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COMPARATIVE ANALYSIS OF TAX INSPECTION EFFICIENCY: EXPERIENCE OF UZBEKISTAN AND CHINA

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Abstract. This paper provides a comparative analysis of tax inspection efficiency in Uzbekistan and China. It explores China's experience in applying digital technologies such as big data and artificial intelligence to enhance fiscal transparency and compliance. Uzbekistan's recent reforms—including the "E-Soliq" and "Soliq-3" platforms, staff training, and legal simplification—are also discussed. The study concludes that both countries prioritize digital transformation and preventive control, while Uzbekistan can further benefit from China's data integration and analytical practices.

Keywords: Tax inspection, efficiency, digitalization, China, Uzbekistan.

Annotatsiya. Maqolada O'zbekiston va Xitoy tajribasi asosida soliq nazorati samaradorligi tahlil qilinadi. Xitoyda "Big Data" va sun'iy intellekt texnologiyalaridan foydalanish orqali shaffoflikni oshirish yondashuvlari, O'zbekistonda esa "E-Soliq" va "Soliq-3" tizimlari, xodimlar malakasini oshirish hamda huquqiy soddalashtirish choralari ko'rib chiqiladi. Tadqiqot natijasiga ko'ra, har ikki davlat raqamlashtirish va profilaktik nazoratni ustuvor yo'nalish sifatida belgilagan.

Kalit so'zlar: soliq nazorati, samaradorlik, raqamlashtirish, Xitoy, O'zbekiston.

Аннотация. В статье проводится сравнительный анализ эффективности налогового контроля в Китае и Узбекистане. Рассматривается опыт Китая по использованию технологий «Big Data» и искусственного интеллекта, а также реформы Узбекистана, включающие платформы «E-Soliq» и «Soliq-3», повышение квалификации кадров и упрощение законодательства. Отмечается, что обе страны ориентированы на цифровизацию и профилактический контроль.

Ключевые слова: налоговый контроль, эффективность, цифровизация, Китай, Узбекистан.

Introduction. Tax inspection plays a vital role in ensuring the fairness and effectiveness of a nation's tax system. In China, tax inspection has evolved as a central mechanism for maintaining fiscal discipline, combating tax evasion, and promoting compliance. With rapid economic transformation and digital development, Chinese tax authorities have focused on improving inspection efficiency through informatization, integration of big data, and technological innovation. However, challenges such as insufficient data sharing, uneven inspector quality, and outdated institutional structures still hinder optimal performance. Consequently, enhancing tax inspection efficiency has become a strategic goal in China's fiscal governance reforms.

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In Uzbekistan, tax inspection plays a crucial role in ensuring fiscal stability and the principles of fair taxation. In recent years, the country has implemented broad reforms aimed at modernizing tax policy, increasing transparency, and creating a more favorable environment for businesses. In particular, the process of digitalization in tax control has developed rapidly, with the introduction of electronic reporting systems, online cash registers, and the "E-Soliq" digital platform. These innovations have enabled real-time monitoring of taxpayers' activities and have strengthened tax discipline.

Definition of Tax Inspection

In China, tax inspection is defined as an administrative law enforcement activity carried out by the Tax Inspection Bureau under the authority of relevant tax laws and regulations. It focuses on supervising and verifying the tax-related behavior of taxpayers, withholding agents, and other entities within its jurisdiction. The main objective is to ensure that tax obligations are fulfilled in accordance with the law and to detect and address violations such as underreporting or tax evasion.

According to the current Tax Code of the Republic of Uzbekistan, tax inspection is a form of state administrative activity carried out by tax authorities to verify compliance of taxpayers, tax agents, and other obligated persons with the requirements of tax legislation. The primary objective of tax inspection is to ensure the correct calculation and timely payment of taxes and other mandatory payments, thereby safeguarding the completeness of budget revenues.

Main Work Content of Tax Inspection

In China, the tax inspection process consists of four major stages: case source management, inspection management, trial management, and enforcement management. These stages form a closed-loop system that integrates data management, inspection, adjudication, and enforcement.

In Uzbekistan, the process of tax inspection represents a systematic activity aimed at ensuring the full and timely fulfillment of tax obligations. It is carried out through several key forms of control that collectively strengthen tax discipline, stabilize budget revenues, and promote transparency in taxpayers' activities. The main forms include desk (cameral) audits, field inspections, thematic reviews, and tax monitoring.

Tax Inspection Efficiency

In China, the concept of tax inspection efficiency refers to the extent to which tax inspection activities achieve the desired outcomes in terms of compliance, fiscal returns, and administrative performance. It encompasses both quantitative and qualitative dimensions that measure resource utilization and broader social impact.

In Uzbekistan, the efficiency of tax inspection serves as one of the key indicators of fiscal policy performance, reflecting both the effectiveness of tax authorities and the practical impact of ongoing tax reforms. Efficiency is assessed through a combination of quantitative indicators (additional taxes, penalties, enforcement recovery) and qualitative measures (accuracy of inspections, inspector competence, taxpayer trust, and compliance level).

Existing Problems in Improving Tax Inspection Efficiency

In China, challenges include insufficient informatization, uneven personnel quality, institutional inefficiencies, inadequate legal enforcement, and an underdeveloped social credit system. These systemic issues jointly constrain inspection efficiency.

In Uzbekistan, despite progress in fiscal reform, structural challenges remain. Major problems include incomplete integration of information systems, limited professional qualifications of

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inspectors, complex legal frameworks, transparency issues, and regional disparities in infrastructure. Addressing these requires stronger digital transformation, improved training, and enhanced trust between taxpayers and tax authorities.

Measures for Improving Tax Inspection Efficiency

China has implemented comprehensive measures including digital transformation, personnel training, institutional streamlining, legal reinforcement, and the development of a social credit system to improve inspection efficiency.

In Uzbekistan, key measures include:

- digitalization through platforms like “E-Soliq”, “Soliq-3”, and “my.soliq.uz”;
- capacity building of tax personnel via modern training programs;
- legal reforms with a simplified Tax Code;
- transparency policies within the State Tax Committee;
- development of regional infrastructure; and
- open communication initiatives such as “Taxpayer Day” and online advisory services.

These efforts have led to improved efficiency, higher revenues, and increased taxpayer awareness.

Conclusion. In both China and Uzbekistan, tax inspection reform reflects a shared commitment to efficiency, transparency, and fairness in taxation. The digitalization of tax administration and capacity building of personnel have become central priorities. Uzbekistan, learning from China’s experience, continues to expand electronic auditing, apply AI-based analysis, and strengthen preventive control. Moving forward, priorities include deeper integration of big data and AI technologies, expanding international tax information exchange, and developing innovative training for inspectors. Overall, these reforms are fostering a transparent and innovation-driven tax environment that supports sustainable economic growth.

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