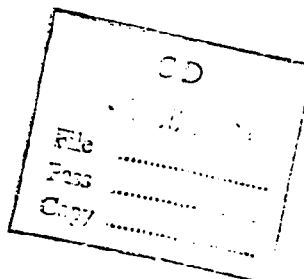


FACSIMILE TRANSMISSION

9th June, 1994

To: Chris Duffy, BATCo.
Fax No.: 00-44-784-448391
cc: Neil Bruce-Miller BATCo.
Simon Smith
Jim Caudill BAT Industries
From: William Wells, Schroders



William Wells

PROJECT UMPIRE: Excise and VAT reform proposals.

Yesterday afternoon, Jim Caudill and Claire Pearce met Mr. Abdukadirov of the Ministry of Finance to run through the terms of reference for the excise/VAT review. I understand that the principal comments he made were:

- he wanted the terms of reference in the CabMin Decree if at all possible, a stance we would support but I am doubtful that the terms will be included;
- he wanted to start work immediately because there is a meeting of the Soviet at the end of June to which he would like to put his (preliminary) proposals; and
- he expressed disappointment that he had not met with you again, claiming that he had made some requests for further meeting but that these had either been rejected or ignored - the first I think any of us had heard of this!

We have not yet agreed the wording of the CabMin Decree. I hope that we can meet with the Uzbeks this afternoon to do so. However, they are proving elusive and it is not clear to us if this is as a result of them getting their act together or not.

Regardless of what Abdukadirov thinks he asked of you or our side it looks as if it would be very helpful indeed if you could come out to Tashkent at the first available opportunity to meet with Abdukadirov to help him prepare for the Soviet. We will try to find out when the Soviet is expected to take place; in the meantime could you let me know when you could come out so that we can make appointments with the Ministry of Finance.

Many thanks.

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