 24]. In addition, sharp single thresholds may encourage firms to bunch just below them, as was empirically documented for Spain [14], the three-year retention of status after a firm falls below the criteria only partly mitigates this effect.

3.2. Fiscal weight and concentration of the large-taxpayer segment

Table 2 presents the key indicators of the fiscal significance of large taxpayers calculated by the author from official data.

Table 2. Fiscal weight and concentration of large taxpayers in Uzbekistan

No	Indicator	Unit	Value
1	Total tax revenues, 2024	trln UZS	199.4
2	Taxes paid by large taxpayers, 2024	trln UZS	123.2
3	Share of large taxpayers in total tax revenues, 2024	%	61.8
4	Number of large taxpayers (Tax Committee data), 2024	units	949
5	Share of NMMC in payments of large taxpayers (CR1)	%	28.8
6	Share of NMMC in total tax revenues	%	17.8
7	Share of the four largest state-owned taxpayers (CR4)	%	44.7

No	Indicator	Unit	Value
8	Share of the ten largest state-owned taxpayers (CR10)	%	57.0
9	Share of the twenty largest taxpayers (10 state-owned and 10 private)	%	64.0
10	Herfindahl–Hirschman index (lower estimate, 19 taxpayers)	points	970
11	Share of the Inspectorate for Large Taxpayers in tax revenues, first half of 2025	%	55.0

Source: Calculated by the author on the basis of [1, 30, 2].

The results indicate an extremely high degree of concentration. In 2024, 949 large taxpayers, representing a negligible share of registered legal entities, provided 61.8% of all tax revenues. Within the segment, the ten largest state-owned enterprises paid 70.3 trillion UZS (57.0%), and together with the ten largest private taxpayers the top twenty accounted for about 64% of segment payments. A single taxpayer, the Navoi Mining and Metallurgical Combinat (NMMC), paid 35.5 trillion UZS, which equals 28.8% of large-taxpayer payments and 17.8% of all tax revenues of the country [30]. The lower-bound HHI of about 970 points, calculated for only 19 taxpayers with published data, already approaches the threshold of moderate concentration commonly used in competition analysis. The structure of payments of the ten largest state-owned taxpayers is shown in Figure 1.

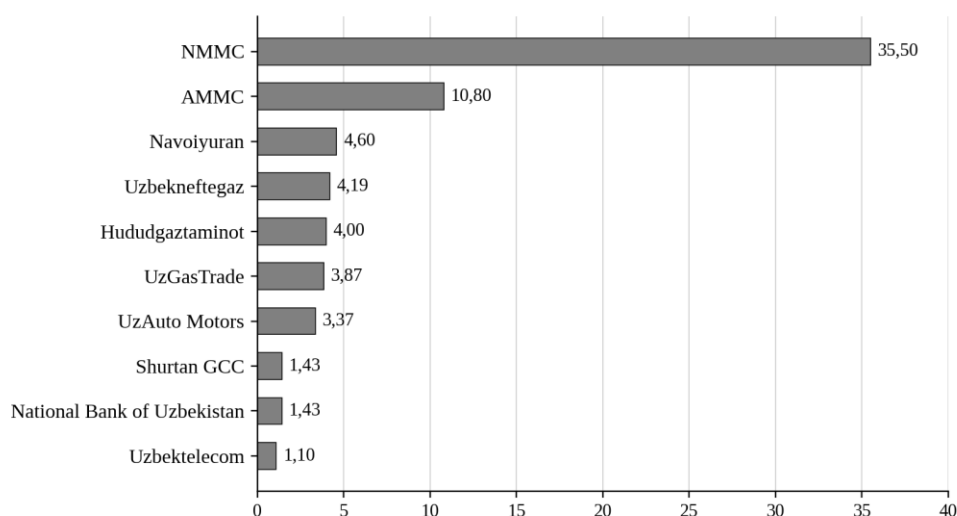


Figure 1. Taxes paid by the ten largest state-owned large taxpayers of Uzbekistan in 2024, trillion UZS

Source: Compiled by the author based on Tax Committee data [30].

From a methodological point of view, this concentration has two important implications. First, the budget is exposed to price shocks in the world markets of gold, copper, uranium and natural gas, because the tax base of the largest payers (corporate income tax, subsoil use tax, dividends) is directly linked to commodity prices. The dynamics of 2025 confirm this: corporate income tax became the largest source of budget revenue, reaching 72.3 trillion UZS and growing by 37%, while subsoil use tax grew by 28% [31]. Second, the traditional tools of tax control (on-site audits after the reporting period) are ineffective for such taxpayers: an error in the tax base of a single super-large taxpayer can change the revenue of the whole budget by tenths of a percentage point of

GDP, and therefore requires preventive, real-time control. Moreover, since part of these revenues is allocated to regional and local budgets, fluctuations in the payments of a few taxpayers directly affect the financial stability of the regions where they operate [26].

3.3. Methodological problems of tax accounting of large taxpayers

Tax accounting of large taxpayers in Uzbekistan is formed under conditions of a dual accounting system. Pursuant to Resolution PQ-4611, joint-stock companies, commercial banks, insurance organisations and legal entities classified as large taxpayers prepare financial statements in accordance with IFRS [6], while the tax base is determined by the rules of the Tax Code [5], which were historically linked to national accounting standards. As a result, large taxpayers in practice maintain three layers of information: IFRS accounts, national accounting data and tax registers. The analysis made it possible to identify the following methodological gaps.

First, there is no standard form for reconciling IFRS profit before tax with taxable profit. The tax authority receives the tax return and the financial statements, but the bridge between them (permanent and temporary differences, non-deductible expenses, tax incentives, transfer pricing adjustments) is not disclosed in a structured form. This makes desk audits inefficient and increases the number of discrepancies identified at the pre-audit analysis stage. Second, information on deferred tax assets and liabilities, recognised in accordance with IAS 12, is not used by the tax authority as an analytical indicator, although the literature shows that book-tax differences are an informative signal of tax planning intensity [18, 19]. Third, the consolidated group of taxpayers regime and advance pricing agreements, available since 2022, require group-level accounting methodologies that are not yet standardised. Fourth, the exchange of data between taxpayers' ERP systems and the information systems of the tax authority is fragmented, which contradicts the principle of Tax Administration 3.0 of embedding tax compliance in the natural systems of business [23].

3.4. Tax control of large taxpayers: risk-based audits and tax monitoring

Tax control in Uzbekistan is exercised in two forms: tax audits and tax monitoring. The selection of audit candidates is based on a comprehensive risk management system, according to the World Bank, in 2024 all audit candidates were selected on the basis of risk analysis, 674 candidates with a total risk amount of 4,928.4 billion UZS were identified, and 152 audits of large taxpayers with a total risk amount of 1,887.1 billion UZS were completed [1]. At the same time, the VAT compliance gap decreased from 40% in 2023 to 30.5% in 2024 [1], which confirms the effectiveness of data-driven administration but also shows the considerable remaining potential.

Tax monitoring was introduced by Resolution No. 736 of 20 November 2020. It is available on a voluntary basis to legal entities with annual revenue of at least 10 billion UZS, begins on 1 January of the year following the application and ends on 1 July of the next year [7]. A comparison with foreign practice is given in Table 3.

The comparison shows that, in contrast to the Russian model, in which the number of participants reached 737 in 2025 and their payments accounted for 38% of federal budget revenues [32], the Uzbek model of tax monitoring is a period-limited form of control rather than a permanent relationship. It does not require an assessment of the taxpayer's internal tax control system, which, according to the OECD, is the key precondition for reliance by the tax authority on the taxpayer's own controls [22].

Table 3. Comparison of tax monitoring models

Feature	Uzbekistan	Russian Federation	OECD recommendations (co-operative compliance)
Legal basis	Tax Code, Cabinet of Ministers Resolution No. 736 (2020)	Tax Code of the Russian Federation, Section V.2	OECD reports of 2013 and 2016
Who may participate	voluntary, legal entities with annual revenue of at least 10 billion UZS	voluntary, since 2025 – revenue and assets of at least 800 million RUB, taxes of at least 80 million RUB	large and multinational companies ready for full transparency
Duration	fixed: from 1 January of the next year to 1 July of the following year	continues until the taxpayer withdraws	permanent relationship
Internal tax control system	not assessed	assessed by the tax authority	main condition of participation
Access to data	documents on request, sent electronically	online access to the company's information systems	access in real or near-real time
Coverage	small number of participants	737 participants in 2025, 38% of federal budget revenues	programmes operate in most OECD countries

Source: Compiled by the author on the basis of [7, 32, 21, 22, 24].

The comparison shows that, in contrast to the Russian model, in which the number of participants reached 737 in 2025 and their payments accounted for 38% of federal budget revenues [32], the Uzbek model of tax monitoring is a period-limited form of control rather than a permanent relationship. It does not require an assessment of the taxpayer's internal tax control system, which, according to the OECD, is the key precondition for reliance by the tax authority on the taxpayer's own controls [22]. In addition, as analyses of legal disputes show, taxpayers are concerned that information provided during monitoring may later be used in audits, which reduces their willingness to participate [33]. Consequently, the potential of co-operative compliance for large taxpayers remains largely unused.

Proposed methodology for the tax accounting and taxation of large taxpayers

Based on the results of the analysis, an integrated methodology consisting of four interrelated blocks is proposed (Figure 2): multi-criteria segmentation, standardised tax accounting, integrated risk assessment and continuous co-operative compliance.

I. SEGMENTATION OF LARGE TAXPAYERS

Large Taxpayer Significance Index (LTSI): fiscal weight, transactional complexity and compliance history
Groups: super-large taxpayers, large taxpayers, taxpayers under tax monitoring



II. TAX ACCOUNTING

- 1) reconciliation of IFRS profit with taxable profit (standard schedule),
- 2) disclosure of deferred taxes under IAS 12 to the tax authority,
- 3) a single standard of data exchange between the taxpayer's ERP system and the tax authority.



III. RISK-BASED TAX CONTROL

- 1) integrated compliance risk score (ICRS),
- 2) sectoral benchmarks: effective tax rate, book-tax gap, related-party transactions, VAT refunds,
- 3) separate treatment of low-, medium- and high-risk taxpayers.



IV. CO-OPERATIVE COMPLIANCE (CONTINUOUS TAX MONITORING)

assessment of the taxpayer's tax control framework – online access to tax data – advance rulings and pricing agreements – resolution of issues instead of audits for low-risk super-large taxpayers



EXPECTED RESULTS

lower compliance and administrative costs, greater legal certainty, smaller tax gap, stress-testing of budget revenues from super-large taxpayers

Figure 2. Integrated methodology for the tax accounting and taxation of large taxpayers
Source: developed by the author.

A. Multi-criteria segmentation: Large Taxpayer Significance Index

It is proposed to supplement the size-based criteria established by Decree PF-95 with a Large Taxpayer Significance Index (LTSI), calculated annually for all taxpayers exceeding the basic thresholds:

$$LTSI_i = 0.50 \cdot FW_i + 0.30 \cdot TC_i + 0.20 \cdot CH_i \quad (2)$$

where FW_i is the fiscal weight of the taxpayer (taxes and mandatory payments of the previous 12 months, normalised by min-max scaling within the population of large taxpayers), TC_i is transactional complexity (a normalised composite of the share of related-party and cross-border transactions in turnover, the number of entities in the group, and the value of tax incentives used), and CH_i is the compliance history (the inverse of a normalised composite of arrears, additional assessments and disputes over the previous three years). All components take values from 0 to 1. Taxpayers with the highest LTSI values within the super-large category would be assigned to individual account managers and priority inclusion in co-operative compliance, while taxpayers slightly exceeding the thresholds would be administered with standard methods. A smooth, index-based gradation of administrative intensity reduces the incentive to bunch below a single threshold identified in the literature [14].

B. Standard book-to-tax reconciliation schedule

To eliminate information asymmetry between IFRS reporting and the tax return, it is proposed to introduce, as an appendix to the annual corporate income tax return of large

taxpayers, a standard reconciliation schedule based on the logic of the US Schedule M-3 and the proposals of L. Mills and G. Plesko [20]. Its structure is presented in Table 4.

Table 4. Proposed schedule for reconciling IFRS profit with taxable profit (appendix to the corporate income tax return of a large taxpayer)

Line	Item	What is shown in the line
1	Profit before tax under IFRS	taken from the audited IFRS statement of profit or loss
2	Adjustments for the scope of consolidation	results of companies not included in the tax group, intra-group eliminations
3	Non-deductible expenses	expenses not allowed for deduction by the Tax Code, by type
4	Non-taxable income	income exempt from tax or not included in the tax base, by type
5	Temporary differences	depreciation, provisions, fair value changes, leases (IFRS 16), revenue recognition, must agree with deferred tax movements under IAS 12
6	Transfer pricing adjustments	adjustments of prices in controlled transactions to the market level
7	Tax incentives	incentives used, with reference to the legal act and amount
8	Losses of previous years	losses carried forward and used in the reporting year
9	Unexplained difference	should be zero, any other amount is treated as a risk signal
10	Taxable profit under the Tax Code	line 1 adjusted by lines 2–9, must equal the amount in the return

Source: developed by the author on the basis of [20, 19].

The reconciliation schedule performs three functions. For the taxpayer, it formalises the methodology of tax accounting and links tax registers to the IFRS general ledger. For the tax authority, it enables automated desk analysis: an unexplained residual (line 9) or a sharp change in the structure of differences becomes a risk signal. For fiscal analysis, the aggregated data make it possible to estimate the cost of tax incentives and the effective tax rate of the segment. It is expedient to supplement the schedule with a disclosure of deferred tax assets and liabilities by type of temporary difference, in accordance with IAS 12, and to transmit it in a machine-readable format through an API between taxpayers' ERP systems and the information systems of the Tax Committee.

C. Integrated compliance risk score

In order to implement the risk differentiation framework provided for by Decree PF-95 [4], it is proposed to use an integrated compliance risk score (ICRS) based on indicators derived from tax accounting data (Table 5):

$$ICRS_i = \sum_k w_k \cdot s_{ik}, \quad \sum_k w_k = 1, \quad 0 \leq s_{ik} \leq 1 \quad (3)$$

where s_{ik} is the normalised value of the k -th risk indicator for taxpayer i (calculated relative to the sectoral distribution), and w_k is the weight of the indicator.

Table 5. Indicators of the integrated compliance risk score (ICRS) and their initial weights

No	Indicator	Calculation	Weight
1	Deviation of the effective tax rate from the sector median	difference between the company's ETR and the sector median ETR, divided by the sector median	0.20
2	Gap between IFRS profit and taxable profit	(IFRS profit before tax – taxable profit) / total assets	0.20
3	Related-party and cross-border transactions	controlled transactions / revenue	0.15
4	Intensity of VAT refunds	VAT refunded / VAT charged on sales	0.15
5	Instability of tax payments	coefficient of variation of quarterly payments not explained by sector trends	0.10
6	Weakness of the internal tax control system	1 – maturity score of the tax control system	0.10
7	Compliance history	arrears, additional assessments and disputes for the last 3 years	0.10
	Total		1.00

Source: developed by the author.

To ensure continuity with the existing practice of risk categorisation, it is proposed to use the thresholds already applied in Uzbekistan: an ICRS below 0.30 corresponds to low risk, from 0.30 to 0.80 to medium risk and above 0.80 to high risk. For low-risk taxpayers, on-site audits should be replaced by co-operative compliance, for medium-risk taxpayers, the notification mechanism introduced from 1 July 2026 should be applied (an audit is waived if deficiencies are remedied within one month) [4], for high-risk taxpayers, targeted audits focused on specific risk areas should be carried out. The weights in Table 5 are initial expert values, after accumulating data, they should be recalibrated using the analytic hierarchy process or supervised machine learning models on the results of completed audits.

D. Transition to continuous co-operative compliance

It is proposed to transform tax monitoring for super-large taxpayers from a voluntary, 18-month procedure into a continuous co-operative compliance regime based on the following principles: (a) admission is conditional on an independent assessment of the maturity of the taxpayer's tax control framework according to OECD guidance [22], (b) the tax authority receives online access to tax-relevant data in exchange for a waiver of retrospective on-site audits for the periods covered, (c) the taxpayer discloses material uncertain tax positions in advance, and the tax authority provides a reasoned opinion within a fixed period, (d) information provided in the course of monitoring may not be used to impose penalties for positions disclosed in good faith. These principles correspond to the "trust and legitimate power" logic of the slippery slope framework [9, 10] and to the international experience summarised above.

Finally, given the high concentration of revenues identified in section 4.2, it is recommended that the Ministry of Economy and Finance, together with the Tax Committee, conduct an annual stress test of budget revenues from super-large taxpayers, estimating the change in corporate income tax, subsoil use tax and dividend revenues under alternative commodity price scenarios. This would link tax administration with medium-term budget planning.

4. Discussion

The results obtained are consistent with international evidence that the intensity and quality of administration are key factors of revenue from large firms [15, 14]. At the same time, the proposed methodology involves certain trade-offs. The introduction of a reconciliation schedule increases the reporting burden, however, for large taxpayers already preparing IFRS statements the additional cost is limited, since the necessary information is available in deferred tax calculations. The transition to co-operative compliance requires significant investment in the qualifications of tax officers and in the IT infrastructure, and it presupposes a sufficient level of mutual trust. The risk of “regulatory capture” in the relationship between the tax authority and dominant, mainly state-owned taxpayers should be mitigated by transparent criteria, rotation of account managers and internal audit of the tax authority.

The limitations of the study are related to data availability: individual data are published only for the largest taxpayers, so the concentration indices represent lower-bound estimates, and the weights of the proposed indices require empirical calibration on confidential administrative data. These limitations determine the direction of further research, which should include econometric testing of the ICRS on audit outcomes and an assessment of the effect of the new criteria established in 2026 on the behaviour of taxpayers near the thresholds.

5. Conclusion

This The study leads to the following conclusions and proposals.

1. Large taxpayers are the backbone of Uzbekistan’s budget: in 2024 they provided 61.8% of tax revenues, with the twenty largest payers accounting for about 64% of segment payments and a single taxpayer for 17.8% of all tax revenues. This concentration makes the methodology of their tax accounting and taxation a matter of fiscal security.
2. The criteria for large-taxpayer status have evolved from turnover-based to tax-contribution-based, and from 2027 a super-large tier will be introduced, however, the criteria do not reflect transactional complexity and compliance history. It is proposed to introduce a Large Taxpayer Significance Index (formula 2) for differentiating administrative intensity within the segment.
3. The absence of a standardised bridge between IFRS profit and taxable profit is the main methodological gap in the tax accounting of large taxpayers. It is proposed to introduce a mandatory book-to-tax reconciliation schedule (Table 4) with disclosure of deferred taxes and machine-readable transmission via an ERP–tax API.
4. For the implementation of the risk differentiation framework required by Decree PF-95, an integrated compliance risk score (formula 3, Table 5) based on tax accounting indicators is proposed, together with differentiated treatment of low-, medium- and high-risk taxpayers.
5. Tax monitoring should be transformed for super-large taxpayers into a continuous co-operative compliance regime, with admission conditional on the maturity of the tax control framework and with legal guarantees for information disclosed in good faith, this should be complemented by annual stress testing of budget revenues from super-large taxpayers.

The implementation of these proposals will help reduce the tax gap and the administrative and compliance costs, increase legal certainty for investors and improve the predictability of budget revenues in line with the goals of the “Uzbekistan – 2030” Strategy.

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